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Gateway Lifestyle

Prospectus and product disclosure statement

Joint Lead Managers

MACQUARIE

UBS

GATEWAY LIFESTYLE

RESIDENTIAL PARKS

Important Information

This document is important and requires your immediate attention. You should read this document carefully and in its entirety before deciding whether to invest in Stapled Securities. In particular, you should pay careful consideration to the risk factors outlined in Section 6 and the tax implications in Section 11 of this document as they relate to your personal investment objectives, financial circumstances and needs.

This replacement prospectus and product disclosure statement ("**Offer Document**") replaces the prospectus and product disclosure statement dated and lodged with ASIC on 21 May 2015 ("**Original Offer Document**"). References to "Offer Document" in this document are references to the Replacement Offer Document.

Offer

The Offer contained in this Offer Document is an invitation to acquire fully paid Stapled Securities in Gateway Lifestyle and is comprised of the Broker Firm Offer, the Institutional Offer, the Priority Offer and the Employee Gift Offer. The Offer includes an invitation made by Gateway Lifestyle Operations Limited ABN 63 605 543 968 ("**Company**") for new fully paid ordinary shares in the Company, One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 ("**OMIFL**") in its capacity as the responsible entity of Residential Parks No.2 Trust ARSN 605 803 414 (the "**Trust**") for new fully paid ordinary units in the Trust and an invitation by Gateway SaleCo Limited ACN 604 817 343 ("**SaleCo**") to apply for existing Stapled Securities.

Proposed Transaction

Following the implementation of the Proposed Transaction, the assets of the Trust will be combined with the operating and management platform of the Company by way of stapling each Unit in the Trust to each Share in the Company and Listing the stapled group on the ASX ("**Gateway Lifestyle**").

Intended change to the responsible entity of the Trust

It is intended that Gateway Financial Services obtain an AFSL and be authorised to act as responsible entity of the Trust.

Once this authorisation has been obtained, it is further intended that OMIFL will retire as responsible entity of the Trust and that Gateway Financial Services will be appointed as the new responsible entity of the Trust.

Gateway Financial Services does not yet hold an AFSL and is in the process of applying to ASIC for an AFSL. The change of responsible entity will only occur after, and will not occur unless, Gateway Financial Services obtains an AFSL.

OMIFL will, in accordance with the relevant law, notify you before the proposed change of responsible entity of the Trust.

Expiry Date

No Stapled Securities will be issued or sold on the basis of this Offer Document more than three months after the application for Listing of the Stapled Securities on ASX under the code GTY is made (or any longer period permitted by law, and not exceeding 13 months after the date of the Original Offer Document).

Lodgement and Listing

This Offer Document is dated 28 May 2015 and was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date. The Company and OMIFL applied for the admission of Gateway Lifestyle to the Official List of ASX and the quotation of the Stapled Securities on ASX within seven days of lodgement of the Original Offer Document). Neither ASIC nor ASX takes any responsibility for the contents of this Offer Document.

Exposure period

The Corporations Act prohibits each of the Company, OMIFL and SaleCo from processing Applications in the seven day period after the date of lodgement of the Original Offer Document. This period may be extended by ASIC by up to a further seven days.

No cooling-off rights

Cooling-off rights do not apply to an investment in Stapled Securities pursuant to the Offer. This means that you will be unable to withdraw your Application once it has been accepted.

Electronic Offer Document and Applications

An electronic copy of this Offer Document may be viewed online at www.gatewaylifestyle.com.au by Australian investors during the Offer Period. If you access the Offer Document electronically please ensure that you download and read the Offer Document in its entirety. The Offer to which this Offer Document relates is only available to persons receiving this Offer Document (electronically or otherwise) in Australia and to Institutional Investors located in certain other jurisdictions. A paper form of this Offer Document can be obtained, free of charge, during the Offer Period by contacting the Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Offer Period.

Applications for Stapled Securities in Gateway Lifestyle can only be made by completing the Application Form attached to this Offer Document, or online, as applicable (refer to Section 8 for further information).

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this Offer Document in its paper form or the complete and unaltered electronic form.

Offer only in Australia and certain foreign jurisdictions

This Offer Document has been prepared to comply with the requirements of Australian law and is only being made to Retail Investors and Institutional Investors located in Australia and to certain investors in New Zealand, Hong Kong, Singapore, Switzerland and the UAE (refer to Section 12.18 of this Offer Document).

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Distribution of this Offer Document outside Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this Offer Document outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

Unless otherwise agreed with OMIFL, any person applying for Stapled Securities under the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Offer Document, and are not acting for the account or benefit of a person within such jurisdiction.

None of the Company, OMIFL, SaleCo, the Joint Lead Managers, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Offer Document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US State securities laws. See Section 12.18 for further details.

Updated information

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available on the Offer website at www.gatewaylifestyle.com.au, and Gateway Lifestyle will provide a copy of the updated information free of charge to any investor who requests a copy by contacting the Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Offer Period.

Financial information

Unless otherwise specified, all information contained in this Offer Document is believed to be current as at the date of this Offer Document.

All currency amounts are in Australian dollars unless otherwise specified.

This Offer Document includes forecast financial information based on the best estimate assumptions of the Directors. See "Forward-looking statements" below.

Independent valuations

This Offer Document contains information regarding the independent valuations of the Portfolio (among others) by Colliers International, Robertson & Robertson Consulting Valuers and Cosgraves Property Advisors conducted within the last six months. Valuations are a prediction of price, not a guarantee of current or future market value. By necessity, valuations require the valuer to make subjective judgements that, even if logical and appropriate, may differ from those made by a purchaser or another valuer.

Independent valuations are subject to a number of assumptions and conditions, including but not limited to:

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- that all properties are held with good and marketable title, free and clear of any or all liens, encumbrances, restrictions or other impediments of an onerous nature and that utilisation of the land is within the boundaries of the property lines with no trespass or encroachment;
- responsible ownership and competent property management;
- absence of any defects in engineering or presence of any hazardous waste and/or toxic material;
- compliance with all applicable federal, state and local environmental regulations and laws and all applicable zoning and use regulations and restrictions; and
- absence of any latent or unhidden conditions or defects on the property, subsoil or structures.

Property values can change substantially, even over short periods of time, and an independent valuer's opinion of value could differ significantly if the date of valuations were to change. A high degree of volatility in the market may lead to fluctuations in values over a short period of time.

Forward-looking statements

Certain "forward-looking statements" have been provided in this Offer Document. These statements can be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Preparation of these forward-looking statements was undertaken with due care and attention; however, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, OMIFL, SaleCo and their respective officers, employees, agents and advisers. Consequently, such factors may impact the performance of Gateway Lifestyle such that actual performance differs materially to any performance indicated in the forward-looking statements.

Some of the risk factors that impact on forward-looking statements in this Offer Document are set out in Section 6. No assurance can be provided that actual performance will mirror the guidance provided. Other than as required by law, none of the Company, OMIFL, SaleCo, their respective Directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Offer Document will actually occur. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Offer Document reflect the view held immediately before the date of this Offer Document, unless otherwise stated. Subject to the Corporations Act and any other applicable law, each of the Company, OMIFL, SaleCo and their respective Directors, officers, employees and advisers disclaims any duty to disseminate after the date of this Offer Document, any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Underwriting Agreement

Macquarie Capital (Australia) Limited ABN 79 123 199 548 and UBS AG, Australia Branch ABN 47 088 129 613 have been appointed by the Issuers as joint bookrunners, joint lead managers and underwriters to the Offer (the "**Joint Lead Managers**"), subject to certain terms and conditions stipulated within the Underwriting Agreement.

The Underwriting Agreement sets out a number of circumstances where the Joint Lead Managers may terminate the agreement and its obligations. For further information on the terms and conditions of the Underwriting Agreement you should refer to Section 12.5.6 of this Offer Document.

Photographs, diagrams and artist's renderings

Photographs, diagrams and artist's renderings contained in this Offer Document that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of this Offer Document or its contents by any person shown in these images. Furthermore, assets not accompanied by a description should not be interpreted as being owned by Gateway Lifestyle.

Diagrams used in this Offer Document are also intended for illustrative purposes and may not be drawn to scale.

Definitions, abbreviations and other information

In this Offer Document, unless a contrary intention is clearly indicated or the context requires, defined terms have the meaning attributed to them in the glossary (refer to Section 13).

Unless otherwise stated or implied, references to times in this Offer Document are references to Australian Eastern Standard Time. Similarly, references to dates or years in this Offer Document are financial years unless otherwise stated or implied.

Rounding of figures provided in this Offer Document may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Document.

Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company, OMIFL or SaleCo in connection with the Offer. Except as required by law, and only to the extend so required, neither the Company, OMIFL, SaleCo, nor any other person, warrants or guarantees the future performance of Gateway Lifestyle, the repayment of capital, or any return on any investment made pursuant to this information.

The Joint Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Offer Document and do not make or purport to make any statement in this Offer Document and there is no statement in this Offer Document which is based on any statement by the Joint Lead Managers. The Joint Lead Managers and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, any part of this Offer Document and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Offer Document.

Further questions

If you have any queries relating to aspects of this Offer Document please call the Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Offer Period.

Key Offer Information

Key offer statistics	
Offer Price per Stapled Security	$2.00
Number of new Stapled Securities to be issued under the Offer	115.8 million
Number of Stapled Securities to be sold by SaleCo under the Offer	74.9 million
Total number of Stapled Securities on issue at Completion of the Offer	249.4 million
Gross proceeds of the Offer to Gateway Lifestyle	$231.5 million
Gross proceeds of the Offer to SaleCo	$149.8 million
Market capitalisation at the Offer Price[1]	$498.8 million
Enterprise Value at the Offer Price[2]	$541.2 million

Key investment metrics	FY15	FY16
Forecast FY16 Distribution Yield per Stapled Security[3, 4]	n/a	6.3%
Enterprise Value to pro forma forecast EBITDA multiple[4]	19.82x	11.75x
Enterprise Value to pro forma forecast EBIT multiple[4]	22.15x	11.87x
Offer Price to pro forma forecast FY16 NPAT per Stapled Security multiple[4, 5]	n/a	12.05x

Notes:

1. Calculated as the total number of Stapled Securities on issue at Completion of the Offer multiplied by the Offer Price.
2. Calculated as Gateway Lifestyle's market capitalisation, based on the Offer Price, plus pro forma net debt (assuming $10.1 million cash is used to fund ongoing working capital) as at 31 December 2014 on Completion of the Offer.
3. Calculated as the forecast distribution per Stapled Security for FY16 which is based on the mid-point of Gateway Lifestyle's payout ratio of approximately 65% to 85% of Distributable Earnings divided by the Offer Price. The level of payout ratio is expected to vary between periods.
4. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 5, and is subject to the key risks set out in Section 6. There is no guarantee that forecasts will be achieved. Certain Financial Information included in this Offer Document is described as pro forma for the reasons described in Section 5.
5. This ratio is commonly referred to as a price earnings or PE ratio. The PE ratio is calculated as the Offer Price divided by pro forma forecast FY16 NPAT divided by the total Stapled Securities on issue on Completion of the Offer.

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Key portfolio and operating statistics

Number of Manufactured Home Estates ("**MHE**")	36
Total number of approved sites	5,861
Sites with a tenanted manufactured home in place	4,046
Sites available for new manufactured home sales	1,815
Additional sites available for new manufactured home sales (subject to DA approval)	357
Forecast average rent per manufactured home site in FY16	$141 per week
Forecast average sales price per manufactured home in FY16	$242,000
Number of manufactured home sales forecast to be settled in FY15	117 out of 14 MHEs
Number of manufactured home sales forecast to be settled in FY16	261 out of 24 MHEs

Important dates

Original Offer Document lodgement date	21 May 2015
Broker Firm Offer, Employee Gift Offer and Priority Offer open	29 May 2015
Broker Firm Offer, Employee Gift Offer and Priority Offer close	5 June 2015
Expected commencement of trading on a conditional and deferred settlement basis	11 June 2015
Allotment of Stapled Securities	15 June 2015
Commencement of trading on ASX on an unconditional and deferred settlement basis	16 June 2015
Commencement of trading on ASX on a normal settlement basis	17 June 2015

The dates above are indicative only and may change without notice. The Company, OMIFL and SaleCo reserve the right, with consent from the Joint Lead Managers, to vary the times and dates of the Offer including to close the Offer early, extend the Offer or to accept late Applications, either generally or in particular cases, without notification.

How to invest

Applications for Stapled Securities can only be made by completing and lodging the Application Form attached to or accompanying this Offer Document.

Instructions on how to apply for Stapled Securities are set out in Section 8 and on the back of the Application Form.

If you require a replacement Application Form, please contact the Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Offer Period.

Letter from the Chairman

28 May 2015

Dear Investor,

On behalf of the Board, it is my pleasure to invite you to become a Stapled Securityholder of Gateway Lifestyle.

Gateway Lifestyle commenced operations in 2009 when the CEO of the Company, Trent Ottawa, acquired the first manufactured home estate on behalf of the initial syndicate. Since 2009, Gateway Lifestyle's Portfolio has grown to 25 MHEs and on Completion, Gateway Lifestyle will own 36 MHEs and be one of Australia's largest MHE operators, providing affordable living solutions to thousands of Senior Australians.

Gateway Lifestyle's 36 MHEs at Completion will comprise 5,861 approved sites and house approximately 6,000 residents in 4,046 manufactured homes. Gateway Lifestyle's Portfolio is diversified across New South Wales, Queensland and Victoria.

Gateway Lifestyle's business model, which is focused on converting mixed-use MHEs to converted MHEs, provides investors with a rental income stream from long-term sites (providing predictable and non-seasonal cash flows akin to annuity income), as well as manufactured home sale income from the sale of new and refurbished manufactured homes under a capital efficient model. Gateway Lifestyle's fully integrated and established management team has a demonstrated track record of successfully managing existing MHEs, selling new manufactured homes and integrating new MHEs into its Portfolio. Since FY12, Gateway Lifestyle has sold and settled 230 homes across 10 MHEs, achieving attractive gross profit margins and delivering manufactured home sale revenue in excess of $58 million.

Gateway Lifestyle aims to continue to grow its MHE operations through the sale of manufactured homes from within its existing Portfolio, existing MHE expansions and further MHE acquisitions. Gateway Lifestyle has a pipeline of more than 1,815 sites available for manufactured home sales, with an additional 357 sites available for manufactured home sales subject to DA approval. This represents more than 8 years forward potential manufactured home sale revenue based on FY16 forecast manufactured home settlements of 261.

Gateway Lifestyle's growth strategy is underpinned by favourable demographics and market dynamics for the MHE sector. These include Australia's ageing population, the Commonwealth Government's focus on the cost of aged care, increasing financial pressure on Senior Australians to fund their own retirement and the limited availability of affordable housing. Gateway Lifestyle, and the MHE sector more generally, provide a cost-effective accommodation solution for Senior Australians and are well placed to assist in addressing these challenges.

The purpose of the Offer is to enable Gateway Lifestyle to acquire 36 MHEs and the associated management platform on Completion and enhance its financial flexibility to pursue its business strategies. These strategies include providing additional capital to facilitate further manufactured home sales and take advantage of the significant growth opportunities through further consolidation of the highly fragmented and growing MHE sector. In addition, the Offer will provide Existing Investors with an opportunity to realise all or part of their investment, provide Gateway Lifestyle with access to capital markets, provide a liquid market for Stapled Securities in Gateway Lifestyle and assist Gateway Lifestyle to attract and retain quality employees.

This Offer Document contains detailed information about the Offer, Financial Information (including historic and Forecast Financial Information) in relation to Gateway Lifestyle and material risks associated with an investment in Stapled Securities. I encourage you to read this document carefully, and in its entirety, before making an investment decision.

As Gateway Lifestyle enters this new and exciting chapter in its history, we look forward to welcoming you as a Stapled Securityholder.

Yours faithfully,



Andrew Love

Independent Chairman

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One

Investment overview

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GATEWAY LIFESTYLE
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1. Investment overview

Topic	Summary	For more information
Introduction		
What is Gateway Lifestyle?	Gateway Lifestyle provides affordable living solutions to Senior Australians and on Completion will be one of Australia's largest fully integrated manufactured home estate MHE operators. On Completion, Gateway Lifestyle will comprise a quality Portfolio of 36 MHEs, with 5,861 approved sites and housing approximately 6,000 residents in 4,046 manufactured homes. This provides investors with exposure to: – a rental income stream from 4,046 long-term sites, delivering predictable and non-seasonal cash flows, which is akin to annuity income; – manufactured home sale income from the sale of new and refurbished manufactured homes under a capital efficient model, delivering attractive gross profit margins; – a significant pipeline of manufactured home sale opportunities from 1,815 sites available for new manufactured home sales and an additional 357 sites available for new manufactured home sales (subject to DA approval); and – other identified growth opportunities including further MHE acquisitions in a currently fragmented market. Gateway Lifestyle is a fully integrated business with a demonstrated track record, having achieved 230 home sales and settlements since FY12, delivering gross manufactured home sale revenue in excess of $58 million.	Section 3
How will Gateway Lifestyle be structured?	Gateway Lifestyle will comprise the assets of the Trust and the operating and management platform of the Company. Each Unit in the Trust will be stapled to each Share in the Company and the stapled group will be listed on the ASX. On Listing, OMIFL will be the responsible entity of the Trust and will, in performing its role as the responsible entity, comply with its obligations at law to act in the best interests of Stapled Securityholders. It is intended that the responsible entity will be internalised as part of Gateway Lifestyle post-Listing.	Sections 12.3 and 12.4
What will be the value of Gateway Lifestyle's assets?	Gateway Lifestyle's property Portfolio has been independently valued (among others) by Colliers International, Robertson & Robertson Consulting Valuers and Cosgraves Property Advisors at $345 million. This excludes the value of Gateway Lifestyle's management platform.	Section 4
Why is the Offer being conducted?	The purpose of the Offer is to: – provide Existing Investors with an opportunity to realise their investment; – enable Gateway Lifestyle to acquire 36 MHEs and the management platform on Completion; – provide working capital to facilitate new manufactured home sales; – enhance Gateway Lifestyle's financial flexibility to pursue its business strategies and identified growth opportunities (including further MHE acquisitions) from a position of balance sheet strength; – provide Gateway Lifestyle with access to capital markets; – provide a liquid market for Stapled Securities in Gateway Lifestyle; and – assist Gateway Lifestyle in attracting and retaining quality employees.	Section 8.2

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Topic	Summary	For more information
Key features of the MHE sector and Gateway Lifestyle's business model		
What industry does Gateway Lifestyle operate in?	Gateway Lifestyle operates in the MHE sector of the Australian aged accommodation industry and offers affordable community living solutions. The aged accommodation industry provides accommodation and related services to Senior Australians, often in the form of residential communities or villages (with or without care). The Australian aged accommodation industry is estimated to have grown at a rate of 5.1% per annum in the five years through to 2014-15 to a current market size of $7 billion and is forecast to grow at 5.2% per annum over the next five years.[1] Growth in retirement accommodation and more specifically the MHE sector is primarily being driven by: – Australia's ageing population and increased life expectancy; – financial pressure on Senior Australians, which is increasing the appeal of releasing a portion of the equity contained in a potential resident's current home by selling it and downsizing to a manufactured home; – limited availability of affordable housing; – a greater understanding and acceptance of MHEs by Senior Australians as a retirement accommodation alternative; and – Commonwealth Government focus on the cost of aged care.	Section 2
What is a MHE?	MHEs are residential communities whereby residents own their manufactured home, but lease or licence the right to occupy a MHE site from the MHE operator or land owner ("**MHE Operator**"). Residents typically buy their manufactured home from the MHE Operator, and then make rental payments to the MHE Operator to occupy the site.	Section 2.2
What is the profile of a typical Gateway Lifestyle resident?	MHEs are designed to appeal primarily to persons aged 55 and over ("**Senior Australian**") who are seeking an affordable housing solution in a community living environment. **Profile of a typical Gateway Lifestyle resident** – aged between 65 and 75 years; – majority of residents receive Age Pension and Rent Assistance from the Commonwealth Government; – primary motivation for moving into MHE is to seek a release of capital from their existing residential property to support an independent lifestyle through their retirement; and – looking to maintain ability to live independently in a community of like-minded residents.	Section 2.2.3

1 IBISWorld – Accommodation for the Aged in Australia (2014)

1. Investment Overview (continued)

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Topic	Summary	For more information
How does Gateway Lifestyle generate its income?	Gateway Lifestyle generates its income through three primary channels being rental income, manufactured home sale income and ancillary income. **Rental income** Gateway Lifestyle earns rental income from long-term MHE residents and short-term tourist sites across its Portfolio of MHEs. Gateway Lifestyle considers that income from its long-term MHE sites provides predictable and non-seasonal cash flows and therefore is akin to an annuity income stream. Gateway Lifestyle has been able to achieve historical rent increases in excess of annual CPI. **Manufactured home sale income** Gateway Lifestyle generates manufactured home sale income from the sale of new and refurbished manufactured homes for use on available sites to residents under a capital efficient model. Gateway Lifestyle directly manages all aspects of a manufactured home sale, from marketing, sales, the process of design and construction by manufacturers, handover, defects rectification by manufacturers and future resident management. **Ancillary income** Gateway Lifestyle derives ancillary income through re-sale commissions and MHE management fees.	Section 3.2
How does Gateway Lifestyle's accommodation offering differ from other retirement accommodation alternatives?	Gateway Lifestyle operates in the MHE sector, which is distinguishable from other retirement accommodation alternatives: – **nursing homes:** Targeted at older retirees who can no longer live unassisted in their homes and require a high level of care. – **Government social housing:** Means tested with very limited availability. Age demographic of residents is mixed and not focused on Senior Australians. – **retirement villages:** Offer more care facilities relative to a MHE (e.g. home maintenance, on-site assistance). Some businesses utilise a deferred management fee ("**DMF**") model where an accrued exit fee is payable to the operator of the village. Gateway Lifestyle generates income by selling manufactured homes and obtaining a site rental income stream.	Section 2.1
How is the MHE sector regulated?	The MHE sector is regulated at a State and Local Government level. Each Australian State and Territory has specific legislation regulating MHEs. This legislation is generally focused on regulating the relationship and respective rights and obligations of MHE residents and MHE Operators. At a Local Government level, the relevant legislation primarily contains provisions relating to licensing and permit requirements for operating a MHE.	Section 2.6
What are Gateway Lifestyle's key growth strategies?	Gateway Lifestyle's growth strategy is focused around growing its rental income and manufactured home sale income streams. Gateway Lifestyle expects to deliver growth in its rental income through increases in rental rates and growth in the number of sites on which manufactured homes are installed. Gateway Lifestyle will continue to assess opportunities to expand its Portfolio through undertaking further MHE acquisitions that meet its investment criteria.	Sections 3.2.1.1, 3.2.2.1 and 3.3

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Topic	Summary	For more information
What is Gateway Lifestyle's Portfolio?	On Completion, Gateway Lifestyle will own a Portfolio of 36 MHEs across New South Wales, Queensland and Victoria, comprising 5,861 approved sites and housing approximately 6,000 residents in 4,046 manufactured homes. Gateway Lifestyle already manages 25 of the MHEs within the Portfolio and, following Completion, will manage the remaining 11 MHEs. Gateway Lifestyle has a pipeline of 1,815 sites available for new manufactured home sales, with an additional 357 sites available for new manufactured home sales (subject to DA approval). This pipeline represents more than $500 million in estimated total identifiable manufactured home sales revenue. A summary of the Portfolio is provided in Section 3.1 with further detail on each property provided in Section 4.	Sections 3.1, 4, 12.3 and 12.4
Key financial metrics		
What is Gateway Lifestyle's historical and forecast financial performance?	The table below provides a summary of the Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results for Gateway Lifestyle.	Section 5

	Pro Forma Historical Results			Pro Forma Forecast Results	Statutory Forecast Results
$ million	FY12	FY13	FY14	FY15	FY16[2]
Total revenue[1]	10.4	27.2	48.8	68.7	110.0
Operating EBITDA[1]	5.4	9.7	18.0	27.3	46.1
EBIT[1]	3.3	4.4	7.5	24.4	45.6
NPAT					41.4
MHEs (end of period)	5	9	24	36	36

Note 1: The increase in Revenue, Operating EBITDA and EBIT over the Pro Forma Historical Results, and the Forecast Financial Information is principally due to the increase in the number of MHEs over the period (see Section 5.3.2). The financial performance for the 36 MHEs is included from the later of 1 July 2011 or the acquisition of the MHE by the relevant entity (an adjustment has not been made to present the Pro Forma Historical Results as if the 36 MHEs had been owned over the whole period of the Pro Forma Historical Results and Pro Forma Forecast Results). Pro Forma Historical Results and Pro Forma Forecast Results are presented to EBIT as described in the basis of preparation in Section 5.2.2 and a reconciliation between FY15 Pro Forma EBIT and statutory NPAT for FY15 is set out in Section 5.3.3.

Note 2: A pro forma forecast is not presented for FY16 as this would be equivalent with the FY16 statutory forecast.

What will Gateway Lifestyle's Gearing be on Listing?	Gateway Lifestyle has adopted a target Gearing range of 25% to 35% (based on net debt to total tangible assets less cash) and intends to maintain sufficient head room relative to key loan covenants. Following Completion of the Offer, Gateway Lifestyle is expected to have a Gearing ratio as at 31 December 2014 of 12%.	Section 5.9.1

1. Investment Overview (continued)

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Topic	Summary	For more information

Key Offer statistics

What are the key Offer statistics?

Offer Price per Stapled Security	$2.00
Number of new Stapled Securities to be issued under the Offer	115.8 million
Number of Stapled Securities to be sold by SaleCo under the Offer	74.9 million
Total number of Stapled Securities on issue at Completion of the Offer	249.4 million
Gross proceeds of the Offer to Gateway Lifestyle	$231.5 million
Gross proceeds of the Offer to SaleCo	$149.8 million
Market capitalisation at the Offer Price[1]	$498.8 million
Enterprise Value at the Offer Price[2]	$541.2 million

Notes:

1. Calculated as the total number of Stapled Securities on issue at Completion of the Offer multiplied by the Offer Price.
2. Calculated as Gateway Lifestyle's market capitalisation, based on the Offer Price, plus pro forma net debt (assuming $10.1 million cash is used to fund ongoing working capital) as at 31 December 2014 on Completion of the Offer.

What are the key investment metrics?

Key investment metrics	FY15	FY16
Forecast FY16 Distribution Yield per Stapled Security[1, 2]	n/a	6.3%
Enterprise Value to pro forma forecast EBITDA multiple[2]	19.82x	11.75x
Enterprise Value to pro forma forecast EBIT multiple[2]	22.15x	11.87x
Offer Price to pro forma forecast FY16 NPAT per Stapled Security multiple[2,3]	n/a	12.05x

Notes:

1. Calculated as the forecast distribution per Stapled Security for FY16 (which is based on the mid-point of Gateway Lifestyle's payout ratio of approximately 65% to 85% of Distributable Earnings divided by the Offer Price. The level of payout ratio is expected to vary between periods.
2. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 5, and is subject to the key risks set out in Section 6. There is no guarantee that forecasts will be achieved. Certain Financial Information included in this Offer Document is described as pro forma for the reasons described in Section 5.
3. This ratio is commonly referred to as a price earnings or PE ratio. The PE ratio is calculated as the Offer Price divided by pro forma forecast FY16 NPAT divided by the total Stapled Securities on issue on Completion of the Offer.

What is Gateway Lifestyle's distribution policy?

The payment of a distribution by Gateway Lifestyle is at the discretion of the Board and will be a function of a number of factors such as the operating results, cash flows, the financial condition of Gateway Lifestyle and any other factors the Directors may consider relevant.

Gateway Lifestyle's distribution policy will be to pay out approximately 65% to 85% of Distributable Earnings on a semi-annual basis. However, the distribution payout ratio is expected to vary between periods.

It is intended that the first distribution paid will be the distribution in respect of the period ending 31 December 2015.

Section 5.9.3

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Topic	Summary	For more information
What are the key benefits associated with an investment in Gateway Lifestyle?		
Leading developer and manager of MHEs across Australia	– Gateway Lifestyle is a leading MHE business offering Australia's ageing population sustainable, secure and vibrant communities to fulfil their lifestyle expectations. – On Completion, Gateway Lifestyle will own and operate a Portfolio of 36 MHEs geographically diversified across the eastern seaboard of Australia. – Gateway Lifestyle has limited exposure to cyclical tourism earnings streams and no exposure to mining accommodation. – Gateway Lifestyle has an established brand name.	Section 3.1
Fully integrated business model with de-risked development pipeline	– Gateway Lifestyle has demonstrated its ability to successfully acquire, convert and manage MHEs. – Gateway Lifestyle offers a combination of predictable and non-seasonal rental income derived from ongoing rent that is akin to an annuity income stream with operational upside and manufactured home sales exposure. – Upfront commitments are payable by customers to Gateway Lifestyle for off the plan manufactured home sales, resulting in a capital efficient model. – Gateway Lifestyle has an internalised management platform comprising an experienced management team that possesses an impressive track record.	Section 3.2.2
Attractive industry dynamics supported by favourable long-term trends	An investment in Gateway Lifestyle provides exposure to growth in the MHE sector which is expected to be well supported by favourable long term trends, such as: – Australia's ageing population and increased life expectancy; – financial pressure on Senior Australians, which is increasing the appeal of releasing a portion of the equity contained in a potential resident's current home by selling it and downsizing to a manufactured home; – limited availability of affordable housing; – a greater understanding and acceptance of MHEs by Senior Australians as a genuine retirement accommodation alternative; and – Commonwealth Government focus on the cost of aged care.	Section 2.3
Track record of financial performance	– Gateway Lifestyle has a five year history of managing and operating MHEs. – Gateway Lifestyle has historically delivered above CPI increases in site rental rates (an average of 5.2% p.a. between 2009 and 2015). – Gateway Lifestyle has successfully converted over 200 new and/or refurbished manufactured homes. – Gateway Lifestyle has demonstrated strong revenue growth and profitability built on a scalable business model. – Gateway Lifestyle has annual revenue growth of 52% forecast between FY14 and FY16, primarily driven by the increase in MHEs under Gateway Lifestyle ownership from 24 MHEs in FY14 to 36 MHEs in FY16.	Section 5.3

1. Investment Overview (continued)

Topic	Summary	For more information
Attractive and sustainable distribution yield paid with multiple growth opportunities	– Based on forecast Distributable Earnings for the financial year ending 30 June 2016 and assuming the midpoint of Gateway Lifestyle's distribution policy range of 65% to 85% of Distributable Earnings, at the Offer Price the forecast distribution yield for the financial year ending 30 June 2016 would be 6.3% – Gateway Lifestyle has continued growth opportunities through: – growth in rental income from manufactured homes; – pipeline of more than 1,815 sites available for new manufactured home sales with an additional 357 sites available for new manufactured home sales (subject to DA approval); – pursuing selective adjoining land development opportunities; – further MHE acquisitions that meet Gateway Lifestyle's investment criteria;[2] and – expanding the revenue base by providing lifestyle solutions to residents.	Sections 5.9.3, 3.2.1.1, 3.2.2.1 and 3.3
Further consolidation opportunities	The Australian MHE industry remains highly fragmented, with over 2,000 MHEs, the majority of which are privately owned and operated. Gateway Lifestyle has demonstrated significant experience in executing its acquisition growth strategy as evidenced by the growth in its Portfolio to 36 MHEs on Completion. Gateway Lifestyle will continue to assess opportunities to expand its Portfolio through undertaking further acquisitions, in line with its established investment criteria and due diligence processes.[2]	Section 3.3.1

What are the key risks associated with an investment in Gateway Lifestyle?

For more detail on the risks referred to below and for information on additional risks which may adversely impact the future operating and financial performance of Gateway Lifestyle and the value of its Stapled Securities, see Section 6.

Gateway Lifestyle's business strategy may not be effective	Gateway Lifestyle has, and is continuing to, embark on a number of strategies to grow its business and achieve the Forecast Financial Information. These strategies may, in time, prove to be misguided or may be implemented ineffectively and result in an outcome that is detrimental to the performance of Gateway Lifestyle.	Section 6.2.1
Gateway Lifestyle may not be able to sustain or grow its homes sales income	The growth in Gateway Lifestyle's manufactured home sales income is dependent on its ability to replicate the manufactured home sales success achieved in certain MHEs amongst its broader Portfolio. A material downturn in the housing market in the localities in which Gateway Lifestyle operates may reduce the appeal of manufactured homes to potential residents due to a decreased release of net capital between the sale of their existing home and the purchase price of a manufactured home. In addition, such a downturn may result in an increase in the time required for a potential resident to sell their existing home and fund the purchase of a manufactured home. These factors may result in reduced demand and volume of sales. An adverse impact on the ability for Gateway Lifestyle to sustain or grow its home sales income in line with its expectations may adversely impact on the performance and growth of Gateway Lifestyle.	Section 6.2.2
Development and conversion risk	There are a number of risks associated with development opportunities (whether greenfield or brownfield), including (but not limited to): delays or issues in relation to planning, regulator applications and approvals processes and development cost overruns, which may arise from poor market analysis and property selection.	Section 6.2.3

2 The acquisition and disposal of MHEs is not included in the FY16 Pro forma Financial Information Forecast.

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Topic	Summary	For more information
Competition risk	Increased competition resulting from industry consolidation, increased market sophistication and greenfield developments has the potential to adversely impact manufactured home sale volumes, margins and ability to increase rent. In addition, any increased competition for acquisitions of mixed use MHEs could result in higher prices and therefore impact Gateway Lifestyle's ability to achieve an appropriate return on investment.	Section 6.2.4
Acquisition and due diligence risk	Gateway Lifestyle may not be successful in identifying acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities, finalising acquisitions on acceptable terms or at all.	Section 6.2.5
Integration risk	The integration of MHEs acquired by Gateway Lifestyle may take longer than anticipated and there is no guarantee that any MHEs acquired by Gateway Lifestyle will operate as profitably as they did prior to their acquisition.	Section 6.2.6
Personnel risk	The ability of Gateway Lifestyle to successfully deliver on its business strategy is dependent upon retaining key employees of Gateway Lifestyle (such as its CEO, Trent Ottawa, its CFO, John Wong or its COO, Robert Nichols). The loss of senior management, or other key personnel, could adversely impact on Gateway Lifestyle's current and future business and financial performance.	Section 6.2.7
Government and regulatory factors	Changes to Government, regulatory policies and legislation that underpin aspects of Gateway Lifestyle's business model could adversely affect its operating and financial performance. A large number of MHE residents are eligible for certain forms of Commonwealth Government assistance, such as the Age Pension and Rent Assistance. An unexpected change to such Government assistance that results in a reduction of Government support or removal of such support could result in a reduction in demand for manufactured homes and therefore negatively impact Gateway Lifestyle's business. Changes to the regulatory regime in New South Wales are likely to occur in mid 2015 and the regulatory regime in Queensland is also currently under review.	Section 6.2.8
Gateway Lifestyle Directors and senior management		
Who are the Directors and senior management of Gateway Lifestyle?	**Directors** – Mr Andrew Love, Independent Chairman – Mr Andrew Fay, Non-Executive Director – Ms Rachel Launders, Non-Executive Director – Mr Stephen Newton, Non-Executive Director – Mr Trent Ottawa, CEO – Mr John Wong, CFO **Senior management** – Mr Trent Ottawa, CEO – Mr John Wong, CFO – Mr Robert Nichols, COO – Mr Matthew Spresser, Head of Construction – Ms Tonia Ivanni, Head of Sales and Marketing – Mr Rod Hearn, Head of Operations – Ms Evelyn Chan, Head of Finance – Mr Brett Robinson, Head of Planning	Sections 7.1 and 7.2

1. Investment Overview (continued)

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Topic	Summary	For more information
Who are the directors of OMIFL?	The directors of OMIFL are Frank Tearle, Elizabeth Reddy and Justin Epstein.	Section 7.1.2

Significant interests of key people and related party transactions

What will Gateway Lifestyle's Stapled Securityholding structure be on Completion?

Section 8.3

	On Completion		
	Stapled Securities (m)	$m	%
Existing Investors (excluding CEO, CFO, COO and Non-Executive Directors)	41.0	82.0	16.4%
Management (CEO, CFO and COO)	17.9	35.7	7.2%
Non-Executive Directors	0.4	0.9	0.2%
New investors	190.1	380.2	76.2%
Total	**249.4**	**498.8**	**100.0%**

The CEO will be reinvesting the entire value of his interest in Gateway Management into Gateway Lifestyle on Completion of the Offer.

Information relating to the number of Stapled Securities which will be subject to escrow arrangements, and details of those escrow arrangements, is set out in Section 12.7.

What are the escrow arrangements?

Section 12.7

The following individuals referred to in the table below have agreed to enter into voluntary escrow arrangements in relation to Stapled Securities they will hold in Gateway Lifestyle on Completion.

	Number of Escrowed Stapled Securities at Completion	As a % of Stapled Securities on issue at Completion
Mr Trent Ottawa[1]	12,875,878	5.16%
Mr Robert Nichols[2]	4,608,970	1.85%
Mr John Wong[1]	375,000	0.15%
Mr Andrew Love[1]	25,000	0.01%
Mr Andrew Fay[1]	25,000	0.01%
Ms Rachel Launders[1]	25,000	0.01%
Mr Stephen Newton[1]	25,000	0.01%

The Non-Executive Directors will each own additional Stapled Securities not subject to escrow that they will apply for under the Priority Offer, or, in the case of Andrew Love, rollover as part of the Proposed Transaction.

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Topic	Summary	For more information
What are the escrow arrangements? (continued)	**Note 1. Directors of the Company** Escrowed Stapled Securities held by the Directors on Completion of the Offer will be subject to the following escrow restrictions: – 50% of Escrowed Stapled Securities held will be subject to escrow from Listing until the release of Gateway Lifestyle's FY17 annual result; and – 50% of Escrowed Stapled Securities held will be subject to escrow from Listing until the release of Gateway Lifestyle's FY18 annual result. **Note 2. Senior management** Escrowed Stapled Securities held by Mr Robert Nichols on Completion will be subject to escrow until the release of Gateway Lifestyle's FY16 annual result.	
Significant benefits and interests payable to Directors and other persons	See table below	Sections 7.3 and 7.4

Key people	Interest or benefit	For more information
Non-Executive Directors	Directors' remuneration and grant of right to Stapled Securities	Section 7.3.2
Management	Remuneration and grant of right to Stapled Securities	Section 7.4
Advisers and other service providers	Fees for services	Section 12.10

Proposed use of funds and key terms and conditions of the Offer

Who is the Issuer of the Offer Document?	The Issuers of this Offer Document are: – Gateway Lifestyle Operations Limited ACN 605 543 968; – One Managed Investment Funds Limited ABN 47 117 400 987 in its capacity as responsible entity of Residential Parks No.2 Trust ARSN 605 803 414; and – Gateway SaleCo Limited ACN 604 817 343.	Section 12.1
What is the Offer?	The Offer is an initial public offering of 190.7 million Stapled Securities to be issued or sold at the Offer Price of $2.00 per Stapled Security to raise a total of $381.3 million.	Section 8.1
What is a Stapled Security?	A Stapled Security consists of one Unit in Residential Parks No.2 Trust and one Share in Gateway Lifestyle Operations Limited. The Share and Unit are 'stapled' in the sense that they cannot be traded or dealt with separately.	Section 12.3
How will the Offer be structured?	The Offer will be structured as follows: – the Broker Firm Offer; – the Priority Offer; – the Employee Gift Offer; and – the Institutional Offer. No general public offer of Stapled Securities will be made under the Offer.	Section 8.1

1. Investment Overview (continued)

Topic	Summary	For more information
Who can participate in the Offer?	The Broker Firm Offer is open to Retail Investors and Sophisticated Investors who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. All Eligible Employees are entitled to participate in the Employee Gift Offer. Eligible Employees are those permanent full-time and part-time employees of Gateway Lifestyle who are determined, at the discretion of the Executive Directors, to participate in the Employee Gift Offer and who are resident in Australia and who are not a Director or the CEO, CFO or COO. The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from Gateway Lifestyle and who have a registered address in Australia or New Zealand. Institutional Investors in Australia and certain other foreign jurisdictions have been invited by the Joint Lead Managers to participate in the Institutional Offer.	Sections 8.7.1, 8.8.1, 8.9.1 and 8.1.0
What is the proposed use of funds pursuant to the Offer?	Cash proceeds received for the issue and sale of Stapled Securities under the Offer will be used to fund: – the acquisition of the Portfolio; – payment to acquire Gateway Management; – the costs of the Offer; and – ongoing working capital.	Section 8.2
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Joint Lead Managers.	Section 8.11
What is the allocation policy?	The allocation of Stapled Securities between the Institutional Offer, the Broker Firm Offer, the Employee Gift Offer and the Priority Offer was determined by the Joint Lead Managers and Gateway Lifestyle having regard to the allocation policy outlined in Sections 8.7.5, 8.8.4, 8.9.6 and 8.10.2. With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate firm stock among their eligible clients. Eligible Employees will, at the discretion of the Executive Directors, be offered a specified number of Stapled Securities each for nil consideration. Priority Offer allocations will be determined by Gateway Lifestyle, in consultation with the Joint Lead Managers, subject to guaranteed allocations for Applicants under the Priority Offer. The allocation of Stapled Securities among Applicants in the Institutional Offer was determined by the Joint Lead Managers in consultation with Gateway Lifestyle. The Broker Firm Offer, the Institutional Offer, the Employee Gift Offer and the Priority Offer are not open to investors with a registered address outside of Australia or New Zealand, including investors in the United States, other than certain Institutional Investors in certain eligible foreign jurisdictions.	Sections 8.7.5, 8.8.4, 8.9.6 and 8.10.2
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commissions or stamp duty is payable by Applicants who apply for Stapled Securities under the Broker Firm Offer, Employee Gift Offer or Priority Offer. The Joint Lead Managers will pay a fee of 1.5% of the gross proceeds of the Stapled Securities allocated to each Co-Manager under the Broker Firm Offer.	Section 8.6
What are the tax implications of investing in the Stapled Securities?	The acquisition of Stapled Securities under the Offer may have taxation implications for Applicants participating in the Offer. These implications will differ depending on the individual circumstances of the Applicant. Applicants should seek advice from an independent qualified taxation adviser.	Section 11

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Topic	Summary	For more information
Will I be able to trade my Stapled Securities on the ASX?	Gateway Lifestyle applied for admission on the Official List of ASX and the quotation of Stapled Securities within seven days of lodgement of the Original Offer Document. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest in compliance with the Corporations Act.	Section 8.13
When are Stapled Securities expected to commence trading?	It is expected that, subject to receipt of the required approvals from the ASX, trading of Stapled Securities will commence on or about 11 June 2015 initially on a conditional and deferred settlement basis. It is expected that the Stapled Securities will commence trading on ASX on an unconditional but deferred settlement basis until dispatch of the holding statements. Stapled Securities are expected to commence trading on ASX on an unconditional and normal settlement basis on or about 17 June 2015. It is the responsibility of each Applicant to confirm their holding before trading in Stapled Securities. Applicants who sell Stapled Securities before they receive an initial holding statement do so at their own risk.	Section 8.13.3
Applications		
How can I apply for Stapled Securities?	**Institutional Offer Applicants** The Joint Lead Managers have separately advised Institutional Investors of the application procedures for the Institutional Offer. **Broker Firm Offer Applicants** To apply under the Broker Firm Offer you must lodge your Broker Firm Offer Application Form and Application Monies in accordance with your Broker's directions in order to receive your firm allocation. **Employee Gift Offer Applicants** To apply under the Employee Gift Offer you must complete the Employee Gift Offer Application Form in accordance with the instructions provided to you by Gateway Lifestyle. **Priority Offer Applicants** To apply under the Priority Offer you must complete the Priority Offer Application Form and pay the Applicable Monies in accordance with the instructions on your personalised invitation and online Application Form. The online Application Form must be completed online at www.gatewaylifestyle.com.au.	Sections 8.7.2, 8.8.2, 8.9.2 and 8.10
Is there a cooling-off period?	No. Cooling-off rights do not apply to an investment in Stapled Securities pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.	
What is the minimum and maximum Application size amount under the Offer?	The minimum Application amount for Applicants applying under the Broker Firm Offer and Priority Offer is $2,000. The Joint Lead Managers and Gateway Lifestyle reserve the right to reject any application or allocate fewer Stapled Securities than applied for. There is no maximum value of Stapled Securities that may be applied for under the Broker Firm Offer and Priority Offer. Under the Employee Gift Offer, Eligible Employees will, at the discretion of the Executive Directors, be offered a specified number of Stapled Securities for nil consideration.	Sections 8.7.2, 8.8.2, 8.9.2 and 8.10

1. Investment Overview (continued)

Topic	Summary	For more information
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on 16 June 2015.	Section 8.13
Can the Offer be withdrawn?	Gateway Lifestyle reserves the right not to proceed with the Offer at any time before the allotment of Stapled Securities to Applicants. The Offer is conditional upon the successful restructuring and stapling of existing units in the Trusts and the Company, completion of the Proposed Transaction as described in Sections 12.3 and 12.4 and settlement and allotment of new Stapled Securities. If the Offer does not proceed, Application Monies will be refunded to Applicants without interest. If the Offer is withdrawn after Stapled Securities have commenced trading on a conditional and deferred settlement basis, all contracts for the sale of the Stapled Securities on ASX will be cancelled and any money paid in connection with the settlement refunded (without interest).	Sections 8.12 and 8.13
What is SaleCo and what is its involvement in the Offer?	SaleCo is a special purpose vehicle established to sell Stapled Securities acquired from Existing Investors. The Trustees on behalf of Existing Investors have executed an Implementation Pack under which they have irrevocably offered to sell certain Stapled Securities to SaleCo free from encumbrances and third party rights and conditional on Completion of the Offer. SaleCo will acquire in total 74.9 million Stapled Securities from Existing Investors.	Sections 12.3 and 12.4
Where can I find out more information about this Offer Document or the Offer?	If you have any queries regarding the Offer, please contact your stockbroker or the Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday. Note that Applications by Australian resident retail investors and Sophisticated Investors can only be made through a broker who has been appointed by the Joint Lead Managers to act as a participating broker to the Offer. If you are unclear in relation to any matter or are uncertain as to whether Gateway Lifestyle is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, account, or other independent and qualified professional adviser before deciding whether to invest.	

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Two

Industry Overview

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

2. Industry Overview

2.1 Introduction

Gateway Lifestyle operates in the Manufactured Home Estates ("**MHE**") sector of the broader aged accommodation industry, providing affordable community living solutions to persons aged over 55 ("**Senior Australians**").

The aged accommodation industry provides accommodation and related services to Senior Australians, often in the form of residential communities or villages (with or without care). The Australian aged accommodation industry is estimated to have grown at a rate of 5.1% per annum in the five years through to 2014-15 to a current market size of $7 billion and is forecast to grow at 5.2% per annum over the next five years.[1]

What are MHEs?

MHEs are an evolution of the use of caravan parks and are privately owned communities where residents own their manufactured home, and lease or licence the right to occupy a MHE site from the MHE operator or land owner ("**MHE Operator**"). Residents typically buy their manufactured home from the MHE Operator. Today, there are more than 2,000 MHEs in Australia, with an emerging number of MHEs replacing the traditional caravan park.

Many MHE Operators generate income by selling manufactured homes and obtaining a MHE site rental income stream, and do not include any DMF where an accrued exit fee is payable to the MHE Operator.

MHEs can present an attractive and affordable housing alternative for Senior Australians. It also typically represents a lower cost solution to affordable community living for the Commonwealth Government relative to the cost of other retirement accommodation options.

Table 1 – Retirement accommodation alternatives

	Caters for	Key features	Cost to Commonwealth Government
Nursing Home (Residents typically aged over 80)	– Retirees who can no longer live unassisted in their homes – Older demographic (80+ years)	– Residents can no longer live independently and require a level of care – Homes are typically staffed with nursing assistants – Residents typically required to pay daily care fees to contribute to living costs and an upfront accommodation bond	– Commonwealth Government provided $9.4 billion of funding to residential aged care providers in the FY12 to FY13 period[2]
Retirement Village (Residents typically aged over 70)	– Retirees who are generally able to fund their residence and lifestyle arrangements – Typically older demographic (70 to 85 years)	– Offer more care facilities relative to MHEs (e.g. home maintenance, emergency on-site assistance) – Residents generally pay an "entry contribution" equivalent to the purchase price of the unit plus ongoing fees and charges – Some businesses utilise a DMF model	– The Commonwealth Government does not provide direct funding to the sector – Services provided in the village are generally funded by the resident

1 IBISWorld – Accommodation for the Aged in Australia (2014)
2 Australian Institute of Health and Welfare (http://www.aihw.gov.au/aged-care/residential-and-community-2012-13/aged-care-spending/)

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	Caters for	Key features	Cost to Commonwealth Government
MHE (Residents typically aged over 55)	– Retirees seeking to release capital by selling their residential house – Retirees looking for independent living in a community environment – Average resident aged between 65 and 75	– Site agreement model whereby the resident has the right to occupy a MHE site and owns their manufactured home situated on the site – Community style living and facilities – Significant level of autonomy and independence	– Commonwealth Government provides Rent Assistance and/or Age Pension to a large number of residents
Government Social Housing (Residents across all age groups)	– Means-tested, only available to lowest socio-economic demographic	– Mixed resident demographic – Very limited availability with long waiting lists	– Commonwealth Government providing $1.3 billion of funding through the National Affordable Housing Specific Purpose Payment between FY13 and FY14[1]
Residential Living (Residents across all age groups)	– Retirees who are able to sustain their lifestyle in their family home (potentially receiving Age Pension support)	– Greatest level of autonomy, independence and flexibility	– To the extent a resident is renting, may be eligible for Commonwealth Government Rent Assistance

2.2 Manufactured Home Estates

2.2.1 Overview

Site agreements – relationship between resident and MHE Operator

A MHE employs a site agreement model where:

- residents own their free-standing manufactured home; and
- the resident rents the MHE site upon which their manufactured home is situated.

The resident and the MHE Operator enter into a site agreement, which details the terms on which the MHE Operator agrees to grant rights of occupation and use of a MHE site to MHE residents. Site agreements continue after the fixed term until terminated.

Each Australian State and Territory has specific legislation regulating MHEs (see Section 2.6), including requirements relating to site agreements between MHE residents and the MHE Operator.

Rent paid by residents under a site agreement typically includes amounts payable for:

- the right to occupy the MHE site for the duration of the site agreement; and
- the use of community infrastructure and general MHE management and maintenance.

Residents may also be required to pay for utilities (such as gas and electricity) on a cost recovery basis.

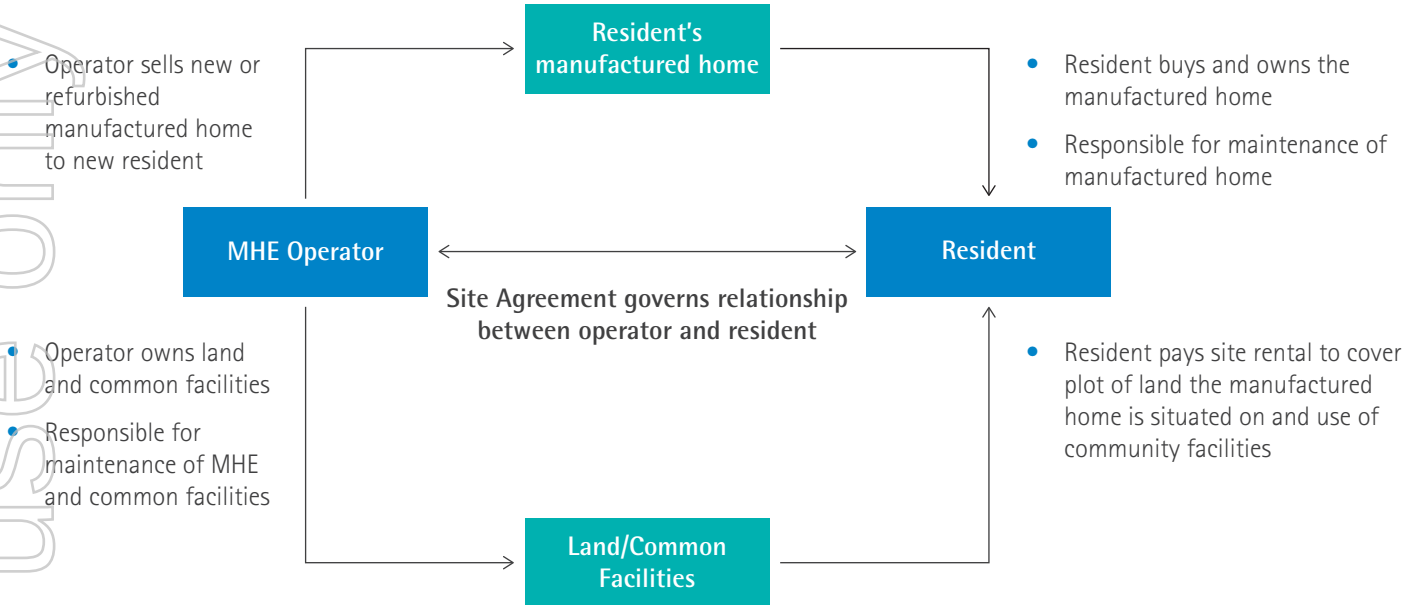
Ownership of the manufactured home is retained by the MHE resident. Accordingly, the risks and benefits of owning the manufactured home remain with the resident.

Ownership of the underlying land, utility connections, roads and common facilities is retained by the MHE Operator. Accordingly, the risks and benefits of owning the underlying land remain with the MHE Operator. In particular, any benefits from capital growth in the value of the land remain with the MHE Operator. The MHE Operator is also responsible for capital expenditure associated with improving and maintaining the MHE facilities and infrastructure.

1 Department of Social Services Annual Report 2013-14

2. Industry Overview (continued)

Figure 1 – Site agreement model overview



Different Types of MHEs

MHEs are typically located in fringe metropolitan and regional areas, population growth corridors or near popular holiday locations with the majority of residents aged over 55. MHEs also commonly include community facilities providing recreational and social opportunities for residents (e.g. swimming pool, community centre, library, barbeque area).

MHEs may consist exclusively of long-term residents, or may have both long-term residential accommodation and short-term accommodation (tourist sites) for holidaymakers.

MHEs are typically developed through a combination of the following approaches:

- existing parks used for tourism and mixed use accommodation that have been converted into MHEs by increasing the proportion of long-term resident accommodation relative to short-term tourism sites. New long-term residents often purchase new manufactured homes for sites without the need for major infrastructure or construction work in the park given existing community infrastructure;
- expanding the number of sites on the park land or expanding into adjoining land, leveraging the existing community infrastructure in the adjoining land to develop the new sites at a substantially reduced capital cost relative to developing a standalone greenfield MHE; or
- greenfield development of purpose-built MHEs for long-term residents.

Services provided by MHE Operators

MHE Operators typically provide facility and community management services to residents, including:

- on-site, 24 hour at-call MHE manager;
- facilities management, including attending to all repairs, maintenance and improvements to communal facilities; and
- community management, including facilitating any community events requested by the residents within a MHE.

MHE Operators do not typically provide aged care or other healthcare services to residents but MHE Operators can arrange third party care providers to visit residents where required.

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2.2.2 The appeal of MHEs to residents

There are many reasons why residents are attracted to MHE living, including:

Release of capital	– The price of a new manufactured home is generally around 40% to 60% of the median property price in the local area – Transition from residential property to MHE enables resident to free up capital for other purposes
Easy entry and exit	– MHE Operators do not generally charge entry or exit fees
Low maintenance housing	– The MHE Operator is responsible for maintenance of common facilities – A MHE resident only focuses on the maintenance of their manufactured home
Independent community living	– MHEs can create an inclusive, supportive community designed to facilitate socialising between residents – Residents often value living in a community with people of a similar demographic profile
Security	– Secure environments often with gated access, fencing and security cameras, and on-site 24 hour MHE management, to provide residents with peace of mind
Location	– MHEs are typically located in fringe metropolitan and regional areas, close to shops, public transport and medical facilities
Community facilities	– MHEs often provide facilities for sports and recreation (e.g. bowling greens, barbeque facilities, library, a clubhouse and swimming pools)

2.2.3 Profile of a typical MHE resident

MHEs are designed to appeal primarily to Senior Australians who are seeking an affordable housing solution in a community living environment, including those who:

- are seeking a release of capital from their existing residential property to support an independent lifestyle through their retirement;
- are financially constrained and can only afford a manufactured home; and/or
- are seeking a community environment to enhance their lifestyle.

A large majority of residents in MHEs receive financial support from the Commonwealth Government in the form of the Age Pension and/or Rent Assistance.

2. Industry Overview (continued)

Figure 2 – Profile of typical Gateway Lifestyle MHE resident



Average resident

- Aged between 65 and 75 years
- Small number of younger residents live in a MHE for multiple reasons including the assistance of older relatives



Socio-economic profile

- A substantial number of residents receive the part or full Age Pension
- A substantial number of residents receive Commonwealth Government Rent Assistance
- Low levels of personal savings and superannuation (average level of superannuation for persons aged 65 to 69 is $130,990)[1]
- Average net worth of a new retiree aged 65 is approximately $623,000[2] (including the value of any family home)



Primary motivations for moving into MHE

- Maintain ability to live independently in a community of like-minded residents
- Seeking a release of capital through selling their family home and moving into a MHE (typically priced at 40%-60% of the median house price in the area) allows many residents to release equity to part fund their retirement lifestyle



Average tenure

- Average age of entry into MHE is 65
- Average tenure of 10 to 15 years
- Primary reason for leaving is an inability to live independently, requirement for high levels of additional care and/or death

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1 The Association of Superannuation Funds of Australia, An update on the level and distribution of retirement savings (March 2014)
2 ABS – Household Wealth and Wealth Distribution, Australia (2013)

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2.2.4 Typical MHE business model

MHE Operators earn income from two primary sources:

- rental income from residents (long-term and short-term); and
- manufactured home sale income from the sale of new or refurbished manufactured homes to residents.

2.2.4.1 Rental income

Base rent

The relationship between a MHE Operator and resident is typically governed by a site agreement, which sets out the respective parties' rights and obligations. Residents are charged rent under the site agreement on a weekly basis that typically ranges from $100 per week to over $200 per week depending on the location of the MHE, the facilities offered and the location of the site.

Occupancy

In a fully converted MHE, occupancy rates are typically at near 100% for long-term sites on which a manufactured home is installed, providing MHE Operators with predictable revenues, which is akin to annuity income.

Due to the seasonality of tourism, mixed use MHEs that include short-term tourism sites have lower and more volatile occupancy levels relative to MHEs that have only long-term MHE residents.

Rental increases

Site agreements must comply with the relevant MHE specific State or Territory legislation, which sets out the basis on which the MHE Operator may increase rent. Generally, rents are increased by a minimum of the consumer price index ("**CPI**") on an annual basis, with MHE Operators typically justifying any increase in rent above CPI based on independent market reviews and/or the ability to demonstrate that the increase is necessary in order for the MHE Operator to recover costs incurred by the MHE Operator in operating the MHE.

The site agreement also includes provisions for recovering certain charges from the resident, for example utilities.

Term and termination of site agreements

A site agreement remains on foot at expiry of the fixed term until one of the following occurs:

- the resident sells their manufactured home and an incoming resident enters into a new site agreement with the MHE Operator;
- the resident terminates the agreement in accordance with the terms of the site agreement and removes the manufactured home from the MHE site; and/or
- the MHE Operator terminates the agreement where it is permitted to do so.

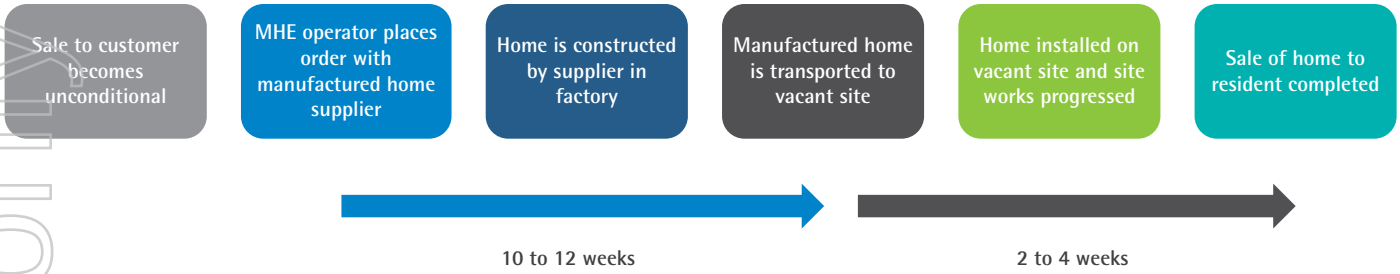
The tenure under a site agreement entered into by MHE residents provides them with certainty of their right to occupy a site within a MHE, supported by access to Rent Assistance where eligible. This also provides MHE Operators with a high degree of certainty and visibility over revenue and a stable income stream.

2.2.4.2 Manufactured home sales

MHE Operators typically sell new or refurbished manufactured homes to residents for installation on a site. The manufactured homes are built by third party suppliers and the MHE Operator oversees the installation of manufactured homes on the selected site. Typically, the MHE Operator earns a margin on each sale, being the difference between the cost to the MHE Operator of the manufactured home (which is payable to the third party supplier) and the sale price to the resident. Figure 3 below describes the typical sale cycle for a new manufactured home.

2. Industry Overview (continued)

Figure 3 – Typical new manufactured home sale cycle



The key features of the new manufactured home sale cycle include:

Demand/supply matching	– Sales orders are typically taken from customers prior to the placement of an order for the manufactured home and commencement of construction, ensuring construction of new manufactured homes is matched by contracted demand – Some MHE Operators will build a limited amount of uncontracted inventory of new manufactured homes in order to stimulate accelerated sales, including for use as display homes (particularly for MHEs where there is a low number of existing long-term MHE sites)
Capital efficient model	– MHE Operators are typically not exposed to large amounts of capital expenditure associated with new manufactured homes – For an off-the plan sale of a manufactured home, the MHE Operator typically receives a deposit from the customer in advance of placing an order or making payments to suppliers – When a MHE Operator submits an order for a display home, suppliers may provide favourable payment terms
Minimal construction risk	– New manufactured homes are constructed by third party suppliers for fixed prices depending on the customised design – Installation of the manufactured home on the site involves relatively minimal additional works (e.g. connecting plumbing and electricity)
Accelerated development timeframe	– A manufactured home can typically be ordered, transported to site and site works completed within a 14 to 16 week timeframe

Sites available for new manufactured home sales are typically sourced from:

- **vacant long-term sites** – manufactured homes are installed on vacant long-term sites;
- **conversion opportunities** – converting short-term sites to long-term sites in existing mixed use MHEs (e.g. sites previously utilised for tourist or caravan accommodation);
- **brownfield opportunities** – expansion of existing MHEs by increasing the number of long-term sites available for the grant of new site agreements;
- **renewal of mature MHEs** – acquisition and subsequent renovation of older manufactured homes in an existing MHE, providing a renewal mechanism for MHE Operators (upgraded manufactured homes are sold as new manufactured homes often at margins in line with other new manufactured home sales); and
- **greenfield opportunities** – acquisition and development of vacant land into new MHEs.

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2.3 Demand drivers supporting growth in the MHE sector

Continued growth in the MHE sector is supported by the following key factors:

- Australia's ageing population and increased life expectancy;
- financial pressures on retirees;
- limited availability of affordable housing;
- a greater understanding and acceptance by retirees of a MHE as a retirement accommodation alternative; and
- Commonwealth Government focus on the cost of aged care.

The MHE sector is well positioned to benefit from the above demand drivers and provides a cost-effective solution that addresses these challenges.

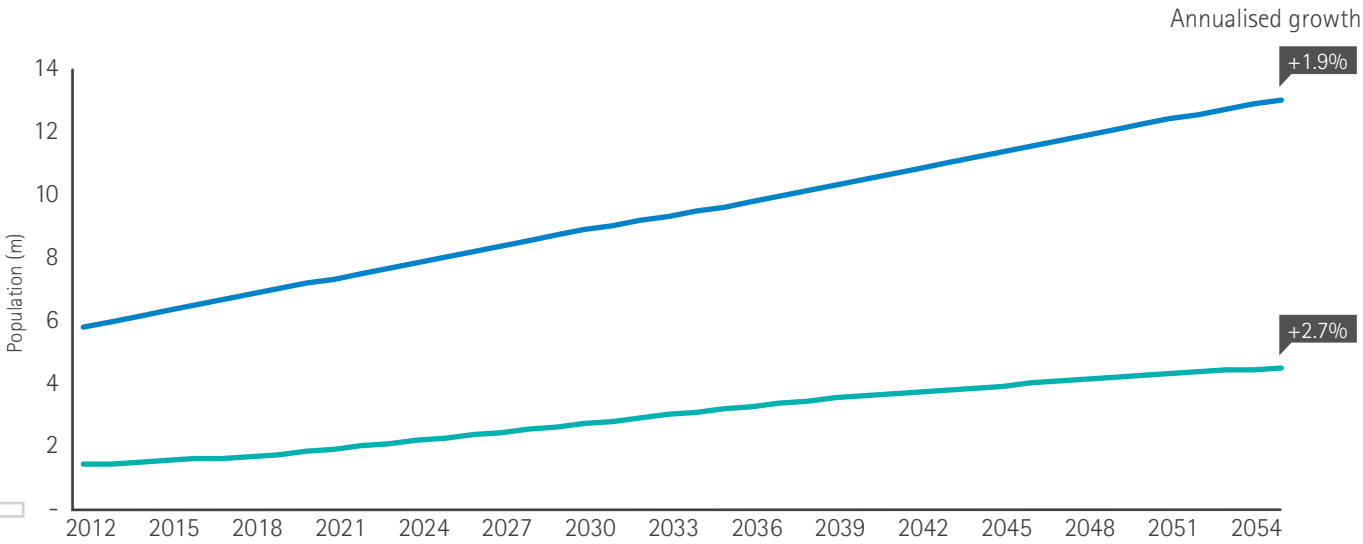
2.3.1 Australia's ageing population and increased life expectancy

The majority of long-term residents living in MHEs are aged over 55 years. There are currently 4.8 million Australians aged between 55 and 75. This figure is projected to increase to over 8.8 million by 2055, with the proportion of Australians aged over 55 increasing from 25.6% to 33.1% of the population between 2012 and 2055.

A key contributor to the increase in the number of Senior Australians is the ageing of the baby-boomer generation.

The changing age structure of the Australian population between 2012 and 2055 is illustrated in the graph below. The population of Australian's aged over 55 years and aged over 75 years is expected to grow at an annualised rate of 1.9% and 2.7% respectively, significantly faster than the 1.3% forecast growth rate for the total population.[1]

Figure 4 – Australian population aged over 55 and 75 years (2012 – 2055)



Source: ABS – Population Projections, Australia, 2012 (base) to 2101 (Series B data)

Australians are also expected to live longer and continue to have one of the longest life expectancies in the world, with male life expectancy at birth increasing from 68.3 years to 80.1 years and female life expectancy increasing from 74.8 to 84.3 between 1971 and 2013.[2] Improvements in health care and medical advances also mean that older Australians are likely to remain independent for longer, presenting opportunities for older Australians to keep participating in the community and to look forward to more active and engaged retirement years.[3] This is expected to drive growth in the MHE sector, which is characterised by autonomous and independent living compared to other forms of retirement accommodation such as nursing homes.

The increased size of the number of Senior Australians, the cost associated with spending a longer period of time in retirement as well as an increasing ability to remain independent is expected to continue to drive growth for the MHE sector, and the retirement accommodation sector more generally.

1 ABS – Population Projections, Australia, 2012 (base to 2101 (Series B data)
2 ABS – Australian Historical Population Statistics (2014) and Life Tables, States, Territories and Australia (2014)
3 Intergenerational Report Australia in 2055 (2015)

2. Industry Overview (continued)

2.3.2 Financial pressures on retirees

The first of the baby boomer generation started to retire in 2001, having reached their superannuation preservation age of 55. Of Australians aged between 65 and 69 years, 64% of women and 43% of men had no superannuation coverage. These proportions increase to 87% of women and 69% of men in the 70 years and over age group.[1] The median superannuation account balance for a person aged over 60 and not yet retired in 2011-12 is estimated to be $95,000.[2]

The ABS 2012-13 Retirement and Retirement Intentions survey highlights that 66% of retirees expect a Government Age Pension or allowance to be their primary source of income at retirement. Approximately 77% of Australians over the age of 65 receive some form of income support from the Government and 70% receive the Age Pension.[3] The mean household net worth of a lone person aged 65 and over is approximately $623,000.[4]

A recent report highlights a number of statistics illustrating the funding gap faced by many retirees. According to retirees surveyed, the minimum income required to fund a comfortable retirement is $42,600 per year. 36% of the retirees surveyed live on a household income of less than $35,000 per year. The maximum combined Age Pension and Rent Assistance payments a single retiree could be eligible for equate to approximately $25,500 per year,[5] representing approximately 43% of the average weekly earnings for all employees across Australia as at November 2014.[6] This is considerably less than the average household expenditure of an Age Pension recipient of approximately $29,200 per year.[7]

The report also highlighted that:

- 46% of pre-retirees are not confident in their ability to maintain a comfortable living standard once they have stopped working. Retirement lifestyle concerns were common across the spectrum of income levels – even amongst pre-retirees with household annual income in excess of $90,000; and
- pre-retirees expect their retirement savings and investments to run out 10 years into retirement, leading to a 13 year funding 'gap' for the average retiree who fully retires at age 60 and lives to 83.

Against the backdrop of financial pressures on retirees and concerns in relation to being able to fund a comfortable retirement, the ability for residents to release capital by transitioning to a MHE for retirement is particularly attractive.

2.3.3 Limited availability of affordable housing

Australian house prices have been steadily increasing over the last 10 years, driven by demand factors including increased foreign investor interest, increased immigration and population growth.[8]

Housing affordability has deteriorated over the last decade. A continued low supply of adequate housing has resulted in approximately one million households across the country experiencing "housing stress", where households are paying more than 30% of their income on housing. The lack of affordable housing has resulted in negative outcomes for some people on low to moderate incomes who have disproportionately high housing costs, and are unable to afford basic necessities such as food, utilities and healthcare.

Notwithstanding the range of Government initiatives aimed at increasing the stock of social housing, demand continues to outpace supply. As at 30 June 2012, there were over 200,000 households on public housing or state-owned and managed Indigenous housing waiting lists across Australia.[9]

A recent national survey of over 2,500 baby boomers conducted by realestateVIEW.com.au highlighted that baby boomers are grappling with housing affordability, with 15.5% feeling priced out of the residential market and 33.5% uncomfortable with housing prices. 56% of baby boomers nationally are looking to downsize to smaller accommodation, with 22.5% looking to downsize to boost their retirement savings.

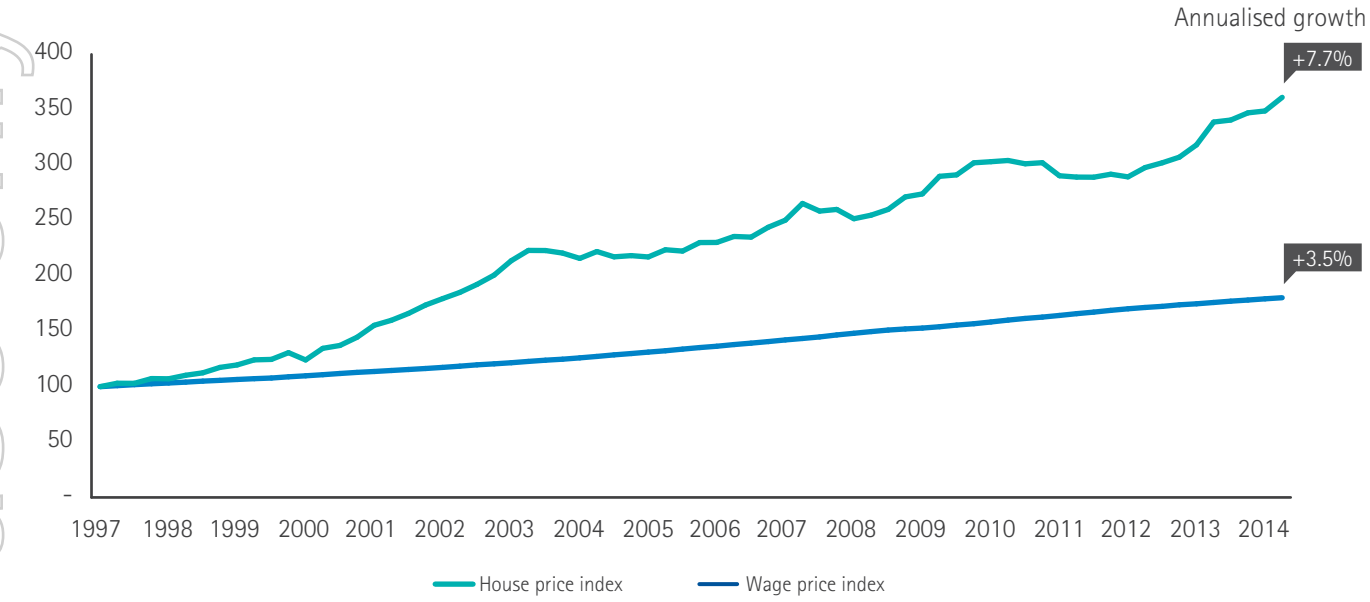
These factors have contributed to the increased need for an alternative source of lower cost housing.

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1 ABS – Australian Social Trends (2009)
2 Intergenerational Report Australia in 2055 (2015)
3 Australian Government Department of Families, Housing, Community Services and Indigenous Affairs – Pension Review Background Paper (2008), Intergenerational Report Australia in 2055 (2015)
4 ABS – Household Wealth and Wealth Distribution, Australia (2013)
5 Australian Government Department of Human Services Website
6 ABS – Average Weekly Earnings, Australia, Nov 2014
7 ABS – Household Expenditure Survey (2009 – 2010)
8 ABS – Australian demographic statistics, net overseas migration
9 Australian Institute of Health and Welfare – Housing assistance in Australia (2013)

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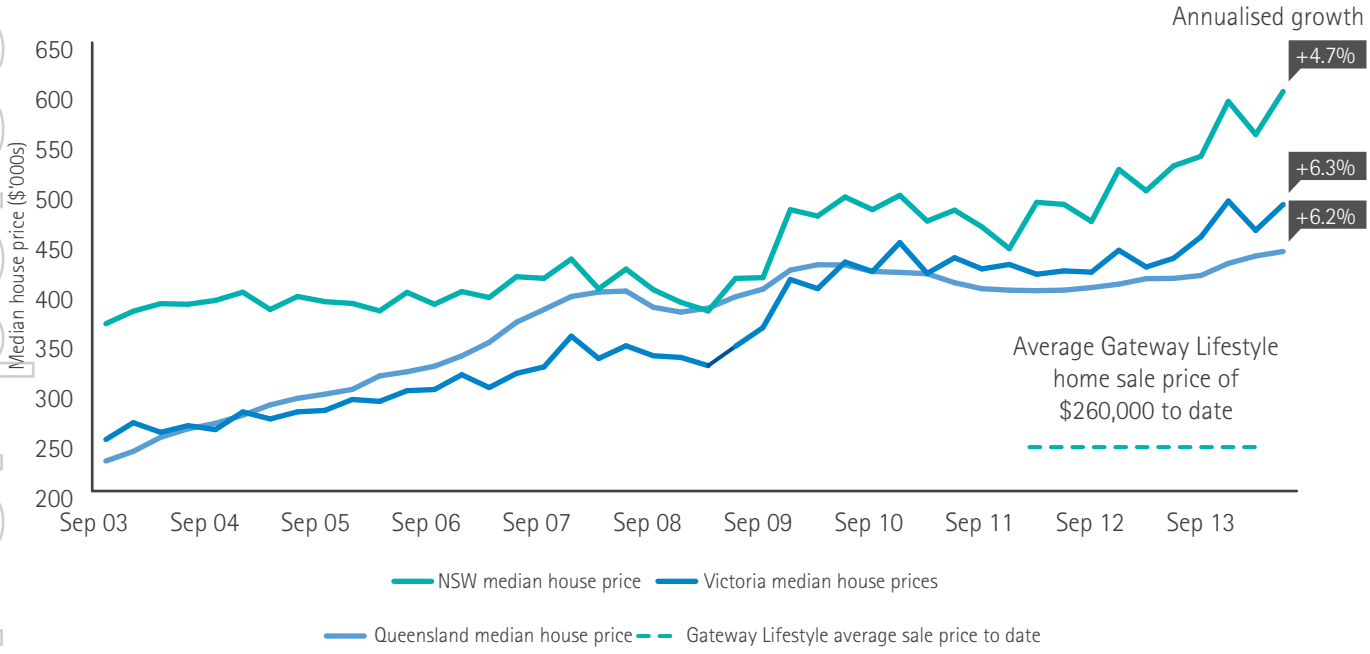
Figure 5 – Australian house price index vs. wage price index



Source: Real Estate Institute of Australia data and ABS Wage Price Index (as at December 2014)

The sustained period of growth in house prices as shown in Figure 6 below has increased the attractiveness of MHEs to potential new residents. As median house prices increase, the affordability and attractiveness of MHEs increases and allows potential new residents to realise a greater release of capital from the sale of their existing home.

Figure 6 – Growth in median house prices across the Australian eastern seaboard



Source: ABS – Residential Property Prices Indexes

Note: Calculated as the weighted average of the median capital city and rural price for each State.

2. Industry Overview (continued)

2.3.4 Greater understanding and acceptance of MHE

Gateway Lifestyle estimates that approximately 0.6% of the Australian population lives in MHEs. In the United States, MHEs have been a popular form of housing for a broader section of the community for over 50 years, with approximately 6% of the United States population living in MHEs. Large MHE Operators in the United States have portfolios of over 100 MHEs.

As the number and quality of MHEs continues to increase in Australia, community attitudes in relation to MHEs as a viable accommodation option for retirees have begun to shift and penetration rates increase.

2.3.5 Commonwealth Government focus on the cost of aged care

The Commonwealth Government will face increasing fiscal pressures as the population grows and ages. As discussed in the 2015 Intergenerational Report, the anticipated patterns of spending across the programs most affected by demographic factors are health expenditure, Age Pensions and aged care funding.

Age Pension payments are projected to increase in the future, from approximately $2,000 per person in 2014-15 to around $3,200 in 2054-55. Australian Government expenditure on aged care has nearly quadrupled since 1975 and is projected to nearly double again as a share of the economy by 2055, due to the ageing of the population.[1] Specifically, expenditure is projected to increase from 0.9% of gross domestic product ("**GDP**") in 2014-15 to 1.7% of GDP in 2054-55, and from $620 to $2,000 in real, per person terms.

There has been a push from the Commonwealth Government to assist retirees to live independently for as long as possible and reduce the demand for higher cost aged care living arrangements. A range of reforms have been announced under the Commonwealth Government's Living Longer Living Better policy. These reforms are directed at improving the quality of aged care in Australia and ensuring that it is sustainable and affordable in the future. Some of the reforms announced include the Commonwealth Home Support Programme, which significantly expands home care to assist people to remain living at home.

The MHE sector assists in alleviating pressure on the Commonwealth budget for aged care residential services by providing older Australians with greater choice and flexibility and allowing them to stay independent for longer under a potentially lower cost alternative relative to traditional forms of aged care accommodation.

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1 Intergenerational Report Australia in 2055 (2015)

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2.4 Competitive environment and requirements for successful entry into the MHE sector

2.4.1 Competitive environment

Size of the market

The MHE sector is highly fragmented in ownership and services offered. Most MHEs are privately owned and operated, with approximately 2,000 MHEs across Australia.

The distribution of MHEs across Australia is closely aligned to the distribution of the population, and also partly influenced by the popularity of the local area with tourists.

Figure 7 – Distribution of MHEs and dwellings by State



Source: GoSeeAustralia Directory (caravan parks directory). ABS – Census of Population and Housing (2011).

Note: Dwellings consists of caravans, cabins and houseboats, as disclosed in the ABS 2011 census. Number of caravan parks as disclosed in the GoSeeAustralia directory assumed to be a proxy for MHEs.

2. Industry Overview (continued)

Consolidation of the industry

In recent years, there has been a trend towards consolidation in the MHE industry by multi-MHE operators and corporate investors. An overview of key MHE Operators and their disclosed areas of strategic focus are provided in the table below.

Table 2 – Key MHE sector participants

			Key area of strategic focus				
Operator	# Properties	Location	MHE (Conversion)[5]	MHE (Greenfield)[6]	DMF	Tourism	Mining
Gateway Lifestyle[1]	36[2]	NSW, QLD, VIC	✓				
Ingenia Communities[3]	18	NSW, QLD, ACT	✓		✓	✓	
Hampshire Villages	7	NSW, VIC	✓	✓			
Aspen Group	22	Across Australia	✓			✓	✓
Discovery Holiday Parks	33	Across Australia				✓	✓
Lifestyle Communities	11	VIC		✓	✓		
Living Gems	6	QLD		✓			
National Lifestyle Villages[4]	12	WA, VIC		✓	✓		✓
Palm Lake Resort[7]	21	NSW, QLD, VIC		✓			

Source: Company filings

Note 1: Gateway Lifestyle has one MHE with 95 sites operating under a DMF model which are currently being phased out. Gateway Lifestyle manages a number of tourism sites, pending conversion into long-term MHE.

Note 2: On Completion of the Offer, Gateway Lifestyle will acquire 36 MHEs (which includes 25 MHEs currently managed by Gateway Lifestyle and 11 MHEs currently owned and managed by Tasman).

Note 3: Refers specifically to Ingenia Communities' Active Lifestyle Estates offering.

Note 4: Refers to National Lifestyle Villages (NLV) MHE offering only. The NLV Group also owns Velocity Villages, a provider of accommodation to the resources sector in Western Australia's northwest.

Note 5: MHE Operators whose strategy includes converting mixed used MHEs to fully converted MHEs.

Note 6: MHE Operators whose strategy includes undertaking greenfield developments.

Note 7: Excludes five retirement villages and three nursing homes.

In addition to competing with other MHEs (including the key MHE sector participants set out in Table 2), MHE Operators also compete for residents with retirement villages, freehold homes and apartments.

2.4.2 Requirements for successful entry into the MHE sector

There are a number of requirements for the successful entry into the MHE sector and subsequent successful operation of MHEs, including:

- establishing a team of qualified people with experience in community design, property development, construction and marketing;
- establishing relationships with the relevant authorities to assist in applying for and receiving necessary re-zoning and development approvals;
- the lead time and specialist networks and knowledge required to identify and locate suitable MHE assets or sufficiently large land parcels that are suitable for conversion into MHEs;
- access to capital and risk appetite required to purchase properties, fund the infrastructure and market the MHEs;
- developing intellectual property associated with village and housing design, development, construction, operation and legal documentation; and
- building a respected brand that resonates with customers.

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Gateway Lifestyle believes that the relative success of individual MHE Operators is linked to the experience of management, the location of the MHE, the quality of the MHE facilities offered as well as the ability of the MHE Operator to engage with and manage the resident base.

One of Gateway Lifestyle's key competitive advantages is having an integrated management platform and the in-house expertise required to successfully operate its MHEs and execute growth opportunities. This allows Gateway Lifestyle to retain control over more aspects of the business, build stronger communities within its MHEs, develop relationships with external parties (e.g. suppliers, builders and regulators) and leverage its operational expertise across multiple MHE assets.

2.5 Commonwealth Government support for retirees

Whilst the MHE sector does not rely on direct funding support from the Commonwealth Government, a large number of residents are eligible for certain forms of Commonwealth Government assistance.

The level of Government expenditure on the Age Pension and Rent Assistance has steadily increased in recent years with aggregate Age Pension payments increasing 34% over the last 5 years from $29.5 billion in 2009-10 to $39.4 billion in 2013-14.[1]

A substantial number of MHE residents receive the Age Pension and Rent Assistance.

The cost of providing Rent Assistance to residents of MHEs is significantly less than the cost of other forms of housing for Senior Australians including social housing and aged care facilities.

Table 3 – summary of potential Commonwealth Government assistance available to MHE residents

Payment	Description	Eligibility
Age Pension	– Provides income support and access to a range of concessions for eligible older Australians – Payment rates are dependent on a range of factors including marital status, income and assets (maximum of $860.20 per fortnight for singles and $1,296.80 for couples combined)	– Aged 65 or over – Subject to income and assets test – Asset test threshold for a couple under the full Age Pension is $286,500 (assuming homeowner) – Asset test threshold for a couple under the part Age Pension is $1,151,500 (assuming homeowner) – Principal home (including a manufactured home) is exempt from the assets test calculation
Rent Assistance	– Provides financial assistance to people who have rental liabilities – Level of assistance dependent on factors including marital status, number of dependents and size of rent liability – Maximum payment rate for a couple with no children is $120.80 per fortnight (maximum rate payable if rent exceeds $346.47 per fortnight, otherwise lower rate of Rent Assistance is payable)	– Must be paying rent and receive Centrelink assistance (e.g. the Age Pension) – Rent Assistance generally not payable if the resident owns the home, except for mobile and relocatable homes such as manufactured homes

Source: Australian Government, Department of Human Services website (as at 13 May 2015)

1 Department of Social Services Annual Reports (2009-10 and 2013-14)

2. Industry Overview (continued)

2.6 MHE sector regulation

The MHE sector is regulated at a State and Local Government level.

Each Australian State and Territory has specific legislation regulating MHEs. This legislation is generally focused on regulating the relationship and respective rights and obligations of MHE residents and MHE Operators.

At a Local Government level, the relevant legislation primarily contains provisions relating to licensing and permit requirements for operating a MHE. In addition to planning law consents, MHE Operators must seek and obtain the authorisation of the local council to operate a MHE (which may involve the issue of a licence or permit by the local council) and must thereafter comply with the requirements of that authorisation and renew it when required. Manufactured homes may only be installed at a MHE in compliance with these requirements.

An overview of the relevant State and Local Government legislation in place in New South Wales, Queensland and Victoria is set out below.

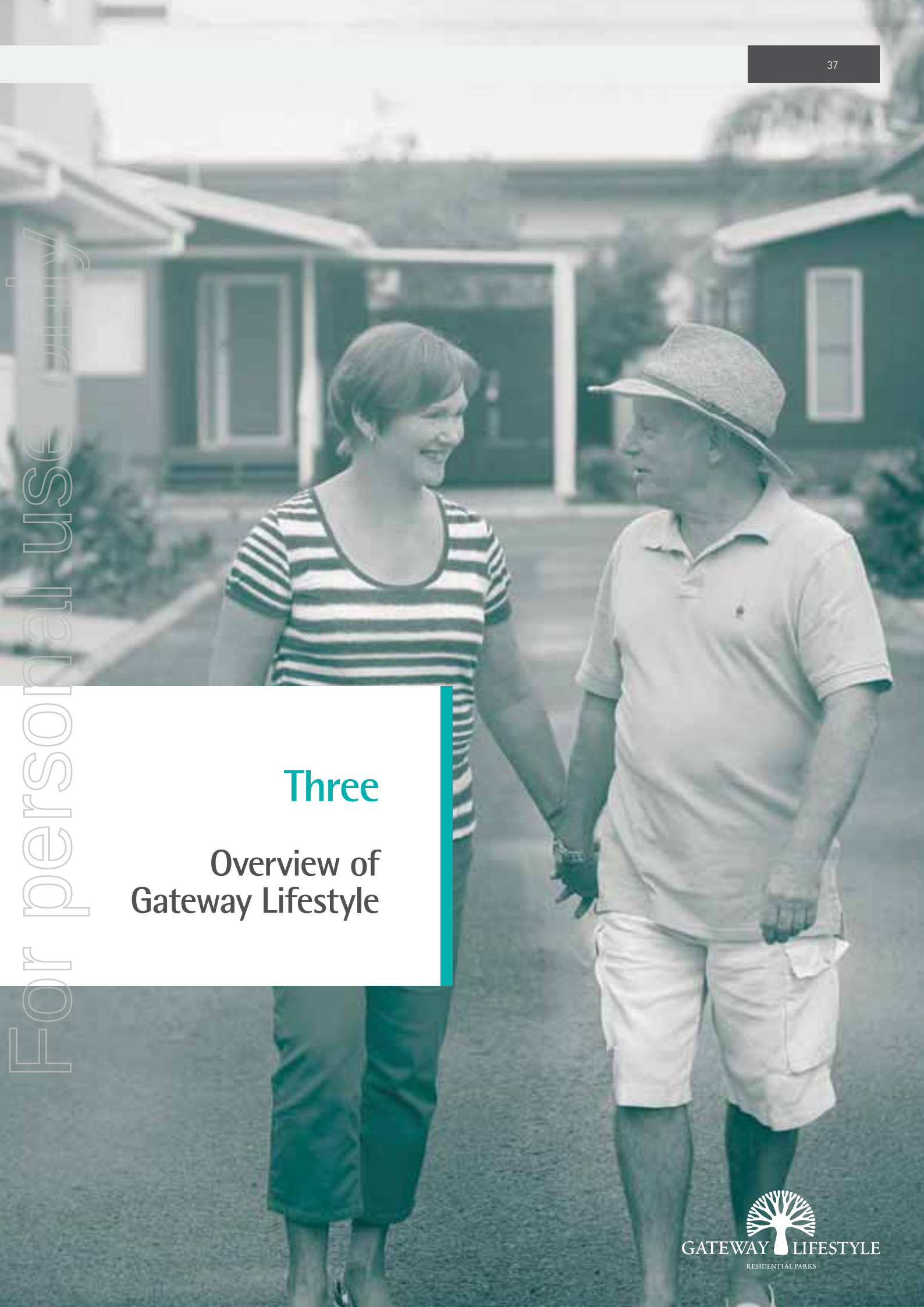
Table 4 – Summary of relevant legislation

State	Legislation	Key requirements
New South Wales	– Residential Parks Act 1998 (until replaced by the Residential (Land Lease) Communities Act 2013) – Residential Parks Regulation 1999 (until replaced by the Residential (Land Lease) Regulations) – Residential (Land Lease) Communities Act 2013 and Residential (Land Lease) Regulations (not yet made) – expected to replace the Residential Parks Act 1998 and Residential Parks Regulation 1999, respectively, from mid-2015 – Local Government Act 1993 – Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005	– Council approval required to operate a MHE – Approvals are time-limited and there is provision for the approvals to be extended or renewed – Typically, prior approval is not required to install a manufactured home or associated structure on a dwelling site in a MHE so long as it is in conformity with the approvals already granted to operate a MHE – MHE Operators are also required to provide information to NSW Fair Trading – Site fee increases will be limited to once every 12 months except where the increase is already fixed in the agreement
Queensland	– Manufactured Homes (Residential Parks) Act 2003 – Local Government Act 2009	– Local council regulations specify conditions for approval and give councils the power to modify or revoke approval if conditions are not met – Approvals are time-limited and there is provision for the approvals to be extended or renewed – MHE Operators are also required to provide information to the Queensland Office of Fair Trading
Victoria	– Residential Tenancies Act 1997 – Residential Tenancies (Caravan Parks and Moveable Dwellings Registration and Standards) Regulations 2010	– Approvals are time-limited and the renewal of registration for a caravan park is for three years – Once an approval expires, the MHE Operator must apply to renew their registration – Site fee increases are limited to once every six months

The scope of the relevant legislation typically extends to matters including:

- form and content of residential site agreements;
- rights and obligations of residents and MHE Operators;
- term of a residential site agreement;
- payment of rent and a MHE Operator's ability to increase or vary rent;
- liability for actions;
- responsibility for payment of utility fees and rates; and
- termination of agreements and dispute resolution.

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Three

Overview of Gateway Lifestyle

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

3. Overview of Gateway Lifestyle

3.1 Introduction

Overview and history

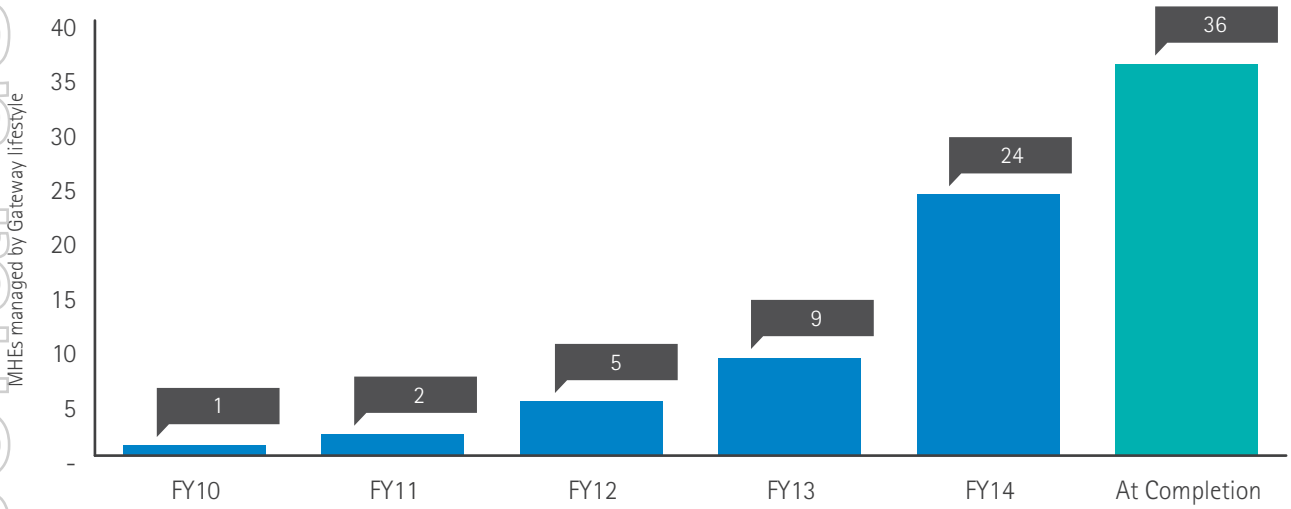
Gateway Lifestyle provides affordable living solutions to Senior Australians and on Completion will be one of Australia's largest fully integrated MHE Operators.

On Completion of the Offer, Gateway Lifestyle will own 36 MHEs[1], comprising 5,861 approved sites and housing approximately 6,000 residents in 4,046 manufactured homes. Gateway Lifestyle commenced operations in 2009 when the CEO of the Company, Trent Ottawa acquired the first MHE on behalf of the initial syndicate. Since 2009, Gateway Lifestyle has grown the MHE Portfolio to 25 and on Completion the Portfolio will expand to 36 MHEs.

Gateway Lifestyle currently manages 25 MHEs within the Portfolio and following Completion will own and manage all 36 MHEs.

Gateway Lifestyle's Portfolio is diversified across Queensland, New South Wales and Victoria, with a fully integrated and established management team capable of managing existing MHEs, selling new manufactured homes and integrating new MHEs into its Portfolio.

Figure 8 – MHEs managed by Gateway Lifestyle at period end



Business model

Gateway Lifestyle's business model is focused on operating MHEs and converting mixed use MHEs (which have short-term and long-term sites) to fully converted MHEs (that is, MHEs that only have long-term sites). This strategy provides immediate cashflow benefits in addition to the growth opportunities associated with the sale of new manufactured homes.

Gateway Lifestyle aims to continue to grow its MHEs through the development of new long-term sites from both within its existing Portfolio, partially converted MHEs, existing MHE expansions and further MHE acquisitions.[2]

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1 Includes 11 of the MHEs comprising the Tasman Portfolio.

2 The acquisition and disposal of MHEs is not included in the FY16 Pro forma Financial Information Forecast.

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Figure 9 – Business model



- Acquire existing mixed use MHE or fully converted MHEs
- Maximise MHE profitability to the development phase

- Development of mixed use MHEs, including project management of the infrastructure works, and the construction and installation of the manufactured homes
- Focus on managing and minimising development risk

- Rebranding of the MHEs, marketing and sale of the manufactured homes
- Objective of maximising rental income stream from long-term sites

- Integration of existing and new MHE residents
- Pursuit of additional revenue opportunities within MHEs

Management expertise

Gateway Lifestyle's management team has in aggregate over 50 years of experience in the MHE sector. Gateway Lifestyle's operations team undertakes all key aspects of the business including planning and due diligence for the acquisition of MHEs, supplying and selling manufactured homes, MHE infrastructure, marketing and sales of manufactured homes, financial management and reporting, and MHE and community management.

The management team is committed to the needs of its current and future residents and aims to build a trusted brand that is recognised in local communities to be associated with:

- providing an affordable and high quality service to residents;
- developing sustainable long-term residential communities;
- delivering a quality home at an affordable price;
- developing MHEs with the residents in mind; and
- employing employees committed to building long-term communities.

Sale, delivery and settlement of manufactured homes

Since FY12, Gateway Lifestyle's strategy of converting mixed use MHEs has resulted in 230 new and refurbished manufactured homes settled from sales generated out of 10 MHEs, delivering manufactured home sale revenue in excess of $58 million (as at 31 December 2014).

Features of the current Portfolio

On Completion, Gateway Lifestyle will own 36 MHEs, comprising 5,861 approved sites and housing approximately 6,000 residents in 4,046 manufactured homes. A summary of the Portfolio at Completion is provided below, with further detail of each property provided in Section 4.

3. Overview of Gateway Lifestyle (continued)

Table 5 – Gateway Lifestyle Portfolio overview

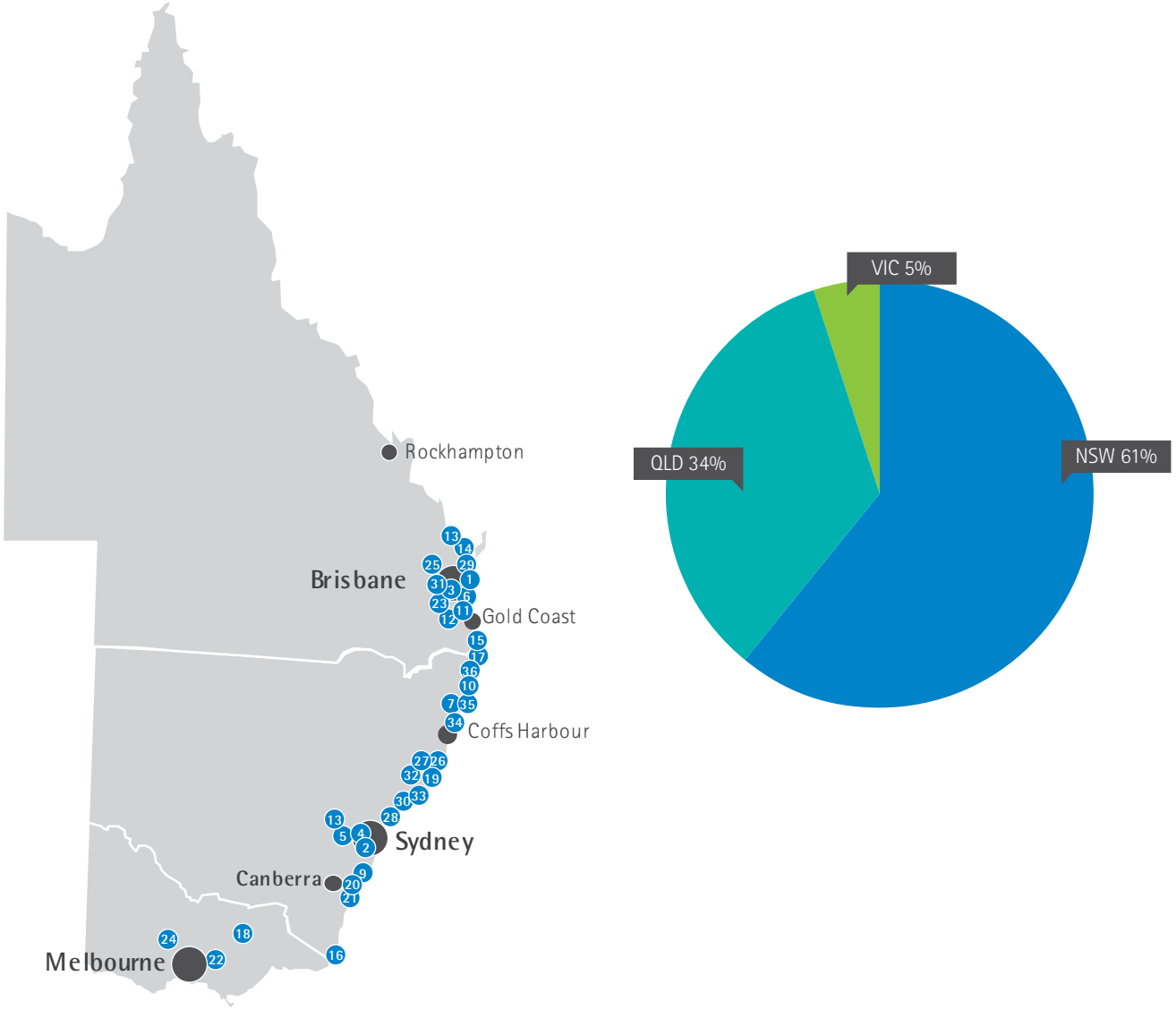
No.	MHE	State	Inclusion in Portfolio[1]	MHE valuation[2]	Total number of approved sites	Sites with a tenanted manufactured home in place	Sites available for new manufactured home sales	Additional sites available for new manufactured home sales (subject to approval)
1	Bayside	QLD	Dec-09	$11.70m	167	115	52	-
2	Bass Hill	NSW	Aug-10	$9.00m	85	25	60	-
3	Brisbane River Villages	QLD	Sep-11	$4.70m	99	99	-	-
4	Stanhope Gardens	NSW	Sep-11	$27.00m	367	367	-	-
5	Nepean Shores	NSW	Jul-12	$16.00m	197	155	42	-
6	Redlands	QLD	Aug-12	$8.25m	127	88	39	48
7	Grafton	NSW	Oct-12	$10.25m	208	91	117	-
8	Aspley	QLD	Dec-12	$10.75m	168	19	149	-
9	Oaklands	NSW	Jun-13	$15.00m	258	248	10	-
10	Yamba	NSW	Aug-13	$6.60m	217	63	154	-
11	Coombabah	QLD	Oct-13	$14.70m	247	247	-	-
12	Regal Waters	QLD	Oct-13	$10.90m	201	201	-	28
13	Edgewater	QLD	Dec-13	$14.90m	210	210	-	225
14	Maroochy	QLD	Dec-13	$15.00m	258	86	172	-
15	Tweed Shores	NSW	May-14	$7.50m	147	105	42	-
16	Acacia Ponds	NSW	May-14	$3.75m	100	87	13	-
17	Chinderah	NSW	May-14	$4.00m	78	38	40	-
18	Benalla	VIC	Jun-14	$4.53m	92	18	74	-
19	Salamander Bay	NSW	Aug-14	$8.25m	258	73	185	-
20	Sussex Inlet North	NSW	Oct-14	$5.75m	107	98	9	-
21	Sussex Inlet South	NSW	Oct-14	$3.75m	88	38	50	-
22	Healesville	VIC	Oct-14	$3.50m	87	19	68	-
23	Greenbank	QLD	Nov-14	$5.00m	83	37	46	-
24	Ballarat	VIC	Nov-14	$8.00m	130	1	129	-
25	Twin Cedars	QLD	Dec-14	$4.70m	85	60	25	-
26	The Retreat	NSW	Apr-14	$13.00m	193	193	-	11
27	Taskers Residential Estate	NSW	Apr-14	$4.30m	73	72	1	-
28	Ocean Breeze	NSW	Apr-14	$3.35m	52	52	-	-
29	Redbank Palms Resort	QLD	Apr-14	$9.80m	151	151	-	-
30	Lakeland Park Estate	NSW	Apr-14	$11.35m	143	143	-	10
31	Bremer Waters	QLD	May-14	$12.00m	183	178	5	-
32	Sea Winds	NSW	Dec-14	$7.55m	150	148	2	-
33	Valhalla Village	NSW	Nov-14	$29.00m	423	276	147	-
34	The Pines	NSW	Dec-14	$7.10m	164	115	49	5
35	Lorikeet Park	NSW	Dec-14	$6.50m	100	54	46	-
36	Riverside Village	NSW	Dec-14	$7.50m	165	76	89	30
	Total			**$344.93m**	**5,861**	**4,046**	**1,815**	**357**

Note 1: Represents the date that the property was acquired by one of the Participating Trusts or Tasman, as appropriate
Note 2: Excludes the transaction costs associated with the acquisition of MHEs.

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Figure 10 – Portfolio location and distribution of total sites by State



3.2 Gateway Lifestyle's business model and income streams

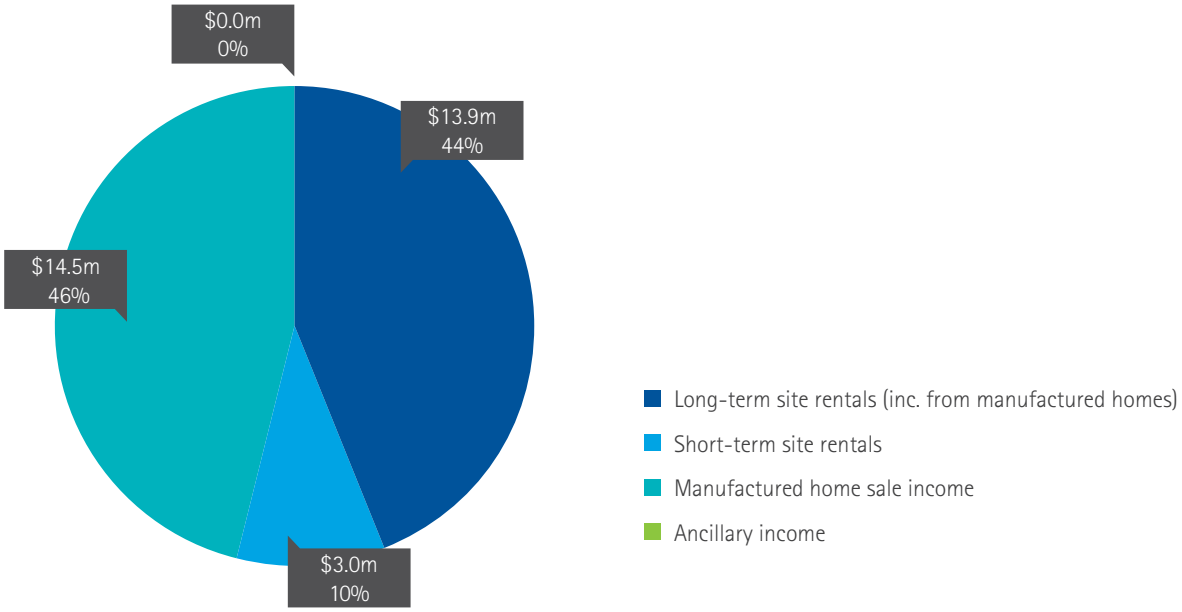
Gateway Lifestyle generates income through three primary channels, rental income, manufactured home sale income and ancillary income.

1. Rental income predominately consists of long-term site rental income which provides predictable, non-seasonal and recurring cashflows. Gateway Lifestyle has, in respect of long-term site rental income, been able to achieve historical rent increases in excess of annual CPI.
2. Manufactured home sale income is earned through the conversion of short-term sites to long-term sites and the sale of new manufactured homes to residents under a capital efficient model. Sales of new manufactured homes have historically achieved attractive gross profit margins. Since FY12, Gateway Lifestyle has sold and settled 230 homes, delivering manufactured home sale revenue in excess of $58 million. Gateway Lifestyle has a current development pipeline of more than 1,815 sites available for new manufactured homes sales, with an additional 357 sites available for new manufactured home sales (subject to DA approval)[1]. This existing pipeline represents more than $500 million in estimated total identifiable manufactured home sales revenue.
3. Ancillary income is derived from sales commissions from the sale of third party homes, management of MHE's owned by third parties and development management of third party owned MHE's.

1 As at 31 December 2014

3. Overview of Gateway Lifestyle (continued)

Figure 11 – Pro forma 1H15 revenue contribution by income stream[1]



Note 1: Rental revenue for the purposes of the Forecast Financial Information is presented gross of outgoings and recharges for items such as rates, utilities, telecommunications and internet.

3.2.1 Rental income

Gateway Lifestyle earns rental income from residents across its communities. As the rental income Gateway Lifestyle receives for its long-term sites are predictable and non-seasonal (since residents typically remain in occupation of their site for long periods), it considers that its long-term site rental income is akin to annuity income. Residents are required to pay rent until such time that:

- their manufactured home is sold and a new site agreement is entered into with a new resident; or
- the resident removes the manufactured home from the site.

Gateway Lifestyle received an average site rent of $134 per week in FY14 (approximately $7,000 per annum) across existing long-term sites. A large number of Gateway Lifestyle's long-term residents receive Rent Assistance of approximately $60.00 per week from the Commonwealth Government, which offsets the site rent payable.[1]

The terms of Gateway Lifestyle's site agreements facilitate rent increases at a minimum of CPI. Where it is permitted under the site agreements and relevant legislation governing MHEs, rent may be increased by greater than CPI to cater for such things as statutory charges. Gateway Lifestyle has historically achieved above CPI increases in site rental rates (an average of 5.2% p.a. between 2009 and 2015).

Gateway Lifestyle experiences very low levels of annual resident turnover on its long-term sites, which has averaged approximately 5% per annum since inception in 2009.

Gateway Lifestyle has a disciplined arrears management policy with no material instances of non-payment of rent since inception. An increasing number of Gateway Lifestyle residents are paying their rent via direct debit arrangements, which automates the payment process and reduces the risk of non-payment.

Gateway Lifestyle also earns rental income from short-term sites at a limited number of its MHEs. The contribution of short-term rental income to overall income has progressively declined from 30% in FY12 to 10% in 1H15 and is expected to continue to decrease as Gateway Lifestyle continues to convert short-term sites into long-term sites. Gateway Lifestyle has a strong track record of maximising revenue derived from short-term sites until they are converted to long-term sites.

1 Rent Assistance payment rates vary depending on individuals' circumstances.

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3.2.1.1 Growth in long-term rental income

Gateway Lifestyle expects to deliver growth in its long-term rental income through increases in rental rates and growth in the number of sites on which manufactured homes are installed.

Gateway Lifestyle has historically delivered above CPI increases in site rental rates (an average of 5.2% p.a. between 2009 and 2015) through:

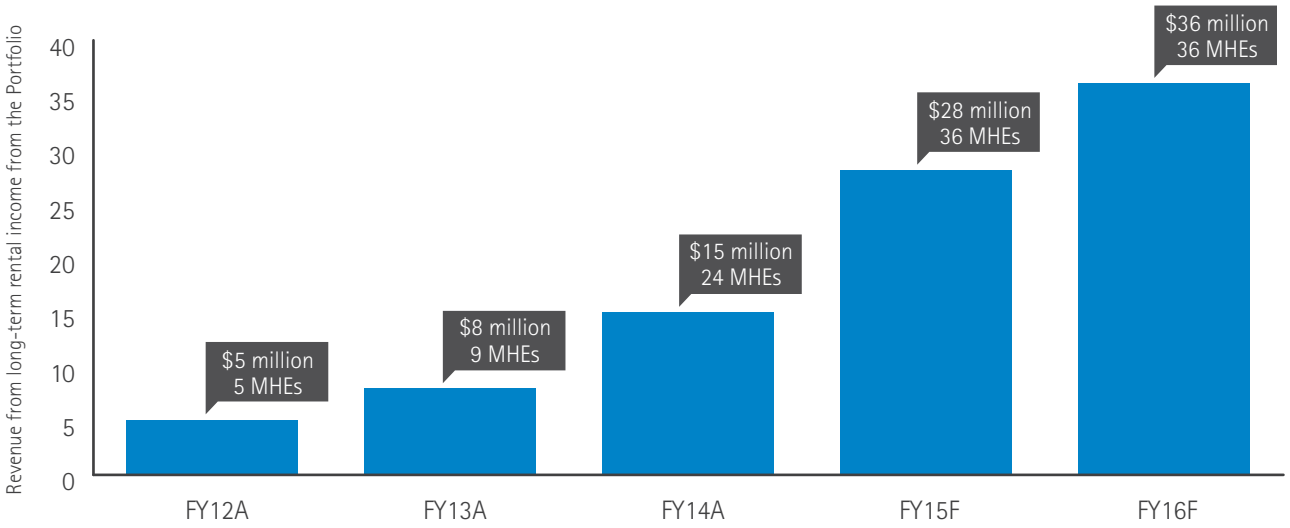
- market rent reviews on a regular basis when permitted under the site agreements and relevant legislation;
- collaborative negotiation with residents;
- realignment of base rent from the sale of new and second hand manufactured homes.

On average, Gateway Lifestyle derives approximately $7,000 per annum in long-term rental income from each new manufactured home sold to a resident. Gateway Lifestyle expects that the growth in the number of long-term sites on which manufactured homes are installed will be achieved through:

- the conversion of short-term sites to long-term sites;
- the installation of new manufactured homes on vacant sites; and
- the pursuit of adjoining land development opportunities,

with a current pipeline of approximately 2,172 additional sites (including sites subject to DA approval).

Figure 12 – Growth in long-term rental income from the Portfolio ($m) and number of MHEs at end of period



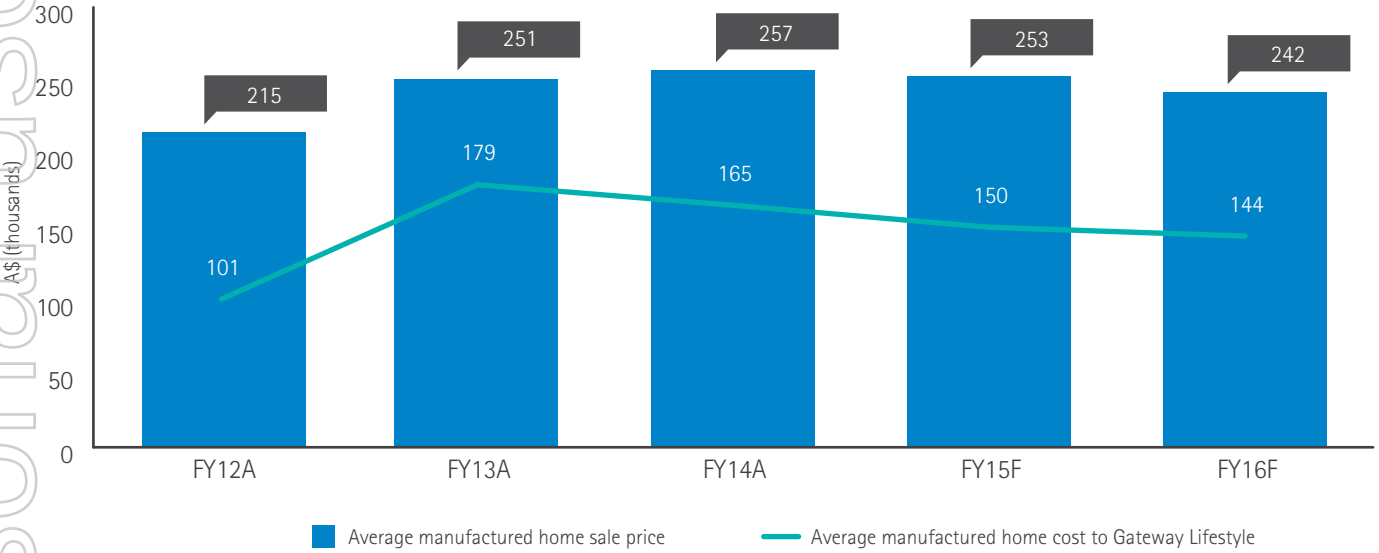
3. Overview of Gateway Lifestyle (continued)

3.2.2 Manufactured home sale income

Gateway Lifestyle generates home sale income from the sale of new and refurbished manufactured homes to residents under a capital efficient development model. Gateway Lifestyle directly manages all aspects of a manufactured home sale, from master plan design, council planning, marketing, sale, home design, construction supervision, delivery of onsite works, handover, defects rectification to ongoing resident management. Gateway Lifestyle has a multi-year development pipeline to support future manufactured home sale growth.

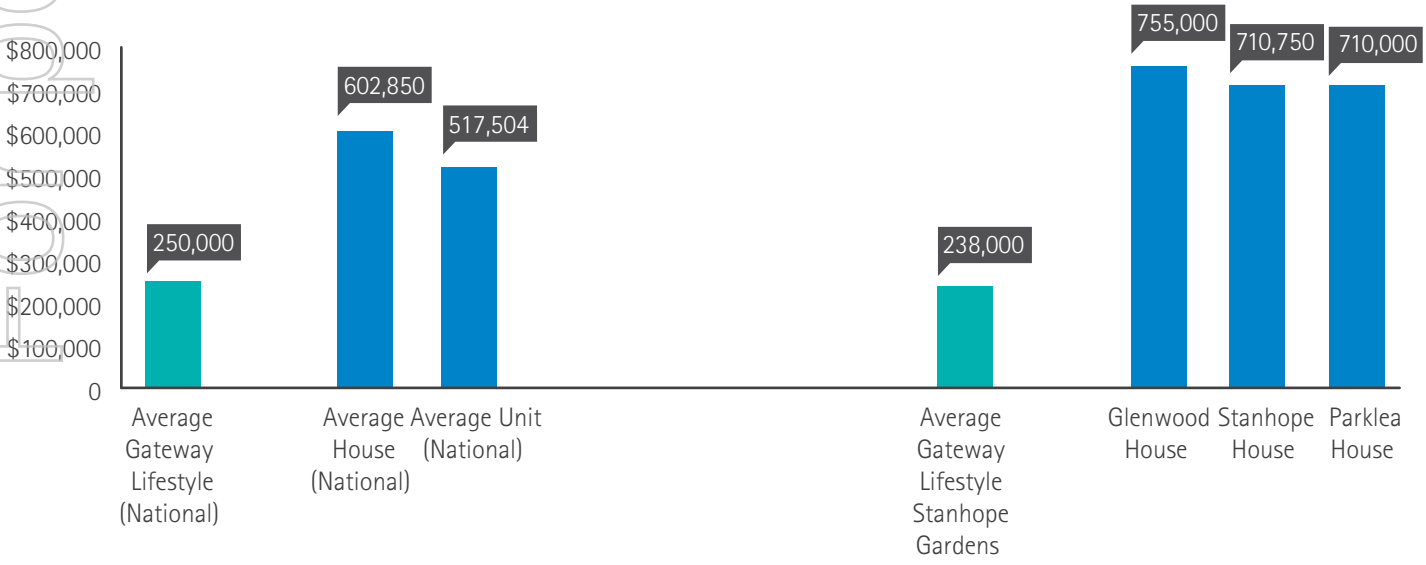
Since FY12, Gateway Lifestyle has successfully sold and settled 230 manufactured homes, delivering manufactured home sale revenue in excess of $58 million. Over this period, the average sale price achieved was approximately $250,000 per manufactured home with attractive gross profit margins. Gateway Lifestyle is confident in its ability to maintain these margins given its reputation for creating strong communities for residents, focus on cost management, relationships with multiple supply partners facilitating attractive payment terms, internalised home installation teams and processes.

Figure 13 – Historical average sales price and cost of manufactured homes



Gateway Lifestyle manufactured homes are typically priced at between 40% to 60% of the median house price in the area, enabling potential Gateway Lifestyle residents to sell their existing house and release equity capital. Figure 14 below highlights the substantial affordability advantage a resident moving into a Gateway Lifestyle MHE enjoys relative to other alternatives.

Figure 14 – Gateway Lifestyle average manufactured home sales price vs. local area median



Source: RP Data (December 2014)

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Focus on converting mixed use MHEs

Gateway Lifestyle focuses on converting short-term sites at mixed use MHEs into long-term sites as opposed to developing newly acquired greenfield sites. As such, the majority of sites being converted already have existing infrastructure in place (e.g. power, water and sewerage) at the time of acquisition. Accordingly, the minimisation of the infrastructure development required, reduction in time taken to develop a site and reduction of infrastructure costs associated with developing a MHE results in a capital efficient model.

In most instances, acquiring and converting mixed use MHEs often provides Gateway Lifestyle with immediate access to the cash flows from the existing sites (short-term and long-term) together with a pipeline of potential new manufactured home sale profits.

Capital efficient development model

Gateway Lifestyle sells manufactured homes to customers either on an off-the plan basis or via its manufactured home display stock.

The sale of off-the plan manufactured homes involves minimal deployment of capital by Gateway Lifestyle. The upfront deposit received from customers prior to an order being placed with a manufactured home supplier typically accounts for a large proportion of the cost price of the manufactured home to Gateway Lifestyle.

For off-the plan manufactured homes, Gateway Lifestyle offers customers a limited selection of design and finish options. This ensures that the sales and development process is efficient and product delivery is consistent, minimising the time taken for decisions, which in turn ensures consistency in the product delivered and reduces the risk of construction defects and variation.

In Gateway Lifestyle's experience, the time taken to convert initial customer interest into a sale is accelerated when display homes are used. This is particularly the case for MHEs that do not have an established community of long-term sites. Accordingly, display homes are also a key part of Gateway Lifestyle's sales strategy.

In the event that a customer has placed an order for a manufactured home and has paid a significant unconditional deposit but elects not to settle the manufactured home, Gateway Lifestyle is able to retain this deposit and re-sell the manufactured home to another customer.

Sales and marketing strategy

Gateway Lifestyle's sales strategy is supported by a targeted marketing approach in local catchment areas in close proximity to existing MHEs. Potential customers are targeted directly through a number of channels, including print and digital media, advertising in local classifieds and an online presence. Gateway Lifestyle's current marketing spend is approximately $45,000 per month.

Gateway Lifestyle's dedicated internal sales and marketing team has a track record of sales, generating 10 to 12 new manufactured home sales per month[1], based on an average of 150 to 200 customer leads per month over the last 12 months (across an average of 14 developing MHEs in FY15).

3.2.2.1 Growth in new manufactured home sales on available sites

Gateway Lifestyle has a pipeline of more than 1,815 sites available for new manufactured home sales, with an additional 357 sites available for new manufactured home sales (subject to DA approval). This pipeline represents more than $500 million in estimated total identifiable manufactured home sales revenue and more than 8 years forward potential manufactured home sale revenue based on FY16 forecast manufactured home settlements of 261.

Gateway Lifestyle has delivered strong sales momentum in new manufactured home sales, with 57 manufactured home settlements in 1H15 across 9 MHEs with an average sale price of approximately $254,000. In 2H15, Gateway Lifestyle anticipates new manufactured home settlements across 13 MHEs, and will leverage its established brand to drive demand for new manufactured homes.

1 FY15 current run rate.

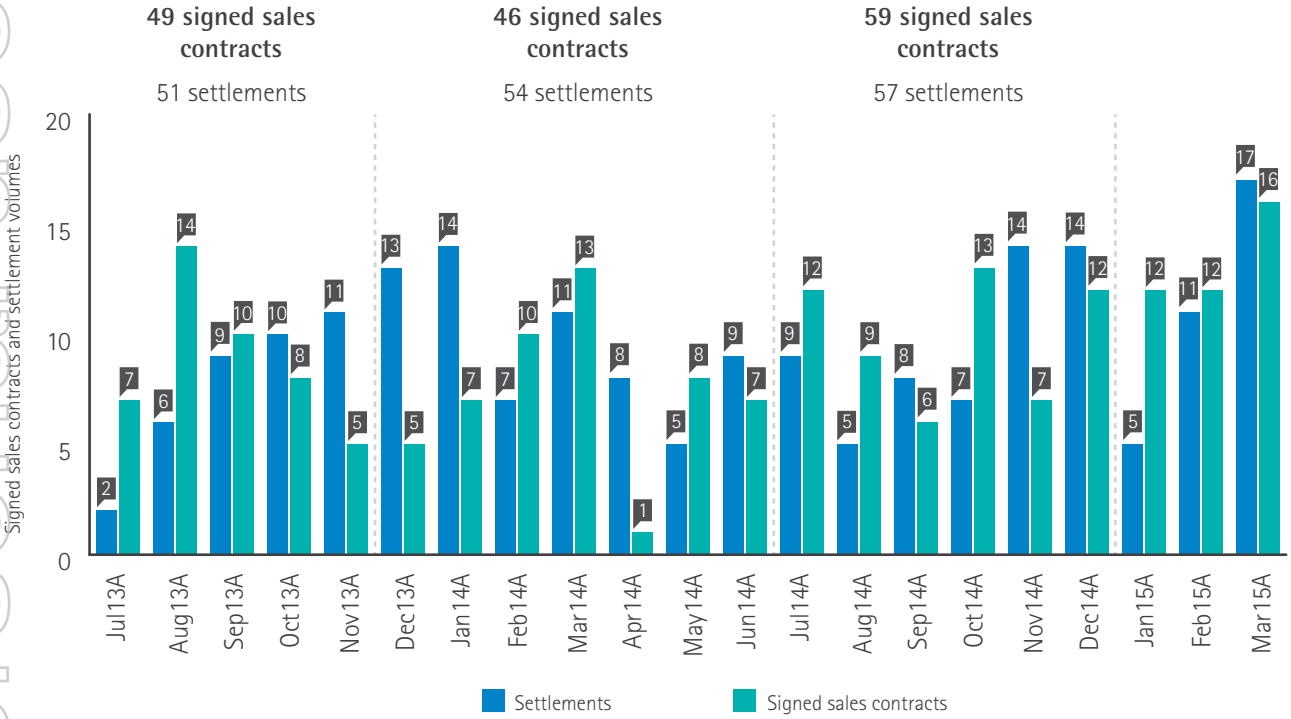
3. Overview of Gateway Lifestyle (continued)

As at 19 April 2015, Gateway Lifestyle has fully covered its forecast settlements of 117 for the financial year ending 30 June 2015 by 15 sales. These 15 additional sales will contribute to the 261 forecast settlements forecast for the financial year ending 30 June 2016.

Table 6 – New manufactured home sales momentum

	FY12A	FY13A	FY14A	FY15F	FY16F
Manufactured home settlements	13	55	105	117	261
Number of Selling MHEs (with settlements)	3	4	8	14	24
Average sales price (excl. GST)	215,000	251,000	257,000	253,000	242,000

Figure 15 – Historical monthly sales and settlement volumes for manufactured homes



The sale of manufactured homes at mixed-use MHEs reduces exposure to cyclical tourist and short-term rental income as the mixed-use MHE becomes fully converted. Converted MHEs are characterised by an increased proportion of predictable and non-seasonal rental income from long-term sites, which is akin to annuity income.

The three case studies presented below demonstrate management's expertise in acquiring, converting and adding value to assets over time.

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Case Study – Stanhope Gardens fully converted MHE (New South Wales)

	At acquisition (Sep 2011)	As at 31 Dec 2014
Acquisition price/independent value	$23.7 million	$27 million
Number of permanent residents	415	551
Number of sites	405	367
Long-term	256	367
Short term	149	-
Average site rent (per week)	$143	$158
Total operating income (per annum)[1]	$2.3 million	$2.2 million
Manufactured home sales completed	-	103
Manufactured home sales revenue (gross)	-	$25.4 million

Note 1: Independent valuer assessment of maintainable net operating profit.

MHE aerial view (at acquisition)



MHE aerial view (current)



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3. Overview of Gateway Lifestyle (continued)

Case Study – Bayside partially completed MHE (Queensland)

	At acquisition (Dec 2009)	As at 31 Dec 2014
Acquisition price/independent value	$9.25 million	$11.7 million
Number of permanent residents	87	173
Number of sites	203	167
Long-term	59	167
Short term	144	-
Average site rent (per week)	$135	$150
Total operating income (per annum)[1]	$865,000	$731,000
Manufactured home sales completed	-	64
Manufactured home sales revenue (gross)	-	$19.5 million

Note 1: Independent valuer assessment of maintainable net operating profit.

MHE aerial view (at acquisition)



MHE aerial view (current)



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Case Study – Brisbane River Villages mature MHE (Queensland)

	At acquisition (Aug 2011)	As at 31 Dec 2014
Acquisition price/independent value	$3.05 million	$4.7 million
Number of permanent residents	145	149
Number of sites	99	99
Long-term	99	99
Short term	-	-
Average site rent (per week)	$115	$142
Total operating income (per annum)[1]	$330,000	$421,000
Manufactured home sales completed	-	-
Manufactured home sales revenue (gross)	-	-

MHE aerial view (at acquisition)



MHE aerial view (current)



Note 1: Independent valuer assessment of maintainable net operating profit.

3.2.3 Ancillary income

Gateway Lifestyle derives ancillary income through re-sale commissions and the management and development of third party MHEs.

Gateway Lifestyle assists residents selling their manufactured homes, earning a commission on the gross sale price (excluding GST) for assisting with the sale process.

3. Overview of Gateway Lifestyle (continued)

3.3 Additional identified growth opportunities

Gateway Lifestyle is strategically positioned to capitalise on a number of near term opportunities.

3.3.1 Growth in Portfolio

The Australian MHE industry remains highly fragmented, with over 2,000 MHEs. The majority of these are privately owned, with no other single MHE Operator having more than 10% market share. This provides the scope for industry consolidation for market leading operators, such as Gateway Lifestyle.

Gateway Lifestyle has significant experience in executing its acquisition growth strategy and on Completion, will have expanded its Portfolio to 36 MHEs. Gateway Lifestyle will continue to assess opportunities to expand its MHE Portfolio through undertaking further acquisitions, in line with its established investment criteria and due diligence processes.[1]

Gateway Lifestyle sources potential MHE acquisition targets through directly approaching potential vendors and also through MHE brokers. Gateway Lifestyle has a dedicated national planning and acquisition manager to assist with the identification and evaluation of acquisition opportunities, including detailed assessment of all planning and regulatory requirements.

Gateway Lifestyle has a rigorous due diligence process in place. The table below details some of the key criteria Gateway Lifestyle takes into consideration when assessing the merits of a potential acquisition.

Criteria	Examples of key metrics
In relation to the MHE location	
Is there an adequate market of Senior Australians in the area?	– Proximity to sufficiently large population catchment areas
Proximity to key infrastructure	– Key infrastructure includes road networks, medical facilities and social amenities
Local real estate market dynamics	– Median house prices in the area – relative to existing and proposed MHE pricing – Market demand and supply of manufactured homes
Competition	– Competition from other MHE providers and retirement accommodation offerings
Operational synergies	– Proximity to other Gateway Lifestyle MHEs may facilitate the extraction of operating synergies through sharing of cluster managers and potential rostering synergies
In relation to the MHE	
Development potential	– Minimum land size – Suitability of converting short-term sites into long-term sites – including assessment of current planning approvals in place and local council receptiveness to increasing number of long-term site licences – Vacant sites at the MHE, number of short-term sites available for conversion – Availability of adjoining land for potential development – Further opportunities to implement operational efficiencies
MHE economics	– Purchase price of the MHE relative to market based capitalisation rates and equivalent rate per approved site – Condition of existing facilities and infrastructure – Cost of purchasing and converting the land (including associated infrastructure works) – Rental rates at the MHE relative to the market – Ongoing maintenance and management costs

Gateway Lifestyle will continue to explore opportunities in accordance with its business strategy.

1 The acquisition and disposal of MHEs is not included in the FY16 Pro forma Financial Information Forecast.

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3.3.2 Adjoining land development opportunities

Gateway Lifestyle adopts a selective approach toward greenfield and brownfield developments. Gateway Lifestyle's development activity is specifically limited to developing sites on adjoining vacant land, leveraging the infrastructure in place at the adjoining MHE. Gateway Lifestyle's management team has proven expertise in delivering sites in these situations.

Gateway Lifestyle currently has three parcels of vacant land adjoining three existing MHEs at Redlands, Regal Waters and Edgewater, increasing capacity by a further 301 sites. Gateway Lifestyle will be able to leverage the existing infrastructure in the adjoining MHEs to develop the new sites at a substantially reduced capital cost relative to developing a standalone greenfield MHE.

Gateway Lifestyle continues to assess other capital light expansion opportunities in conjunction with landholding joint venture partners.

3.3.3 Providing lifestyle solutions to our residents

Gateway Lifestyle has identified a number of opportunities that can be implemented in the future, including facilitating the sale of insurance and pharmaceutical products to residents as well as other opportunities leveraging its resident base to enhance brand recognition or earn marketing revenue.

Gateway Lifestyle views these as opportunities to improve the strength of its brand and lifestyle offering to its residents.

3.4 Employees

On Completion, Gateway Lifestyle will employ 252 people across the eastern seaboard of Australia. 43 employees are based out of Gateway Lifestyle's corporate headquarters across Bella Vista, Sydney and/or Murarrie, Brisbane, and are responsible for the management, development and planning, finance, human resources, sales and marketing functions of the group. The remaining employees work on-site at Gateway Lifestyle's MHEs.

Gateway Lifestyle's management team has been built from the ground up and will leverage its substantial operational expertise in pursuing future growth opportunities. Gateway Lifestyle's scalable management platform has the capacity to undertake new MHE acquisitions without requiring significant increases in headcount at the head office level.

Figure 16 – Gateway Lifestyle employees

Location	Number of staff
Head office	43
New South Wales MHEs	106
Queensland MHEs	71
Victoria MHEs	32
Total	252

3.5 Occupational health and safety

Gateway Lifestyle considers the health and safety of its employees, residents and contractors to be of paramount importance. Gateway Lifestyle has instituted a comprehensive set of safety policies and procedures in line with occupational health and safety legislation.

Gateway Lifestyle operational staff undergo specific training relating to safety upon commencement of employment and on an ongoing basis.

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Four

Portfolio overview

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GATEWAY LIFESTYLE
RESIDENTIAL PARKS

4. Portfolio overview

Gateway Lifestyle's Portfolio on Completion will consist of 36 MHEs comprising 5,861 sites and housing approximately 6,000 residents in 4,046 manufactured homes. The Portfolio is geographically diversified across New South Wales, Queensland and Victoria.

Note: Median house price data in tables below are as at 31 December 2014 (RP Data). Manufactured home sales and average manufactured home sale prices in the tables below are calculated from the date the MHE was acquired to 31 December 2014.

4.1 Bayside – Tingalpa, Queensland



Gateway Lifestyle Bayside is located approximately 14km from Brisbane's CBD and close to the popular tourist destination of Moreton Bay. The MHE has been operating for over 30 years and is spread out over 16 acres in a bush setting.

Bayside offers residents a range of facilities including outdoor barbecue areas, a workshop and library.

MHE profile

Location	Tingalpa, QLD	**Total approved sites**	167
Independent MHE valuation	$11.7 million	**Sites available for new manufactured home sales**	52
Land area	16.2 acres	**Manufactured home sales settled as at 31 December 2014**	64
Estimated residents	173	**Average manufactured home sale price as at 31 December 2014**	$304,832
Status	Converted MHE	**Median house price (local area)**	$465,000

4.2 Bass Hill – Sydney, New South Wales



Gateway Lifestyle Bass Hill is located approximately 20km from Sydney's CBD, bordering the Memorial Drive bushland reserve.

Bass Hill has been operating for over 15 years and has undergone substantial upgrades over the last two years. Current facilities available to residents include outdoor barbecue areas, workshop, library and community centre.

MHE profile

Location	Bass Hill, NSW	**Total approved sites**	85
Independent MHE valuation	$9.0 million	**Sites available for new manufactured home sales**	60
Land area	4.6 acres	**Manufactured home sales settled as at 31 December 2014**	21
Estimated residents	38	**Average manufactured home sale price as at 31 December 2014**	$261,107
Status	Mixed use MHE	**Median house price (local area)**	$650,000

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4.3 Brisbane River Villages – Goodna, Queensland



Gateway Lifestyle Brisbane River Villages is located approximately 25km from Brisbane's CBD, featuring landscaped areas to maximise outdoor living potential.

Brisbane River Villages provides residents with extensive facilities including a swimming pool, golf course, tennis court, communal lounge and dining, lawn bowls, croquet, gymnasium, arts and crafts area, workshop, outdoor barbeque area, village bus and recreation hall.

Brisbane River Villages is located within a 5 minute drive of the RSL, urban centre and major shopping centres.

MHE profile

Location	Goodna, QLD	**Total approved sites**	99
Independent MHE valuation	$4.7 million	**Sites available for new manufactured home sales**	-
Land area	25.1 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	149	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$278,000

4.4 Stanhope Gardens – Sydney, New South Wales



Gateway Lifestyle Stanhope Gardens is located in northwest Sydney and in close proximity to parks, transport, medical facilities and shopping centres.

Stanhope Gardens has been operating for over 30 years and offers residents a secure gated community with 24 hour onsite management and access to a range of facilities including two swimming pools, heated spa, recreation hall, library and hair dresser.

MHE profile

Location	Stanhope Gardens, NSW	**Total approved sites**	367
Independent MHE valuation	$27.0 million	**Sites available for new manufactured home sales**	-
Land area	25.8 acres	**Manufactured home sales settled as at 31 December 2014**	103
Estimated residents	551	**Average manufactured home sale price**	$247,070
Status	Converted MHE	**Median house price (local area)**	$710,750

4. Portfolio overview (continued)

4.5 Nepean Shores – Penrith, New South Wales



Gateway Lifestyle Nepean Shores is located on the banks of the Nepean River, close to Penrith and the Blue Mountains.

The MHE offers residents a spacious layout surrounded by native gardens and away from main roads.

Facilities available to MHE residents include a conference hall, barbeque facilities, swimming pool and tennis court.

MHE profile

Location	Penrith, NSW	**Total approved sites**	197
Independent MHE valuation	$16.0 million	**Sites available for new manufactured home sales**	42
Land area	17.0 acres	**Manufactured home sales settled as at 31 December 2014**	17
Estimated residents	233	**Average manufactured home sale price as at 31 December 2014**	$283,473
Status	Mixed use MHE	**Median house price (local area)**	$473,000

4.6 Redlands – Birkdale, Queensland



Gateway Lifestyle Redland, formerly known as Redland Motor Village, is located between Brisbane, Logan, and the Gold Coast.

In addition to the 14 immediate conversion opportunities available at Redlands, Gateway Lifestyle has acquired adjacent land which it intends to develop into an additional 48 long-term sites.

Facilities available to residents include barbeque facilities, guest laundry and playground.

MHE profile

Location	Birkdale, QLD	**Total approved sites**	127
Independent MHE valuation	$8.25 million	**Sites available for new manufactured home sales**	39
Land area	8.7 acres	**Manufactured home sales settled as at 31 December 2014**	11
Estimated residents	81	**Average manufactured home sale price as at 31 December 2014**	$311,238
Status	Mixed use MHE	**Median house price (local area)**	$486,000

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4.7 Grafton – Grafton, New South Wales



Gateway Lifestyle Grafton is located in northern New South Wales, approximately 660km north of Sydney and 320kms south of Brisbane.

Facilities available to residents at Grafton include a swimming pool, basketball court, barbeque facilities, gazebo, cycling track and tennis court.

MHE profile

Location	Grafton, NSW	**Total approved sites**	208
Independent MHE valuation	$10.25 million	**Sites available for new manufactured home sales**	117
Land area	31.4 acres	**Manufactured home sales settled as at 31 December 2014**	6
Estimated residents	137	**Average manufactured home sale price as at 31 December 2014**	$209,016
Status	Mixed use MHE	**Median house price (local area)**	$268,500

4.8 Aspley – Brisbane, Queensland



Gateway Lifestyle Aspley is located approximately 12 km from Brisbane.

Facilities available to Aspley residents include a community centre, swimming pool and barbeque area.

MHE profile

Location	Brisbane, QLD	**Total approved sites**	168
Independent MHE valuation	$10.75 million	**Sites available for new manufactured home sales**	149
Land area	121.0 acres	**Manufactured home sales settled as at 31 December 2014**	13
Estimated residents	29	**Average manufactured home sale price as at 31 December 2014**	$273,766
Status	Mixed use MHE	**Median house price (local area)**	$525,000

4. Portfolio overview (continued)

4.9 Oaklands – Windang, New South Wales



Gateway Lifestyle Oaklands is situated on Lake Illawarra and enjoys 1km of frontage on the shores of the lake. The MHE is approximately 100km from Sydney and approximately 15km from Wollongong.

Facilities available at Oaklands include a swimming pool, barbecue facilities and community room.

MHE profile

Location	Windang, NSW	**Total approved sites**	258
Independent MHE valuation	$15.0 million	**Sites available for new manufactured home sales**	10
Land area	15.4 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	372	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$500,000

4.10 Yamba – Yamba, New South Wales



Gateway Lifestyle Yamba is located in northern New South Wales, approximately 140km from Coffs Harbour and 125km from Byron Bay.

The MHE is surrounded by a lagoon and set amongst 20 acres of natural bushland.

Facilities available to Yamba residents include two swimming pools, barbeque facilities and a TV room.

MHE profile

Location	Yamba, NSW	**Total approved sites**	217
Independent MHE valuation	$6.6 million	**Sites available for new manufactured home sales**	154
Land area	20.0 acres	**Manufactured home sales settled as at 31 December 2014**	6
Estimated residents	95	**Average manufactured home sale price as at 31 December 2014**	$200,715
Status	Mixed use MHE	**Median house price (local area)**	$425,000

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4.11 Coombabah – Coombabah, Queensland



Gateway Lifestyle Coombabah is located approximately 15 minutes from Surfers Paradise on the Gold Coast, 65km from Brisbane.

Facilities available to residents include a swimming pool, bowling green and tennis court.

MHE profile

Location	Coombabah, QLD	**Total approved sites**	247
Independent MHE valuation	$14.7 million	**Sites available for new manufactured home sales**	-
Land area	23.2 acres	**Manufactured home sales settled as at 31 December 2014**	1
Estimated residents	371	**Average manufactured home sale price as at 31 December 2014**	$280,000
Status	Converted MHE	**Median house price (local area)**	$413,000

4.12 Regal Waters – Bethania, Queensland



Gateway Lifestyle Regal Waters is situated in a valley beside the Logan River, 35km from Brisbane.

Facilities available to Regal Waters residents include indoor bowls, two recreation centres, gymnasium, library, card and games room (including a snooker table and darts).

Gateway Lifestyle has acquired adjacent land which it intends to develop into an additional 28 long-term sites.

MHE profile

Location	Bethania, QLD	**Total approved sites**	201
Independent MHE valuation	$9.9 million (Regal Waters) $1.0 million (expansion)	**Sites available for new manufactured home sales**	-
Land area	28.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	302	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$293,000

4. Portfolio overview (continued)

4.13 Edgewater – Bli Bli, Queensland



Gateway Lifestyle Edgewater is located on Queensland's Sunshine Coast, midway between Nambour and Maroochydore, and within close proximity to hospitals, trains and major shopping centres.

Mooloolaba and Noosa are also easily accessible from Edgewater, providing further tourist and lifestyle attractions for residents.

Facilities available to Edgewater residents include a community centre, bowling green, swimming pool, barbeque area and tennis court.

Gateway Lifestyle has acquired adjoining land which it intends to potentially develop into an additional 225 long-term sites.

MHE profile

Location	Bli Bli, QLD	**Total approved sites**	210
Independent MHE valuation	$14.5 million	**Sites available for new manufactured home sales**	-
Land area	43.6 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	315	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$440,000

4.14 Maroochy – Maroochydore, Queensland



Gateway Lifestyle Maroochy is a mixed use MHE that caters to tourists as well as permanent residents. It is located approximately 100km north of Brisbane.

The MHE has approximately 200 caravan and camping sites, as well as 35 villas which are available to tourists on a short-term basis. Caravan sites vary from normal powered to ensuite sites, while campers enjoy a range of camping locations and facilities.

Facilities available to Maroochy residents include a swimming pool, tennis court and gymnasium.

MHE profile

Location	Maroochydore, QLD	**Total approved sites**	258
Independent MHE valuation	$13.0 million	**Sites available for new manufactured home sales**	172
Land area	14.1 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	129	**Average manufactured home sale price as at 31 December 2014**	$328,000
Status	Mixed use MHE	**Median house price (local area)**	$465,000

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4.15 Tweed Shores – Chinderah, New South Wales



Gateway Lifestyle Tweed Shores is located in Chinderah, on the banks of the Tweed River and approximately 110km away from Brisbane.

Facilities available at Tweed Shores include swimming pool, barbecue facilities and community room.

MHE profile

Location	Chinderah, NSW	**Total approved sites**	147
Independent MHE valuation	$7.5 million	**Sites available for new manufactured home sales**	42
Land area	9.8 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	158	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$480,000

4.16 Acacia Ponds – Pambula, New South Wales



Gateway Lifestyle Acacia Ponds is located on New South Wales' Sapphire Coast (Bega Valley Shire), approximately 450km from Sydney, and in close proximity to a number of natural attractions including beaches, fishing spots and national parks.

Facilities available to MHE residents include a community centre and communal vegetable garden.

MHE profile

Location	Pambula, NSW	**Total approved sites**	100
Independent MHE valuation	$3.75 million	**Sites available for new manufactured home sales**	13
Land area	19.4 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	131	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$460,000

4. Portfolio overview (continued)

4.17 Chinderah – Chinderah, New South Wales



Gateway Lifestyle Chinderah is located in Chinderah, approximately 110km away from Brisbane.

Facilities available at Chinderah include barbecue facilities, swimming pool and a lagoon.

MHE profile

Location	Chinderah, NSW	**Total approved sites**	78
Independent MHE valuation	$4.0 million	**Sites available for new manufactured home sales**	40
Land area	6.9 acres	**Manufactured home sales settled as at 31 December 2014**	-
Residents	57	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$480,000

4.18 Benalla – Benalla, Victoria



Gateway Lifestyle Benalla is situated in Victoria's high country, approximately 215km from Melbourne.

Gateway Lifestyle Benalla is located near a range of regional tourist attractions including the Ned Kelly trail, numerous wineries, cherry farms and cheese factories.

Facilities available to Benalla residents include a swimming pool, barbecue facilities and community room.

MHE profile

Location	Benalla, VIC	**Total approved sites**	92
Independent MHE valuation	$4.53 million	**Sites available for new manufactured home sales**	74
Land area	10.4 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	27	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$230,000

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4.19 Salamander Bay – Port Stephens, New South Wales



Gateway Lifestyle Salamander Bay is located on the foreshore of Port Stephens, approximately 200km from Sydney.

Residents have access to a swimming pool and the MHE is within close proximity to boating facilities, sheltered beaches and shopping facilities.

MHE profile

Location	Salamander Bay, NSW	**Total approved sites**	258
Independent MHE valuation	$8.25 million	**Sites available for new manufactured home sales**	185
Land area	11.47 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	110	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$488,000

4.20 Sussex Inlet North – Sussex Inlet, New South Wales



Gateway Lifestyle Sussex Inlet North is situated on 10 acres of land, surrounded by Conjola National Park and adjacent to Swan Lake, beaches and Sussex Inlet, approximately 200km from Sydney.

Facilities available to residents include a swimming pool, tennis court, barbecue area and community hall.

MHE profile

Location	Sussex Inlet, NSW	**Total approved sites**	107
Independent MHE valuation	$5.75 million	**Sites available for new manufactured home sales**	9
Land area	10.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	147	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$346,000

4. Portfolio overview (continued)

4.21 Sussex Inlet South – Sussex Inlet, New South Wales



Gateway Lifestyle Sussex Inlet South is situated on 7 acres of land, surrounded by Conjola National Park and adjacent to Swan Lake, beaches and Sussex Inlet, 200km from Sydney.

Facilities available to residents include a swimming pool, tennis court and barbecue area.

MHE profile

Location	Sussex Inlet, NSW	**Total approved sites**	88
Independent MHE valuation	$3.75 million	**Sites available for new manufactured home sales**	50
Land area	7.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	57	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$346,000

4.22 Healesville – Healesville, Victoria



Gateway Lifestyle Healesville is situated in the Yarra Valley, approximately 61km northeast of Melbourne. The MHE is set in bush surroundings at the foothills of Mt. Riddell and the Great Dividing Ranges, close to many attractions in the Yarra Valley.

Facilities available to Healesville residents include a swimming pool and community centre.

MHE profile

Location	Healesville, VIC	**Total approved sites**	87
Independent MHE valuation	$3.5 million	**Sites available for new manufactured home sales**	68
Land area	6.4 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	29	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$390,000

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4.23 Greenbank – Greenbank, Queensland



Gateway Lifestyle Greenbank is located approximately 30km south of Brisbane. The MHE offers residents a range of facilities including a swimming pool, community hall, library, bowling green, gymnasium and community centre.

The MHE is within close proximity to medical facilities, chemists and shopping centres.

MHE profile

Location	Greenbank, QLD	**Total approved sites**	83
Independent MHE valuation	$5 million	**Sites available for new manufactured home sales**	46
Land area	8.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	56	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$528,000

4.24 Ballarat – Ballarat, Victoria



Gateway Lifestyle Ballarat is located close to the Ballarat CBD, approximately 115km North West of Melbourne. In addition to providing long-term accommodation for residents, Gateway Lifestyle Ballarat also offers accommodation to tourists with a range of self-contained cabin, caravan and camping options available.

Facilities at Gateway Lifestyle Ballarat include a heated swimming pool, tennis court, indoor spa and camp kitchen.

MHE profile

Location	Ballarat, VIC	**Total approved sites**	130
Independent MHE valuation	$8 million	**Sites available for new manufactured home sales**	129
Land area	7.1 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	2	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$365,000

4. Portfolio overview (continued)

4.25 Twin Cedars – Beerburrum, Queensland



Gateway Lifestyle Twin Cedars located approximately 63km north of Brisbane and 50km from Maroochydore.

Facilities available to Twin Cedars residents include a community hall, two swimming pools, gymnasium, workshops and barbecue facilities.

MHE profile

Location	Beerburrum, QLD	**Total approved sites**	85
Independent MHE valuation	$4.7 million	**Sites available for new manufactured home sales**	25
Land area	11.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	90	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$386,500

4.26 The Retreat – Port Macquarie, New South Wales



The Retreat Estate is located approximately 5km south west of Port Macquarie. The Retreat Estate is a purpose-built MHE that was completed in 2004.

Facilities available to residents including a bowling green, hairdressing salon, community hall, office, pool and barbecue facilities.

MHE profile

Location	Port Macquarie, NSW	**Total approved sites**	193
Independent MHE valuation	$13.0 million	**Sites available for new manufactured home sales**	-
Land area	30.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	290	**Average manufactured home sale price as at 31 December 2014**	-
Status	Purpose built MHE	**Median house price (local area)**	$437,500

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4.27 Taskers Residential Estate – Port Macquarie, New South Wales



Taskers Residential Estate is located approximately 2km south of Port Macquarie and approximately 200m from the popular Flynns Beach. Taskers Residential Estate was originally a tourism park which was subsequently converted into a MHE.

Facilities available to residents include a community toilet and barbecue facilities.

MHE profile

Location	Port Macquarie, NSW	**Total approved sites**	73
Independent MHE valuation	$4.3 million	**Sites available for new manufactured home sales**	1
Land area	5.8 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	108	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$437,500

4.28 Ocean Breeze – Newcastle, New South Wales



Ocean Breeze is located on the beachfront at Redhead, approximately 120km north of Sydney and approximately 17km south of Newcastle.

Facilities available to residents include a community hall, pool and barbecue facilities.

MHE profile

Location	Redhead, NSW	**Total approved sites**	52
Independent MHE valuation	$3.35 million	**Sites available for new manufactured home sales**	-
Land area	4.0 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	78	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$720,000

4. Portfolio overview (continued)

4.29 Redbank Palms Resort – Redbank, Queensland



Redbank Palms resort is located approximately 14km east of Ipswich and approximately 29km south west of Brisbane.

Facilities available to residents include a bowling green, craft room, community hall, pool and barbecue facilities.

MHE profile

Location	Redbank, QLD	**Total approved sites**	151
Independent MHE valuation	$9.8 million	**Sites available for new manufactured home sales**	-
Land area	17.1 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	227	**Average manufactured home sale price as at 31 December 2014**	-
Status	Converted MHE	**Median house price (local area)**	$276,000

4.30 Lakeland Park Estate – Buff Point, New South Wales



Lakeland Park Estate is located on the lakefront of Tuggerah Lake, approximately 90km north of Sydney and approximately 57km south Newcastle.

Facilities available to residents include a community hall, pool and barbecue facilities.

MHE profile

Location	Buff Point, NSW	**Total approved sites**	143
Independent MHE valuation	$11.35 million	**Sites available for new manufactured home sales**	-
Land area	14.0 acres	**Manufactured home sales settled as at 31 December 2014**	1
Estimated residents	215	**Average manufactured home sale price as at 31 December 2014**	$235,000
Status	Converted MHE	**Median house price (local area)**	$350,000

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4.31 Bremer Waters – Moores Pocket, Queensland



Bremer Waters is located approximately 3km north east of Ipswich and 40km south west of Brisbane. Bremer Waters is a purpose built MHE and is currently nearing the final stages of completion.

Facilities available to residents include a bowling green, tennis court, gymnasium, community hall, pool, barbecue facilities and work shed.

MHE profile

Location	Moores Pocket, QLD	**Total approved sites**	183
Independent MHE valuation	$12.0 million	**Sites available for new manufactured home sales**	5
Land area	30.9 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	267	**Average manufactured home sale price as at 31 December 2014**	-
Status	Purpose built MHE	**Median house price (local area)**	$294,000

4.32 Sea Winds – Port Stephens, New South Wales



Sea Winds is a purpose built MHE located near Anna Bay at Port Stephens. The MHE is located approximately 54km north of Newcastle.

Facilities available to residents include a community hall, pool and barbecue facilities.

MHE profile

Location	Port Stephens, NSW	**Total approved sites**	150
Independent MHE valuation	$7.55 million	**Sites available for new manufactured home sales**	2
Land area	11.6 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	222	**Average manufactured home sale price as at 31 December 2014**	-
Status	Purpose built MHE	**Median house price (local area)**	$437,500

4. Portfolio overview (continued)

4.33 Valhalla Village – Chain Valley Bay, New South Wales



Valhalla Village is a purpose built MHE located approximately 94km north of Sydney and approximately 44km south of Newcastle. The MHE is currently under expansion and has received recent development approval to allow the further development of 150 manufactured homes.

Facilities available to residents include two swimming pools, a bowling green, croquet courts, two tennis courts, two community halls, work shed and barbecue facilities.

MHE profile

Location	Chain Valley Bay, NSW	**Total approved sites**	423
Independent MHE valuation	$29.0 million	**Sites available for new manufactured home sales settled as at 31 December 2014**	147
Land area	69.4 acres	**Manufactured home sales as at 31 December 2014**	-
Estimated residents	410	**Average manufactured home sale price**	-
Status	Purpose built MHE	**Median house price (local area)**	$360,000

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4.34 The Pines – Coffs Harbour, New South Wales



The Pines is located on a lagoon at Hearnes Lake, approximately 25km north of Coffs Harbour and approximately 3km south of Woolgoolga.

The Pines currently has 10 cabins that are utilised for short term stays.

Facilities available to residents include a community hall, tennis court and barbecue facilities.

MHE profile

Location	Coffs Harbour, NSW	**Total approved sites**	164
Independent MHE valuation	$7.1 million	**Sites available for new manufactured home sales**	49
Land area	21.2 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	173	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$403,000

4. Portfolio overview (continued)

4.35 Lorikeet Park – Coffs Harbour, New South Wales



Lorikeet Park is located on the beachfront at Arrawarra, approximately 35km north of Coffs Harbour and approximately 8km north of Woolgoolga.

Lorikeet Park is currently a mixed use MHE with short term tourism cabins, caravan and campervan sites.

Facilities available to residents include a community hall, pool, barbecue facilities and basketball half court.

MHE profile

Location	Coffs Harbour, NSW	**Total approved sites**	100
Independent MHE valuation	$6.5 million	**Sites available for new manufactured home sales**	46
Land area	28.4 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	81	**Average manufactured home sale price as at 31 December 2014**	-
Status	Mixed use MHE	**Median house price (local area)**	$403,000

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4.36 Riverside Village – Evans Head, New South Wales



Riverside Village is a purpose built MHE located approximately 43km south of Ballina on the north coast of NSW.

Facilities available to residents include a community hall, pool and barbecue facilities.

MHE profile

Location	Evans Head, NSW	**Total approved sites**	165
Independent MHE valuation	$7.5 million	**Sites available for new manufactured home sales**	89
Land area	36.3 acres	**Manufactured home sales settled as at 31 December 2014**	-
Estimated residents	114	**Average manufactured home sale price as at 31 December 2014**	-
Status	Purpose built MHE	**Median house price (local area)**	$435,500

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Five

Financial Information

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GATEWAY LIFESTYLE
RESIDENTIAL PARKS

5. Financial Information

5.1 Introduction

The financial information contained in this Section has been prepared for Gateway Lifestyle (being the Company and the Trust) and comprises:

- Pro forma historical financial information, being the:
  - Pro forma historical consolidated income statements for the years ended 30 June 2012 ("**FY12**"), 30 June 2013 ("**FY13**") and 30 June 2014 ("**FY14**") and the half year ended 31 December 2014 ("**1H15**") ("**Pro Forma Historical Results**");
  - Pro forma historical consolidated cash flows for FY12, FY13 and FY14 and 1H15 ("**Pro Forma Historical Cash Flows**"); and
  - Pro forma historical consolidated balance sheet as at 31 December 2014 ("**Pro Forma Balance Sheet**");

  (together, the "**Pro Forma Historical Financial Information**"),
- Pro forma forecast financial information, being the:
  - Pro forma forecast consolidated income statements for the year ending 30 June 2015 ("**FY15**") and the half year ending 30 June 2015 ("**2H15**") ("**Pro Forma Forecast Results**"); and
  - Pro forma forecast consolidated cash flows for FY15 and 2H15 ("**Pro Forma Forecast Cash Flows**");

  (together, the "**Pro Forma Forecast Financial Information**"),
- Statutory forecast financial information, being the:
  - Forecast consolidated income statement for FY15 and the year ending 30 June 2016 (**FY16**) ("**Statutory Forecast Results**"); and
  - Forecast consolidated cash flows for FY15 and FY16 ("**Statutory Forecast Cash Flows**");

  (together, the "**Statutory Forecast Financial Information**");

Collectively the Pro Forma Forecast Financial Information and Statutory Forecast Financial Information is the "**Forecast Financial Information**".

The Pro Forma Historical Financial Information and Forecast Financial Information is collectively, the "**Financial Information**".

Gateway Lifestyle operates on a financial year ending 30 June. All amounts disclosed in Section 5 are presented in Australian dollars unless otherwise noted and are rounded to the nearest $0.1 million. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Information provided in this Section should be read in conjunction with the sensitivity analysis outlined in Section 5.9, the risk factors outlined in Section 6 and the other information provided in this Offer Document.

5.2 Basis of preparation and presentation of Financial Information

5.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information. The Financial Information in this Offer Document is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Gateway Lifestyle together with the Forecast Financial Information.

Certain significant accounting policies relevant to the Financial Information are disclosed in the Appendix. The Financial Information is presented in an abbreviated form and does not contain all of the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The Financial Information has been reviewed by Ernst & Young Transaction Advisory Services Limited, whose Independent Limited Assurance Report is provided in Section 10 of this Offer Document. Investors should note the scope and limitations of the Independent Limited Assurance Report (refer to Section 10).

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5.2.2 Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Offer Document. The Pro Forma Historical Financial Information represents the combination of the historical financial information of the entities to be acquired from different investor syndicates operated by the Gateway Lifestyle management team during the historical period and the Tasman entities ("**Tasman**") (collectively the "**Portfolio Acquisitions**"), from the later of 1 July 2011 or the date of incorporation of the relevant entities. The Pro Forma Historical Financial Information does not represent statutory historical financial information as it is presented assuming that the entities owned by different investor syndicates and Tasman formed part of the one consolidated group.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards ("**AAS**") other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect i) the impact of certain transactions as if they had occurred, being the Portfolio Acquisitions, from the later of 1 July 2011 or the date of incorporation of the relevant entities and the Offer on 31 December 2014 and (ii) the exclusion of certain transactions that occurred in the relevant periods.

The Pro Forma Historical Financial Information excludes the following transactions:

- Development Management Fees incurred by certain entities operated by Gateway Lifestyle have been adjusted as such costs will not be payable following the Proposed Transaction. The impact of this adjustment is to increase the pro forma historical EBIT in FY14 by $0.9 million and in 1H15 by $0.3 million.
- Underwriting Fees incurred by certain entities operated by Gateway Lifestyle have been adjusted as such costs will not be payable following the Proposed Transaction. The impact of this adjustment is to increase the pro forma historical EBIT in 1H15 by $0.2 million.
- One-off transaction costs of $2.1 million incurred by Tasman in relation to a proposed capital raise process in 1H15 have been adjusted, which results in an increase in pro forma historical EBIT for 1H15 by this amount.

Statutory historical financial information has not been presented as Gateway Lifestyle has historically not owned the entities that will form part of the Gateway Lifestyle consolidated group following the Offer. The statutory historical earnings, cash flows and financial position of the respective investor syndicates and Tasman are therefore not representative of Gateway Lifestyle as it will exist following the Offer and Proposed Transaction. As a result the Directors have not presented statutory historical financial information for FY12, FY13, FY14 and 1H15.

The Pro Forma Historical Financial Information is unaudited. Notwithstanding, the Pro Forma Historical Financial Information incorporates the audited financial statements adjusted for the pro forma adjustments referred to above to the extent described below:

- Gateway Lifestyle operated entities – Special purpose financial statements have been prepared for three of the investor syndicates RPT2, RPT and Nestle Inn for FY14.
- Tasman – General purpose financial statements for Tasman Lifestyle Continuum Group have been prepared for the period from incorporation on 26 March 2014 to 31 December 2014. The general purpose audited financial statements were audited by Hall Chadwick and an unmodified audit opinion was issued for each respective period.

In aggregate, the entities set out above comprised 75% of the pro forma historical revenue and 66% of the pro forma historical net assets of the Gateway Lifestyle Consolidated Group for the year ended and as at 30 June 2014.

Pro Forma Historical Results have been presented before interest and taxes. The Directors believe that historical interest and tax would not provide a meaningful representation of past performance or future prospects, given the change in the capital and legal structure arising as a consequence of the Offer and Proposed Transaction.

Pro Forma Historical Cash Flows are presented on an operating cash flow basis, being cash flow before MHE acquisitions, interest, tax payments and distributions.

Investors should note that past results are not a guarantee of future performance.

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5. Financial Information (continued)

5.2.3 Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Offer Document on the basis that the Proposed Transaction is implemented. The Forecast Financial Information has been prepared by the Directors based on an assessment of current economic and operating conditions, and assumptions regarding future events and actions as set out in Section 5.7. The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider the assumptions to be reasonable at the time of preparing this Offer Document.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that any deviation in the assumptions on which the Forecast Financial Information is based may have a material positive or negative effect on Gateway Lifestyle's actual financial performance or position. Investors are advised to review the assumptions in conjunction with the sensitivity analysis set out in Section 5.8, the risk factors outlined in Section 6 and the other information provided in this Offer Document.

The Statutory Forecast Financial Information has been prepared in accordance with the recognition and measurement principles of AAS and the accounting policies adopted by Gateway Lifestyle as set out in Appendix 1.

The Pro Forma Forecast Financial Information has been prepared in accordance with the recognition and measurement principles of the AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect (i) the impact of certain transactions as if they had occurred, being the Portfolio Acquisition from the later of 1 July 2014 or the incorporation date of the relevant entities and the Offer on 31 December 2014 and; ii) the exclusion of certain transactions that occurred in the relevant periods.

The exclusion of certain transactions noted above comprised the Transaction Costs incurred in relation to the Offer.

The Pro Forma Forecast Financial Information for FY15 is based on the actual results for 1H15 and the Directors' best estimate forecasts for 2H15. Refer to Section 5.3.3 for a reconciliation between the Pro Forma EBIT for FY15 and the statutory NPAT for the corresponding period, and to Section 5.5.2 for a reconciliation between the statutory and pro forma forecast operating cash flows for FY15.

Pro Forma Forecast Results for FY15 have been presented before interest and taxes, on the basis that these results include actual results for 1H15 that have only been presented to EBIT. The Directors believe that interest and tax would not provide a meaningful representation of future prospects, given the change in the capital and legal structure arising as a consequence of the Offer and the Proposed Transaction.

The Statutory Forecast Information is based on the Directors' best estimate assumptions. The Statutory Forecast Financial Information is representative of the financial performance that the Directors expect to report in relation to the FY15 and FY16 periods. A pro forma forecast is not presented for FY16 as this is expected to be equivalent to the FY16 statutory forecast.

The basis of preparation and presentation of the Forecast Financial Information, to the extent relevant, is prepared in a manner consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information.

The Directors believe the best estimate assumptions, taken as a whole, to be reasonable at the time of preparing the Offer Document. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

5.2.4 Non-IFRS financial measures

Certain financial measures included in this Offer Document are not recognised under Australian Accounting Standards. These measures are collectively referred to as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Offer Document are discussed below.

"**Operating EBITDA**" is a term used by Gateway Lifestyle to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation, impairments, fair value gains or losses and before interest and tax charges, which are significantly affected by the historical capital structure and tax position of Gateway Lifestyle.

EBIT is earnings before interest and tax.

Although the Directors believe these measures provide useful information about the financial performance of the Company, they should be considered as supplements to the income statements that have been presented in Section 5.3 and not as a replacement for them. As non-IFRS financial measures are not based on AAS, they do not have standard definitions and the way that Gateway Lifestyle calculates these measures may differ from similarly titled measures by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

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5.3 Consolidated historical and forecast income statements

5.3.1 Consolidated income statements

The table below outlines the Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results for Gateway Lifestyle.

	Pro Forma Historical Results			Pro Forma Forecast Results	Statutory Forecast Results		Pro Forma Historical Results	Pro Forma Forecast Results
$ million	FY12	FY13	FY14	FY15	FY15	FY16[7]	1H15	2H15
Revenue								
Rental revenue	7.6	13.4	21.4	38.4	9.3	45.4	17.0	21.5
Manufactured home sales	2.8	13.8	27.0	29.6	2.8	63.2	14.5	15.1
Other revenue	-	-	0.3	0.7	0.3	1.4	0.0	0.6
Total revenue[1]	**10.4**	**27.2**	**48.8**	**68.7**	**12.4**	**110.0**	**31.5**	**37.2**
Operating expenses	(3.1)	(5.9)	(9.1)	(16.2)	(4.1)	(17.5)	(7.5)	(8.6)
Manufactured home expenses	(1.3)	(9.9)	(17.3)	(17.6)	(1.9)	(37.6)	(8.7)	(8.9)
Corporate costs	(0.6)	(1.7)	(4.4)	(7.6)	(0.9)	(8.9)	(3.6)	(4.1)
Operating EBITDA[1]	**5.4**	**9.7**	**18.0**	**27.3**	**5.5**	**46.1**	**11.7**	**15.6**
Impairment[2]	-	-	(4.2)	(2.4)	-	-	(2.4)	-
Depreciation and amortisation expense[3]	(2.1)	(5.3)	(6.3)	(0.4)	(0.1)	(0.5)	(0.2)	(0.2)
Transaction Costs[4]	-	-	-	-	(32.7)	-	-	-
EBIT[1]	**3.3**	**4.4**	**7.5**	**24.4**	**(27.2)**	**45.6**	**9.0**	**15.4**
Net interest expense[5]					(1.6)	(2.5)		
Income taxes[6]					1.5	(1.7)		
NPAT					**(27.4)**	**41.4**		

Notes

1 The increase in Revenue, Operating EBITDA and EBIT in the Pro Forma Historical Results and the Forecast Financial Results is principally due to the increase in the number of MHEs over the period (see Section 5.3.2). The financial performance for the 36 MHEs is included from the later of 1 July 2011 or the acquisition of the MHE by the relevant entity (an adjustment has not been made to present the Pro Forma Historical Results as if the 36 MHEs had been owned over the whole period of the Pro Forma Historical Results and Pro Forma Forecast Results). Pro Forma Historical Results and Pro Forma Forecast Results are presented to EBIT as described in the basis of preparation in Section 5.2.2 and a reconciliation between FY15 Pro Forma EBIT and statutory NPAT for FY15 is set out in Section 5.3.3.

2 Impairment in FY14 relates to the Aspley MHE where an impairment of $4.2 million was recognised as a consequence of the recoverable amount being below depreciated cost. In 1H15, the $2.4 million relates to the impairment of goodwill recognised in the Tasman portfolio attributable to the recoverable amount of the relevant MHE being lower than the carrying amount.

3 Gateway Lifestyle amended its' group accounting policy with respect to the measurement of Investment Properties effective 1 July 2014 to better align with market practice. Prior to this date the Gateway Lifestyle policy was to record Investment Property at depreciated cost. Subsequent to this date and for the Forecast Period the policy is to record Investment Property at fair value. As a result of this change a fair value uplift of $26.9 million has been recorded in the Gateway Lifestyle Pro Forma Balance Sheet in Section 5.4.1. It has not been practical to allocate the fair value movement across prior periods and therefore the Pro Forma Historical Results have been presented prior to any fair value movements which is consistent with the Forecast Period. To ensure the alignment of accounting policies the accounting policy for Tasman has been similarly adjusted and the fair value uplift of $8.4 million has been reflected in the Tasman Pro Forma Historical Balance Sheet in Section 5.4.1.

4 Transaction Costs represent the amount of costs incurred in relation to the Offer that are to be expensed to the income statement at Listing Date, including stamp duty in relation to the acquisitions expensed in accordance with AASB 3 Business Combinations.

5 Net interest expense in FY16 assumes the Debt Facility (see Section 5.4.2) is drawn to $52.5 million upon Listing Date and through to 30 June 2016. Net interest expense includes amortisation of capitalised establishment costs, line fee and margin as described in Section 12.5.8, less interest received on cash held at bank.

6 Income tax expense for FY15 reflects 11 months to 31 May 2015 for the Trust (or RPT2) and one month of the Gateway Lifestyle consolidated group taking into account the deductibility of Transaction costs. Income tax for FY16 reflects the stapled structure of Gateway Lifestyle.

7 A pro forma forecast is not presented for FY16 as this is expected to be equivalent to the FY16 statutory forecast.

Commentary on the main factors that affect the financial performance of Gateway Lifestyle is set out in Section 5.6, which also includes detail on the composition of the items set out in the table above.

5. Financial Information (continued)

5.3.2 Key operating metrics

The table below outlines the key historical and forecast operating metrics for Gateway Lifestyle.

	Pro forma historical FY12	Pro forma historical FY13	Pro forma historical FY14	Pro forma forecast FY15	Statutory forecast FY16	Pro forma historical 1H15	Pro forma forecast 2H15
Rental:							
% rental revenue from manufactured homes	36.8%	41.0%	59.5%	66.9%	68.9%	67.7%	66.3%
Manufactured home site average weekly rate ($)	124	129	134	136	141	137	135
Like-for-like growth[1]	n/a	6.1%	4.4%	3.6%	4.8%	n/a	n/a
Manufactured home sales ($000s):							
Average selling price	215	251	257	253	242	254	252
Average development cost	(101)	(179)	(165)	(150)	(144)	(153)	(148)
Net profit per manufactured home sale	114	72	92	103	98	101	104
Manufactured homes sold[2]	20	69	95	157	294	59	98
Manufactured homes settled	13	55	105	117	261	57	60
Portfolio:							
MHEs (end of period)	5	9	24	36	36	36	36
Number of MHEs in development[3]	3	4	8	14	24	9	13
Manufactured homes settled per MHE in development	4	14	13	8	11	13[4]	9[4]

Notes

1 Like-for-like growth is calculated with reference to the average weekly rate on manufactured homes for those MHEs held for a full year in each relevant period.

2 Manufactured homes sold are based on the number of conditional sales made in any period whereby a deposit of $3,000 has been received (of which $1,000 is non-refundable). For FY16 the Directors have assumed the breakage rate (being those manufactured homes sold not converting to a manufactured home settlement) to be 5% (FY14 7.3%).

3 MHEs in development is defined as a MHE that has settled manufactured homes in the period.

4 Half yearly manufactured homes sold per Selling MHE have been annualised for comparative purposes.

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5.3.3 Pro forma forecast and statutory forecast reconciliation

The table below presents a reconciliation of FY15 Statutory NPAT to FY15 Pro forma EBIT.

$ million	FY15
Pro forma EBIT	**24.4**
Transaction Costs[1]	(32.7)
Full year pro forma EBIT adjustment[2]	(18.9)
Statutory EBIT	**(27.2)**
Interest	(1.6)
Income taxes[3]	1.5
Statutory NPAT[4]	**(27.4)**

Notes

1 Transaction Costs represent the amount of costs incurred in relation to the Offer that are to be expensed to the income statement at Listing Date, including stamp duty in relation to the acquisitions expensed, in accordance with AASB 3 Business Combinations.

2 Gateway Lifestyle will exist in the form contemplated following the Offer from 1 June 2015 and as such, the Statutory EBIT for FY15 comprises the 11 months to 31 May 2015 for the Trust (or RPT 2), the accounting acquirer in accordance AASB 3 Business Combinations and one month of the Gateway Lifestyle consolidated group following the Offer and Proposed Transaction.

3 The income taxes included in the FY15 Statutory NPAT is principally a result of deferred tax assets recognised in relation to some Transaction Costs, net of income taxes expenses applicable to Gateway Lifestyle attributable to ordinary activities.

4 Statutory NPAT is the forecast for RPT 2 for FY15, which comprises 11 months of earnings of the Trust (or RPT 2) and one month for the consolidated Gateway Lifestyle earnings assuming the Offer occurs on 1 June 2015.

5.4 Pro Forma Balance Sheet

5.4.1 Pro Forma Balance Sheet

The Pro Forma Balance Sheet as at 31 December 2014 represents the pro forma historical balance sheets of the entities to be acquired from different investor syndicates operated by the Gateway Lifestyle management team as at 31 December 2014 and the addition of the Tasman assets and liabilities acquired as part of the Proposed Transaction and Offer, adjusted to reflect:

- the issue of $498.8 million equity, before equity raising costs of $20.1 million;
- the drawdown of $52.5 million in debt, less capitalised borrowing costs of $0.9 million, under the Debt Facilities; and
- other Transaction Costs as described in the table below.

The Pro Forma Balance Sheet reflects the provisional accounting permitted for business combinations in accordance with AASB 3 Business Combinations. As at the date of the Offer the goodwill balance will necessarily be updated based on a purchase price allocation of the purchase consideration to the fair value of identifiable net assets at that time.

The Pro Forma Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of Gateway Lifestyle's future financial position.

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5. Financial Information (continued)

The table below outlines the Pro Forma Consolidated Balance Sheet as at 31 December 2014.

$ million	Gateway Lifestyle	Tasman	Offer	Notes	Combined Group Pro Forma
Current assets					
Cash	15.5	2.7	(3.6)	(i)	14.5
Receivables	2.0	0.5	-		2.5
Inventory	3.7	0.3	-		4.0
Other current assets	0.6	-	-		0.6
Total current assets	**21.8**	**3.5**	**(3.6)**		**21.6**
Non-current assets					
Investment properties	235.7	111.5	-		347.1
Plant & equipment	0.9	0.2	-		1.1
Goodwill	-	-	136.9	(ii)	136.9
Other non-current assets	1.6	0.1	2.8	(iii)	4.5
Total non-current assets	**238.2**	**111.7**	**139.7**		**489.6**
Total assets	**259.9**	**115.2**	**136.1**		**511.3**
Current liabilities					
Trade & other creditors	(5.3)	(5.1)	-		(10.4)
Provisions	(1.2)	(0.3)	-		(1.5)
Other financial liabilities	(0.0)	(0.0)	-		(0.1)
Current tax liabilities	(3.2)	-	-		(3.2)
Other current liabilities	(1.8)	-	-		(1.8)
Total current liabilities	**(11.5)**	**(5.4)**	**-**		**(16.9)**
Non-current liabilities					
Borrowings	(126.0)	(78.9)	153.2	(iv)	(51.7)
Other non-current liabilities	(0.2)	(2.4)	-		(2.6)
Shareholder loans	-	(17.2)	17.2	(iv)	-
Total non-current liabilities	**(126.2)**	**(98.5)**	**170.5**		**(54.3)**
Total liabilities	**(137.7)**	**(104.0)**	**170.5**		**(71.2)**
Net assets	**122.2**	**11.2**	**306.6**		**440.0**
Equity					
Contributed equity	103.7	-	365.0	(v)	468.6
Retained profits	18.5	11.2	(58.4)	(vi)	(28.6)
Total equity	**122.2**	**11.2**	**306.6**		**440.0**

Notes

(i) The total aggregated cash held by Gateway Lifestyle and Tasman as at 31 December 2014 is $18.2 million. On the date of the Offer, any cash balance in excess of the amount required to fund historical tax liabilities will be payable to the entities' previous owners. A distribution of $13.6 million has been made to reflect this situation as at 31 December 2014, however the actual amount payable may vary materially depending on the cash in hand at the time of the Offer. The residual cash balance of $10.1 million reflects cash retained from the offer to fund working capital.

(ii) Goodwill of $136.9 million is recognised upon business combination, reflecting the residual between the purchase consideration and the fair value of identifiable net assets in accordance with AASB 3 Business Combinations.

(iii) Reflects deferred tax impact of transaction costs incurred as part of the Offer and deemed to be deductible for tax purposes.

(iv) Prior Borrowings and shareholder loans in the entities comprising Gateway Lifestyle and Tasman operated MHEs will not form part of the Portfolio Acquisitions. As such the $51.7 million pro forma borrowings is based on the debt drawn on the Debt Facilities of $52.5 million net of capitalised establishment costs of $0.9 million.

(v) The $365.0 million increase in contributed equity reflects the additional equity issued in the stapled group net of any return of capital made to existing unitholders and equity raising costs.

(vi) Adjustment reflects accumulated losses of RPT2, the acquirer for accounting purposes, and $31.1 million of Transaction Costs incurred net of any equity raising and debt establishment costs.

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5.4.2 Indebtedness and new facilities

On Completion, it is expected that the Lenders will provide an approved commitment to Gateway Lifestyle with a revolving cash advance facility for a period of five years ("**Debt Facilities**"). The Debt Facilities will have an aggregate facility limit of $180.0 million.

The Debt Facilities may be used by Gateway Lifestyle to assist with:

- the acquisition of the Portfolio;
- Gateway Lifestyle's working capital requirements; and
- future acquisitions.

On the Issue Date, $52.5 million of the Debt Facilities will be drawn leaving $127.5 million of undrawn debt capacity.

The Debt Facilities will be secured by registered real property mortgages over all of the MHEs in the Portfolio.

On the Issue Date net total indebtedness is expected to be $42.4 million comprising $52.5 million debt offset by $10.1 million of cash.

5.4.3 Liquidity and capital sources

Following Completion of the Offer, Gateway Lifestyle's principal sources of funds will be cash flow from operations and the Debt Facilities.

Gateway Lifestyle expects that it will have sufficient cash flow from operations to meet its operational requirements during the Forecast Period. Gateway Lifestyle expects that its operating cash flows, together with borrowings and borrowing capacity under the Debt Facilities will allow growth in its business through future acquisitions, however no MHE acquisitions have been assumed in deriving the Forecast Financial Information.

The Directors are of the opinion that Gateway Lifestyle will have sufficient working capital to carry out its stated objectives during the Forecast Period.

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5. Financial Information (continued)

5.5 Pro forma historical and forecast cash flows

5.5.1 Consolidated cash flows

The table below sets out the Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows.

	Pro forma historical			Pro forma forecast	Statutory forecast	Statutory forecast	Pro forma historical	Pro forma forecast
$ million	FY12	FY13	FY14	FY15	FY15	FY16	1H15	2H15
EBIT before transaction costs	**3.3**	**4.4**	**7.5**	**24.4**	**5.5**	**45.6**	**9.0**	**15.4**
Transaction costs[1]	-	-	-	-	(53.7)	-	-	-
Impairment	-	-	4.2	2.4	-	-	2.4	-
Depreciation & amortisation	2.1	5.3	6.3	0.4	0.1	0.5	0.2	0.2
Operating EBITDA	**5.4**	**9.7**	**18.0**	**27.3**	**(48.1)**	**46.1**	**11.7**	**15.6**
Change in working capital[2]	0.6	(2.7)	2.7	(0.4)	0.2	(0.7)	0.5	(0.9)
Capital expenditure[3]	(0.6)	(0.7)	(1.3)	(3.2)	(0.1)	(6.2)	(1.7)	(1.6)
Operating cash flow	**5.4**	**6.3**	**19.4**	**23.7**	**(48.1)**	**39.2**	**10.6**	**13.1**
Issue of equity[4]					243.4	-		
Asset acquisitions[4, 5]					(195.0)	-		
Financing costs[6]					(1.7)	(2.3)		
Tax payments[7]					-	(3.2)		
Proceeds from borrowings[8]					64.7	-		
Repayment of borrowings[9]					(36.6)	-		
Distributions paid[4, 10]					(7.2)	(15.9)		
Net cash flow					**19.5**	**17.8**		
Cash at the beginning of period					2.9	22.4		
Cash at end of period					**22.4**	**40.2**		

Notes

1 Gross transaction costs comprises of (i) $32.7 million of transaction costs recognised in the FY15 Statutory Forecast income statement (largely comprising estimated stamp duty costs), (ii) $20.1 million of equity raising costs that have been directly offset to equity in the Pro Forma Balance Sheet and (iii) $0.9 million of debt raising costs.

2 Working capital movement in 2H15 is driven by the increase in display home inventory (of which 10% is payable prior to the sooner of settlement or six months from the date of order), with the working capital movement in FY16 forecast to be immaterial as the increased level of working capital is maintained over the FY16 period.

3 Capital expenditure includes the MHE infrastructure and maintenance capital expenditure, and is not in relation to the initial acquisition of MHEs. The $3.2 million for FY15 reflects the budget by MHE. The increase to $6.2 million in FY16 is primarily due to the development of the Regal Waters MHE. The $0.1 million in the FY15 Statutory Forecast represents the capital expenditure attributable to the RPT 2 (the Trust) MHEs only.

4 Issue of equity includes the $231.5 million assumed to be raised by Gateway Lifestyle under the Offer as estimated by the Directors. The FY15 Statutory Forecast Cash Flow assumes that $498.8 million equity will be issued, with Existing Investors in the investment syndicates and Gateway Management assumed to elect to roll over $117.4 million and Existing Investors assumed to elect for SaleCo to sell their Stapled Securities for $149.8 million under the Offer (noting that SaleCo does not form part of the consolidated Group). As such, $231.5 million in cash is required to be raised under the Offer by Gateway Lifestyle. In the event the actual roll over amount varies from $117.4 million, there is no net impact on cash flow is forecasted as there would be a corresponding decrease in Asset acquisitions. The remaining $11.9 million relates to the Trust's issue of equity in 1H15.

5 Asset acquisitions include net $175.3 million for the Portfolio Acquisitions under the Offer and Proposed Transaction. $19.6 million relates to the Trust's MHE asset acquisitions in 1H15.

6 For FY15 and FY16 financing costs represent the interest expense adjusted for the payment and amortisation of debt establishment costs.

7 The Director's note that tax payments are forecast to be made in FY16 in relation to historical tax liabilities accrued prior to the Proposed Transaction. These payments will be made from the cash reserves as set out in the Pro forma Balance Sheet.

8 Proceeds from borrowings includes: (i) $52.5 million draw down on the Debt Facilities on the date of the Offer; and (ii) $12.2 million relates to 1H15 borrowings undertaken by the Trust related to the asset acquisitions in 1H15.

9 Repayment of borrowings by the Trust comprises: (i) $34.8 million repaid with proceeds from the Offer; and (ii) $1.8 million relating to the repayment of borrowings in 1H15.

10 For FY16, $15.9m represents a distribution paid in accordance with the distribution policy (Section 5.9.3). As such, this is the mid-point of 65% to 85% of distributable earnings for the half year ended 31 December 2015. The FY15 Statutory Forecast distributions of $7.2 million represents the distributions by the Trust in 1H15, and cash in the Trust being cleared to the Existing Investors in the Trust as at the date of, and in accordance with the terms of, the Proposed Transaction.

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5.5.2 Pro forma adjustments to statutory FY15 net cash flow

The table below presents a reconciliation of FY15 Statutory operating cash flow to FY15 Pro forma operating cash flow.

$ million	FY15
Pro forma operating cash flow	**23.7**
Transaction costs[1]	(53.7)
Full year operating cash flow adjustment[2]	(18.1)
Statutory operating cash flow	**(48.1)**

Notes

1 Refer to Section 5.5.1 above.

2 FY15 Statutory Cash Flow is the forecast for the Trust for FY15, which comprises 11 months of earnings of the Trust itself and one month for the Gateway Lifestyle consolidated group assuming the Offer occurs on 1 June 2015. Please refer to Section 5.3.3.

5.6 Management discussion and analysis of Financial Information

5.6.1 General factors affecting the operating results of Gateway Lifestyle

The purpose of this Section is to set out a discussion of the main factors that affect the operational and relative financial performance of Gateway Lifestyle. The discussion of these factors is intended to provide a brief summary only and does not include detail on all factors that have affected Gateway Lifestyle's historical operational and financial performance, nor everything which may affect Gateway Lifestyle's operational and financial performance in the future.

5.6.1.1 Revenue

Rental revenue

Rental revenue is derived from:

- manufactured home site rentals (68% of pro forma 1H15 rental revenue and 69% of FY16 rental revenue): rental revenue received from residents who own their own manufactured home, subject to a site agreement with Gateway Lifestyle;
- long-term rentals (7% of pro forma 1H15 rental revenue and 5% of FY16 rental revenue): rental revenue received from casual residents staying in park homes on a long-term basis; and
- short-term rentals (18% of pro forma 1H15 rental revenue and 20% of FY16 rental revenue): consisting of tourist and powered sites.

The composition of the above sources of rental revenue is expected to change as Gateway Lifestyle execute on their conversion strategy which includes converting short-term and long-term rentals into manufactured homes site rentals.

The key drivers of rental revenue are weekly rate charged, number of sites and occupancy rates.

1. Weekly rate charged

Weekly rates charged vary between manufactured home site rentals, long term rentals and short-term rentals. Typically a higher rate is applied to short-term sites given their tourist nature. The table below outlines the weekly rate by accommodation type.

	FY12	FY13	FY14	1H15
Manufactured home site rentals	$124	$129	$134	$137
Long term rentals	na	na	na	$187
Short term rentals	na	na	na	$414

Rental escalation on manufactured home sites varies by site and MHE, however rental levels will typically escalate annually by a minimum of CPI with the potential for market rent revisions. Since inception, Gateway Lifestyle has achieved an average rental escalation on manufactured homes of 5.2% p.a.

Specific factors that have affected rental escalation include:

- MHEs in a conversion phase from mixed-use to permanent manufactured homes typically experience lower rental escalation as a lower rate is charged while the development is occurring;
- strong growth in local market rents; and
- for a rate that is below market rent when a MHE is acquired, it can then be increased in agreed increments for existing residents with new contracts entered into at market rates.

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5. Financial Information (continued)

2. Site numbers

The number of manufactured home sites increased from 654 at 30 June 2012 to 1,008 at 30 June 2013 to 4,046 at December 2014, principally driven by the acquisition of new MHEs. The number of revenue generating sites in the Portfolio managed by Gateway at the end of each period is shown below.

	FY12	FY13	FY14	1H15
Manufactured home sites	654	1,008	2,979	4,046
Long term rental sites	na	na	136	1,192
Short term rental sites	na	na	652	
Total revenue generating sites	**na**	**na**	**3,767**	**5,238**

At a total level, site numbers are not expected to change materially in the forecast period (there is an increase of 61 sites in total over the Forecast Period being the settlement of manufactured homes from available sites and the conversion of short and long term sites into manufactured home sites), however the composition of sites changes as short term or long term rental sites are converted by Gateway Lifestyle to manufactured home sites.

3. Occupancy rates

The historical average occupancy rate over each period is shown below:

	FY12	FY13	FY14	1H15
Manufactured home sites	100%	100%	100%	100%
Long term rental sites	na	na	100%	100%
Short term rental sites	na	na	51%	50%

Long-term sites for which there is a manufactured home installed are at near 100% occupancy levels, with the exception of display homes that are used for the purposes of marketing manufactured home sales. Gateway Lifestyle minimises risk associated with manufactured home site vacancies as homes are not built until a deposit has been received from the resident. Once the home is built, the resident is responsible for the weekly rate charged as stipulated by the site agreement, until the home is sold to a new resident.

Long term rentals have historically have been close to full occupancy. Over the Forecast Period the occupancy rate has been assumed at c.80% for long term rentals with vacancies largely due to the conversion of long term rental sites into manufactured home sites.

Manufactured home sale revenue

Manufactured home sale revenue is driven by the number of manufactured home settlements and the sales price of manufactured homes.

1. Number of manufactured home settlements

Manufactured home sale revenue is only recognised on settlement, that is, once legal title has passed to the customer which is typically when the home is installed and fully paid for. A sale is recorded in the tracking system when a deposit has been taken from a resident (which is partly non-refundable). The historical and forecast number of manufactured home sales and manufactured homes settled in each period is shown below.

	Historical			Forecast		Historical	Forecast
	FY12	FY13	FY14	FY15	FY16	1H15	2H15
Manufactured homes sold	20	69	95	157	294	59	98
Manufactured homes settled	13	55	105	117	261	57	60
MHEs (end of period)	5	9	24	36	36	36	36
Number of MHEs in development	3	4	8	14	24	9	13
Manufactured homes settled per MHE in development	4	14	13	8	11	13	9

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It typically takes six to 12 weeks from when a deposit is received for a sale to translate to a settlement. Therefore cumulative sales represent the revenue pipeline for approximately the next 3 months. As at 19 April 2015, Gateway Lifestyle has fully covered its forecast settlements of 117 for the financial year ending 30 June 2015 by 15 sales. These 15 additional sales will contribute to the 261 forecast settlements forecast for the financial year ending 30 June 2016.

Acquired MHEs typically take approximately 12 months to commence full sales activity of manufactured homes as a result of:

- Completion of infrastructure work and park upgrades;
- Removal of tourist sites and vacating residents (including waiting for holiday bookings to expire);
- DA and council approval requirements; and
- Display home delivery.

Gateway Lifestyle has historically converted a high percentage of sales into settlements, although there is ongoing risk that sales will be cancelled for factors outside the control of Gateway Lifestyle. Management has allowed for a 5% cancellation rate over the Forecast Period.

The increase in forecast manufactured home settlements from 117 in FY15 to 261 in FY16 is due to:

- **The full year impact of 14 MHE acquisitions in FY15:** Manufactured home settlements of 122 are forecast in FY16 for MHEs acquired in FY15 compared to their contribution of 9 settlements in FY15.
- **Increased marketing of newly acquired MHEs:** Additional marketing of MHEs acquired in FY14 and FY15 following the necessary upgrades, removal of tourist sites and securing of DA approval that occurs following acquisition of MHEs.
- **Increase in marketing and advertising support:** The marketing and sales team headcount has increased from four in June 2014 to eight as at the date of Listing, providing a dedicated sales support team for certain MHEs which are forecasting higher levels of sales. Historically sales at various MHEs have solely relied on a park manager to handle the marketing process with this additional level of support likely to enhance the effectiveness of the sales process.
- **Increase in marketing and advertising expenditure:** The marketing budget has also increased, providing scope for increased localised marketing campaigns, increased signage and "refer a friend" incentives to existing residents. Additional incentives for purchasers of manufactured homes through a three month rent free period (this is recorded as a selling cost) is also expected to support growth in the level of manufactured home sales.
- **Increased display homes:** A key management initiative to increase the number of manufactured home sales and marketing engagement is to increase the number of display homes across the Portfolio. 40 display homes are to be made available for the Forecast Period, which compares to approximately 10 to 15 historically. The increase in display homes is due to additional working capital arising as a result of the Offer and Debt Facilities in addition to an increased level of six month interest free display homes being made available by suppliers. The use of display homes has proven to stimulate accelerated sales at past MHEs that Gateway Lifestyle has managed, particularly for MHEs where there is a low number of existing long-term MHE sites.
- **Generally positive macroeconomic conditions**

A combination of the above factors has already lead to an increased level of enquiries across Gateway Lifestyle's MHEs of 420 for the quarter ending 31 December 2014 to 689 for the quarter ending 30 March 2015.

2. Sales price of manufactured homes

The average sales price of manufactured homes is driven by:

- type of manufactured home settled, that is, new manufactured home versus refurbished manufactured home;
- specifications of the manufactured home, such as number of bedrooms and additional customisations;
- location of the MHE, with metropolitan MHEs typically achieving a location premium and higher specifications than regional locations; and
- facilities and condition of the MHE.

The average selling price is forecast to fall by 1.7% in FY15 and 4.1% in FY16. This is principally due to a change in manufactured home sale mix, including an increasing contribution from regional MHEs (increasing from 4% of settlements in FY14 to 38% of settlements in FY16).

Other revenue

Gateway Lifestyle receives other operational income from management fees and resale commissions.

Management fees are forecast to be received from the management of five MHEs with contracts ranging from $50,000 to $60,000 per annum.

Resale commissions are received from the resale of manufactured homes when residents vacate. Although residents are not required to use Gateway Lifestyle as their estate agent, they historically have done so due to Gateway Lifestyle's existing marketing and support function.

5. Financial Information (continued)

5.6.1.2 Expenses

Operating expenses

The operating cost base comprises:

- Variable expenses relating to:
  - wages for park managers and housekeeping (typically for short term rentals); and
  - cost of sales relating to short term rentals including cleaning costs, linen costs and other costs.
- Fixed expenses relating to:
  - general and administrative;
  - sales and marketing;
  - property and energy;
  - repairs and maintenance; and
  - owner expenses.

MHEs with short term rentals have a relatively higher cost base due to the increased requirement for cleaning and maintenance. Therefore, MHEs that are converting from short term sites to manufactured homes have benefited from a lower operating cost base post conversion. The increase in operating costs over the forecast period is principally driven by an increase in the number of MHEs and inflation.

Manufactured home sale expenses

Manufactured home sale expenses are made up of the costs agreed with suppliers for the construction and delivery of manufactured homes and an additional amount (typically $20,000) for installation at the MHE. Typical costs for each manufactured home type are:

- Metropolitan - $155,000;
- Regional - $140,000; and
- Victoria - $100,000 which is only marketed in Benalla (which has lower specifications).

The cost differential between metropolitan and regional manufactured homes is reflective of the specification of each home types, as well as reduced costs from supplier arrangements.

Manufactured home sales expenses are expected to decline by 9.1% in FY15 and 4.1% in FY16 due to:

- an increase in the sale of regional manufactured homes (increasing from 4% of settlements in FY14 to 38% of settlements in FY16);
- an increase in sales of refurbished manufactured homes. A number of long term rental sites were inherited from recent MHE acquisitions which are newer sites and can be converted to manufactured homes at minimal cost; and
- new supplier agreements for each home type.

Corporate costs

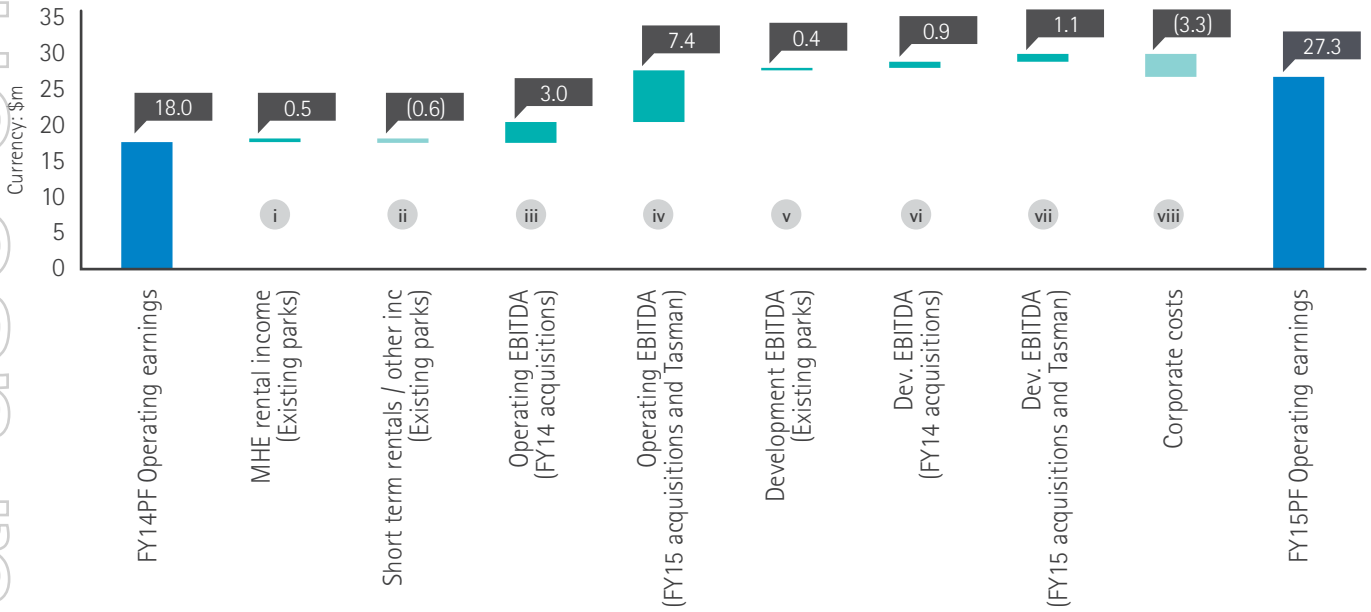
Corporate costs related to staff costs (including management, the Board and support functions) and general and administrative expenses. Corporate costs are expected to increase by 75.1% in FY15 and 16.7% in FY16, primarily associated with the increased costs associated with running a listed company and the expanded management team from 29 employees (at March 2014) to 39 employees (at June 2016).

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5.6.2 Pro forma consolidated Operating EBITDA: bridge from FY14 to FY15

The below chart sets out the factors that are forecast to contribute to the increase in Operating EBITDA from $18.0 million in FY14, to $27.3 million in FY15.



The key sources of the $9.3 million forecast increase in FY15 Operating EBITDA are:

i Increase in rental income from manufactured home sites at MHEs acquired before 30 June 2013 ("**FY14 Existing MHEs**") is forecast to contribute $0.5 million to the increase. This represents an increase due to rental escalations (representing like-for-like growth of 3.6%) and additional manufactured home sites during FY15 that have been converted from short term or long term sites.

ii Decrease in rental income from short term sites is forecast to result in a $0.6 million decrease in FY15 Operating EBITDA as short-term sites are converted into manufactured homes.

iii The full year impact of receiving rental income on the 10 MHEs acquired during FY14 (with 1,299 manufactured home sites contributing to rental income) is expected to contribute to a $3.0 million increase in FY15 Operating EBITDA.

iv The increased rental income from the 20 MHEs acquired during FY15 and Tasman (with 1,776 manufactured home sites contributing to rental income) is expected to contribute a $7.4 million increase in FY15 Operating EBITDA.

v Increase in manufactured home sales income from FY14 Existing MHEs is expected to contribute a $0.4 million increase. 96 manufactured home settlements are forecast in FY15 at these MHEs at a rate of 14 settlements per MHE in development.

vi Manufactured home sales income from the 10 MHEs acquired during FY14 (12 manufactured home settlements are forecast in FY15 at these MHEs at a rate of 3 settlements per MHE in development) is expected to contribute $0.9 million to the increase. This is partially due to the full year impact, as well as acquired MHEs beginning to reach full sales activity following the necessary upgrades, removal of tourist sites and securing of DA approval that occurs following acquisition.

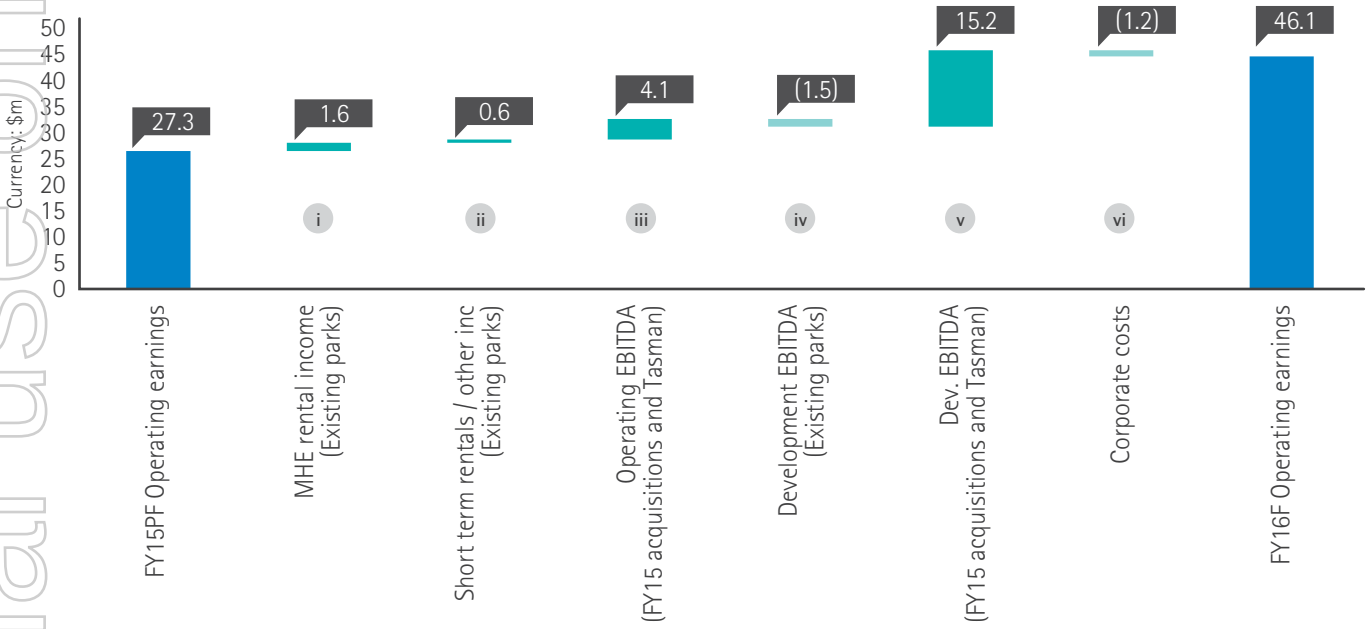
vii Manufactured home sales income from 20 MHEs acquired during FY15 and Tasman (9 manufactured home settlements are forecast in FY15 at these MHEs at a rate of 3 settlements per MHE in development) is expected to contribute a $1.1 million increase.

viii Corporate costs are expected to increase by $3.3 million, primarily associated with the increased costs associated with running a listed company and a headcount increase in the management team to support the increased forecast sales and the larger size of the MHE portfolio.

5. Financial Information (continued)

5.6.3 Pro forma consolidated Operating EBITDA: bridge from FY15 to FY16

The below chart sets out the factors that are forecast to contribute to the increase in Operating EBITDA from $27.3 million in FY15, to $46.1 million in FY16.



The key sources of the $18.8 million forecast increase in Operating EBITDA are:

i Increase in rental income from manufactured home sites at MHEs acquired on or before 30 June 2014 ("**FY15 Existing MHEs**") is forecast to contribute $1.6 million to the increase. This represents an increase due to rental escalations (representing like-for-like growth of 4.8%) and due to the continued conversion of short-term and long-term sites into manufactured home sites.

ii Increase in rental income from short term sites is forecast to contribute a $0.6 million increase due to the full year impact of mixed use MHEs acquired in 1H15.

iii The full year impact of receiving rental income on the 20 MHEs acquired during FY15 and Tasman (with 1,776 manufactured homes contributing to rental income) is forecast to contribute a $4.1 million increase in FY16 Operating EBITDA.

iv The change in manufactured home sales income from FY15 Existing MHEs is forecast to result in a $1.5 million decrease in FY16 Operating EBITDA, as manufactured home sales begin to decline on FY15 Existing MHEs. 139 manufactured home settlements are forecast in FY16 at these MHEs at a rate of 12 settlements per MHE in development.

v Manufactured home sales income from the 20 MHEs acquired during FY15 and Tasman (122 manufactured home settlements are forecast in FY16 at these MHEs at a rate of 10 settlements per MHE in development) is expected to contribute $15.2 million to the increase. This is partially due to the full year impact, as well as acquired MHEs beginning to reach full sales activity following the necessary upgrades, removal of tourist sites and securing of DA approval that occurs following acquisition.

vi Corporate costs are expected to increase by $1.2 million due to the full year impact of increased costs associated with running an ASX listed company and a headcount increase in the management team to support the increased forecast sales and the larger size of the MHE portfolio.

5.7 Forecast assumptions

The key assumptions relating to the Forecast Financial Information are set out below.

5.7.1 General assumptions

In preparing the Forecast Financial Information, the following general assumptions have been adopted for the Forecast Period:

- no significant change in the economic conditions (including housing market and financial market stability) in which Gateway Lifestyle operates;
- no significant change in the competitive environment in which Gateway Lifestyle operates;

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- no unexpected changes to the statutory, legal or regulatory environment which would be detrimental to Gateway Lifestyle in any of the jurisdictions which it operates, in particular the Age Pension system and Centrelink's Rent Assistance program;
- no changes in current Australian tax legislation;
- no material changes in Australian Accounting Standards, other mandatory professional reporting requirements or the Corporations Act that would have a material impact on Gateway Lifestyle's consolidated financial performance, cash flows, financial position, accounting policies, financial reporting or disclosures;
- key personnel, particularly the senior management team, are retained and Gateway Lifestyle maintains its ability to recruit and retain required personnel;
- no material litigation or dispute to which Gateway Lifestyle is a party;
- no acquisitions or disposals of MHEs after 31 December 2014, other than the Tasman MHEs;
- no material change in capital expenditure requirements from those included in the Forecast Financial Information caused by factors outside Gateway Lifestyle's control;
- no significant amendment to any material contract relating to Gateway Lifestyle's business; and
- the Proposed Transaction proceeds in accordance with the timetable set out in this Offer Document.

5.7.2 Specific assumptions

The Forecast Financial Information has been prepared by Gateway Lifestyle based on an assessment of each individual MHE. In preparing the Forecast Financial Information, Gateway Lifestyle has taken into account the current year to date trading performance of Gateway Lifestyle and the current market conditions as applicable to Gateway Lifestyle.

The specific, best-estimate assumptions applied by Gateway Lifestyle in preparing the Forecast Financial Information for the Forecast Period are described below.

Revenue assumptions

The Forecast Financial Information assumes Gateway Lifestyle earns revenue from three main sources:

- Rental revenue;
- Manufactured home sale revenue; and
- Other revenue

Rental revenue

Rental revenue consists of rent collected from manufactured home sites, long-term rentals and short-term rentals. The level of rental revenue is dependent upon three fundamental drivers:

1. **Occupancy** – the Directors have forecast occupancy on each individual MHE. For manufactured home sites, management have assumed an occupancy rate of approximately 100% for the Forecast Period. This is consistent with the contractual terms of the underlying residential service agreements whereby rental income is always deemed payable on existing tenanted sites by the homeowner, irrespective of physical occupation. Occupancy rates at long-term and short-term sites are forecast with reference to historical rates achieved.

2. **Number of tenanted sites** – the Directors have forecast the number of tenanted sites on each individual MHE based on the existing sites currently under residential service agreements. No increase in tenanted sites has been assumed in the Forecast Period, except for the phased increase in manufactured homes sold and the corresponding decrease in long-term and short-term sites (as detailed below).

3. **Average weekly rent rates** – Forecast average weekly rental rates are based on current weekly rents and contracted terms. Forecast rental increases are based on a blend of expected annual indexation increases consistent with historical rental increases, and assumed market review increases (where relevant) based on existing market conditions.

Rental revenue for the purposes of the Forecast Financial Information is presented gross of outgoings and recharges for items such as rates, utilities, telecommunications and internet.

Manufactured home sale revenue

The level of manufactured home sale revenue is dependent upon two fundamental drivers:

1. **Number of manufactured homes settled** – In total, 117 manufactured homes have been forecast to be settled across all MHEs in FY15 and 261 manufactured homes in FY16. Of the 261 manufactured home settlements forecast by Gateway Lifestyle in FY16, only 14 are still subject to receiving development approval. Development approval for the sites is expected to be received in FY15, with all 14 settlements forecast to occur in the half year ending 30 June 2016 ("**2H16**").

2. **Sales price** – Directors have forecast the sales price on each individual MHE using observed historical sales data for MHEs and the sales strategy for the MHE sites, such as the product to be sold and target selling price.

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5. Financial Information (continued)

Other revenue

Other revenue consists of resale commissions earned on the sale of a manufactured home on behalf of a tenant and management fees for third party owned MHEs under Gateway Lifestyle management. An annual average resale rate of 2.4% has been assumed, based on historical data for the Portfolio and an average commission rate of 3.0% achieved.

Expense assumptions

Operating expenses

The Directors have forecast operating expenses on each individual MHE. Operating expenses include such items as wages and cost of sales.

Manufactured home sale expenses

Management have forecast manufactured home sale expenses at each individual MHE. Manufactured home sale expenses have been based on historical cost data and external quotes for the purchase and installation of the manufactured homes.

Corporate costs

Corporate costs have been forecast based on the Directors' assessment, external quotes, benchmarks and existing agreements. Corporate costs include Director fees, responsible entity fees, ASX costs, staff remuneration and other overheads associated with being an ASX listed company.

Investment Property fair value movements

MHEs are recognised as Investment Property and will be subject to changes in the fair value of the underlying MHE. No change has been forecast for fair value movements on the basis that any such forecast fair value could not be reliably estimated.

Depreciation

Depreciation is forecast based on the depreciable asset base and associated depreciation rates, and expected capital expenditure for the Forecast Period. Refer to Appendix 1 for additional detail on Gateway Lifestyle's depreciation policy.

Net interest expense

The effective all-in rate assuming the Debt Facilities are fully drawn is 4.17%. Establishment fees under the Debt Facilities are amortised on a straight line basis over the term of the Debt Facilities.

Gateway Lifestyle will hedge against the risk of rising interest rates using hedging instruments.

Tax expense

In relation to the Company, the Australian corporate tax rate is assumed to remain at 30%. Other relevant federal and state tax rates are assumed to remain at current statutory rates. The Trust is assumed not to be a "public trading trust". To the extent the Trust is not classed as a "public trading trust", it should not be liable to pay Australian income tax on the basis that Securityholders will be presently entitled to the income of the Trust in the Forecast Period.

Transaction Costs

Transaction Costs include underwriting fees, advisers' fees, legal fees, listing fees, printing and other expenses associated with the Offer. These Transaction Costs have been estimated at $53.7 million based on existing agreements and quotes. Of the total estimated Transaction Costs, $20.1 million will be directly offset against contributed equity, $0.9 million of borrowing costs to be offset against borrowings with the remaining $32.7 million of Transaction Costs expensed to the income statement.

Working capital

Trade receivables include receivables in relation to manufactured homes sales and are assumed to be received on settlement, and rental revenue which is received fortnightly.

Inventory, principally being manufactured homes display stock, is assumed to paid on a 10% deposit upon order with the balance payable at the earlier of settlement or six months. It is assumed that there is a constant number of display homes (40 homes) across the forecast period at an average purchase price of $150,000 per manufactured home. The forecast inventory balance represents the 10% deposit paid on the 40 homes.

Trade payables for suppliers assumes operating costs (excluding employee costs, which are assumed to be paid in month) are payable one month in arrears.

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Capital expenditure

Management have forecast capital expenditure for infrastructure and maintenance capex on each individual MHE based on their assessment of park infrastructure requirements, such as community centres and access roads. Management have based their estimates on historical park expenditure, future capital expenditure requirements and quotes for work to be performed.

Distributions

Forecast distributions are based on Gateway Lifestyle's distribution policy of 65% to 85% of Distributable Earnings (which may change over time). For the purposes of the forecast cash flow statement the mid-point of Gateway Lifestyle's distribution policy of 75% of Distributable Earnings is assumed, for the six months to 31 December 2015 which is assumed to be paid in February 2016. The Board will review and assess the appropriateness of Gateway Lifestyle's distribution policy on a semi-annual basis.

5.8 Sensitivity analysis

The Forecast Financial Information is based on a number of key assumptions which have been outlined above. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Gateway Lifestyle, the Directors and management, and based upon assumptions with respect to future business decisions or actions which are subject to change. The Forecast Financial Information is also subject to a number of risks as outlined in Section 6.

Investors should be aware that future events cannot be predicted with certainty and as a result, deviations from the figures forecast in this Offer Document are to be expected. To assist investors in assessing the impact of these assumptions on the Forecast Financial Information, the sensitivity of the NPAT for year ending 30 June 2016 to changes in certain key assumptions is set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown.

Sensitivity analysis

Assumption	Increase / decrease	Impact on FY16 NPAT $ million
Manufactured home settlements	+/- 10 settlements	+/- 0.9
Sales price per manufactured home	+/- 1% of sales price	+/- 0.6
Development cost per manufactured home	+/- 1% of development cost	+/- 0.4
Rental income from manufactured homes	+/- 1 %	+/- 0.3
Short term accommodation income	+/- 5 %	+/- 0.4
Operating park expenses	+/- 5%	+/- 0.8
Corporate overheads	+/- 5%	+/- 0.4
Interest rate movement	+/- 100 basis points	+/- 0.5

The estimated impact of changes in each of the variables has been calculated in isolation in order to illustrate the impact for FY16. In practice, changes in variables may offset each other or may be cumulative.

5.9 Key financial policies

5.9.1 Capital management

Gateway Lifestyle has adopted a target Gearing range of 25% to 35% (based on net debt to total tangible assets less cash) and intends to maintain sufficient head room relative to key loan covenants. Based on the Pro Forma Balance Sheet the Gearing ratio as at 31 December 2014 was 12%. The below table summarises the key loan covenants under the Debt Facilities.

Metric	Definition	Covenant	Estimate
LVR	Total Financial Indebtedness divided by the Market Value of Real Property	<50%	15%
Interest cover ratio	EBITDA (excluding manufactured home sale income) to Interest Expense	>2.0x	7.0x[1]

Note 1: Calculation based on the FY16 Statutory Forecast.

It is intended that all borrowings of Gateway Lifestyle will be denominated in Australian dollars.

5. Financial Information (continued)

5.9.2 Hedging policy

Gateway Lifestyle intends to use derivative financial instruments to hedge its risk associated with interest rate fluctuations. It will manage this exposure by:

- the use of derivative contracts and/or other agreements to fix interest payment obligations; and seeking different maturity dates for the fixed rate hedging agreements to reduce the reset risk.

5.9.3 Distribution policy

The payment of a distribution by Gateway Lifestyle is at the discretion of the Board and will be a function of a number of factors such as the operating results, cash flows and the financial condition of Gateway Lifestyle, and any other factors the Directors may consider relevant.

Gateway Lifestyle's distribution payout ratio will be formulated with regard to a range of factors including:

- general business and financial conditions;
- the certainty of Gateway Lifestyle's cash flow and adequacy of forecast liquidity;
- capital expenditure requirements;
- covenants and undertakings under the Debt Facilities;
- taxation considerations;
- working capital requirements; and
- other factors that the Directors consider relevant.

Gateway Lifestyle's distribution policy will be to pay out approximately 65% to 85% of Distributable Earnings on a semi-annual basis. Distributable Earnings is a proxy for cash available for distribution, being NPAT adjusted for non-cash items and one-off and non-recurring items. The level of distribution payout ratio is expected to vary between periods depending, amongst others, on the factors noted above. The Board will review and assess the appropriateness of Gateway Lifestyle's distribution policy on a semi annual basis. There is no guarantee that Gateway Lifestyle will pay any dividend or distribution during any particular period.

It is anticipated that interim distributions will be paid in February and final distributions will be paid in August following the relevant financial period. It is intended that the first distribution paid will be the distribution in respect of the period ending 31 December 2015.

Based on forecast Distributable Earnings for the financial year ending 30 June 2016 and assuming the midpoint of Gateway Lifestyle's distribution policy range of 65% to 85% of Distributable Earnings, at the Offer Price the forecast distribution yield for the financial year ending 30 June 2016 would be 6.3%.

5.9.4 Valuation policy

The fair value of the Portfolio will be reviewed by Directors at each financial reporting date. The Directors' assessment of fair value will be periodically confirmed by engaging an independent valuer to assess the fair value of individual MHEs:

- the Portfolio will be progressively valued by independent valuers over a three year period on a rotating basis in accordance with relevant industry standards; and
- if there is a reason to believe that the fair value of the MHE has materially changed from its book value (for example, as a result of changes in house prices in the surrounding area, further conversion of the property in accordance with Gateway Lifestyle's strategy, or capital expenditure at the MHE).

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Six

Key Risks

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

6. Key Risks

6.1 Introduction

This Section describes some of the potential key risks associated with an investment in Gateway Lifestyle. An investment in Gateway Lifestyle is subject to risks specific to its business and to general risks associated with investing in the Stapled Securities. Each of these risks could, if it eventuates, have an adverse effect on Gateway Lifestyle's business, financial condition, operating and financial performance and the value of its Stapled Securities.

This Section does not purport to list every risk that may be associated with Gateway Lifestyle's business or risks associated with an investment in the Stapled Securities now or in the future. The occurrence or consequences of some of the risks described in this Section are partially or completely outside the control of Gateway Lifestyle, the directors and senior management.

Before applying for Stapled Securities, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Stapled Securities are a suitable investment for you, having regard to your own investment objectives, financial situation and particular needs (including taxation position). You should read this Offer Document in its entirety and should consider consulting your professional advisers before deciding whether to apply for the Stapled Securities.

6.2 Specific risks

6.2.1 Gateway Lifestyle's business strategy may not be effective

Gateway Lifestyle has embarked, and is continuing to, embark on a number of strategies to grow its business and achieve the Forecast Financial Information (see Section 5.3 and 5.5 for further details). These strategies may, in time, prove to be misguided or may be implemented ineffectively and result in an outcome that is detrimental to the performance of Gateway Lifestyle. For example:

- Gateway Lifestyle may not be able to convert short-term sites to long-term sites (both brownfield and adjoining land developments) and/or achieve new manufactured home sales in line with its expectations (see Section 6.2.3 for further details);
- Gateway Lifestyle may not be able to continue to increase rents in line with its expectations (see Section 6.2.9 for further details); and
- Gateway Lifestyle's strategies may be more costly than anticipated, resulting in higher than expected expenses. Gateway Lifestyle incurs expenses associated with its head office operations (including management, finance, human resources, sales and marketing functions) as well as the conversion and operation of its MHEs (including the manufacture / refurbishment and installation of manufactured homes, sales and administration, occupancy costs, staff costs and other operating expenses).

Ineffective or unsuccessful implementation of the business strategies adopted by the Board and management, or being unable to respond efficiently and appropriately to changing market conditions may adversely impact the performance and growth of Gateway Lifestyle.

6.2.2 Gateway Lifestyle may not be able to sustain or grow its manufactured homes sales income

The growth in Gateway Lifestyle's manufactured home sales income is dependent on its ability to replicate the sales success achieved in certain MHEs amongst its broader Portfolio. In particular, Gateway Lifestyle is forecasting 117 manufactured home settlements across 14 MHEs in FY15 and 261 manufactured home settlements across 24 MHEs in FY16. Manufactured home sales could be adversely affected by:

- the ineffective or non-targeted approach to marketing, resulting in lower than expected generation of consumer interest or inquiry into Gateway Lifestyle's MHEs and/or manufactured homes;
- an inability to convert consumer interest or inquiry into manufactured home sales in line with expectations;
- having an insufficient number of display manufactured homes available for inspection by prospective residents;
- a material downturn in the housing market in the localities in which Gateway Lifestyle operates its MHEs, which may:
  - reduce the appeal of manufactured homes to potential residents due to a decreased release of net capital between the sale of their existing home and the purchase price of a manufactured home, resulting in reduced demand and volume of sales; and
  - increase the time between a sale of a manufactured home and settlement due to the potential for an extended timeframe required to sell a potential resident's existing home, which may be required to have sufficient funds to settle their manufactured home purchase;

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- the incidence of building and supplier failure (refer to Section 6.2.10);
- a change in government policy focusing on other forms of affordable housing or retirement accommodation, including adverse changes to Commonwealth Government assistance (see Section 6.2.11);
- any adverse amendment to Gateway Lifestyle's approvals to sell new manufactured homes on sites (see Section 6.2.8);
- management's ability to determine the optimal product price point for each manufactured home; and
- the risks that are inherent in owning real estate such as risks relating to compliance with, or changes to, zoning requirements and planning approvals, as well as matters such as limitations on use, contamination and compulsory acquisition that may be outside of the control of Gateway Lifestyle, or which Gateway Lifestyle may not have detected, or appropriately assessed pre-acquisition, through due diligence or which it may not identify in undertaking, future due diligence.

An adverse impact on the ability for Gateway Lifestyle to sustain or grow its manufactured home sales income in line with its expectations may adversely impact on the performance and growth of Gateway Lifestyle.

6.2.3 Development and conversion risk

There are a number of risks associated with development opportunities (whether greenfield or brownfield), including (but not limited to): delays or issues in relation to planning, application and regulatory approvals and development cost overruns, which may arise from poor market analysis and property selection. Of the 294 sales forecast by Gateway Lifestyle in FY16 (see Section 5.3.2 for further information), only 14 are still subject to receiving development approval. Development approval for the sites is advanced and expected to be received in the FY15 financial year, with all of these 14 sales forecast to occur in 2H16.

There is also a risk that Gateway Lifestyle may not be able to successfully execute its strategy of converting mixed use MHEs into converted MHEs.

6.2.4 Competition risk

Gateway Lifestyle estimates that there are approximately 2,000 mixed use MHEs across Australia of which approximately 200 have been fully or predominantly converted into MHEs. As a significant proportion of these MHEs are believed to be owned by family operators, there is a risk of increased competition as a result of industry consolidation within the sector and more sophisticated competitors.

Given the highly fragmented nature of the MHE sector in Australia, any increased competition for acquisitions of mixed use MHEs could result in higher prices and therefore impact Gateway Lifestyle's ability to achieve an appropriate return on investment (including as a result of reduced capitalisation rates caused by these higher prices).

Furthermore, future greenfield developments that compete with Gateway Lifestyle's existing MHE Portfolio could adversely impact Gateway Lifestyle's current and future business and financial performance.

Any increase in the competition for the sale of MHEs, or in the retirement accommodation sector more generally, may result in a reduction of Gateway Lifestyle's manufactured home sales volumes, margins and ability to increase rent.

6.2.5 Acquisition and due diligence risk

Gateway Lifestyle will pursue an acquisition growth strategy.[1] Central to that strategy is the successful identification and completion of suitable acquisitions. However, Gateway Lifestyle may not be successful in:

- identifying acquisition opportunities;
- assessing the value, strengths and weaknesses of these opportunities (such as the Tasman Portfolio to be acquired on Completion); or
- finalising acquisitions on acceptable terms or at all.

6.2.6 Integration risk

Gateway Lifestyle's acquisition of MHEs may give rise to integration risk. Integrating MHEs in the Gateway Lifestyle management platform may take longer or cost more than anticipated. This could impact on the profitability of Gateway Lifestyle.

There is no guarantee that any MHEs acquired by Gateway Lifestyle will operate as profitably as they did prior to their acquisition by Gateway Lifestyle. The performance of those MHEs may be adversely affected by changes in management or reduced demand from residents (existing and prospective).

Integration risks could arise in respect of the MHEs in the Tasman Portfolio as Gateway Lifestyle did not manage those MHEs prior to Completion.

1 The acquisition and disposal of MHEs is not included in the FY16 Pro forma Financial Information Forecast.

6. Key Risks (continued)

6.2.7 Personnel risk

The ability of Gateway Lifestyle to successfully deliver on its business strategy is dependent upon retaining key employees (such as its CEO, Trent Ottawa, its CFO, John Wong or its COO, Robert Nichols) of Gateway Lifestyle. The loss of senior management, or other key personnel, could adversely impact on Gateway Lifestyle's current and future business and financial performance.

6.2.8 Government and regulatory factors

Changes to Government, regulatory policies and legislation that underpin aspects of Gateway Lifestyle's business model could adversely affect its operating and financial performance.

While changes to the regulatory regime in New South Wales are likely to occur mid 2015, Gateway Lifestyle considers that those proposed changes will not have a material impact to Gateway Lifestyle's operations or financial performance, or adversely affect its ability to implement its strategy or increase its cost of compliance in a material way.

The regulatory regime in Queensland is also currently under review. The findings of the Manufactured Homes Survey 2013[1] are aimed at assisting the Queensland Government to make proposals to improve the fair trading practices in the operation of MHEs. As at the date of this Offer Document, the Queensland Government has not released any further details in respect of any proposed changes to the legislation. While Gateway Lifestyle understands that changes proposed to the Queensland legislation are likely to be similar to changes made to the New South Wales regime, there is a risk that they will not be.

6.2.9 Gateway Lifestyle may not be able to increase rents

There is a risk that Gateway Lifestyle will not be able to continue to increase rents payable by residents for long-term sites above CPI. The ability to increase rent by CPI is generally governed by a site agreement, which is subject to MHE-specific State legislation. Changes in legislation in any State in which Gateway Lifestyle owns, or intends to acquire, MHEs may impact the ability for Gateway Lifestyle to increase rent by CPI.

While Gateway Lifestyle has been able to increase rent in excess of CPI (for example, by way of a market review), residents typically have the right to object to such rent increases and apply to the Tribunal to seek an order that a rent increase is excessive. Should such an order to be made, Gateway Lifestyle's operating results could be adversely affected.

It is also possible that the rental income Gateway Lifestyle receives from its MHEs could be adversely affected if new MHEs or mixed use MHEs cannot be developed to increase the proportion of long-term sites within such MHEs (refer to Section 6.2.3 for further details) or residents are no longer eligible for rental assistance (refer to Section 6.2.11 for further details).

6.2.10 Supplier and building risk

Gateway Lifestyle relies on a number of suppliers to supply the manufactured homes that it sells to residents. If Gateway is unable to continue to source manufactured homes:

- on a consistent basis, this would impact the Company's ability to sell manufactured homes and increase rental incomes; or
- on commercially favourable terms with suppliers, particularly with regard to ongoing price reductions for manufactured homes (based on increased volumes of manufactured homes purchased by Gateway Lifestyle) and the supply of display homes on favourable payment terms, this may have a negative impact on Gateway Lifestyle's financial performance and position.

In addition, there is a possibility that one or more of its suppliers may fail or that the number of issues regarding the building and supply of manufactured homes will increase. For example, such suppliers may become insolvent or be unable to perform their contractual obligations (such as to supply manufactured homes or repair defects). Such events may lead to losses and insurance may not be available to cover such losses (for example, Gateway Lifestyle's insurance may not cover those events or insurance held by suppliers may not cover those events nor entitle Gateway Lifestyle to recover under such policy).

6.2.11 Government support risk

As set out in Section 2.5, a large number of residents of MHEs are eligible for certain forms of Commonwealth Government assistance, such as the Age Pension and Rent Assistance. Those benefits cover approximately half of the rent payable by residents. An unexpected change to such Government assistance which results in a reduction of Government support or removal of such support could result in a reduction in demand for manufactured homes and therefore negatively impact Gateway Lifestyle's business.

6.2.12 Short-term rental and occupancy risk

Occupancy levels for short-term sites may fall below expectations as a result of factors such as increased competition in the caravan/holiday park industry or specific issues arising out of Gateway Lifestyle's MHEs and facilities which adversely impact its reputation. Occupancy rates are difficult to predict and are generally seasonal.

1 Department of Housing and Public Works, Manufactured Homes Survey 2013 Report of Findings – Review of the Manufactured Homes (Residential Parks) Act 2003 is available at http://www.hpw.qld.gov.au/SiteCollectionDocuments/ManufacturedHomesSurveyReport2014.pdf

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6.2.13 Approvals revoked or amended

MHE operators are required to hold and maintain appropriate approvals (i.e. licences or permits) to operate MHEs with the relevant local councils and comply with all zoning, planning and use requirements. Approvals may be revoked or amended in certain circumstances. For example, an approval for a MHE operator to operate a MHE may be revoked if the MHE operator fails to comply with a requirement made by or under the relevant local government legislation or a condition specified in the approval.

If Gateway Lifestyle does not comply with the relevant regulations, the relevant Council will not approve the transfer of the relevant authorisation from the vendor of a MHE which Gateway Lifestyle has acquired. If Gateway Lifestyle is unable to obtain approvals for the operation of its MHEs in the future, or any of its existing approvals are adversely amended or revoked, this may adversely impact the financial performance and position and future prospects of Gateway Lifestyle, which may in turn lead to a potential breach of lending covenants.

6.2.14 Passing off risk

Gateway Lifestyle has a strong presence on the MHE industry but is not presently the registered owner of trade marks for 'Gateway Lifestyle' or the 'tree' image, which exposes Gateway Lifestyle to a risk that its name and image may be used by others.

6.2.15 Property valuations

The value of each MHE held by Gateway Lifestyle may be affected by the property market generally or Gateway Lifestyle in particular.

Factors affecting property valuations include, but are not limited to capitalisation and discount rates, the economic growth outlook, land leases and resumptions and the proximity (or proposed new development) of major infrastructure projects.

Such impacts on property valuations may lead to material variations in the value of Gateway Lifestyle.

6.3 General risks

6.3.1 Price of the Stapled Securities

Once Gateway Lifestyle is listed on the ASX, it will be subject to general market risk that is inherent to all securities listed on a stock exchange. This may result in fluctuations in the price of Stapled Securities that is not explained by the fundamental operations and activities of Gateway Lifestyle.

This means the Stapled Securities may trade above or below the Offer Price. There is no assurance that the price of the Stapled Securities will increase following the commencement of quotation on the ASX, even if Gateway Lifestyle's earnings increase.

Some of the factors unrelated to the operating performance of Gateway Lifestyle, which may affect the price of the Stapled Securities, include:

- general investment risk, such as fluctuations in the domestic and international market for listed securities;
- macro-economic risks, such as changes to economic conditions in Australia and internationally, interest rates, inflation rates, exchange rates, investor and consumer sentiment, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- legislative and regulatory risks, such as changes in legislation or regulation, including taxation laws; and
- other risks, such as inclusion in or removal from market indices, the nature of the markets in which Gateway Lifestyle operates and general operational and business risks.

6.3.2 Trading and liquidity in the Stapled Securities

There can be no guarantee that an active market in the Stapled Securities will develop. There may be relatively few potential buyers or sellers of the Stapled Securities on the ASX at any given time. This may increase the volatility of the market price of the Stapled Securities. It may also affect the prevailing market price at which Stapled Securityholders are able to sell their Stapled Securities. This may result in Stapled Securityholders receiving a market price for their Stapled Securities that is less or more than the price that Stapled Securityholders paid for their Stapled Securities under the Offer.

6.3.3 Dilution

In the future, Gateway Lifestyle may elect to issue Stapled Securities or other equity securities. While Gateway Lifestyle will be subject to the constraints of the Listing Rules regarding the issue of Stapled Securities, existing Stapled Securityholders may be diluted as a result of such issues.

In addition, if a Stapled Securityholder does not reinvest their distributions while a distribution reinvestment plan is operating, then their interest Gateway Lifestyle may be diluted.

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6. Key Risks (continued)

6.3.4 Potential non-franking of dividends

To the extent that Gateway Lifestyle pays dividends, Gateway Lifestyle may not have sufficient franking credits in the future to frank dividends, or the franking system may be subject to review or reform. The value and availability of franking credits to a Stapled Securityholder will differ depending on the Stapled Securityholder's particular tax circumstances.

Stapled Securityholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Stapled Securityholder.

6.3.5 Exposure to changes in tax rules or their interpretation

Changes in tax law (including the goods and service tax and stamp duty), or changes in the way taxation laws are interpreted or applied may impact the tax liabilities of the Company and/or the Trust or the tax treatment of a Stapled Securityholder's investment. In particular, both the level and basis of taxation may change.

In addition, an investment in the Stapled Securities involves tax considerations, which may differ for each Stapled Securityholder. Each prospective Stapled Securityholder is encouraged to seek professional tax advice in connection with any investment in Gateway Lifestyle.

6.3.6 Accounting standards

Australian Accounting Standards are issued by the Australian Accounting Standards Board and are beyond the control of Gateway Lifestyle, the Board and its management. Any changes to the accounting standards or to the interpretation of those standards may have an adverse effect on the reported financial performance or financial position of Gateway Lifestyle.

6.3.7 Ability to refinance debt or access debt markets on attractive terms

Gateway Lifestyle is subject to the risk that it may not be able to refinance its existing or future bank facilities as and when they fall due. In this circumstance, Gateway Lifestyle may need to raise further equity, dispose of MHEs for a lower market value than could otherwise have been realised, or enter into new debt facilities on less favourable terms.

6.3.8 Interest rate risk

Changes in interest rates will affect borrowings, which bear interest at floating rates. Any increase in interest rates will affect Gateway Lifestyle's costs of servicing these borrowings, which may adversely affect its financial position and performance.

6.3.9 Insolvency

The claims of Gateway Lifestyles creditors will rank ahead of those of its Stapled Securityholders in the event of any liquidation or winding up of Gateway Lifestyle. In this circumstance, Gateway Lifestyle will first repay or discharge all claims of its creditors and will distribute any surplus assets to its Stapled Securityholders. All Stapled Securityholders will rank equally in their claim to these surplus assets and will be entitled to an equal share per Security.

6.3.10 Inflation rates

Higher than expected inflation rates could lead to increased development and/or operating costs. If such increased costs cannot be offset by increased selling prices or rent, this could impact Gateway Lifestyle's future financial performance.

6.3.11 Force majeure events

Force majeure events, which are events beyond the control of a party, including fire, flood, earthquake and other acts of God, terrorist attacks and war may affect key contractors (namely civil construction contractors and house construction contractors) from performing their contractual obligations or may lead to a capital loss or a reduction in income, and Gateway Lifestyle's insurance may not cover these acts or events.

6.3.12 Litigation

Gateway Lifestyle may be involved in disputes and possible litigation in the ordinary course of its operations. Any such dispute may be costly and impact the Forecast Financial Information.

6.3.13 No guarantee of distributions or capital returns

No guarantee can be given as to the amount and timing of any income or capital return from the Stapled Securities.

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Seven

Key people, interests and benefits

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GATEWAY LIFESTYLE
RESIDENTIAL PARKS

7. Key people, interests and benefits

Consistent with the ASX Corporate Governance Principles, the Company's Board is comprised of a majority of directors who are independent, being three independent non-executive directors and the Chairman together with two non-independent directors, being Gateway Lifestyle's CEO and CFO.

The Directors of the Company and OMIFL bring to their respective Boards relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

7.1 Board of Directors

7.1.1 Company

Director	Experience
Andrew Love Independent Chairman 	Andrew has over 35 years experience in restructuring and corporate insolvency, with a particular focus on the mining sector. Andrew is currently a non-executive director of Champion Iron Limited and has served on a number of boards including ROC Oil, Riversdale Mining and Charter Hall Office Trust. Andrew was a partner at Ferrier Hodgson Charted Accountants for over 25 years until 2008, when as a senior partner he retired and remains as consultant. Andrew is a member of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. Andrew holds a Bachelor of Commerce from the University of New South Wales.
Stephen Newton Independent Non-Executive Director 	Stephen has over 30 years experience in property and asset management, development management and real estate investment management, with a focus on entity and asset acquisitions and management of publicly listed and private REITs. Stephen is the Joint Managing Director and co-founder of Arcadia Funds Management Limited. Stephen was a non-executive director of Australand from 2007 to 2014. Prior to establishing the Arcadia Group in December 2002, Stephen was a senior executive at Lend Lease Corporation and a director of a number of Lend Lease entities and managed funds. Stephen's other directorships include Campus Living Funds Management Limited, Broadcast Australia Group of companies and the University of Notre Dame Australia. Stephen is a member of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. He holds a Bachelor of Arts (Economics and Accounting) degree from Macquarie University and a Masters of Commerce degree from the University of New South Wales.
Rachel Launders Independent Non-Executive Director 	Rachel has over 20 years experience in corporate law. Rachel currently holds the role of general counsel and company secretary at Nine Entertainment Co. Holdings Limited. Prior to joining Nine Entertainment in 2015, Rachel was a partner at Gilbert + Tobin for over 13 years where she specialised in mergers and acquisitions, corporate governance and compliance. Rachel is also a director of Giant Steps School, which is a school for children and young adults with autism in Sydney. Rachel holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Sydney. She also completed the Graduate Diploma of Applied Finance and Investment at the Securities Institute (now the Financial Services Institute of Australasia) and is a Fellow of the Financial Services Institute of Australasia.

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Director	Experience
Andrew Fay Independent Non-Executive Director 	Andrew has over 25 years experience in the financial services industry. Andrew currently holds the role of non-executive director of ASX-listed BT Investment Management and Spark Infrastructure. Andrew is also a non-executive director of Victoria Power Networks, South Australia Power Networks, JO Hambros Capital Management (a UK funds management company) and the chairman of Deutsche Managed Investments (Australia) Limited. Andrew also consults to Dexus Property Group in the area of capital markets and advises Microbiogen, a private company which operates in the renewal energy industry, on corporate development initiatives. Andrew has held a number of senior positions including chairman of Tasman Lifestyle Continuum Ltd and CEO Australia, Regional CIO Asia-Pacific and CIO of Deutsche Asset Management (Australia) Limited. Andrew holds a Bachelor of Agricultural Economics (Hons) from the University of Sydney and has also completed the Graduate Diploma of Applied Finance and Investment at the Securities Institute (now the Financial Services Institute of Australasia).
Trent Ottawa CEO 	Trent has over 12 years of experience in the MHE sector, including both direct and indirect acquisitions, management of multiple property portfolios, debt advisory, sale of MHE portfolios to listed entities and industry representation. Prior to founding Gateway Lifestyle in 2009, Trent worked at Ferrier Hodgson in business restructuring and insolvency before moving to a specialist advisory firm providing investment and restructuring services to the tourism and MHE industry. Trent holds a Bachelor of Business from the University of Technology Sydney, and is a member of the Institute of Chartered Accountants in Australia.
John Wong CFO 	John has 15 years of experience in accounting, tax and finance, and since joining Gateway Lifestyle in 2013 has been integral in the establishment of the management platform. Prior to joining Gateway Lifestyle, John worked at Grant Thornton specialising in business advisory to business owners and their businesses. In 2009, he established his own accounting practice. He has also worked at Shell Financial Services and Barclays Bank in London. John holds a Bachelor of Commerce from Macquarie University, and is a member of the Institute of Chartered Accountants in Australia, and is a Chartered Tax Advisor accredited with the Tax Institute of Australia.

7. Key people, interests and benefits (continued)

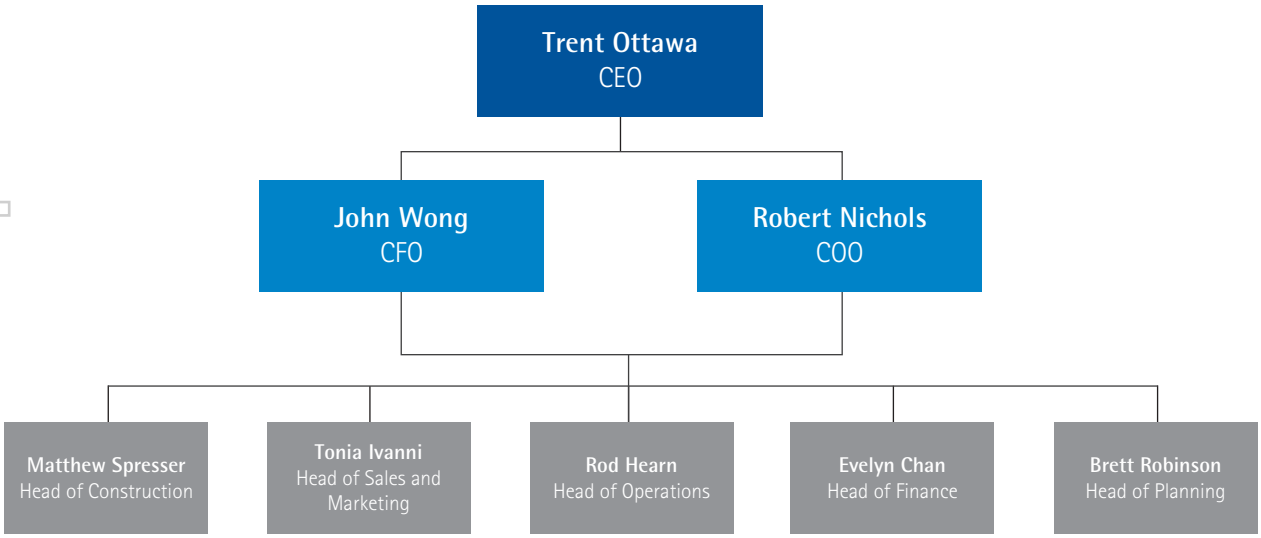
7.1.2 OMIFL

Director	Experience
Frank Tearle Executive Director	Frank joined the OMIFL Board in December 2008. Before founding One Investment Group, Frank served in various roles at Allco Finance Group, including as head of business transition and operations, managing director of the Hong Kong office, Director in the corporate finance team and general counsel. Frank has been a non-executive director of several companies, including the manager of a Singapore listed property trust and an APRA regulated insurance company. He has more than 10 years' experience working in major law firms in Australia and the United Kingdom, specialising in mergers and acquisitions, capital markets, funds management and corporate governance.
Elizabeth Reddy Director	Elizabeth joined the OMIFL Board in November 2009. Elizabeth spent a number of years practising law at both Herbert Smith Freehills and Atanaskovic Hartnell prior to undertaking a number of commercial roles. Elizabeth specialises in advising on the Corporations Act, contractual disputes, mergers and acquisitions, equitable claims, trade practices and insolvency. She is also experienced in compliance and risk management issues.
Justin Epstein Executive Director	Justin joined the OMIFL Board in November 2009 and is a founding partner of the One Investment Group. Prior to joining OMIFL, Justin was the investment director of the LCJB Investment Group, where he was responsible for sourcing and leading investment opportunities. Justin has previously worked in group strategy and business development for a major Australian investment bank, for the corporate finance and restructuring division of Ernst & Young and for a specialised property finance and investment group.

7.2 Senior management

Figure 17 below provides a summary of the senior management team at Gateway Lifestyle.

Figure 17 – Senior management



A biography of the senior management team is contained in the table below.

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Senior manager	Experience
Trent Ottawa CEO	See Section 7.1.1
John Wong CFO	See Section 7.1.1
Robert Nichols COO	Robert has over 15 years experience in the private equity industry. Robert is an owner and operator of MHEs with over 3 years experience. Prior to joining Gateway Lifestyle, Robert was the founder and CEO of Tasman (a New South Wales and Queensland MHE owner and operator). Robert was also an executive at DB Capital Partners, the private equity division of Deutsche Asset Management (Australia) Limited.
Matthew Spresser Head of Construction	Matthew has more than 18 years' experience in the building industry, including stints in CBRE, BADGE, Buildcorp and United Group Limited, and running his own construction company. Matthew has obtained a Building and Business Management Qualifications and joined Gateway Lifestyle in 2013.
Tonia Ivanni Head of Sales and Marketing	Tonia has over 15 years experience in real estate sales and marketing, including a period of managing and owning her own real estate practice. Tonia has a Cert IV in Training & Assessment, Real Estate, and holds various certificates in media selling skills, public speaking and professional property development. Tonia is a frequent speaker at the Urban Development Institute Australia New Developers Course on marketing Developments. Tonia joined Gateway Lifestyle in 2013.
Rod Hearn Head of Operations	Rod's career to date encapsulates over 30 years experience in senior executive roles in the accommodation and hospitality industry in Asia, Australia and New Zealand. Rod has provided operational guidance for hotels, resorts, casinos, holiday and residential parks either under corporate, community or strata structures, including stints in Westin, Rydges, Radisson, Voyages and Federal. Rod's previous experience includes the role of Chief Operating Officer for EcoPoint Resorts. Rod holds a Bachelor of Business in Catering and Hospitality. Rod joined Gateway Lifestyle in 2014.
Evelyn Chan Head of Finance	Evelyn obtained her Bachelor of Commerce from UNSW prior to being admitted as a member of the Institute of Chartered Accounting firms, Australia, and has spent over 10 years in public practice, including experience at mid-tier firms prior to joining Gateway Lifestyle in 2014 specialising in tax, accounting systems and providing solutions to her clients. During her time in public practice, Evelyn specialised in assisting clients in a wide range of industries from IT to high net wealth individuals.
Brett Robinson Head of Planning	Brett has over 23 years professional experience in the property sector since completing a Bachelor of Business (Property Studies) from University of Queensland in 1993. Brett is a Registered Valuer in Qld and is an Associate Member of the Australian Property Institute (API). Brett's professional career has spanned a range of roles including Valuation, Retail & Commercial Property Management, Real Estate Advisory, Development Management, Acquisitions & Transaction Management for a range of companies including Stockland, HTW, Devine Limited, Reed Property Group and Capland Real Estate Advisors. Brett joined Gateway Lifestyle in 2013.

7. Key people, interests and benefits (continued)

7.3 Interests and benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Offer Document, no:

- Director or proposed Director of the Company;
- person named in this Offer Document and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Document;
- promoter of the Company; or
- underwriter to the Offer,

holds at the time of lodgement of the Offer Document with ASIC, or has held in the two years before lodgement of this Offer Document with ASIC, an interest in:

- the formation or promotion of Gateway Lifestyle;
- property acquired or proposed to be acquired by Gateway Lifestyle in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, shares, units, Stapled Securities or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of Gateway Lifestyle, or to any Director or proposed Director of the Company or OMIFL to induce them to become, or qualify as, a Director or to OMIFL to procure acquisitions of interests in the Trust or for services provided under the Constitution of the Trust.

7.3.1 Interests of advisers

The nature and extent of the interests and fees of professional advisers engaged by Gateway Lifestyle is set out at Section 12.10.

7.3.2 Directors' and executive interests and benefits

7.3.2.1 Directors' Stapled Securityholdings

Directors are not required under the Constitution of the Company to hold any Stapled Securities in Gateway Lifestyle. The Directors (and their associates) are entitled to apply for Stapled Securities under the Offer.

An entity associated with Trent Ottawa is a shareholder of Gateway Management. Gateway Management will be acquired by the Company as part of the Proposed Transaction. In return, an entity associated with Trent Ottawa will acquire 12.62 million Stapled Securities. At Completion of the Offer, an entity associated with Trent Ottawa will hold 12.88 million Stapled Securities.

An entity associated with John Wong will acquire 375,000 Stapled Securities.

An entity associated with Andrew Love, which is an Existing Investor, will acquire 250,000 Stapled Securities as part of the Proposed Transaction detailed in Section 12.4.

The Non-Executive Directors have informed Gateway Lifestyle that they, or superannuation funds they are associated with, intend to apply for the following number of Stapled Securities under the Offer: Stephen Newton (10,000), Rachel Launders (15,000) and Andrew Fay (50,000).

Additionally, each of the Non-Executive Directors will be issued 25,000 Stapled Securities which will be subject to escrow restrictions as described in Section 12.7.

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7.3.2.2 Director remuneration

The Constitution of the Company specifies that the amount of the remuneration of the Directors of the Company is a yearly sum not exceeding the sum from time to time determined by the Company in general meeting. Under the Listing Rules, the total amount paid to all of the Company's Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company's general meeting. This amount has been fixed by the Company at $750,000. Annual Company Directors' fees currently agreed to be paid by the Company are $120,000 to the Independent Chairman, and $100,000 to the other Non-Executive Directors. All Company Directors' fees include superannuation at the current statutory rate of the respective amounts.

In addition to Directors' fees described above, each Non-Executive Director (including the Independent Chairman) will be granted an entitlement to an amount equivalent to $50,000 worth of Stapled Securities. These Stapled Securities will be subject to the escrow restrictions as described in Section 12.7.

Directors of the Company may also be reimbursed for expenses reasonably incurred in attending to the Company's affairs.

Non-Executive Directors may be paid such additional or special remuneration or provided benefits as the Company Directors decide is appropriate where a Director of the Company performs extra or special services, including being a member on additional committees of directors or Chairman or Deputy Chairman. There is no contractual redundancy benefit for the Company Directors, other than statutory superannuation contributions.

OMIFL Directors will not receive fees from Gateway Lifestyle. Rather, OMIFL receives fees under the Constitution of the Trust as detailed in Section 9.

7.3.2.3 Executive Stapled Securityholdings

Robert Nichols is associated with Buoncompagni Seller, which is an Existing Investor which will acquire 4,608,970 Stapled Securities as part of the Proposed Transaction detailed in Section 12.4.

7.3.2.4 Executive remuneration

The Company has entered into employment contracts with:

- Trent Ottawa for the position of CEO, who will be paid a base salary of $600,000 per annum;
- John Wong for the position of CFO, who will be paid a base salary of $500,000 per annum; and
- Robert Nichols for the position of COO, who will be paid a base salary of $500,000 per annum.

The Company has established various incentive arrangements to assist in the attraction, motivation and retention of management and employees. Superior performance by the senior management team will be recognised by a combination of short-term cash based incentives and long-term equity based incentives.

Incentive measures have been determined by the Board and are benchmarked against a range of financial measures, including achievement and out-performance against forecast, EBITDA and distributions.

It is also anticipated that within the first year post Listing an executive and employee share plan may be developed and implemented by the Board.

Each executive may also be reimbursed for expenses reasonably incurred in attending to the Company's and its subsidiaries' affairs.

The employment contracts entered into by the CEO, CFO and COO commence on 1 June 2015 and continue until terminated. The CEO, CFO and COO's employment contracts contain termination provisions pursuant to which they or the Company may terminate employment by providing six months' notice in writing before the proposed date of termination. The CEO, CFO and COO's contracts also contain a restraint of trade period of 12 months following expiry of the notice period. Enforceability of such restraint of trade is subject to all usual legal requirements.

Gateway Lifestyle may terminate the employment of CEO, CFO and COO immediately in a number of circumstances, including for any act of dishonesty, fraud, wilful disobedience, misconduct or breach of duty.

7. Key people, interests and benefits (continued)

7.3.2.5 Deeds of indemnity, insurance and access

Gateway Management on behalf of Gateway Lifestyle has entered into deeds of indemnity, insurance and access with each Director of Gateway Management which confirm each person's right of access to certain books and records of Gateway Management and its subsidiaries for a period of seven years after the Director ceases to hold office. This seven year period may be extended where certain proceedings or investigations commence before the seven year period expires. The deed also requires Gateway Management and its subsidiaries to provide an indemnity for liability incurred as an officer of Gateway Management and its subsidiaries, to the maximum extent permitted by law.

Indemnification: Pursuant to the Constitution, the Company is required to indemnify the Company's Directors and employees, past and present, against liabilities allowed under law. Under the deeds of indemnity, insurance and access, Gateway Management and its subsidiaries indemnifies each Gateway Management Director against all liabilities to another person that may arise from their position as Director of Gateway Management or its subsidiaries to the extent permitted by law. The deed stipulates that Gateway Management and its subsidiaries will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Insurance: Pursuant to the Constitution, the Company will arrange and maintain directors and officers insurance for its Directors to the extent permitted by law. Under the deed of indemnity, insurance and access, Gateway Management must obtain such insurance during each Gateway Management Director's period of office and for a period of seven years after a Company Director ceases to hold office. This seven year period can be extended where certain proceedings or investigations commence before the seven year period expires.

7.3.2.6 Potential future acquisitions

Trent Ottawa and John Wong hold interests in GTY Property Trust for which Gateway Financial Services Limited acts as trustee. GTY Property Trust currently owns an MHE located in Ulladulla. Following Listing, Gateway Lifestyle proposes to implement a transaction to acquire the MHE located in Ulladulla. However, this acquisition will not form part of the Offer or Proposed Transaction.

7.4 Corporate governance

The Corporations Act, Listing Rules, the Company Constitution, the Trust Constitution and the general law regulate the operations of Gateway Lifestyle and the attendant responsibilities of OMIFL.

7.4.1.1 Gateway Lifestyle Board

Gateway Lifestyle is comprised of the Company and the Trust. Each of the Company and the Trust will have its own corporate governance and compliance obligations under the Corporations Act and the Listing Rules. Each of the Company and the Trust also has its own Constitution governing the rights and obligations of, respectively, the shareholders of the Company and the unitholders of the Trust.

While the Trust is a responsible entity with its own board, the operations of Gateway Lifestyle as a stapled group are co-ordinated under the Board of the Company. References in this section 7.4 to the "Gateway Lifestyle Board" are references to the Board of the Company in its role in relation to Gateway Lifestyle as a stapled group.

The Gateway Lifestyle Board recognises the role and importance of good corporate governance and the framework for managing Gateway Lifestyle will include extensive internal controls and a business risk management process.

The corporate governance framework to be adopted by Gateway Lifestyle will be overseen by the highly experienced Gateway Lifestyle Board and supported by the OMIFL Board. Both Boards are integral to the shaping of appropriate corporate governance arrangements for Gateway Lifestyle and to the continual monitoring of those arrangements.

Gateway Lifestyle will have policies in place to ensure Gateway Lifestyle meets all applicable standards in accordance with the Listing Rules.

The corporate governance framework to be implemented by Gateway Lifestyle is underpinned by the ASX Corporate Governance Principles. The Listing Rules require listed entities to disclose the extent of their compliance with the ASX Corporate Governance Recommendations and to explain why they have not adopted a particular ASX Corporate Governance Recommendation. Accordingly, Gateway Lifestyle will be required to report its compliance against the ASX Corporate Governance Principles in its application for Listing and on an ongoing basis in its annual reporting.

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7.4.1.2 Board charter

It is the function of the Gateway Lifestyle Board to provide overall strategic guidance for Gateway Lifestyle and effective oversight of management. In performing its functions in respect of Gateway Lifestyle, the Gateway Lifestyle Board will endeavour to ensure that the business of Gateway Lifestyle is managed effectively in accordance with high standards of corporate governance and applicable laws. Some of the key responsibilities of the Gateway Lifestyle Board under the Board Charter are to:

- set objectives, goals and the strategic direction of Gateway Lifestyle;
- approve and monitor progress of major capital expenditure, capital management, acquisitions and divestments;
- monitor the implementation by the Gateway Lifestyle Board and Gateway Lifestyle management of the business standards and codes of ethical behavior set by the Gateway Lifestyle Board;
- review, ratify and monitor systems of risk management and internal compliance and control and legal compliance; and
- approve and monitor financial and other reporting.

7.4.1.3 Compliance plan for the Trust

As the responsible entity of the Trust, OMIFL must comply with all of its obligations set out in the Constitution of the Trust and the Corporations Act, including in respect of its AFSL. OMIFL is also subject to duties including duties to act in the best interests of Gateway Lifestyle Stapled Securityholders, to act honestly, exercise care and diligence, and to treat Gateway Lifestyle Securityholders of the same class equally. In order to ensure compliance with the Constitution and the Corporations Act, OMIFL has in place a compliance plan relevant to its role as responsible entity of the Trust under the Constitution.

Some of the provisions of the Constitution are discussed and summarised in Section 12.5.4 of this Offer Document. You can inspect a copy at Gateway Lifestyle's head office at any time between 8:30am and 5:00pm on a business day in Sydney or request a free copy by contacting Gateway Lifestyle.

7.4.1.4 OMIFL Compliance Committee

OMIFL has established a compliance committee ("**Compliance Committee**"). The role of the Compliance Committee in relation to the Trust is:

- to monitor to what extent OMIFL complies with the Compliance Plan and to report on its findings to OMIFL; and
- to report to OMIFL any breach of the:
  - Corporations Act involving the Trust; or
  - provisions included in the Constitution in accordance with section 601GA of the Corporations Act,

  of which the committee becomes aware or that it suspects; and
- to report to ASIC if the Compliance Committee is of the view that OMIFL has not taken, or does not propose to take, appropriate action to deal with a matter reported to OMIFL in the paragraph above; and
- to assess at regular intervals whether the Compliance Plan is adequate, to report to OMIFL on the assessment and to make recommendations to OMIFL about any changes that it considers should be made to the plan.

In carrying out its functions, the Compliance Committee may commission independent legal, accounting or other professional advice or assistance, at the reasonable expense of OMIFL.

A majority of the members of the Compliance Committee are independent of OMIFL and its related bodies corporate.

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7. Key people, interests and benefits (continued)

7.4.1.5 Corporate governance policies

The Gateway Lifestyle Board has adopted the following corporate governance policies to be used by Gateway Lifestyle, each of which has been prepared having regard to the ASX Corporate Governance Principles and is available on the Gateway Lifestyle website at www.gatewaylifestyle.com.au.

Code of conduct

The Gateway Lifestyle Board has adopted a code of conduct which applies to all Gateway Lifestyle employees and sets out the standards of behaviour that Gateway Lifestyle expects from the directors, officers and employees in conducting Gateway Lifestyle's business. The code is underpinned by the following values:

- dealings with others including customers, suppliers, Stapled Securityholders and employees actions must be governed by honesty, openness, integrity and fairness;
- decisions must be made in accordance with the spirit and letter of applicable law; and
- Gateway Lifestyle's business must be conducted honestly and ethically, in the best interests of Gateway Lifestyle.

Securities Trading policy

The Gateway Lifestyle Board has adopted a securities trading policy governing the sale of and trading in the securities, including Stapled Securities. The purpose of the policy is to provide guidance to personnel of Gateway Lifestyle in relation to compliance with insider trading laws in Australia and to protect the reputation of Gateway Lifestyle and its personnel.

Continuous disclosure policy

Once listed, Gateway Lifestyle will be subject to the continuous disclosure requirements of the Listing Rules and the Corporations Act. Gateway Lifestyle will be required to disclose to ASX any information concerning Gateway Lifestyle which is not generally available and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of Stapled Securities.

The Gateway Lifestyle Board is committed to promoting investor confidence in the integrity of Gateway Lifestyle and its Stapled Securities by communicating openly and honestly with the market and its stakeholders. Accordingly, the Gateway Lifestyle Board has established a continuous disclosure committee to assist Gateway Lifestyle in discharging Gateway Lifestyle's continuous disclosure responsibilities in a timely and efficient manner. The continuous disclosure committee (comprising the CEO, CFO and Company Secretary) are to:

- seek to ensure that Gateway Lifestyle complies with its disclosure obligations;
- assess the possible materiality of information which is potentially price sensitive;
- decide what information needs to be disclosed (in consultation with advisors and others if required);
- report on continuous disclosure to the Gateway Lifestyle Board;
- monitor the effectiveness of the continuous disclosure policy, including the understanding by employees in general of the principles and spirit of continuous disclosure; and
- regularly review the continuous disclosure policy for legislative changes or developments in best practice and communicate any amendments to the policy to employees.

The disclosure manager will oversee the preparation and lodgment of communications with regulators such as ASIC and ASX and report back to relevant persons once disclosures, lodgments and other communications have been made.

Communications policy

The Gateway Lifestyle Board has also adopted a communications policy, which sets out the range of methods, forums and publications through which Gateway Lifestyle will fulfill its commitment to communicate information to Stapled Securityholders and other stakeholders.

Diversity

Gateway Lifestyle acknowledges the importance of diversity in contributing to the achievement of Gateway Lifestyle's corporate objectives. Gateway Lifestyle is committed to supporting and developing the diversity of its workforce through attracting, recruiting, engaging and retaining diverse talent and aligning the culture and management of Gateway Lifestyle with this commitment. The diversity policy aims to promote the principles of merit and fairness in decisions about recruitment, development, promotion, remuneration and flexible work arrangements. The policy confirms that in order for Gateway Lifestyle to have a fully functional and diverse workplace, Gateway Lifestyle will not tolerate discrimination, harassment, vilification or victimisation.

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Risk management

The identification and proper management of Gateway Lifestyle's risks are an important priority of the Gateway Lifestyle Board and the board of OMIFL. Gateway Lifestyle has adopted a risk management policy appropriate for its business. The purpose of the policy is to ensure that, amongst other things:

- appropriate systems are in place to identify material risks;
- the financial impact of identified risks is understood and control systems are implemented to limit exposure of Gateway Lifestyle to such risks;
- any material change to the risk profile of Gateway Lifestyle is communicated to the market and stakeholders under the continuous disclosure policy.

The Gateway Lifestyle Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective operations. The Gateway Lifestyle Board is assisted by the audit and risk management committee.

7.4.1.6 Board committees

The Gateway Lifestyle Board charter which is to be adopted allows the Gateway Lifestyle Board to delegate powers and responsibilities to committees established by the Gateway Lifestyle Board. The Gateway Lifestyle Board retains ultimate accountability to Stapled Securityholders in discharging its duties to Gateway Lifestyle.

To assist in the execution of its responsibilities, the Gateway Lifestyle Board has established three committees (in addition to the continuous disclosure committee) – a nomination and remuneration committee, an audit and risk management committee and an investment committee – details of which are set out below. The role, responsibilities and operating procedures of these committees are set out in their respective charters; each of which will be adopted by the Gateway Lifestyle Board for the governance of Gateway Lifestyle and is available on the Gateway Lifestyle website. The committee charters have been prepared having regard to the ASX Corporate Governance Principles.

Audit and risk management committee

The Gateway Lifestyle Board has established an audit and risk management committee to assist the Gateway Lifestyle Board in overseeing the integrity of Gateway Lifestyle's financial reporting, internal financial controls, financial procedures and policies and the independence of external auditors.

The audit and risk management committee will report to Gateway Lifestyle Board on all matters relevant to the audit and risk management committee's role and responsibilities and ensure that the Gateway Lifestyle Board is aware of matters which may significantly impact the financial condition or affairs of Gateway Lifestyle.

The key roles and responsibilities of the audit and risk committee include reviewing:

- the financial reporting and compliance processes;
- the system of risk management and internal controls; and
- the internal and external audit process.

All members of the audit and risk committee must be non-executive directors, with a majority being independent directors. The chairperson will be an independent director appointed by the Gateway Lifestyle Board. The audit and risk committee will meet with external auditors where appropriate from time to time to review the existing external audit arrangements and the scope of the audit.

Remuneration and nomination committee

The remuneration and nomination committee is to assist the Gateway Lifestyle Board by reviewing and making recommendations in relation to matters including:

- the Gateway Lifestyle remuneration policy including as it applies to Directors and the process by which any pool of fees approved by Stapled Securityholders is allocated;
- board and senior management succession issues and planning;
- the appointment and re-election of qualified and experienced independent directors;
- the compensation and benefit plans for Gateway Lifestyle's senior management and employees including key performance indicators for the CEO, CFO and other members of senior management;
- assessment of senior management against relevant key performance indicators;
- Gateway Lifestyles recruitment, retention and termination policies and superannuation arrangements; and
- the size and composition of boards and strategies to address board diversity and performance against the diversity policy.

The nomination and remuneration committee will comprise non-executive directors the majority of whom must be independent. The chairperson will be an independent non-executive director appointed by the Gateway Lifestyle Board.

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Eight

Details of the Offer

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

8. Details of the Offer

8.1 Introduction

The Offer comprises the issue of 115.8 million new Stapled Securities by the Company and OMIFL and the sale of 74.9 million Stapled Securities by SaleCo.

All Stapled Securities under the Institutional Offer, the Employee Gift Offer, the Priority Offer and the Broker Firm Offer will be issued or sold at the Offer Price of $2.00 per Stapled Security.

The total number of Stapled Securities on issue at Completion will be 249.4 million and each Stapled Security will rank equally with each other.

The Offer comprises the:

- Broker Firm Offer, which is an offer to Australian resident Retail Investors and Sophisticated Investors who receive an allocation from their Broker;
- Employee Gift Offer, under which Eligible Employees will, at the discretion of the Executive Directors, will be offered the opportunity to apply for a specified number of Stapled Securities (125,000 Stapled Securities in total), each for nil consideration;
- Priority Offer, which is an offer to investors who have received an invitation to participate in the Offer from Gateway Lifestyle and who have a registered address in Australia or New Zealand; and
- Institutional Offer, which has been made to certain Institutional Investors in Australia and a number of other eligible jurisdictions.

No general public offer will be made under this Offer Document.

The Offer has been fully underwritten by the Joint Lead Managers, Macquarie Capital (Australia) Limited and UBS AG, Australia Branch.

8.2 Purpose of the Offer and use of proceeds

The purpose of the Offer is to:

- provide Existing Investors with an opportunity to realise their investment;
- enable Gateway Lifestyle to acquire 36 MHEs and the management platform on Completion;
- provide working capital to facilitate new manufactured home sales;
- enhance Gateway Lifestyle's financial flexibility to pursue its business strategies and identified growth opportunities (including further MHE acquisitions) from a position of balance sheet strength;
- provide Gateway Lifestyle with access to capital markets;
- provide a liquid market for Stapled Securities in Gateway Lifestyle; and
- assist Gateway Lifestyle with attracting and retaining quality employees.

The Offer is expected to raise approximately $381.3 million from the transfer of existing Stapled Securities by SaleCo and the issue of new Stapled Securities by the Company and OMIFL. The table below sets out further detail on the sources and uses of funds.

Table 7 – Sources and uses of funds

Sources of funds	$million	Uses of funds	$ million
Cash proceeds received from sale of Stapled Securities by SaleCo	$149.8m	Acquisition of Portfolio[4]	$437.0m
Cash proceeds received from issue of new Stapled Securities by the Company and OMIFL	$231.5m	Acquisition of Gateway Management	$50.5m
Rollover by Existing investors[1]	$92.2m	Payment of costs of the Offer[5]	$53.7m
Rollover by Gateway Management investors[2]	$25.2m	Cash to balance sheet[6]	$10.1m
Drawdown of new debt[3]	$52.5m		
Total sources	**$551.3m**	**Total uses**	**$551.3m**

Note 1: Reflects the final allocations made to Existing Investors following their elections made in the Sale Facility, as described in Section 12.4.6. This includes rollover of Trent Ottawa ($0.5m) and Robert Nichols ($9.2m) interests in the Portfolio.

Note 2: Reflects Trent Ottawa's reinvestment of 100% of his existing holding in the management platform. These Stapled Securities will be subject to escrow, as described in Section 12.7.

Note 3: Based on the drawdown of $52.5 million of the Debt Facilities on the Issue Date, as described in Section 5.4.2.

Note 4: Reflects agreed purchase price net of estimated acquisition settlement adjustments and transaction related costs borne by Gateway Lifestyle. Final amount subject to final settlement adjustments.

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Note 5: Transaction Costs include underwriting fees, stamp duty, professional advisers' fees, legal fees, funding the purchase of Employee Gift and Director Bonus Stapled Securities, and other miscellaneous costs associated with the Offer. Gateway Lifestyle expects to pay certain settlement adjustments and other transaction related costs in connection with the Portfolio acquisitions, with a corresponding reduction in the Portfolio acquisition purchase price, which have been reflected in the table above.

Note 6: Gateway is raising $10.1m of new cash from the issue and sale of Stapled Securities which will remain in the business to fund ongoing working capital. Upon Completion, Gateway will retain an additional cash amount as a settlement adjustment in relation to the purchase of the Portfolio from the Existing Investors which will be offset by related settlement adjustment liabilities.

8.3 Stapled Securityholding structure on Completion of the Offer

The details of the ownership of Stapled Securities on Completion of the Offer are set out below.

Table 8 – Stapled Securityholding structure

	On Completion Stapled Securities (m)	$m	%
Existing Investors (excluding CEO, CFO, COO and Non-Executive Directors)	41.0	82.0	16.4%
Management (CEO, CFO and COO)	17.9	35.7	7.2%
Non-Executive Directors	0.4	0.9	0.2%
New investors	190.1	380.2	76.2%
Total	**249.4**	**498.8**	**100.0%**

The CEO will be reinvesting the entire value of his interest in Gateway Management into Gateway Lifestyle on Completion of the Offer.

Information relating to the number of Stapled Securities which will be subject to escrow arrangements, and details of those escrow arrangements, is set out in Section 12.7.

8.4 Control implications of the Offer

The Directors do not expect that any single Stapled Securityholder will control Gateway Lifestyle on Completion of the Offer.

8.5 Potential effect of the fundraising on the future of Gateway Lifestyle

The Directors believe that, following Completion of the Offer, Gateway Lifestyle will have sufficient funds available from cash proceeds of the Offer, its operations and the Debt Facilities to fulfil the purposes of the Offer and meet Gateway Lifestyle's stated business objectives.

8.6 Terms and conditions of the Offer

Topic	Summary
What is being offered?	Stapled Securities.
What are the rights and liabilities attached to the Stapled Securities being offered?	A description of the Stapled Securities, including the rights and liabilities attaching to them is provided in Section 8.14. Details of the rights and liabilities attached to each Unit and Share are also set out in Sections 12.5.4 and 12.5.5 and in the constitutions of the Company and the Trust, copies of which will be made available for inspection, free of charge at the registered office of Gateway Lifestyle during normal business hours.
What is the consideration payable for each Stapled Security being offered under the Offer?	$2.00 per Stapled Security.
What is the Offer period?	The key dates, including details of the Offer period, are set out on page 3.
What are the cash proceeds to be raised?	If the Offer proceeds: – $231.5 million will be raised by Gateway Lifestyle from the issue of 115.8 new Stapled Securities; and – $149.8 million will be raised to fund the transfer of 74.9 Stapled Securities by SaleCo.

8. Details of the Offer (continued)

Topic	Summary
What is the minimum and maximum Application size under the Broker Firm Offer?	The minimum Application amount for Applicants applying under the Broker Firm Offer is $2,000 worth of Stapled Securities. The Joint Lead Managers, in consultation with Gateway Lifestyle, reserve the right to reject any Application or allocate a lesser number of Stapled Securities than that applied for. There is no maximum number of Stapled Securities that may be applied for under the Broker Firm Offer.
What is the minimum and maximum Application size under the Employee Gift Offer?	Under the Employee Gift Offer, Eligible Employees will, at the discretion of the Executive Directors, be offered a specified number of Stapled Securities at no cost. The Joint Lead Managers, in consultation with Gateway Lifestyle, reserve the right to reject any Application or allocate a lesser number of Stapled Securities than that applied for.
What is the guaranteed minimum and maximum Application size under the Priority Offer?	Applicants under the Priority Offer will receive a guaranteed minimum allocation of $2,000 of Stapled Securities. The minimum Application amount for Applicants applying under the Priority Offer is $2,000 worth of Stapled Securities. The Joint Lead Managers, in consultation with Gateway Lifestyle, reserve the right to allocate a lesser number of Stapled Securities than that applied for (subject to the guaranteed minimum allocation referred to above). There is no maximum number of Stapled Securities that may be applied for under the Priority Offer.
What is the allocation policy?	The allocation of Stapled Securities between the Institutional Offer, the Broker Firm Offer, the Employee Gift Offer and the Priority Offer was determined by the Joint Lead Managers and Gateway Lifestyle having regard to the allocation policy outlined in Sections 8.7.5, 8.8.4, 8.9.6 and 8.10.2. With respect to the Broker Firm Offer, it is a matter for the Brokers how they allocate firm stock among their eligible clients. As noted above, all Eligible Employees will, at the discretion of the Executive Directors, be offered a specified number of Stapled Securities each for nil consideration. Priority Offer allocations will be determined by Gateway Lifestyle, in consultation with the Joint Lead Managers, subject to guaranteed minimum allocations for Applicants under the Priority Offer. The allocation of Stapled Securities among Applicants in the Institutional Offer was determined by the Joint Lead Managers in consultation with Gateway Lifestyle. The Broker Firm Offer, the Employee Gift Offer, the Priority Offer and the Institutional Offer are not open to investors with a registered address outside of Australia or New Zealand, including investors in the United States, other than certain Institutional Investors in certain eligible foreign jurisdictions.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on 16 June 2015. Refunds to Applicants who make an Application and receive an allocation, the value of which is smaller (at the Offer Price) than the amount of their Application Monies, will be made (without interest) as soon as possible post-Settlement of the Offer, in accordance with the Corporations Act.
Will the Stapled Securities be listed?	Gateway Lifestyle applied for admission on the Official List of ASX and the quotation of Stapled Securities within seven days of lodgement of the Original Offer Document. Completion of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest in compliance with the Corporations Act.

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Topic	Summary
When are the Stapled Securities expected to commence trading?	It is expected that trading of the Stapled Securities on ASX will commence on or about 11 June 2015, initially on a conditional and deferred settlement basis. Normal settlement trading is expected to commence on or about 17 June 2015. It is the responsibility of each Applicant to confirm their holding before trading in Stapled Securities. Applicants who sell Stapled Securities before they receive an initial statement of holding do so at their own risk. Gateway Lifestyle and OMIFL disclaim all liability, whether in negligence or otherwise, to persons who sell Stapled Securities before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the Gateway Lifestyle Offer Information Line, by a Broker or otherwise.
Is the Offer underwritten?	Yes. The Joint Lead Managers have fully underwritten the Offer. Details of the Underwriting Agreement are provided in Section 12.5.6.
Are there any escrow arrangements?	Yes. Details are provided in Section 12.7.
Has any ASIC relief or ASX waiver been obtained or applied for?	Yes. Details are provided in Sections 12.19 and 12.20.
Are there any taxation considerations?	Yes. Details are provided in Section 11.
Are there any broker commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants who apply for Stapled Securities under the Offer. A fee may be paid by the Joint Lead Managers to Co-Managers and other brokers appointed to the Offer in certain circumstances. Further details of fees payable to the Joint Lead Managers and Co-Managers are set out in Section 12.10.
What should you do with any enquiries?	Call the Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether Gateway Lifestyle is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

8. Details of the Offer (continued)

8.7 Broker Firm Offer

8.7.1 Who can apply?

The Broker Firm Offer is open to Retail Investors and Sophisticated Investors who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand. If a Broker has offered you a firm allocation, you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate Stapled Securities to you under the Broker Firm Offer.

8.7.2 How to apply

Applications for Stapled Securities may only be made on an Application Form attached to or accompanying this Offer Document. If you are an investor investing under the Broker Firm Offer, you should complete and lodge your Application Form with the Broker from whom you received your firm allocation. Application Forms for the Broker Firm Offer must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to the Offer Document, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Offer Document or the complete and unaltered electronic version of this Offer Document.

The minimum Application under the Broker Firm Offer is $2,000 worth of Stapled Securities. There is no maximum number or value of Stapled Securities that may be applied for under the Broker Firm Offer. However, Gateway Lifestyle and the Joint Lead Managers also reserve the right to reject or scale back any applications in the Broker Firm Offer. Gateway Lifestyle and the Joint Lead Managers also reserve the right to aggregate any applications which they believe may be multiple applications from the same person. Gateway Lifestyle may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion, in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Application Forms to the Registry.

The Broker Firm Offer opens at 9:00am (Sydney time) on 29 May 2015 and is expected to close at 5:00pm (Sydney time) on 5 June 2015. Gateway Lifestyle and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

8.7.3 Application Monies

Gateway Lifestyle reserves the right to decline any Application and all Applications in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Stapled Securities than the amount applied for, will receive a refund for all or part of their Application Monies from their Broker, as applicable. No interest will be paid on refunded amounts.

8.7.4 Acceptance of applications

An Application in the Broker Firm Offer is an offer by the Applicant to Gateway Lifestyle to subscribe for or purchase Stapled Securities for all or any of the Application Monies specified in and accompanying the Application Form at the Offer Price on the terms and conditions set out in this Offer Document including any supplementary or replacement prospectus and product disclosure statement and the Application Form (including the conditions regarding quotation on ASX in Section 8.13). To the extent permitted by law, an Application by an Applicant under the Broker Firm Offer is irrevocable.

An Application may be accepted by Gateway Lifestyle and the Joint Lead Managers in respect of the full number of Stapled Securities specified in the Application Form or any number of them, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

8.7.5 Allocation policy under the Broker Firm Offer

Stapled Securities, which have been allocated to Brokers for allocation to their Australian resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of Gateway Lifestyle, SaleCo and the Joint Lead Managers to reject or scale back Applications). It will be a matter for the Brokers how they allocate firm stock among their eligible clients, and they will be responsible for ensuring that clients who have received a firm allocation from them receive the relevant Stapled Securities.

Lifestyle Communities Limited

8.7.6 Announcement of final allocation policy in the Broker Firm Offer

Applicants in the Broker Firm Offer should confirm their final allocation with the Broker from whom they received their allocation. They may also call Gateway Lifestyle Offer Information Line on 1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) from 8:30am until 5:30pm (Sydney time) Monday to Friday to confirm their allocations during the Offer Period.

If you sell Stapled Securities before receiving a holding statement, you do so at your own risk, even if you have confirmed your firm allocation with your Broker or obtained details of your holding from the Gateway Lifestyle Offer Information Line.

8.8 Employee Gift Offer

8.8.1 Who can apply?

All Eligible Employees are entitled to participate in the Employee Gift Offer. Eligible Employees are those permanent full-time and part-time employees of Gateway Lifestyle who are determined, at the discretion of the Executive Directors, to participate in the Employee Gift Offer and who are resident in Australia, but do not include a Director or a member of Gateway Lifestyle's senior management team as set out in Section 7.2.

8.8.2 How to apply

If you are an Eligible Employee, you should have received an invitation via email detailing the terms of the Employee Gift Offer.

If you have received an invitation to participate in the Employee Gift Offer, please visit www.gatewaylifestyle.com.au or contact the Gateway Lifestyle Offer Information Line for information on how to apply.

8.8.3 Application Monies

No payment is required for the Employee Gift Offer.

8.8.4 Allocation policy

Employee Gift Offer Applicants who are successful will receive a guaranteed allocation of a specified number of Stapled Securities.

8.8.5 Tax treatment

See Section 11 for an overview of the potential taxation implications of participating in the Employee Gift Offer.

8.9 Priority Offer

8.9.1 Who can apply?

The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from Gateway Lifestyle and who have a registered address in Australia or New Zealand. If you have been invited by Gateway Lifestyle to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those Stapled Securities that are allocated to you.

8.9.2 How to apply

If you have received an invitation to participate in the Priority Offer, please visit www.gatewaylifestyle.com.au or contact the Gateway Lifestyle Offer Information Line for information on how to apply.

If you have received an invitation to participate in the Priority Offer from Gateway Lifestyle, you may apply for Stapled Securities by applying online at www.gatewaylifestyle.com.au and by paying Application Monies via BPAY® (no physical Application Form is needed when paying in this manner) before the Priority Offer closes. There are instructions set out on your personalised invitation and the online Priority Offer Application Form to help you complete it.

By making an application, you declare that you were invited to participate in the Priority Offer and were given access to this Offer Document (and any supplementary or replacement Offer Document), together with an online Priority Offer Application Form.

Each Applicant under the Priority Offer will receive a guaranteed minimum allocation of $2,000 worth of Stapled Securities, or such other larger amount determined by Gateway Lifestyle and the Joint Lead Managers. The minimum application size is $2,000 worth of Stapled Securities. There is no maximum value of Stapled Securities which may be applied for under the Priority Offer.

Gateway Lifestyle may amend or waive the Priority Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Priority Offer opens at 9:00am (Sydney time) on 29 May 2015 and is expected to close at 5:00pm (Sydney time) on 5 June 2015. Gateway Lifestyle and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier date and time, without further notice.

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8. Details of the Offer (continued)

8.9.3 How to pay

Applicants under the Priority Offer must pay their Application Monies by BPAY® in accordance with the instructions on the online Priority Offer Application Form.

When completing your BPAY® payment, please make sure to use the specific biller code and unique Customer Reference Number ('CRN') provided to you or generated by the online Priority Offer Application Form. Application Monies paid via BPAY® must be received by the Registry by no later than 5.00pm (Sydney time) on 5 June 2015 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Neither Gateway Lifestyle nor the Joint Lead Managers take any responsibility for any failure to receive Application Monies or payment by BPAY® before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

For more details, prospective applicants should refer to www.gatewaylifestyle.com.au or contact the Gateway Lifestyle Offer Information Line on 1300 366 176 from 8.30am to 5.30pm (Sydney time), Monday to Friday (Business Days only).

8.9.4 Application Monies

Gateway Lifestyle reserves the right to decline any Application and all Applications in whole or in part, without giving any reason (subject to the terms of the guaranteed minimum allocation described in Section 8.9.2 above). Applicants under the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Stapled Securities than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. No interest will be paid on refunded amounts.

Applicants whose applications are accepted in full will receive the whole number of Stapled Securities calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, applications will be rounded down to the nearest whole Stapled Security based on the Offer Price.

If the amount of your BPAY® payment for Application Monies (or the amount for which those BPAY payments clear in time for allocation) is insufficient to pay for the number of Stapled Securities you have applied for, you may be taken to have applied for such lower number of Stapled Securities as your cleared Application Monies will pay for, or your Application may be rejected.

8.9.5 Acceptance of applications

An Application in the Priority Offer is an offer by the Applicant to Gateway Lifestyle to subscribe for or purchase Stapled Securities for all or any of the Application Monies specified in and accompanying the Application Form at the Offer Price on the terms and conditions set out in this Offer Document including any supplementary or replacement prospectus and product disclosure statement and the Application Form (including the conditions regarding quotation on ASX in Section 8.13). To the extent permitted by law, an Application by an Applicant under the Priority Offer is irrevocable.

An Application may be accepted by Gateway Lifestyle and the Joint Lead Managers in respect of the full number of Stapled Securities specified in the online Priority Offer Application Form or any number of them, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

8.9.6 Allocation policy under the Priority Offer

Gateway Lifestyle will consult with the Joint Lead Managers regarding the allocation of Stapled Securities within the Priority Offer. Gateway Lifestyle, in consultation with the Joint Lead Managers, will determine the allocation of Stapled Securities to applicants under the Priority Offer and may reject an application, or allocate fewer Stapled Securities than applied for, subject to the terms of the guaranteed minimum allocation described in Section 8.9.2 above.

8.10 Institutional Offer

8.10.1 Invitations to bid

Gateway Lifestyle and the Joint Lead Managers have invited certain Institutional Investors to bid for Stapled Securities in the Institutional Offer.

The Institutional Offer was an invitation to Australian resident Institutional Investors and other eligible Institutional Investors in eligible jurisdictions outside the United States to bid for Stapled Securities, made under the Offer Document.

The Joint Lead Managers have separately advised Institutional Investors of the application procedure for the Institutional Offer.

Lodged Stapled Securities

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8.10.2 Allocation policy under the Institutional Offer

The allocation of Stapled Securities among applicants in the Institutional Offer was determined by the Joint Lead Managers in consultation with Gateway Lifestyle. The Joint Lead Managers, in consultation with Gateway Lifestyle, had absolute discretion regarding the basis of allocation of Stapled Securities among Institutional Investors, and there was no assurance that any Institutional Investor would be allocated any Stapled Securities, or the number of Stapled Securities for which it bid.

The allocation policy was influenced by a number of factors, including:

- number of Stapled Securities bid and commitments made for by particular institutional investors;
- the timeliness of the bid by particular bidders;
- Gateway Lifestyle's desire for an informed and active trading market following Listing on ASX;
- Gateway Lifestyle's desire to establish a wide spread of Institutional Investors;
- overall level of demand under the Broker Firm Offer, Priority Offer and Institutional Offer;
- the size and type of fund under management of particular bidders;
- the likelihood that particular bidders will be long-term Securityholders; and
- other factors that Gateway Lifestyle and the Joint Lead Managers considered appropriate.

8.11 Underwriting arrangements

The Offer is fully underwritten pursuant to an Underwriting Agreement under which the Joint Lead Managers have been appointed to arrange and manage and act as bookrunners and underwriters of the Offer.

The Joint Lead Managers agree, subject to certain conditions and termination events, to underwrite Applications for all Stapled Securities under the Offer. The Underwriting Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which the Joint Lead Managers may terminate the Underwriting Agreement and the underwriting obligations. A summary of certain material terms of the Underwriting Agreement are set out in Section 12.5.6.

8.12 Discretion regarding the Offer

Gateway Lifestyle may withdraw the Offer at any time before the issue or sale of Stapled Securities to successful Applicants or bidders in the Broker Firm Offer, Priority Offer, Employee Gift Offer and Institutional Offer. If the Offer or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest), in accordance with the Corporations Act.

Gateway Lifestyle and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Stapled Securities than applied or bid for.

8.13 ASX Listing, registers, holding statements and conditional and deferred settlement trading

8.13.1 Application to ASX for Listing and quotation of Stapled Securities

Gateway Lifestyle applied for admission on the Official List of ASX and the quotation of Stapled Securities within seven days of lodgement of the Original Offer Document. If permission for quotation of Stapled Securities is not granted by ASX within three months after that date, or such longer period as ASX allows, Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Gateway Lifestyle's expected ASX code will be GTY.

ASX takes no responsibility for this Offer Document or the investment to which it relates. The fact that ASX may admit Gateway Lifestyle to the official list is not to be taken as an indication of the merits of Gateway Lifestyle or the Stapled Securities offered for subscription.

Subject to certain conditions (including any waivers obtained by Gateway Lifestyle from time to time), Gateway Lifestyle will be required to comply with the Listing Rules.

8.13.2 CHESS and issuer sponsored holdings

Gateway Lifestyle will apply to participate in ASX's Clearing House Electronic Sub-register System ("**CHESS**") and will comply with the Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Stapled Securities become Approved Financial Products (defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored subregister.

For all successful Applicants, the Stapled Securities of a Securityholder who is a participant in CHESS or a Securityholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Stapled Securities will be registered on the issuer sponsored sub-register.

8. Details of the Offer (continued)

Following Completion of the Offer, Securityholders will be sent a holding statement that sets out the number of Stapled Securities that have been allocated to them. This statement will also provide details of a Securityholder's Holder Identification Number (or HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (or SRN) of issuer sponsored holders. Securityholders will subsequently receive statements showing any changes in their Stapled Security holding. Certificates will not be issued.

Securityholders will receive subsequent statements at the end of each month if there has been a change to their holding on the register and as otherwise required under the Listing Rules and the Corporations Act. Additional statements may be required at any other time either directly through the Securityholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. Gateway Lifestyle and the Registry may charge a fee for these additional issuer sponsored statements.

8.13.3 Conditional and deferred settlement trading and selling Stapled Securities on market

It is expected that trading of the Stapled Securities will commence on or about 11 June 2015, initially on a conditional and deferred settlement basis.

The contracts formed on acceptance of applications will be conditional on ASX agreeing to quote the Stapled Securities on ASX, and on issue and transfer occurring. Trades occurring on ASX before issue/transfer occurring will be conditional on issue/transfer occurring.

Conditional trading will continue until Gateway Lifestyle has advised ASX that:

- the Proposed Transaction, as described in Sections 12.3 and 12.4, has completed;
- the Existing Stapled Securities to be sold by SaleCo have been transferred to SaleCo;
- Gateway Lifestyle has issued the Stapled Securities; and
- SaleCo has transferred the Existing Stapled Securities it holds, to successful Applicants under the Offer, which is expected to be on or about 15 June 2015.

Trading will then be on an unconditional but deferred settlement basis until Gateway Lifestyle has advised ASX that holding statements have been dispatched to Securityholders. Normal settlement trading is expected to commence on or about 17 June 2015.

If Settlement has not occurred within 14 days (or such longer period as ASX allows) after the day Stapled Securities are first quoted on ASX, the Offer and all contracts arising on acceptance of the Offer will be cancelled and of no further effect and all Application Monies will be refunded (without interest). In these circumstances, all purchases and sales made through ASX participating organisations during the conditional trading period will be cancelled and of no effect.

It is the responsibility of each person who trades in Stapled Securities to confirm their holding before trading in Stapled Securities. If you sell Stapled Securities before receiving a holding statement, you do so at your own risk.

The Company, OMIFL, SaleCo, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell Stapled Securities before receiving your holding statement, even if you obtained details of your holding from the Gateway Lifestyle Offer Information Line or confirmed your firm allocation through a Broker.

8.14 Description of Stapled Securities

8.14.1 Rights and liabilities of Stapled Securityholders

The rights and liabilities attaching to ownership of Stapled Securities arise from a combination of the Constitutions, statute, the Listing Rules and general law.

A summary of the significant rights attaching to the Stapled Securities and a description of the other material provisions of the Constitution are set out in Sections 12.5.4 and 12.5.5. The summary set out in Sections 12.5.4 and 12.5.5 is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Securityholders. It also assumes that Gateway Lifestyle is admitted to the Official List of the ASX.

8.14.2 Stapling Provisions

The Trust Constitution (described in further detail in Section 12.5.4) and the Company Constitution (described in further detail in Section 12.5.5) each contain "**Stapling Provisions**" to ensure, to the extent permitted by law, each Stapled Security is treated as one security.

The Stapling Provisions are consistent across the two Constitutions and the Constitutions are to be read subject to the Stapling Provisions, except to the extent that this would result in a breach of the Corporations Act, the Listing Rules or any other law.

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8.14.3 Stapling Provisions overview

OMIFL and the Company have the power under the respective Constitutions to determine if and when the Stapling Provisions will take effect. For the purposes of the Proposed Transaction, it has been determined that the "**Stapling Date**" will occur following the restructure referred to in Section 12.4. The Stapling Provisions essentially provide the following:

- the holders of Units will be identical to the holders of Shares;
- as far as the law permits, the Stapled Securities will be treated as one security;
- the number of Units on issue at any time must equal the number of Shares on issue;
- no transfer of a Unit is to occur without a Share being transferred at the same time from the same transferor to the same transferee, and vice versa; and
- no Unit is to be issued unless a Share is issued at the same time to the same person.

8.14.4 Cessation of the Stapling Provisions

The Stapling Provisions will cease to apply, or be suspended if the Stapled Securityholders pass a special resolution providing that the Stapling Provisions will cease to apply or be suspended.

8.14.5 Ranking of Stapled Securities and distributions

Each Stapled Security will be issued fully paid. From the date of issue or transfer, the Stapled Securities will rank equally with all other Stapled Securities on issue.

It is anticipated that interim distributions will be paid in February and final distributions will be paid in August following the relevant financial period. It is intended that the first distribution paid will be the distribution in respect of the period ending 31 December 2015. Thereafter, the distribution will be paid on a semi-annual basis. Gateway Lifestyle's distribution policy is summarised in Section 5.9.3.

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Nine

Fees and Other Costs

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9. Fees and Other Costs

9.1 Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

To find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options. The calculator can also be used to calculate the effect of fees and costs on your investment.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of each of the Trusts as a whole.

Information regarding tax is set out in Section 11.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Residential Parks No.2 Trust (Trust)

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Trust		
Establishment fee The fee to open your investment	Nil	There is no establishment fee.
Contribution fee[1] The fee on each amount contributed to your investment	Nil	There is no contribution fee.
Withdrawal fee[1] The fee on each amount you take out of your investment	Nil	There is no withdrawal fee.
Exit fee[1] The fee to close your investment	Nil	There is no exit fee.

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Type of fee or cost	Amount	How and when paid
Management costs		
Ongoing management costs[2] A fee for the management and operation of the Trust.	As at the date of this Offer Document, management costs consist of the following components: – **responsible entity fee** – a fee equal to the greater of: – $5,638 per calendar month; and – 0.07175% per annum of the total value of the assets of the Trust; and – **custody fee** – where OMIFL holds assets of the Trust, a fee equal to the greater of: – $2,050 per calendar month; and – 0.03075% per annum of the total value of the assets of the Trust held by OMIFL.	These fees are accounted for in the price of the units of the Trust and are not directly paid by you. The fees are payable in cash and deducted from the assets of the Trust: – monthly, commencing six months after the date of appointment of OMIFL as responsible entity of the Trust; and – monthly.
Offer costs This includes the fees payable by Gateway Lifestyle to its advisers in respect of the Offer.[2]	Estimated at approximately $12.2 million (that is, $0.05 for every $1.00 invested in Stapled Securities.)	In cash from gross proceeds of the Offer.
Service fees[3]		
Switching fee The fee for changing investment options	Nil	There is no switching fee.

1. This fee includes an amount payable to an adviser.
2. This fee is only payable in 2015. Please refer to Section 12.5.6 and 12.10 for further information in relation to the one-off offer costs.
3. Other fees and costs may be applicable in any particular year. Please refer to Section 9.3 for further information in relation to the ongoing management costs (which includes the management fee and expense recovery fee) and the additional fees which may apply.

9. Fees and Other Costs (continued)

9.2 Example of annual fees and costs for the Trust

This table gives an example of how the fees and costs for the Trust can affect your investment over the first two years of operation of the Trust.

You should use this table to compare the Trust with other managed investment products.

Year 1

Example[1]		Balance of $50,000 with a contribution of $5,000 during year
Contribution fees	Nil	Not applicable
PLUS		**and** for every $50,000 you have in the Trust, you will be charged the following amounts in the first year:
Management costs comprising the management fee and estimated expense recoveries	0.6025% to 0.7025%	You will be charged $301.25 to $351.25 each year (comprising a responsible entity fee of $35.88, a custody fee of $15.38 and estimated expense recoveries of $250 to $300); and
Offer costs	2.4459%	You will be charged $1,222.94 for the first year.
EQUALS cost of the Trust		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees of from: $1,676.60 to $1,731.60[2] **What it costs you will depend on whether you apply for Stapled Securities through a broker or financial adviser and the fees you negotiate.**

Note 1: Assuming Listing occurs on 11 June 2015, 1 month after the date OMIFL is appointed as trustee of the Trust.
Note 2: Assuming that total funds under management is greater than $7.68 million.

Year 2

Example		Balance of $50,000 with a contribution of $5,000 during year
Contribution fees	Nil	Not applicable
PLUS Management costs comprising the management fee and estimated expense recoveries	0.6025% to 0.7025%	**and** for every $50,000 you have in the Trust, you will be charged $301.25 to $351.25 each year (comprising a responsible entity fee of $35.88, a custody fee of $15.38 and estimated expense recoveries of $250 to $300)[1].
EQUALS cost of the Trust		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees of from: $331.38 to $386.38[1] **What it costs you will depend on whether you apply for Stapled Securities through a broker or financial adviser and the fees you negotiate.**

Note1 Assuming that total funds under management is greater than $7.68 million.

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9.3 Additional explanation of fees and costs

9.3.1 Management costs

The management costs in the table in section 9.2 are the fees and costs paid for general administration of the Trust and comprise management fees payable to OMIFL (refer to section 9.3.2 below) and an estimate of all other expenses recoverable by OMIFL (refer to Section 9.3.3 below).

9.3.2 Management fees

Upon Listing, OMIFL is entitled to a responsible entity fee of the greater of $5,638 per month and 0.07175% p.a. of the gross value of the assets of the Trust for its role as responsible entity of the Trust. OMIFL intends to waive this fee for the 6 months following the registration of the Trust as a registered managed investment scheme.

In addition, upon Listing OMIFL is entitled to a custody fee of the greater of $2,050 per month and 0.03075% p.a. of the gross value of the assets of the Trust in connection with the provision of custody services to the Trust.

OMIFL may waive some or all of its fee entitlement in its absolute discretion.

9.3.3 Expense recoveries

OMIFL is entitled to recover all expenses incurred at law and in managing and administering the Trust. This includes all expenses connected with the Constitution, the registration of the Trust as a managed investment scheme, the raising of capital for the Trust and the promotion of the Offer, the Trust or Gateway Lifestyle.

OMIFL estimates that it will incur expenses of approximately 0.5% to 0.6% of the tangible asset value of the Trust per annum. This estimate has been included in the table in sections 9.1 and 9.2 above. It is an estimate only and the actual expenses incurred by OMIFL may differ.

9.3.4 Offer costs

The offer costs include offer management fees and costs and advisers' and consultants fees which are payable by Gateway Lifestyle in respect of the Offer.

Refer to section 12.10 for further details.

9.3.5 Taxes

Information regarding some taxes relevant to your investment in the investment options is set out in Section 11.

Unless otherwise stated, all fees quoted in this Offer Document are quoted on a GST inclusive basis and net of any applicable Reduced Input Tax Credits ("**RITCs**").

9.3.6 Other expenses

The Trust will enter into agreements with third parties to provide property management and other services to the Trust from time to time. All such arrangements will be entered into on arm's length terms. Under these agreements, certain fees and expenses may be paid from the assets of the Trust to the third party. These amounts are not included in the above tables as 'management costs' as they are of a kind that would typically be incurred if Stapled Securityholders acquired the relevant investments directly and not through the Trust.

9.3.7 Brokerage and commission

The Trust does not pay any brokerage or commission in respect of the issue of the Units in the Trust.

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Ten

Independent Limited Assurance Report

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

10. Independent Limited Assurance Report

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Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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Fax: +61 2 9248 5959
ey.com/au

28 May 2015

The Board of Directors
Gateway Lifestyle Operations Limited
A28, 24-32 Lexington Drive
Bella Vista
NSW 2153

The Board of Directors
One Managed Investment Funds Limited, in its capacity as responsible entity of Residential Parks No.2 Trust
Level 11
20 Hunter Street
Sydney
NSW 2000

The Board of Directors
Gateway SaleCo Limited
A28, 24-32 Lexington Drive
Bella Vista
NSW 2153

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL FINANCIAL INFORMATION, STATUTORY FORECAST FINANCIAL INFORMATION AND PRO FORMA FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by Gateway Lifestyle Operations Limited (the 'Company') to report on the pro forma historical financial information, statutory forecast financial information and pro forma forecast financial information for inclusion in the Prospectus and Product Disclosure Statement ("Offer Document") to be dated on or about 28 May 2015, and to be issued by Gateway Lifestyle Operations Limited, One Managed Investment Funds Limited, in its capacity as responsible entity of Residential Parks No.2 Trust and Gateway SaleCo Limited ("the Issuers"), in respect of the listing on the Australian Securities Exchange ("ASX") of Stapled Securities in Gateway Lifestyle (the "Offer").

Expressions and terms defined in the Offer Document 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*. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Gavin Sultana is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

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2. Scope

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of Gateway Lifestyle:

- Pro forma historical consolidated income statements for the years ended 30 June 2012 ("FY12"), 30 June 2013 ("FY13") and 30 June 2014 ("FY14") and the half year ended 31 December 2014 ("1H15") ("Pro Forma Historical Results") as set out in Section 5.3.1 of the Offer Document;
- Pro forma historical consolidated cash flows for FY12, FY13 and FY14 and 1H15 ("Pro Forma Historical Cash Flows") as set out in Section 5.5.1 of the Offer Document; and
- Pro forma historical consolidated balance sheet as at 31 December 2014 ("Pro Forma Balance Sheet") as set out in Section 5.4.1 of the Offer Document.

(Hereafter the '**Pro Forma Historical Financial Information**').

The Pro Forma Historical Financial Information represents the combination of the historical financial information of the entities to be acquired from different investor syndicates operated by the Gateway Lifestyle management team during the historical period and the Tasman entities (Tasman), from the later of 1 July 2011 or the date of incorporation of the relevant entities, and adjusted for the effects of pro forma adjustments described in Section 5.2.2 of the Offer Document.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards ("AAS") other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect i) the impact of certain transactions as if they had occurred, being the Portfolio Acquisitions, from the later of 1 July 2011 or the date of incorporation of the relevant entities and the Offer on 31 December 2014 and (ii) the exclusion of certain transactions that occurred in the relevant periods.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and cash flows.

Statutory Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following statutory forecast financial information of Gateway Lifestyle:

- Forecast consolidated income statement for the financial year ending 30 June 2015 ("FY15") and the year ending 30 June 2016 (FY16) ("Statutory Forecast Results") as set out in Section 5.3.1 of the Offer Document; and
- Forecast consolidated cash flows for FY15 and FY16 ("Statutory Forecast Cash Flows") as set out in Section 5.5.1 of the Offer Document.

(Hereafter 'the **Statutory Forecast Financial Information**').

The directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 5.7.1 and 5.7.2 of the Offer Document.

The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is in accordance with recognition and measurement principles of AAS.

10. Independent Limited Assurance Report (continued)

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Pro Forma Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma forecast financial information of Gateway Lifestyle:

- Pro forma forecast consolidated income statements for FY15 and the half year ending 30 June 2015 ("2H15") ("Pro Forma Forecast Results") as set out in Section 5.3.1 of the Offer Document; and
- Pro forma forecast consolidated cash flows for FY15 and 2H15 ("Pro Forma Forecast Cash Flows") as set out in Section 5.5.1 of the Offer Document.

(Hereafter the '**Pro Forma Forecast Financial Information**').

(Collectively, the '**Financial Information**').

The Pro Forma Forecast Financial Information for FY15 is based on the actual results for 1H15 and the Directors' best estimate forecasts for 2H15, after adjusting for the effects of the pro forma adjustments described in Section 5.2.3 of the Offer Document.

The Pro Forma Forecast Financial Information has been prepared in accordance with recognition and measurement principles of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect (i) the impact of certain transactions as if they had occurred, being the Portfolio Acquisition from the later of 1 July 2014 or the incorporation date of the relevant entities and the Offer on 31 December 2014 and ii) the exclusion of certain transactions that occurred in the relevant periods.

Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual prospective financial performance and cash flows for FY15.

The Financial Information is presented in the Offer Document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

Pro Forma Historical Financial Information

The directors of the Company are responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Statutory Forecast and Pro Forma Forecast Financial Information

The directors of the Company are responsible for the preparation and presentation of the Statutory Forecast Financial Information for FY15 and FY16, including the basis of preparation and the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation and presentation of the Pro Forma Forecast Financial Information for FY15 and 2H15, including the basis of preparation, selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information that is free from material misstatement, whether due to fraud or error.

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4. Our Responsibility

Pro Forma Historical Financial Information

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

Statutory Forecast and Pro Forma Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Statutory Forecast and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement 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 a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- Pro forma historical consolidated income statements for the years ended 30 June 2012 ("FY12"), 30 June 2013 ("FY13") and 30 June 2014 ("FY14") and the half year ended 31 December 2014 ("1H15") ("Pro Forma Historical Results") as set out in Section 5.3.1 of the Offer Document;
- Pro forma historical consolidated cash flows for FY12, FY13 and FY14 and 1H15 ("Pro Forma Historical Cash Flows") as set out in Section 5.5.1 of the Offer Document; and
- Pro forma historical consolidated balance sheet as at 31 December 2014 ("Pro Forma Balance Sheet") as set out in Section 5.4.1 of the Offer Document.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2.2 of the Offer Document.

10. Independent Limited Assurance Report (continued)

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Statutory Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Statutory Forecast Financial Information of Gateway Lifestyle for FY15 and FY16 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the Statutory Forecast Financial Information:
  - is not prepared on the basis of the directors' best estimate assumptions as described in Sections 5.7.1 and 5.7.2 of the Offer Document; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 5.2.3 of the Offer Document; and
- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information of Gateway Lifestyle for FY15 and 2H15 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- in all material respects, the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the directors' best estimate assumptions as described in Sections 5.7.1 and 5.7.2 of the Offer Document; and
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 5.3.3 of the Offer Document; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast and Pro Forma Forecast Financial Information

The Statutory Forecast and Pro Forma Forecast Financial Information has been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of Gateway Lifestyle for FY15, FY16 and 2H15. 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. Actual results are likely to be different from the Statutory Forecast and Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Statutory Forecast and Pro Forma Forecast Financial Information is based relate to future events and/or 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 Gateway Lifestyle. Evidence may be available to support the directors' best-estimate assumptions on which the Statutory Forecast and Pro Forma Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusions expressed in this report have been formed on the above basis.

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Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Gateway Lifestyle, which are detailed in the Offer Document and the inherent uncertainty relating to the Statutory Forecast and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 6 of the Offer Document. The sensitivity analysis described in Section 5.9 of the Offer Document demonstrates the impact on the FY16 Statutory Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the forecast or pro forma forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast and Pro Forma 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 Gateway Lifestyle, that all material information concerning the prospects and proposed operations of Gateway Lifestyle has been disclosed to us and that the information provided to us 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. Restriction on Use

Without modifying our conclusions, we draw attention to Section 5.2.1 of the Offer Document, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Offer Document in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited



Gavin Sultana
Director and Representative

10. Independent Limited Assurance Report (continued)

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28 May 2015

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT LIMITED ASSURANCE REPORT

PART 2 – FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

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5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is $0.2 million (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in this Offer Document in Section 12.10, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints 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 services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

10. Independent Limited Assurance Report (continued)

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9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services	**Contacting the Independent Dispute Resolution Scheme:**
AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.



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Eleven

Taxation Information

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

11. Taxation Information

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GREENWOODS +HERBERT SMITH FREEHILLS

The Directors
One Managed Investment Funds Limited
as RE for Residential Parks No. 2 Trust
Level 11, 20 Hunter Street
Sydney NSW 2000

28 May 2015

The Directors
Gateway Lifestyle Operations Limited
A28, 24-32 Lexington Drive
Bella Vista NSW 2153

Dear Directors

Gateway Lifestyle
Australian Taxation Report

We have been asked by:

- Gateway Lifestyle Financial Services Limited as responsible entity (**RE**) for Residential Parks No. 2 Trust (**RPT2**); and
- Gateway Lifestyle Operations Limited (**GLOL**),

to prepare a report on the Australian taxation issues, for inclusion in the Prospectus & Product Disclosure Statement dated on or about the date of this report (**Offer Document**), arising in relation to the Offer (which comprises the Broker Firm Offer, the Institutional Offer and the Priority Offer) and the Employee Gift Offer, as those terms are defined and described in the Offer Document.

Unless otherwise stated, terms used in this report are defined in the same way as they are in the Offer Document.

The information contained in this report is of a general nature only. It does not constitute tax advice and should not be relied upon as such. This report outlines the general Australian taxation implications for Stapled Securityholders in respect of their participation in the Offer or the Employee Gift Offer to acquire Stapled Securities and from the holding and disposing of Stapled Securities.

The information in this report applies only to those Stapled Securityholders (**Securityholders**) who are resident individuals, complying superannuation entities and companies holding their investments on capital account. We have also considered non-resident Securityholders, but only on the basis that there will be no non-resident who will hold, together with associates, a beneficial interest of 10% or more in the Stapled Securities.

This report does not consider the Australian tax consequences that arise for:

- Securityholders who hold their Stapled Securities as trading stock or revenue assets;
- financial institutions, insurance companies, partnerships, tax exempt organisations or temporary residents (unless expressly stated);

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- dealers in securities;
- Australian residents who hold their Stapled Securities as part of an enterprise carried on at or through a permanent establishment in a foreign country; or
- Securityholders who change their tax residence while holding Stapled Securities.

All investors should seek independent professional advice on the consequences of their participation in the Offer or the Employee Gift Offer, based on their particular circumstances. Securityholders who are not resident in Australia should also obtain advice on the taxation implications arising in their local jurisdiction of participating in the Offer.

This report is based on the provisions of the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, the *A New Tax System (Goods and Services Tax) Act 1999* and related acts, regulations and Australian Taxation Office (**ATO**) rulings and determinations applicable as at the date of this report.

The commentary in this report is confined to tax issues which are only one part of the many matters that investors need to consider when making a decision about their investments. The representatives of Greenwoods & Herbert Smith Freehills involved in preparing this tax summary are not licensed to provide financial product advice in relation to dealing in securities. Accordingly, Greenwoods & Herbert Smith Freehills does not seek to recommend, promote or otherwise encourage any party to participate in the Offer or the Employee Gift Offer. Under the *Corporations Act 2001,* the commentary in this report is not required to be provided by a holder of an Australian Financial Services licence. Potential investors should consider seeking advice from a suitably qualified Australian Financial Services licence holder before making any investment decision.

Greenwoods & Herbert Smith Freehills has given its consent to the inclusion of this report in the Offer Document.

1 Offer

Each of the Offer and the Employee Gift Offer is an offering for the acquisition of Stapled Securities – units in RPT2 that are stapled to shares in GLOL on a 1:1 basis. See section 8 of the Offer Document for details of the Offer and the Employee Gift Offer.

The general taxation consequences of acquiring Stapled Securities under the Offer or the Employee Gift Offer are outlined in section 2 of this report below.

2 Tax consequences of acquiring Stapled Securities

Notwithstanding that the RPT2 Units and GOL Shares will be stapled, for tax purposes, they should be treated as separate capital gains tax (**CGT**) assets.

2.1 Offer

Securityholders will need to allocate the Offer Price paid for the Stapled Securities under the Offer, plus incidental costs associated with the acquisition, to the RPT2 Units and GLOL Shares respectively. That is, apportion the total cost base in respect of the acquisition of the Stapled Securities between the RPT2 Unit and the GLOL Share on a reasonable basis.

One way of doing this is to use the relative net tangible assets of RPT2 and GLOL – which is expected to be weighted almost 100% to RPT2 as GLOL will only have only nominal net tangible assets.

2.2 Eligible Employee Offer

Eligible Employee Gift Offer Applicants who are successful (**Employee Securityholders**) will receive an allocation of Stapled Securities at no cost. Stapled Securities granted under the Eligible Employee Offer will:

- not be subject to any forfeiture provisions; and

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11. Taxation Information (continued)

- be subject to a trading restriction for 3 years from the allocation date or until the Eligible Employee Gift Offer Applicant ceases employment, whichever occurs first.

The Employee Securityholder's CGT cost base in the Stapled Securities received under the Eligible Employee Offer will include the market value of the Stapled Securities, plus incidental costs associated with the acquisition, allocated on a reasonable basis to the RPT2 Units and GLOL Shares respectively (see section 3.1(a) of this report above). The Offer Price for Stapled Securities under the Offer can be used as the market value at the time the Stapled Securities are issued.

As the Stapled Securities are not subject to any forfeiture conditions, the market value of the Stapled Securities received will be included in the Employee Securityholder's assessable income in the income year that allotment occurs (expected to be the 2014/2015 income year), subject to the $1,000 exemption discussed below.

Employee Securityholders should be able to reduce the amount included in their assessable income by up to $1,000, other than in the following cases:

- the sum of the Employee Securityholder's taxable income (including the market value of the relevant Stapled Securities acquired under the Eligible Employee Offer), reportable fringe benefits, reportable superannuation contributions and total net investment loss for the income year exceeds $180,000; or
- immediately after the acquisition, the Employee Securityholder:
  - holds in total a beneficial interest of more than 5% of the Stapled Securities on issue; or
  - is in a position to cast, or to control the casting of, more than 5% of the maximum number of votes that might be cast a general meeting of RPT2 Unitholders or GLOL Shareholders.

This means that Eligible Securityholders who receive up to $1,000 worth of Stapled Securities are not expected to be subject to tax on their acquisition of Stapled Securities under the Eligible Employee Offer, unless the circumstances above apply.

3 Holding Stapled Securities

3.1 Summary

If a Securityholder is an Australian resident taxpayer, the Securityholder will generally be taxable on:

- the Securityholder's share of the net income of RPT2 for tax purposes;
- the tax deferred (non-assessable) component of distributions made in relation to RPT2 Units to the extent the tax deferred amount exceeds the cost base of the RPT2 Unit;
- the amount of any dividend received from GLOL and any franking credits attached to the dividend; and
- any gain arising from the subsequent disposal of a RPT2 Unit or GLOL Share, as a component of a Stapled Security.

If the Securityholder is a non-resident, the Securityholder will be taxed on:

- the Securityholder's share of the net income of RPT2 for tax purposes to the extent that it is attributable to sources in Australia (the RE of RPT2 will deduct this by way of withholding tax); and
- the amount of any unfranked dividend received from GLOL (GLOL will deduct this by way of dividend withholding tax).

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3.2 Ownership of Stapled Securities – General

Securityholders will need to treat each component making up the Stapled Security separately for tax purposes. That is:

- Securityholders will receive, and separately deal with the tax consequences of, distributions from RPT2 and dividends from GLOL; and
- when the Stapled Securities are disposed of, the Securityholder will have to separately consider the tax issues associated with the disposal of the RPT2 Units and GLOL Shares.

3.3 Income distributions from RPT2

The RE of RPT2 intends to manage RPT2 such that it is regarded as a flow through entity for Australian tax purposes and should not be liable to income tax, including CGT, provided that Securityholders are presently entitled to all of the income of RPT2. Securityholders should generally be the persons who are taxed on the income of RPT2.

(a) Australian Residents

An Australian resident Securityholder will include in their assessable income the taxable component of RPT2 distributions to which the Securityholder is entitled (being the Securityholder's proportionate share of RPT2's taxable income) even if the distributions are reinvested. This amount will be taxed to the Securityholder in the income year in which the entitlement to a distribution arises irrespective of the timing of the cash payments made in respect of distributions.

If a net capital gain is included in the taxable income of RPT2 (for example, on disposal of an asset), Australian resident Securityholders will be regarded as having derived a capital gain equal to their proportionate share of that net capital gain. However, where discount capital gains treatment has been applied in calculating the net capital gain of RPT2, Australian resident Securityholders will be required to gross-up the amount of the capital gain included in their assessable income. Australian resident Securityholders can then apply any available capital losses from other CGT assets to offset the capital gain and then apply their CGT discount factor, if applicable.

If the total cash distributions that an Australian resident Securityholder receives from RPT2 in an income year exceeds their proportionate share of the taxable income of RPT2, the excess will represent a 'tax deferred' distribution.

The tax deferred component of a distribution an Australian resident Securityholder receives will generally not be included in that Securityholder's assessable income. However the tax deferred component will reduce the cost base of the Securityholder's RPT2 Units.

Where the cost base of a Securityholder's RPT2 Unit is reduced to zero, any further receipts of tax deferred distributions in respect of that unit will be assessable to the Australian resident Securityholder as a capital gain. Australian-resident Securityholders who are individuals, trustees or complying superannuation entities and who have held the relevant unit for 12 months or more should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting current year and carried forward capital losses). For more information on applying the CGT discount see section 4.2 of this report below.

(b) Non-Residents

Non-resident Securityholders will generally not be assessable on the amount of any income or gains distributed to them by RPT2. However, RPT2 will be required to withhold tax from such distributions. The amount to be withheld is dependent on a range of factors including the source of the distributed amount and the country of residence of the Securityholder.

Unfranked dividends, interest and royalties distributed by RPT2 will be subject to withholding tax which is generally imposed at a rate of 30% for royalties and unfranked dividends and 10% for interest. Non-resident Securityholders who are residents of a

11. Taxation Information (continued)

country that has entered into a Double Tax Agreement with Australia might be entitled to a lower rate of withholding tax.

Distributions from RPT2 of income other than dividends, interest and royalties should be subject to managed investment trust (**MIT**) withholding tax[1]. RPT2 will withhold tax from such distributions to the extent they represent taxable income of RPT2 other than non-Australian sourced income or capital gains on assets that are not 'taxable Australian property' ('taxable Australian property' mainly includes direct and indirect interest in land situated in Australia). Any 'tax deferred' amount distributed by RPT2 to non-resident Securityholders should not be subject to withholding and should not result in a capital gain.

The MIT withholding tax rate will depend on the country in which the relevant non-resident Securityholder is a resident. For residents of countries with which Australia has an 'effective exchange of information on tax matters' and which have been specified in the legislation for these purposes the rate will normally be 15%. Examples of such countries include New Zealand, the United Kingdom and the United States.

For residents of other countries the MIT withholding rate will be 30%.

3.4 Dividends from GLOL

(a) Australian Residents

An Australian resident Securityholder will include in their assessable income dividends paid to the Securityholder by GLOL. This amount will be taxed to the Securityholder in the income year in which the dividend is received. In addition to the amount of the dividends, the Securityholder will generally include any franking credits attached to the dividends in their assessable income. Where franking credits are included in a Securityholder's assessable income, the Securityholder will generally be entitled to a corresponding tax offset.

To be eligible for the franking credit and tax offset, the Securityholder must have held the GLOL Shares 'at risk' for at least 45 days (not including the date of the Share's acquisition or disposal). This rule should not apply to a Securityholder if the Securityholder is an individual whose tax offset entitlement (on all shares and interests in shares held) does not exceed $5,000 for the income year in which the franked dividend is paid.

Where the Securityholder is an individual, a complying superannuation entity or a registered income tax exempt charity or deductible gift recipient, in certain circumstances the Securityholder may be entitled to a refund of tax to the extent that the franking credits attached to the Securityholder's dividends exceed the Securityholder's tax liability for the income year.

Where the Securityholder is a corporate tax entity, any franked dividends the Securityholder receives will generally give rise to a franking credit in the Securityholder's franking account.

(b) Non-Residents

Non-resident Securityholders should not be assessable on the amount of any dividend received from GLOL. However, GLOL will be required to withhold tax from the unfranked component of dividends paid to a non-resident Securityholder. The tax withheld will, in the absence of a Double Tax Agreement, be equal to 30% of the unfranked component of the dividends paid. This rate may be reduced where the Securityholder is a resident of a country with which Australia has concluded a Double Tax Agreement.

No dividend withholding tax is payable on the franked component of a dividend.

[1] It may be the case that the first distribution from the trust will mainly consist of "franked dividends" from sub-trusts that are to be treated as companies for these purposes up until 30 June 2015. Further, to the extent RPT2 distributes its own taxable income, this income may be subject to non-resident beneficiary withholding tax of 47% for that distribution only – as RPT2 may not be a MIT for the year ending 30 June 2015. Distributions relating to years ending 30 June 2016 and later should then be subject to MIT withholding tax as per the above.

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4 Disposal of Stapled Securities

4.1 General

As a consequence of stapling, each RPT2 Unit and GLOL Share comprising a Stapled Security may not be traded separately. However, as discussed above at section 3.1 of this report above, each RPT2 Unit and GLOL Share comprising a Stapled Security is a separate CGT asset. Accordingly, where there is a disposal of a Stapled Security, there will necessarily be a disposal for CGT purposes of a RPT2 Unit and a GLOL Share.

Where consideration is received in connection with a transaction that relates to more than one CGT asset, the capital proceeds for each asset is so much of the total consideration as is reasonably attributable to that asset.

Accordingly, the capital proceeds referable to the disposal of each individual RPT2 Unit and GLOL Share comprising a Stapled Security will be determined by apportioning the total capital proceeds received in respect of the disposal of the Stapled Security between the RPT2 Unit and GLOL Share on a reasonable basis. Based on the expected relative net tangible asset positions of RPT2 and GLOL, it is expected that the proceeds attributed to the sale of GLOL shares will only be nominal.

4.2 Australian Residents

Upon disposal of a Stapled Security, a Securityholder will make a capital gain if:

- the portion of the consideration reasonably attributable to the RPT2 Unit exceeds the cost base of the RPT2 Unit; or
- the portion of the consideration reasonably attributable to the GLOL Share exceeds the cost base of the GLOL Share,

or both.

A Securityholder will make a capital loss if:

- the portion of the consideration reasonably attributable to the RPT2 Unit Is less than the reduced cost base of the RPT2 Unit; or
- the portion of the consideration reasonably attributable to the GLOL Share is less than the reduced cost base of the GLOL Share,

or both

For more information in relation to the cost base of a Securityholder's RPT2 Unit and GLOL Share see section 2 of this report above.

(a) CGT discount

If a Securityholder is an individual, a complying superannuation entity or a trustee and acquired (or is taken to have acquired) for CGT purposes a RPT2 Unit or GLOL Share at least 12 months prior to the date of disposal (or other eligible CGT event happening in relation to the relevant RPT2 Unit or GLOL Share), the amount of the Securityholder's capital gain is reduced by the relevant CGT discount.

If a Securityholder who is an individual or trustee applies the CGT discount method, the Securityholder's taxable capital gain (after offsetting any current year capital losses or carry forward net capital losses from previous years, or both) will be reduced by one-half, or by one-third if the Securityholder is a complying superannuation entity.

If the Securityholder is a company, the CGT discount is not available.

4.3 Non-Residents

In relation to non-resident Securityholders, provided that a Securityholder (and its associates) does not hold an interest in the Stapled Securities of 10% or more, there should not be any CGT consequences on disposal of their Stapled Securities.

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11. Taxation Information (continued)

5 Goods and Services Tax (GST)

No GST should be payable in respect of acquisitions of Stapled Securities pursuant to the Offer or the Eligible Employee Offer. The acquisitions involve dealings with securities, so the various supplies will be input taxed.

There may be an indirect GST cost for GST registered Securityholders on any costs they incur, as input tax credits will generally not be available for GST incurred in respect of supplies relating to the dealings with these Stapled Securities (e.g. legal and other adviser fees). This will depend on the circumstances of the particular Securityholder.

6 Other issues

6.1 Tax file number (TFN) and Australian Business Number (ABN)

A Securityholder is not obliged to quote a TFN, or where relevant, ABN, to RPT2 or GLOL.

However, if an Australian resident Securityholder does not provide their TFN, ABN or exemption from having to do so, tax may be withheld (currently at a rate of 49%) on the unfranked component if dividends are paid to GLOL Securityholders. However, such Securityholders will be entitled to claim an income tax credit/refund (as applicable) in respect of the tax withheld in their income tax returns.

6.2 Exposure draft managed investment trust legislation

In April 2015 the Government released exposure draft legislation of the proposed regime for taxing income of certain types of trusts – defined as 'attribution managed investment trusts' (**AMITs**).

As currently drafted, the proposed AMIT regime will apply to income years starting on and after 1 July 2015. However, as at the date of this report the legislation has not been introduced or passed by Parliament, and is potentially subject to change.

In broad terms, currently trusts are effectively required to make beneficiaries presently entitled to all of the trust income. If no beneficiary is presently entitled to an amount of trust income, the trustee is required to pay tax on the corresponding percentage of the trust's taxable income.

Under the proposed changes, qualifying AMITs would be able to make a choice to use an attribution method as opposed to the current presently entitled method in determining income tax liabilities. Broadly, provided beneficiaries are attributed the taxable income of the trust on a 'fair and reasonable basis', the trustee should not be subject to any Australian income tax in that income year. If any taxable income of the trust is not attributed on a 'fair and reasonable basis', the trustee will be taxed on that income at the top marginal rate.

A number of other related changes have also been proposed under the AMIT regime.

The final form and timing of the AMIT regime is not yet certain and should be confirmed once the law is actually amended. It is recommended that Securityholders monitor the progress of any changes in law in this area.

Yours sincerely

Greenwoods & Herbert Smith Freehills

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Additional Information and Material Agreements

GATEWAY LIFESTYLE
RESIDENTIAL PARKS

12. Additional Information and Material Agreements

12.1 Registration

Gateway Lifestyle Operations Limited ACN 605 543 968 was registered in Victoria, Australia on 29 April 2015 as a public company limited by shares.

One Managed Investment Funds Limited ACN 117 400 987 was registered in Victoria, Australia on 2 December 2005 as a public company limited by shares.

Gateway SaleCo Limited ACN 604 817 343 was registered in Victoria, Australia on 18 March 2015 as a public company limited by shares.

Residential Parks No. 2 Trust was established on 19 September 2013. On 13 May 2015, OMIFL made an application for the Trust to be registered as a managed investment scheme and it is expected that the Trust will be registered by Completion of the Offer.

12.2 Company and Trust tax status

The Company will be taxed as an Australian tax resident public company for the purpose of Australian income tax law.

To the extent the Trust is not classed as a "public trading trust", the Trust will be taxed as a "flow through" entity for the purposes of Australian income tax law.

12.3 Restructure and corporate structure

Gateway Lifestyle currently manages 25 MHEs, which are owned by numerous landowning trust syndicates associated with the Existing Investors (including the Participating Trusts as defined below in Section 12.4.2). As described below, the Proposed Transaction involves a restructure of these 25 MHEs whereby each Existing Investor has been given the option to roll-over their interest into Stapled Securities, or exit by transferring their Stapled Securities to SaleCo for on-sale as part of the Offer.

SaleCo is a special purpose vehicle established to sell Stapled Securities acquired from Existing Investors. The Trustees on behalf of Existing Investors have executed an Implementation Pack under which they have irrevocably offered to sell certain Stapled Securities to SaleCo free from encumbrances and third party rights and conditional on Completion of the Offer.

SaleCo will acquire in total 74.9 million Stapled Securities from Existing Investors.

In addition to the 25 MHEs managed by Gateway Lifestyle, Gateway Lifestyle will also acquire 11 MHEs owned as at the date of this Offer Document by Tasman (see Section 12.5.2) (these parks are managed by Tasman as at the date of this Offer Document, however Robert Nichols the founder and chief executive officer of Tasman will become the COO of Gateway Lifestyle on Completion (see Section 7.2, for more information on Robert Nichols). As such, on Completion, Gateway Lifestyle will own and manage 36 MHEs.

Further details of each step of the Proposed Transaction are set out in Section 12.4.

12.4 Description of the Proposed Transaction

To implement the Proposed Transaction and enable the establishment of Gateway Lifestyle and its Listing on the ASX, the following key restructure steps will take place (in accordance with the Implementation Pack), a summary of the key elements of which is set out below in Section 12.5.1.

12.4.1 Conditions to implementation

The Proposed Transaction will only be implemented if the following conditions are satisfied:

- ASIC and the ASX have granted all approvals, waivers and modifications required to implement the Proposed Transaction;
- applicable ATO confirmations have been provided;
- unitholder resolutions to implement the Proposed Transaction are passed by the requisite majorities;
- financier consents required to implement the Proposed Transaction and IPO are obtained;
- the Debt Facilities (see Section 12.5.7) are put in place;
- there is no permanent injunction or similar order issued by any court of competent jurisdiction or government agency, preventing the Proposed Transaction or IPO;
- the Underwriting Agreement is in place, the Offer is made and the relevant Offer Period has ended (other than as a result of the cancellation of the Offer); and
- the ASX has approved Gateway Lifestyle for Listing and conditional and deferred settlement trading of Stapled Securities has commenced.

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12.4.2 Trust roll-overs

The Trust will acquire all of the units in each of the following Participating Trusts from Existing Investors, in consideration for the issue of Units in the Trust:

- Benalla Gateway Trust;
- Gateway Lifestyle Villages Goodna Trust;
- Gateway Lifestyle Villages Redland Trust;
- Grafton Gateway Trust;
- Harvest LSWM Bass Hill Trust;
- LSWM Yamba Trust;
- Maroochy Palms Trust;
- Quattro Parks Trust;
- Residential Parks Trust;
- Seed Unit Trust No. 4; and
- Tweed Park Trust.

The issues of Units in the Trust to Existing Investors will be made under this Offer Document.

12.4.3 Acquisition of operating businesses

Gateway Management will acquire the operating and development businesses conducted in relation to the 25 MHEs comprising part of Gateway Lifestyle's Portfolio.

The Company will acquire Gateway Management after the stapling in exchange for an issue of Stapled Securities.

12.4.4 Stapling

OMIFL will distribute Shares to its unitholders (being the Existing Investors) on a 1 for 1 basis and staple the Shares to Units to form the Stapled Securities. The issue and distribution of the Shares will be made under this Offer Document.

12.4.5 Tasman Portfolio acquisition

Gateway Lifestyle will acquire all of the securities in Tasman from Tasman's Existing Investors in exchange for an issue of Stapled Securities. This will result in the acquisition of the Tasman Portfolio comprising 11 MHEs currently owned and operated by Tasman.

12.4.6 Sale Facility

Following stapling, the Stapled Securities of Existing Investors who elected to exit will be transferred to SaleCo for on-sale as part of the Offer. The sale proceeds, net of certain expenses and fee payments will be allocated to Existing Investors who sold Stapled Securities through the Sale Facility.

12.4.7 Intra-group agreements

Current intra-group leases, management agreements and other agreements will be varied or replaced with new arrangements to operate following completion of the Proposed Transaction.

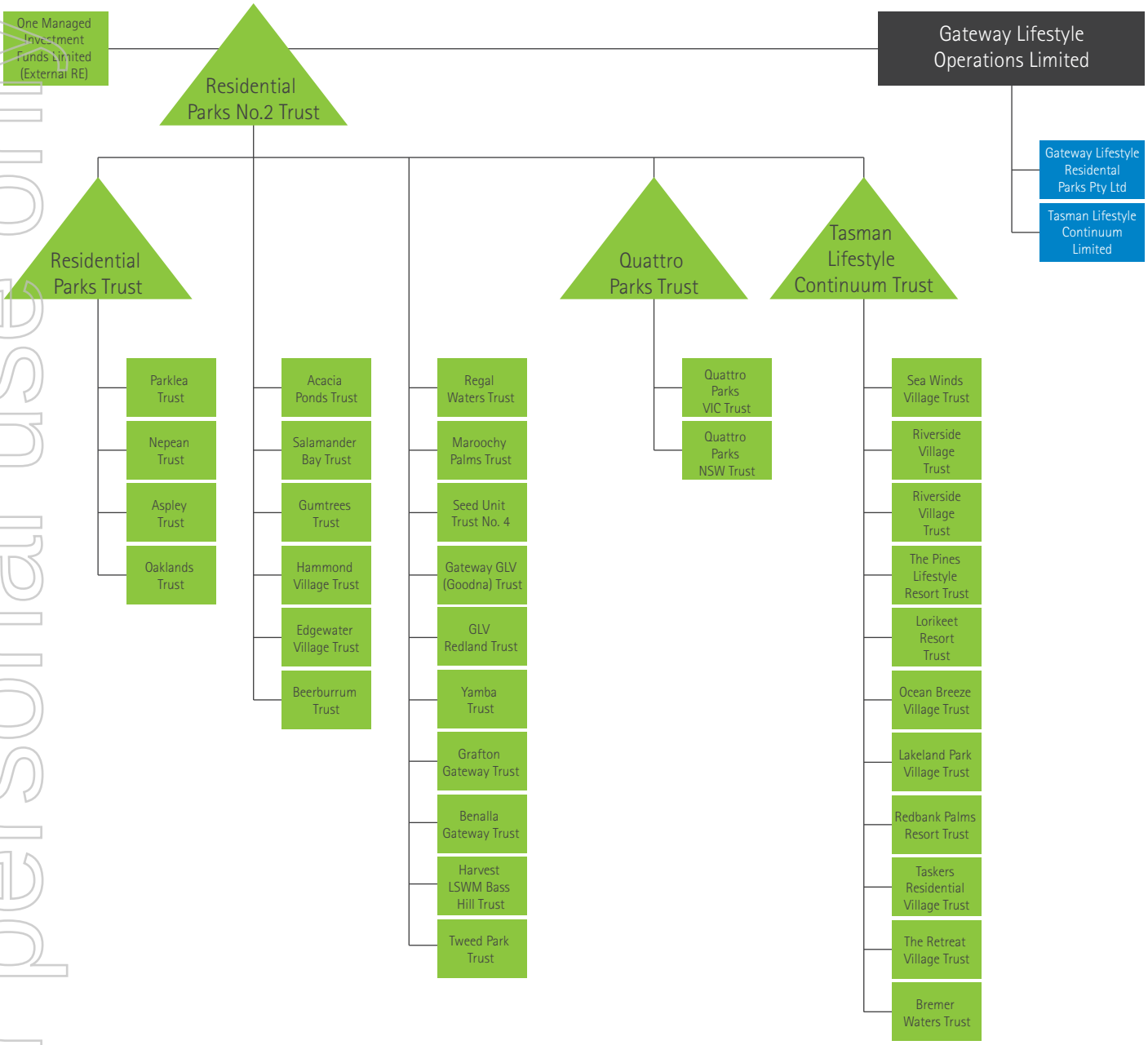
12.4.8 Final structure

The following diagram shows an overview of the structure of Gateway Lifestyle and its investments after giving effect to the Proposed Transaction.

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12. Additional Information and Material Agreements (continued)

Figure 18 – Key entities in the corporate structure of Gateway Lifestyle



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12.5 Material agreements

12.5.1 Implementation Pack

OMIFL, the Company and Gateway Management and various other entities involved in owning and operating 25 MHEs to be included in the Gateway Lifestyle Portfolio, including the Participating Trusts, have agreed to implement the restructure steps set out in an Implementation Pack (Participating Entities).

The Implementation Pack includes:

- a detailed description of the steps to be undertaken by the Participating Entities to implement the Proposed Transaction and Offering (see Section 12.4 for more details of the Proposed Transaction); and
- the allocation of the proceeds realised by SaleCo pursuant to the Offer.

Participating Entities also undertake:

- to carry on business in the ordinary course and not engage in related party transactions or payments pending implementation of the restructure;
- not to invite, encourage or enter into discussions which are inconsistent with the implementation of the restructure until 31 July 2015; and
- on receiving certain payments sale proceeds from SaleCo as contemplated by the Implementation Pack, to release accrued rights to fees, commission, remuneration and reimbursement of costs.

At any time, Gateway Management may terminate implementation of the Proposed Transaction by giving the Participating Entities a written notice of termination, in which case the Offer will not proceed and steps taken to implement the Proposed transaction before termination will be unwound.

12.5.2 Tasman Implementation Deed

The Tasman Implementation Deed was entered into on 15 May 2015 between Gateway Management and MHE Fund No. 1 Pty Limited as trustee for the MHE Fund No. 1 Trust and Buoncompagni Investments Pty Limited as trustee for the Buoncompagni Trust (the "**MHE Seller**", the "**Buoncompagni Seller**" and, together, the "**Tasman Sellers**").

The Tasman Sellers will be issued Stapled Securities with an aggregate value of $39.38 million (based on the issue price of Stapled Securities). The MHE Seller has elected to sell all of the Stapled Securities it receives into the Offer through the Sale Facility. The Buoncompagni Seller has elected to sell Stapled Securities with an aggregate value of $717,000 into the Offer through the Sale Facility and retain the remainder of the Stapled Securities it receives as Escrowed Stapled Securities.

12.5.2.1 Conditions and termination

The acquisition is conditional on:

- the Underwriting Agreement being in place, the Offer being made and the relevant Offer Period having ended (other than as a result of the cancellation of the Offer); and
- the ASX having approved Gateway Lifestyle for Listing and conditional and deferred settlement trading of Stapled Securities having commenced.

Gateway Management can terminate the deed on the insolvency of a Tasman Seller or any member of the Tasman group, on breach of a warranty given by the Tasman Sellers where such breach results or is reasonably likely to result in the Gateway Lifestyle group suffering a material loss or if there is a change to the business, financial or trading position or operations or assets of the Tasman group which has or is reasonably likely to have a material adverse effect on any member of the Tasman group. The Sellers can terminate the deed on insolvency of Gateway Management or the Company or the Trust in which case the Tasman Sellers can require Gateway Management to procure a third party to acquire Tasman.

12.5.2.2 Completion

Completion of the acquisition of Tasman will occur as part of the completion of the restructure steps involved in the Proposed Transaction.

The Tasman Sellers will be issued Stapled Securities in connection with the acquisition of Tasman. The MHE Seller has elected to sell all of the Stapled Securities it receives into the Offer through the Sale Facility. Buoncompagni Seller will retain approximately 93% of the Stapled Securities it receives as Escrowed Stapled Securities.

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12. Additional Information and Material Agreements (continued)

12.5.2.3 Warranties and indemnities

The Tasman Sellers warrant to Gateway Management ownership of the Tasman group, certain tax matters as well as the quality and completeness of information disclosed to Gateway Management.

Gateway Management warrants to the Tasman Sellers the quality and completeness of information disclosed to the Tasman Sellers.

Gateway Management's and the Tasman Sellers' liability in respect of the warranties and indemnities is capped at $36 million, although lower caps apply to certain warranties. The time limit for claims is 2 years (or 4 years and 30 days after lodgement of the relevant tax return for tax claims).

12.5.3 Gateway Management Sale Agreement

The Gateway Management Sale Agreement was entered into on 20 May 2015 between the Company, OMIFL, Ottawa & Co Pty Limited as trustee for the Ottawa Investment Trust No 1, Pepper Investment Holdings Pty Ltd as trustee for the Pepper Family Trust (the "**Ottawa Seller**", the "**Pepper Seller**" and, together, the "**Gateway Management Sellers**") and Todd Pepper.

The agreement provides for the Gateway Management Sellers to sell all of the shares in Gateway Management to Gateway Lifestyle in exchange for Stapled Securities.

12.5.3.1 Conditions and termination

The acquisition is conditional on the conditions to implementation of the Proposed Transaction referred to in Section 12.4.1 being satisfied or waived.

12.5.3.2 Completion

Completion of the acquisition of Gateway Management will occur as part of the completion of the restructure steps involved in the Proposed Transaction.

The Gateway Management Sellers will be issued Stapled Securities. The Pepper Seller will sell all of the Stapled Securities it receives into the Offer through the Sale Facility. The Ottawa Seller will retain all of the Stapled Securities it receives as Escrowed Stapled Securities (see Section 12.7).

To protect the goodwill of the business sold, the Pepper Seller will be restricted from competing directly with the business for two years following Completion.

12.5.3.3 Warranties

The Gateway Management Sellers warrant to the Company and ownership of Gateway Management entities as well as the quality and completeness of information provided in respect of Gateway Management.

No limitations of liability apply to these warranties.

12.5.4 Constitution of Trust

The Constitution of the Trust sets out the rights of the holders of Units and it binds OMIFL and the holders of Units. A general summary of some of the important features and rights attaching to the Units and other key provisions of the Constitution is set out below. This summary is not intended to be exhaustive and is qualified by the terms of the Trust Constitution, the Corporations Act and the Listing Rules and the general law.

You can inspect a copy at the Company's office at any time between 9:00am and 5:00pm on a business day in Sydney or request a free copy by contacting the Company.

12.5.4.1 Unitholder voting

Subject to the Trust Constitution, and any rights or restrictions attached to any class or classes of Units, on a show of hands each shareholder (and each proxy, attorney or representative) has one vote, and on a poll, each Unitholder (and each proxy, attorney or representative) has one vote for each dollar value of Units held. Voting at a general meeting shall be by a show of hands unless a poll is effectively demanded.

12.5.4.2 General meetings

OMIFL may convene and arrange to hold a general meeting of the Trust whenever it thinks fit and must do so if required to do so under the Corporations Act. Each Stapled Securityholder will receive notice of general meetings and be entitled to attend and vote at any general meeting in accordance with the Corporations Act. Currently under the Corporations Act, a notice of a general meeting of Unitholders in the Trust must be provided to the Unitholders at least 21 days before the meeting.

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12.5.4.3 Additional issue of Units

Subject to the Corporations Act, the Listing Rules, the Stapling Provisions and any special rights conferred on the holders of any Units or class of Units, OMIFL may:

- issue Units in the Trust; and
- grant options over unissued Units in the Trust.

12.5.4.4 Transfer of Units

Subject to the Trust Constitution and Listing Rules, a Unit in the Trust is transferable as provided by the operating rules of the relevant clearing settlement facility or by any other method of transfer which is required or permitted by the Corporations Act and ASX.

12.5.4.5 Distributions

Subject to the Trust Constitution and the terms of issue or rights of any Units with special rights to distributions, OMIFL may determine that a distribution is payable, fix the amount and the time for payment and authorise the payment or crediting by OMIFL to each entitled Unitholder.

Money available for distribution by the Trust by way of distribution shall be divided among the Unitholders so that, on each occasion on which the distribution is paid, the same sum is paid on each fully paid Unit and the sum paid on a Share which is not fully paid is a pro rated amount being the proportion of the amount paid up as against the total amounts payable.

OMIFL may deduct from any distribution payable to a Unitholder any sums presently payable by that Unitholder to the Trust on account of calls or otherwise in relation to Units in the Trust.

Gateway Lifestyle's distribution policy is summarised in Section 5.9.3.

12.5.4.6 Winding up

If the Trust is wound up, OMIFL must realise the assets of the Trust and subject to any special rights or restrictions attached to any Unit, distribute the net proceeds of realisation among the Unitholders pro rata in accordance with the paid-up proportion of Units held by Unitholders.

12.5.4.7 Small holdings

OMIFL may in its discretion from time to time sell or redeem any Units held by a Unitholder without request by the Unitholder where the Units held by a Unitholder comprise less than a marketable parcel as provided in the Listing Rules. OMIFL may only sell or redeem Units on one occasion in any 12 month period. This right only arises if the Unitholder is given at least 6 weeks' notice of the OMIFL's intention and does not, in that period, tell OMIFL that the Unitholder wishes to retain the Units.

Where a Unit forms part of a Stapled Security, OMIFL may only redeem Units under these provisions if the Shares to which those Units are Stapled are the subject of a contemporaneous redemption and may only sell Units if the Shares to which those Units are Stapled are the subject of a contemporaneous sale.

12.5.5 Constitution of Company

The Constitution of the Company sets out the rights of the holders of Shares and it binds the Company and the holders of Shares. A general summary of some of the important features and rights attaching to the Shares and other key provisions of the Company Constitution is set out below. This summary is not intended to be exhaustive and is qualified by the terms of the Company Constitution, the Corporations Act and the Listing Rules and the general law.

You can inspect a copy at the Company's office at any time between 9:00am and 5:00pm on a business day in Sydney or request a free copy by contacting the Company.

12.5.5.1 Shareholder voting

Subject to the Company Constitution, the Corporations Act and any rules prescribed by the Company Board and any rights or restrictions attached to any class or classes of shares, on a show of hands each shareholder (and each proxy, attorney or representative) has one vote, and on a poll, each shareholder (and each proxy, attorney or representative) has one vote for each fully paid Share held by the shareholder/principal. Voting at a general meeting shall be by a show of hands unless a poll is effectively demanded.

A shareholder is not entitled at a general meeting to cast a vote attached to a Share on which a call is due and payable and has not been paid.

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12. Additional Information and Material Agreements (continued)

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12.5.5.2 General meetings

Annual general meetings of the Company are to be held in accordance with the Corporations Act. The Company Board may convene and arrange to hold a general meeting of the Company whenever it thinks fit and must do so if required to do so under the Corporations Act. Each Stapled Securityholder will receive notice of general meetings and be entitled to attend and vote at any general meeting in accordance with the Corporations Act. Currently under the Corporations Act, a notice of a general meeting must be provided to shareholders at least 28 days before the meeting.

12.5.5.3 Additional issue of Shares

Subject to the Corporations Act, the Listing Rules, the Stapling Provisions and any special rights conferred on the holders of any Shares or class of shares, the Company Board may:

- issue and cancel Shares in the Company;
- grant options over unissued Shares in the Company; and
- settle the manner in which fractions of a Share, however arising, are to be dealt with.

12.5.5.4 Transfer of Shares

Subject to the Company Constitution and Listing Rules, a Share in the Company is transferable as provided by the operating rules of the relevant clearing settlement facility or by any other method of transfer which is required or permitted by the Corporations Act and ASX.

12.5.5.5 Company Board

Unless otherwise determined by the Company in general meeting, the number of directors is not to be less than three and no more than nine. There must be an election of directors at each annual general meeting of the Company.

The Constitution contains standard provisions in relation to:

- terms of office of directors and directors filling a casual vacancy (and exceptions to this for a managing director);
- annual caps on total remuneration for all directors, to be divided by the directors;
- voting at meetings being by a simple majority, with the chairman having a casting vote;
- the quorum for a board meeting; and
- the indemnification of any current or former directors, secretaries and executive officers of the Company or a related body corporate of the Company against all liability incurred by that person in that capacity (unless the Company is forbidden by law to so indemnify the person).

12.5.5.6 Dividends

Subject to the Corporations Act, the Company Constitution and the terms of issue or rights of any shares with special rights to dividends, the Company Board may declare or determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to each entitled shareholder.

Money available for distribution by the Company by way of dividends shall be divided among the shareholders so that, on each occasion on which the dividend is paid, the same sum is paid on each fully paid Share and the sum paid on a share which is not fully paid is a pro rated amount being the proportion of the amount paid up as against the total amounts payable.

The Company Board may deduct from any dividend payable to a shareholder any sums presently payable by that shareholder to the Company on account of calls or otherwise in relation to Shares in the Company.

Gateway Lifestyle's distribution policy is summarised in Section 5.9.3.

12.5.5.7 Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the Company's property may determine how the division is to be carried out as between the shareholders or different classes of shareholders.

12.5.5.8 Small holdings

The Constitution contains provisions in relation to unmarketable parcels on analogous terms to those described in the Constitution of the Trust at Section 12.5.4 above, save that references to "Units" will be taken to be references to "Shares", and references to the Trust or the responsible entity will be taken to be references to "the Company".

12.5.6 Underwriting Agreement

The Offer is being underwritten by the Joint Lead Managers pursuant to an underwriting agreement, dated on or around the date of this Offer Document, between the Issuers and the Joint Lead Managers ("**Underwriting Agreement**"). Under the Underwriting Agreement, the Joint Lead Managers have agreed to arrange, manage and underwrite the Offer.

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12.5.6.1 Commissions, fees and expenses

The Issuers must pay to the Joint Lead Managers in equal proportions and in accordance with the Underwriting Agreement a base fee equal to 2.75% of the total equity value. The Issuers may also elect, at their absolute discretion, to pay the Joint Lead Managers an incentive fee of 0.75% of the total equity value.

The Issuers have agreed to reimburse the Joint Lead Managers for reasonable costs and expenses incurred by the Joint Lead Managers in relation to the Offer. The Company has authorised the Joint Lead Managers to pay any fees or expenses of Co-Managers or Brokers out of fees payable to them (and such fees will not be borne by the Issuers).

12.5.6.2 Termination events

A Joint Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 10.00am on the date for settlement under the Offer by notice to the other party if any of the following events occur:

- a statement in any of the offer documents is or becomes misleading or deceptive, or a matter required to be included is omitted from the offer documents or public information having regard to the provisions of Part 6D.2 of the Corporations Act;
- there occurs a new circumstance that arises after the Offer Document is lodged that would have been required to be included in the Offer Document if it had arisen before lodgement;
- the Issuers issue or, in the reasonable opinion of the terminating Joint Lead Manager, is required to issue, a supplementary offer document to comply with section 719 or section 1016E of the Corporations Act;
- at any time the S&P/ASX 200 (XJO) or the S&P/ASX 200 A-REIT (XPK) Indices falls to a level that is 90% or less of the level as at the close of trading on the date of close of the institutional bookbuild and is at or below that level at the close of trading:
  - for 2 consecutive Business Days during any time after the date of the Underwriting Agreement; or
  - on the Business Day immediately prior to, the date of Settlement;
- the Issuers, or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged, in any fraudulent conduct or activity whether or not in connection with the Offer;
- approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - Gateway Lifestyle's admission to the Official List of ASX on or before the date required in the Underwriting Agreement; or
  - the quotation of all of Gateway Lifestyle's Stapled Securities on ASX or for Gateway Lifestyle's Stapled Securities , to be traded through CHESS on or before the date set out in the Underwriting Agreement,

  or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 739 or 1020E of the Corporations Act unless any such order, inquiry or hearing is not made public and is withdrawn within 2 Business Days or if it is made within 2 Business Days of the date of Settlement it has not been withdrawn by the day before the date of Settlement;
  - ASIC holds a hearing under section 739(2) or 1020E(4) of the Corporations Act;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an offer document, unless any such application, inquiry or hearing is not made public and is withdrawn within 2 Business Days or if it is made within 2 Business Days of the date of Settlement it has not been withdrawn by the day before the date of Settlement;
  - any person (other than the Joint Lead Managers) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
  - any person (other than the Joint Lead Managers) gives a notice under section 730 of the Corporations Act in relation to the Offer Document;
- the Issuers do not provide a closing certificate as and when required by the Underwriting Agreement;
- the Issuers withdraw the Offer Document, the Offer or certain parts of the Offer or the Proposed Transaction, or indicate that they do not intend to proceed with the Offer, any part of the Offer or certain parts of the Proposed Transaction;
- any member of the Group becomes insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;
- an event specified in the timetable set out in the Underwriting Agreement up to and including the date of Settlement is delayed by more than 2 Business Days (other than any delay caused solely by the Joint Lead Managers or any delay agreed between the Issuers and the Joint Lead Managers or a delay as a result of an extension of the exposure period by ASIC);

12. Additional Information and Material Agreements (continued)

- Gateway Lifestyle is prevented from allotting and issuing Stapled Securities under the Offer or Proposed Transaction or SaleCo is prevented from transferring the Stapled Securities within the time required by the Offer Document, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- the Issuers:
  - alter the issued capital of Gateway Lifestyle or a member of the Group; or
  - dispose or attempt to dispose of a substantial part (directly or indirectly) of the business or property of Gateway Lifestyle or a member of the Group, without the prior written consent of the Joint Lead Managers;
- a regulatory body withdraws, revokes or amends any regulatory approvals required for the Issuers to perform their obligations under the Underwriting Agreement or to carry out the transactions contemplated by the offer documents;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer;
- any of the following occur:
  - a Director or proposed Director of the Issuers is charged with an indictable offence;
  - any governmental agency charges or commences any court proceedings or public action against the Issuers or any of their respective Directors in their capacity as a Director of the Issuers, or announces that it intends to take action; or
  - any Director or any proposed Director of the Issuers is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- Gateway Lifestyle varies any term of the Constitution without the prior written consent of the Joint Lead Managers;
- any of the offer documents or any aspect of the Offer does not comply with the Corporations Act (and all regulations under that Act), its Constitution, the Listing Rules or any other applicable law or regulation); and
- the Implementation Pack (see Section 12.5.1) or the Tasman Implementation Deed (see Section 12.5.2) are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with.

Termination subject to materiality

A Joint Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 10:00am on the date for Settlement under the Offer by notice to the other party, if any of the following events occur and the Joint Lead Manager has reasonable grounds to believe the event: (i) has or is likely to have a material adverse effect on the success, Settlement or marketing of the Offer or on the ability of the Joint Lead Manager to market or promote or settle the Offer or on the likely price at which the Stapled Securities will trade on ASX; or (ii) will, or is likely to, give rise to a liability of the Joint Lead Manager under, or give rise to, or result in a contravention by the Joint Lead Manager or its affiliates, or the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law:

- any escrow deed is withdrawn, varied, terminated, rescinded, altered, amended or breached or there is a failure to comply with any of them;
- there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer Document which relate to a future matter or any forecast that appears in the Offer Document is or becomes incapable of being met in the projected time (including financial forecasts);
- a change in senior management (as described in the Offer Document) or the board of Directors of the Issuers occurs;
- the report of the due diligence committee is or becomes, misleading or deceptive, including by way of omission;
- any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Gateway Lifestyle and the Group (insofar as the position in relation to an entity in the Group affects the overall position of Gateway Lifestyle), including any adverse change in the assets, liabilities, financial position, performance, profits, losses or prospects of Gateway Lifestyle or the Group from those disclosed in the Offer Document or public information;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or any Commonwealth or State or Local authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- there is a contravention by any of the Issuers or any other Gateway Lifestyle member of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act (any regulations under those acts), or any of the Listing Rules;
- any licence, permit, authorisation or consent held by any member of the Group that is necessary to conduct its business is revoked, withdrawn, rescinded, breached, terminated, altered or amended (other than with the consent of the Joint Lead Managers);

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- a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Issuers is breached, becomes not true or correct or is not performed, except where the Offer Document contains a statement that is not true or correct and this is rectified, with the prior written consent of the Joint Lead Managers, in the form of a supplementary Offer Document;
- the Issuers default on one or more of its obligations under the Underwriting Agreement;
- any of the following occurs:
  - the commencement of legal proceedings against the Issuers, any other member of the Group or against any director of the Issuers, or any other member of the Group in that capacity; or
  - any governmental agency commences any enquiry or public action against a member of the Group;
- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, Hong Kong, New Zealand, the United States, Canada, Japan, the United Kingdom, the People's Republic of China, Singapore, or any member state of the European Union, or a major terrorist act is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;
- any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - trading in all securities quoted or listed on ASX, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading; and
- any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a member of the Group to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission).

12.5.6.3 Indemnity

Subject to certain exclusions relating to, among other things, gross negligence, recklessness, fraud or wilful misconduct by an indemnified party, the Issuers agree to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.

12.5.6.4 Conditions, warranties, undertakings and other terms

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Issuers to the Joint Lead Managers (as well as common conditions precedent), including the entry into voluntary escrow deeds by the Directors of the Company and Robert Nichols in a form and substance acceptable to the Joint Lead Managers.

The representations and warranties given by Gateway Lifestyle (and in some cases, SaleCo) include but are not limited to matters such as power and authorisations, compliance with applicable laws and Listing Rules, financial information, information contained in the Offer Document, the conduct of the Offer and the due diligence process, litigation, material contracts, patents and trademarks, encumbrances, licences, insurance, dividends and distributions, title to property, internal controls, tax and labour.

Gateway Lifestyle provides undertakings under the Underwriting Agreement which include but are not limited to notifications of breach of any obligation, representation or warranty or undertaking or non-satisfaction of any condition given by it under the Underwriting Agreement and that it will not, during the period following the date of the Underwriting Agreement until 120 days after Stapled Securities have been issued under the Offer, issue any Stapled Securities or securities without the consent of the Joint Lead Managers, subject to certain exceptions. These exceptions include: (i) the issue of Stapled Securities under the Offer or the Proposed Transaction; (ii) an issue of securities pursuant to an employee securities, option or incentive plan; (iii) a non-underwritten dividend reinvestment plan or a bonus share plan; or (iv) a proposed transaction fully and fairly disclosed in this Offer Document.

12.5.7 Description of Debt Facilities

The Company has entered into a commitment letter relating to the provision by two major Australian commercial banks (the "**Lenders**") of secured five year revolving credit facilities (the "**Debt Facilities**"). The borrower under the Debt Facilities will initially be the Trust.

12.5.7.1 Amount

The facility limit under the first revolving loan facility ("**Facility A**") is $170,000,000, and is available for drawings in Australian dollars by way of loans.

The facility limit under the second revolving credit facility ("**Facility B**") is $10,000,000, and is available for drawings in Australian dollars by way of loans, letters of credit or bank guarantees.

12. Additional Information and Material Agreements (continued)

12.5.7.2 Maturity date

Facility A will mature on the date falling five years after financial close, which will be the date of first drawdown ("**Financial Close**"). At maturity, all amounts owing will be repayable. Amounts repaid under Facility A prior to maturity are available to be redrawn.

Facility B will also mature on the date falling five years after Financial Close. Each loan under Facility B is to be repaid on the last day of its interest period, and loans repaid prior to maturity are available to be redrawn. At maturity, all amounts owing will be repayable.

12.5.7.3 Use of funds

The use of Debt Facilities is subject to satisfaction of certain conditions precedent.

Facility A may be used:

- to refinance any existing indebtedness of the Group; and
- to fund growth capital expenditure, permitted acquisitions and related advisory and other transaction fees, costs and expenses.

Facility B may be used to fund the general corporate and working capital purposes of the Group.

12.5.7.4 Guarantees

The Debt Facilities will be guaranteed by the Trust, the Company and certain subsidiaries of the Company and each trust which is an owner of an MHE (each a "**Guarantor**").

12.5.7.5 Security

The security from the Company, the Trust and the Guarantors will comprise a general security deed in respect of all of their assets and a first ranking real property mortgage in respect of each MHE, in each case as security for their obligations under the Debt Facilities.

12.5.7.6 Interest rates and payments

The Debt Facilities will attract a variable rate of interest, comprising the applicable base rate for borrowings in Australian dollars (BBSY) plus a margin.

Interest will be payable on the last day of each interest period (or where the interest period exceeds six months, on the dates falling at six-monthly intervals after the first day of the interest period) by reference to one, two, three or six month periods, as selected by the borrower or any other period agreed between the borrower and the facilities agent (if less than six months) or the majority lenders (if more than six months). A default interest rate of interest rate will be payable on overdue amounts only.

12.5.7.7 Facility fees

Fees payable in connection with the Debt Facilities are market for facilities of this type and include the following:

- an establishment fee payable on or before Financial Close;
- a line fee payable quarterly in arrears from Financial Close until the Maturity Date; and
- a letter of credit ("**LC**") instrument fee payable quarterly in arrears on the outstanding amount of any issued LC instrument.

12.5.7.8 Financial covenants

The Debt Facilities will include an interest cover ratio and a loan to value ratio. The interest cover ratio will be tested semi-annually commencing on 31 December 2015 and the loan to value ratio will apply at all times.

A breach of a financial covenant will be an event of default under the Debt Facilities.

12.5.7.9 Other covenants and undertakings and representations and warranties

The Debt Facilities will include affirmative and negative covenants which are usual for facilities of their nature, including the following:

- provision of financial statements to the lenders;
- provision to the lenders of notice of an event of default or potential event of default;
- provision of such information regarding the borrower, the Guarantors, any MHE and the land on which the MHE is located as the lenders may reasonably request;
- compliance with agreed interest rate hedging policy;
- negative pledge;
- maintaining the secured property;
- obtaining valuations; and
- restrictions on incurring financial indebtedness, providing financial accommodation, giving guarantees, making acquisitions, entering into joint ventures, making disposals, entering into mergers and making distributions other than as permitted.

The Debt Facilities also include representations and warranties usual for facilities of its nature.

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12.5.7.10 Events of default

The Debt Facilities contain certain events of default which are usual for facilities of their nature.

12.5.7.11 Review event

A review event will occur under the Debt Facilities where:

- there is a change of control;
- there is delisting or suspension for a consecutive period of 10 Business Days or more (for reasons other than there being an imminent announcement of a major acquisition or merger transaction);
- any authorisation in respect of a MHE impacting on at least 15% of EBITDA of the Group is not obtained or maintained on terms acceptable to the facilities agent or is revoked and is not replaced or renewed within 15 days of such failure or revocation; or
- the CEO, CFO or COO is no longer employed by the Group and that person is not replaced within 180 days.

Unless alternative arrangements are agreed by the majority lenders during a good faith negotiation period of 30 days, the majority lenders may require repayment of the Debt Facilities in full on 90 days' notice.

12.5.7.12 Optional prepayment

Voluntary prepayments of the Debt Facilities in whole or in part, will be permitted on three Business Days' notice (but, if in part, in a minimum amount to be agreed).

12.5.7.13 Ability to pay dividends

Payment of dividends and distributions will be permitted under the Debt Facilities if: (i) no actual or potential event of default is continuing when declared or made or would arise by reason of the payment or is forecast to occur; and (ii) the aggregate of all distributions in any financial year does not exceed 100% of net profit after tax, depreciation and non-recurring items included in retained earnings plus, if the facilities agent has provided consent, any retained earnings from previous financial years which are capable of distribution.

12.6 Related party transactions

The implementation of the Offer and the ongoing management of Gateway Lifestyle necessarily involve a number of related party transactions outlined in this Offer Document, including under the:

- Proposed Transaction through which entities associated with Trent Ottawa, Andrew Love and Robert Nichols will acquire Stapled Securities (see Sections 12.4 and 12.5.1); and
- Deeds of indemnity, access and insurance (see Section 7.3.2.5).

12.7 Voluntary escrow arrangements

Each of the Escrowed Securityholders (listed in the table below) has entered into a voluntary escrow deed with the Company and OMIFL in respect of their Escrowed Securities. Under the escrow deed, the Escrowed Securityholders agree, subject to limited exceptions, not to deal in those Escrowed Securities from Completion of the Offer until expiry of the escrow period.

12.7.1 Director's escrow arrangements

On Completion of the Offer, all of the Escrowed Stapled Securities held by the Directors of the Company (as set out in Section 12.7.3) will be subject to the following escrow arrangements:

- 50% of Escrowed Stapled Securities held will be subject to escrow from Listing until the release of Gateway Lifestyle's FY17 annual result; and
- 50% of Escrowed Stapled Securities held will be subject to escrow from Listing until the release of Gateway Lifestyle's FY18 annual result.

A Director of the Company's escrow arrangements will terminate early if he or she ceases to be a Director of the Company due to his or her health, serious disability or total incapacity (as determined by the Board, acting reasonably, based on evidence reasonably requested by the Board from the Director of the Company).

12.7.2 Senior management escrow arrangements

On Completion of the Offer, the Escrowed Stapled Securities held by Mr Robert Nichols (as set out in Section 12.7.3) will be subject to escrow until the release of Gateway Lifestyle's FY16 annual result.

Mr Robert Nichols' escrow arrangements will terminate early if his employment with the Company is terminated due to his health, serious disability or total incapacity (as determined by the Board, acting reasonably, based on evidence reasonably requested by the Board from Mr Robert Nichols).

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12. Additional Information and Material Agreements (continued)

12.7.3 Details of Escrowed Securityholders and Escrowed Stapled Securities

The number of Escrowed Stapled Securities in respect of which the Escrowed Securityholders have agreed to enter into voluntary escrow arrangements with the Company and the OMIFL are set out in the table below.

Table 9 – Escrowed Stapled Securities

	Number of Escrowed Stapled Securities at Completion	Escrowed Stapled Securities (as a % of Stapled Securities on issue at Completion)
Mr Trent Ottawa	12,875,878	5.16%
Mr Robert Nichols	4,608,970	1.85%
Mr John Wong	375,000	0.15%
Mr Andrew Love	25,000	0.01%
Mr Andrew Fay	25,000	0.01%
Ms Rachel Launders	25,000	0.01%
Mr Stephen Newton	25,000	0.01%

The Non-Executive Directors will each own additional Stapled Securities not subject to escrow that they will apply for under the Priority Offer, or, in the case of Andrew Love, rollover as part of the Proposed Transaction.

During the relevant escrow periods, the Escrowed Stapled Securityholders may only deal with their Stapled Securities in accordance with the voluntary escrow deed. That deed provides that Escrowed Stapled Securityholders may deal with their stapled securities during the relevant escrow periods:

- if the dealing is in relation to a reorganisation of their shareholding ownership structure where control of the Stapled Securities is retained by the ultimate controller, if Gateway Lifestyle has given its consent to the reorganisation and the new holder has agreed to be bound by the same escrow arrangements;
- pursuant to a court order compelling the Stapled Securities to be disposed of or a security interest to be created over them;
- to allow acceptance of a takeover offer which is or has become unconditional and where at least half of the Stapled Securities have already accepted the offer;
- to allow the Escrowed Stapled Securityholders to tender their Stapled Securities into a bid acceptance facility for a takeover offer where the holders of at least half of the Stapled Securities have already accepted the offer or tendered (and not withdrawn) their Stapled Securities into the bid acceptance facility;
- in connection with the transfer or cancellation of Stapled Securities as part of a merger being implemented by way of a scheme of arrangement or an acquisition of all of the Stapled Securities that has received all necessary approvals.

If a takeover or reorganisation or acquisition of share capital does not successfully complete, the holding lock will be reapplied to the escrowed Stapled Securities.

The restriction on dealing is broad and includes, among other things, selling, assigning or transferring, any legal, beneficial or economic interest in the relevant Stapled Securities, granting or exercising an option which would enable or require any legal, beneficial or economic interest in the relevant Stapled Securities to be sold, assigned or transferred or creating or offering to create any security interest over any legal, beneficial or economic interest in the relevant Stapled Securities, or agreeing to do any of those things.

Additionally, the voluntary escrow deeds for the Non-Executive Directors (Mr Andrew Love, Mr Andrew Fay, Ms Rachel Launders and Mr Stephen Newton) contain provisions which require the forfeiture of their escrowed Stapled Securities for a nominal amount if they cease to be a Director of the Company during the relevant escrow period.

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12.8 Description of the syndicate

The Joint Lead Managers to the Offer are Macquarie Capital (Australia) Limited and UBS AG, Australia Branch.

The Co-Managers to the Offer are Macquarie Equities Limited, Ord Minnett Limited and UBS Wealth Management Australia Limited.

12.9 Consents

Each of the persons set out in the table below has given, and at the time of lodgement of this Offer Document with ASIC, has not withdrawn their written consent to:

- be named in this Offer Document in the form and context in which they are named; and
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Offer Document.

Name	Capacity	Statement
Macquarie Capital (Australia) Limited	Joint Lead Manager	Not applicable
UBS AG, Australia Branch	Joint Lead Manager	Not applicable
Ernst & Young Transaction Advisory Services Limited	Investigating Accountant	Investigating Accountant's Report set out in Section 10
Ernst & Young	Auditor and financial due diligence advisor	Not applicable
Macquarie Equities Limited	Co-Manager	Not applicable
Ord Minett Limited	Co-Manager	Not applicable
UBS Wealth Management Australia Limited	Co-Manager	Not applicable
Clifford Chance	Legal Advisor of Gateway Lifestyle	Not applicable
Herbert Smith Freehills	Legal Advisor of Gateway Lifestyle in relation to the restructure and Debt Facilities	Not applicable
Greenwoods & Herbert Smith Freehills	Taxation advisor	Taxation implications set out in Section 11
Link Market Services Limited	Registry	Not applicable
Colliers International, Robertson & Robertson Consulting Valuers and Cosgraves Property Advisors	Independent valuer	References to independent valuation of MHEs, including in Section 3.1
ContACT Internet Solutions Pty Ltd (trading as GoSeeAustralia)		References in Section 2.4.1.
CoreLogic RPData Pty Ltd		References in Sections 3.2.2 and 4.
IBISWorld Pty Limited		References in Sections 1 and 2.1.
Real Estate Institute of Australia		References in Section 2.3.3.
The Association of Superannuation Funds of Australia Limited		References in Section 2.3.3.

Some laws impose obligations that cannot be excluded. To the maximum extent permitted by law, each person named in this Section expressly disclaims, and takes no responsibility for, all parts of this Offer Document other than any statement or report attributed to them and included in this Offer Document with their express consent. None of the persons named in this Section authorised or caused the issue of this Offer Document. References are made in this Offer Document to entities that have certain dealings with Gateway Lifestyle, including counterparties to material contracts referred to in this Offer Document. These entities have been referred to for information purposes only. Those entities did not authorise or cause the issue of this Offer Document and have had no involvement in the preparation of any part of this Offer Document. None of these named firms, companies or entities makes any offer of Stapled Securities.

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12. Additional Information and Material Agreements (continued)

12.10 Interests of professionals, advisers and promoters

Other than as set out below or elsewhere in this Offer Document, no promoter of Gateway Lifestyle, or an AFSL-holder or underwriter involved in the Offer and Listing or any other person named in this Offer Document as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Document, has or has held, during the last two years prior to the date of the Offer an interest in:

- the formation or promotion of any entity in Gateway Lifestyle;
- the property and/or business acquired or proposed to be acquired by Gateway Lifestyle in connection its formation or promotion under this Offer Document; or
- the Offer.

Clifford Chance has acted as Australian legal adviser to Gateway Lifestyle. In respect to this work, Clifford Chance will be paid approximately $1.5 million (excluding GST and disbursements) in fees and charges for legal services provided to Gateway Lifestyle up to the date of this Offer Document in connection with the Offer and Listing. Further amounts may be paid to Clifford Chance in accordance with its time-based charges.

Herbert Smith Freehills has acted as Australian legal adviser to Gateway Lifestyle in relation to the Proposed Transaction. In respect to this work, Herbert Smith Freehills will be paid approximately $1.2 million (excluding GST and disbursements) in fees and charges for legal services provided to Gateway Lifestyle up to the date of this Offer Document in connection with the Proposed Transaction. Further amounts may be paid to Herbert Smith Freehills in accordance with its time-based charges.

Greenwoods & Herbert Smith Freehills has acted as tax adviser in relation to the Proposed Transaction and the Offer. In respect of this work, Greenwoods & Herbert Smith Freehills will be paid approximately $700,000 (excluding GST and disbursements) in fees and charges for work performed up to the date of this Offer Document. Further amounts may be paid to Greenwoods & Herbert Smith Freehills in accordance with its time-based charges.

Ernst & Young has performed audit services in relation to the special purpose financial statements for RPT2, RPT and Nestle Inn prepared in connection with the Offer. Ernst & Young will be paid approximately $200,000 (excluding GST and disbursements) for these services up to the date of the Offer Document. Further amounts may be paid to Ernst & Young in accordance with its time-based charge-out rates.

Ernst & Young has acted as the Financial Due Diligence Advisor in connection with the Offer. Ernst & Young will be paid approximately $1.1 million (excluding GST and disbursements) for these services up to the date of the this Offer Document. Further amounts may be paid to Ernst & Young in accordance with its time-based charge-out rates .

Ernst & Young Transaction Advisory Services Limited ("**EYTAS**") has acted as the Investigating Accountant and has prepared the Independent Limited Assurance Report included in this Offer Document in Section 7. EYTAS will be paid approximately $200,000 (excluding GST and disbursements) for these services up to the date of the Offer Document. Further amounts may be paid to EYTAS in accordance with its time-based charge-out rates.

Colliers International, Robertson & Robertson Consulting Valuers, Cosgraves Property Advisors and other valuers have provided independent valuation reports for a MHE in the Gateway Lifestyle Portfolio. In respect of this work, Colliers International, Robertson & Robertson Consulting Valuers, Cosgraves Property Advisors and other valuers will be paid approximately $223,025 (excluding GST and disbursements).

Macquarie Capital (Australia) Limited and UBS AG, Australia Branch will receive fees for acting as the Joint Lead Managers for the Offer, as described in Sections 8.11 and 12.5.6.

Macquarie Equities Limited, Ord Minnett Limited and UBS Wealth Management Australia Limited are acting as a Co-Managers and will receive from the Joint Lead Managers 1.5% of the amount allocated to them under the Broker Firm Offer.

Any fees will only be payable to Co-Managers on the portion of their firm allocation that is subscribed for by Retail Investors and Sophisticated Investors who are resident in Australia or New Zealand.

12.11 Reporting and disclosure

On Listing, the Stapled Securities will be quoted 'ED' ("**Enhanced Disclosure**") securities and the Company and the Trust will be disclosing entities for the purposes of the Corporations Act. As such, Gateway Lifestyle will be subject to regular reporting and disclosure obligations under the Corporations Act and after admission to the Official List, the Listing Rules. These obligations require Gateway Lifestyle to notify ASX of certain information and specific events as they arise, for the purposes of ASX making that information available to the financial market operated by ASX. In particular, Gateway Lifestyle has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning Gateway Lifestyle that a reasonable person would expect to have a material effect on the price or value of Stapled Securities. Gateway Lifestyle will also be required to prepare and lodge with ASX and ASIC both yearly and half yearly financial statements accompanied by a directors' declaration and report, and an audit or review report. Copies of these documents will be available on the ASX website (www.asx.com.au) or on Gateway Lifestyle's website (www.gatewaylifestyle.com.au).

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Gateway Lifestyle will also provide Stapled Securityholders with half-yearly distribution statements and annual taxation statements as required by law.

12.12 Ethical considerations

Gateway Lifestyle does not take into account labour standards or environmental, social or ethical considerations when making or realising an investment. However, these considerations may be taken into account if they materially affect the value of the investment, but no specific methodology is applied. Environmental factors are addressed as part of normal property due diligence.

12.13 Complaints handling

OMIFL has procedures in place to properly consider and deal with any complaints received in accordance with clause 18 of the Constitution of the Trust. OMIFL will acknowledge a complaint, investigate it and decide what action needs to be taken. OMIFL will notify a complainant of its decision together with any remedies that are available under the Constitution of the Trust or other avenues of redress or appeal.

If you have a complaint in relation to the Trust, please contact the Compliance Officer at Level 11, 20 Hunter Street, Sydney, New South Wales 2000. OMIFL will ensure that the complaint receives proper consideration and will communicate with the complainant as soon as possible (and in any event, within 45 days after receipt of the complaint).

If your complaint is not resolved within 45 days, you may have the right to complain to the Financial Ombudsman Service at GPO Box 3, Melbourne, Victoria 3001 or by calling 1300 780 808. ASIC also has an infoline (1300 300 630), which you can call to obtain further information about your rights.

If you are seeking investment advice you should contact your financial adviser.

12.14 Expenses of Listing

The total expenses of the Offer and the Listing will be approximately $54 million (including any non-recoverable GST). The expenses include equity capital raising costs, stamp duty, borrowing costs, advisory, legal, accounting, Listing and other administrative fees, as well as printing, advertising and other miscellaneous expenses. All expenses in connection with the Offer Document and Listing are payable by Gateway Lifestyle.

12.15 Directors' consent to issue

Each director of the Company, SaleCo and OMIFL as at the date of this Offer Document has consented to the lodgement of this Offer Document with ASIC.

12.16 Litigation and claims

As at the date of this Offer Document, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Gateway Lifestyle is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of Gateway Lifestyle.

12.17 Application Form

Returning a completed Application Form will be taken to constitute a representation by the Applicant that they:

- are an Australian resident;
- have received a printed or electronic copy of the Offer Document (and any supplementary or replacement document) accompanying the Application Form and have read them all in full;
- agree that their Application is completed and lodged in accordance with this Offer Document and subject to the declarations and statements on the Application Form;
- declare that all details and statements in the Application form are complete and accurate;
- acknowledge that once the Application Form is returned it may not be withdrawn;
- agree to being issued the number of Stapled Securities they apply for (or a lower number issued in accordance with this Offer Document);
- if natural persons, are at least 18 years old and do not suffer from any legal disability preventing them from applying for Stapled Securities; and
- authorise Gateway Lifestyle and the Joint Lead Managers and their officers and agents, to do anything on their behalf necessary for Stapled Securities to be issued to them, including to act on instructions received by the Registry using their contact details in the Application Form.

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12. Additional Information and Material Agreements (continued)

12.18 International Offer restrictions

No action has been taken to register or qualify this Offer Document, the Securities or the Offer or otherwise to permit an offering of the Securities in any jurisdiction outside of Australia.

This document does not constitute an offer of Securities in any jurisdiction in which or to any person whom, it would be unlawful. Stapled Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

- The Stapled Securities may be offered in New Zealand in accordance with the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

Hong Kong

WARNING: This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "CO"), or authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"). No action has been taken in Hong Kong to authorise the issue of or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with it as a prospectus under the CO. Accordingly, the Stapled Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and rules made under the SFO).

No advertisement, invitation or other document relating to the Stapled Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Stapled Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and rules made under the SFO.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

Singapore

This Offer Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). Accordingly, this Offer Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Stapled Securities to be issued from time to time by Gateway Lifestyle and SaleCo pursuant to the Offer may not be circulated or distributed, nor may the Stapled Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in the SFA), (b) to a relevant person (as defined in the SFA), or any person pursuant to an offer referred to in the SFA, and in accordance with the applicable conditions specified in the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Stapled Securities are acquired by persons who are relevant persons specified in the SFA, namely:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Stapled Securities pursuant to an offer made under the SFA except:

- to an institutional investor or to a relevant person as defined in Section 275(2) and Section 282Z(3) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275(1A) and Section 282Z(2) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) and Section 282ZA(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore and Regulation 22 of the Securities and Futures (Offers of Investments)(Business Trusts)(No. 2) Regulations 2005 of Singapore.

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Switzerland

The Stapled Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Offer Document has been prepared without regard to the disclosure standards for issuance prospectuses under art.652a of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art.27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offer Document nor any other offering or marketing material relating to the Stapled Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offer Document nor any other offering or marketing material relating to the Stapled Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offer Document will not be filed with, and the offer of Stapled Securities will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and the offer of Stapled Securities has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Stapled Securities. Further, the distribution of the Stapled Securities in Switzerland will be exclusively made to, and directed at, regulated qualified investors (the "**Regulated Qualified Investors**"), as defined in Article 10(3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended. Accordingly, the Unit Trusts have not been and will not be registered with FINMA and no Swiss representative or paying agent have been or will be appointed in Switzerland. This Offer Document and/or any other offering or marketing materials relating to the Stapled Securities may be made available in Switzerland solely to Regulated Qualified Investors.

This Offer Document is personal to the recipient only and not for general circulation in Switzerland.

UAE

This Offer Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

By receiving this Offer Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offer Document has not been approved by or filed with the Central Bank of the United Arab Emirates ("UAE"), the UAE Securities and Commodities Authority ("SCA") or any other authorities in the UAE, nor has Gateway Lifestyle received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and nothing in connection with the offer of the Stapled Securities, including the receipt of applications and/or the allotment of securities in Gateway Lifestyle, has been or will be rendered within the UAE by Gateway Lifestyle. It should not be assumed that Gateway Lifestyle is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Stapled Securities may not be offered or sold directly or indirectly to the public in the UAE. This does not, and is not intended to, constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

Nothing contained in this Offer Document is intended to constitute UAE investment, legal, tax, accounting or other professional advice. Prospective investors should consult with an appropriate professional for specific advice rendered on the basis of their situation.

12.19 ASX Waivers and confirmations

The Company and OMIFL (in its capacity as responsible entity of the Trust) have applied for waivers from, and confirmations of, a number of Listing Rules:

- confirmation that the structure of Gateway Lifestyle is appropriate for a listed entity for the purposes of Listing Rule 1.1;
- confirmation that the reviewed financial statements provided in this Offer Document are sufficient for the purposes of Listing Rule 1.3.5(c);
- confirmation that no additional financial information other than as provided in this Offer Document is required under Listing Rule 1.17;
- confirmation that the Constitutions are consistent with the Listing Rules for the purposes of Listing Rule 1.1 (condition 2);
- customary stapling relief in relation to Listing Rules 1.1 (condition 7 and condition 8), 2.1 (condition 2), 6.24 and clause 1 of Appendix 6A, 8.10 and 10.1 to ensure that Gateway Lifestyle satisfies the requisite value thresholds even though the component parcels of each of the Company and the Trust may not individually do so;
- confirmation under Listing Rule 2.1 (condition 1) that the terms of the Stapled Securities are acceptable;
- confirmation that disclosure by one entity on behalf of Gateway Lifestyle satisfies the obligation for each entity on a matter for the purposes of Listing Rule 3.1;
- confirmation that the Stapled Securities are "equity securities" for the purpose of Listing Rule 19.12;
- confirmation under Listing Rule 7.40 that the proposed timetable is acceptable to ASX; and
- confirmation that the Stapled Securities may begin trading on a deferred settlement basis.

12. Additional Information and Material Agreements (continued)

12.20 ASIC relief

The Company, OMIFL (in its capacity as responsible entity of the Trust) and SaleCo (as applicable) have applied for relief from, and modification to, certain provisions of the Corporations Act:

- an exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit Gateway Lifestyle to provide Existing Investors and employees with certain information relating to the Offer;
- customary stapling relief modifying Parts 5C.2 and 5C.7 of the Corporations Act to allow Gateway Lifestyle to be treated as a single stapled economic entity;
- modification of sections 708(13) and 1012D(3) of the Corporations Act to allow the Company and OMIFL, without having to prepare a prospectus and product disclosure statement, respectively to pool dividends (in respect of Shares) and distributions (in respect of Units) under a dividend and distribution reinvestment;
- relief from section 1017E of the Corporations Act so that a single bank account may be used to deposit Application Monies received in relation to future issues of Stapled Securities plan so that those monies may be applied by members towards the acquisition of additional Stapled Securities;
- exemption from section 606(1) of the Corporations Act to allow SaleCo to perform its obligations under the Proposed Transaction; and
- modification of section 1020B(2) of the Corporations Act to allow Stapled Securityholders to sell the Stapled Securities on a conditional market.

12.21 Governing law

This Offer Document and the contracts which arise from the acceptance of the Applications and bids under this Offer Document are governed by the law applicable in New South Wales and each Applicant and bidder under this Offer Document submits to the non-exclusive jurisdiction of the courts of New South Wales.

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Thirteen

Glossary

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GATEWAY LIFESTYLE
RESIDENTIAL PARKS

13. Glossary

Term	Meaning
1H15	Half year ended 31 December 2014.
2H15	Half year ending 30 June 2015.
2H16	Half year ending 30 June 2016.
$ or Australian dollar	The lawful currency of the Commonwealth of Australia.
AASB	Australian Accounting Standards Board.
ABS	Australian Bureau of Statistics.
AFSL	Australian financial services licence.
Age Pension	Income support and range of concessions provided by the Commonwealth Government for eligible Senior Australians.
Applicant	A person who submits a valid Application Form pursuant to this Offer Document.
Application	An application for Stapled Securities pursuant to this Offer Document.
Application Form	The form of Application for Stapled Securities attached to or accompanying this Offer Document.
Application Monies	Monies received from Applicants in respect of their Application(s).
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
ASIC Act	*Australian Securities and Investments Commission Act 2001* (Cth).
ASX	ASX Limited ABN 98 008 624 691, or the financial market operated by it, as the context requires.
ASX Corporate Governance Principles	Revised in 2014, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition).
ASX Corporate Governance Recommendations	The recommendations set out in the ASX Corporate Governance Principles.
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Limited ABN 49 008 504 532, and to the extent they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited ABN 48 001 314 503.
ATO	Australian Tax Office.
Board	The board of directors of the Company or the Responsible Entity, as applicable and Boards means both of them acting jointly as the board of Gateway Lifestyle.
Broker	A broker appointed by the Joint Lead Managers to act as a participating broker to the Offer.
Broker Firm Offer	The Offer of Stapled Securities under this Offer Document to eligible Retail Investors and Sophisticated Investors who have received a firm allocation from their Broker.
Business Day	A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.
CBD	Central business district.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CHESS	Clearing House Electronic Subregister System operated in accordance with the Corporations Act.

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Term	Meaning
Commonwealth Government	The Commonwealth Government of Australia.
Co-Managers	Macquarie Equities Limited, Ord Minnett Limited and UBS Wealth Management Australia Limited.
Company	Gateway Lifestyle Operations Limited ACN 605 543 968.
Completion	The completion of the issue and sale of Stapled Securities pursuant to the Offer under the Underwriting Agreement.
Constitution	The constitution of the Company and/or the Trust (as the context requires).
COO	Chief Operating Officer.
Corporations Act	*Corporations Act 2001* (Cth).
CPI	Consumer Price Index.
DA	Development application.
Debt Facilities	Debt facilities described in Section 12.5.7.
Director	A member of the board of directors of Gateway Lifestyle, the Company, OMIFL or SaleCo from time to time.
Distributable Earnings	Proxy for cash available for Distribution, being NPAT adjusted for non-cash items and one-off non-recurring items.
Distribution	The amount payable to Stapled Securityholders by Gateway Lifestyle at the discretion of the Directors in accordance with the Constitution.
Distribution Yield	The rate of return derived by dividing the Distribution per Stapled Security by the Offer Price.
DMF	Deferred management fee.
EBIT	Earnings before interest and taxation.
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
Eligible Employee	Means those permanent full-time and part-time employees of Gateway Lifestyle who are determined, at the discretion of the Executive Directors, to participate in the Employee Gift Offer and who are resident in Australia but do not include a Director or a member of Gateway Lifestyle's senior management team as set out in Section 7.2.
Employee Gift Offer	The offer of Stapled Securities to Eligible Employees as described in Section 8.8.
Enterprise Value	Calculated as Gateway Lifestyle's market capitalisation, based on the Offer Price, plus pro forma net debt as at 31 December 2014 on Completion of the Offer.
Ernst & Young or EY	Ernst & Young Transaction Advisory Services Limited or Ernst & Young, as appropriate.
Escrowed Securityholders	The escrowed securityholders described in Section 12.7.
Escrowed Stapled Securities	The Stapled Securities held by Escrowed Securityholders.
Existing Investor	An investor in the Company or one or more of the Participating Trusts or an investor in Tasman or Gateway Management, as the context requires.
Financial Information	The Pro Forma Historical Financial Information and the Forecast Financial Information.

13. Glossary (continued)

Term	Meaning
Forecast Financial Information	The Pro Forma Forecast Financial Information and the Statutory Forecast Financial Information.
Forecast Period	The forecast period from 1 July 2014 to 30 June 2016, as described in Section 5.2.3.
FY13	Financial year ended 30 June 2013.
FY14	Financial year ended 30 June 2014.
FY15	Financial year ended 30 June 2015.
FY16	Financial year ended 30 June 2016.
FY17	Financial year ended 30 June 2017.
FY18	Financial year ended 30 June 2018.
Gateway Financial Services	Gateway Lifestyle Financial Services Limited ACN 603 342 043, or another entity within Gateway Lifestyle, which is to obtain an AFSL and be authorised to act as responsible entity of the Trust.
Gateway Lifestyle	Prior to Completion, Gateway Management, otherwise, the stapled entity, consisting of the Company and the Trust which will be listed on the ASX under 'Gateway Lifestyle Group' and the code 'GTY'.
Gateway Lifestyle Offer Information Line	1300 366 176 (toll free within Australia) or +61 1300 366 176 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.
Gateway Management	Gateway Lifestyle Residential Parks Pty Ltd ACN 140 262 719.
Gearing	Gearing defined as net debt divided by total tangible assets less cash.
GDP	Gross domestic product.
Group	The Gateway Lifestyle group, following Completion.
GST	Goods and Services Tax.
IFRS	International Financial Reporting Standards.
Implementation Pack	The implementation pack described at Section 12.5.1 between the Existing Investors in respect of the Proposed Transaction.
IPO	1. the initial public offering of Stapled Securities; 2. admission of the Company and the Trust to the Official List of the ASX; and 3. quotation of the Stapled Securities for trading on the ASX.
Institutional Investor	A person who is: – a person in Australia who is both (i) either a sophisticated investor or professional investor under Sections 708(8) and 708(11) of the Corporations Act, respectively and (ii) a wholesale client with the meaning of Section 761G of the Corporations Act; or – an investor in certain other jurisdictions, as agreed between Gateway Lifestyle and the Joint Lead Managers, to whom offers of Stapled Securities may lawfully be made without the need for a lodged or registered prospectus and product disclosure statement or other form of disclosure document or filing, registration or qualification with, or approval by, any governmental agency (except one with which Gateway Lifestyle is willing, in its absolute discretion, to comply).
Institutional Offer	The offer of Stapled Securities to Institutional Investors as described in Section 8.10.
Investigating Accountant	Ernst & Young Transaction Advisory Services Limited.

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Term	Meaning
Issue Date	The date on which this Offer Document was lodged with ASIC.
Issuer	The Company, Responsible Entity and SaleCo.
Joint Lead Managers	Macquarie Capital (Australia) Limited and UBS AG, Australia Branch.
Listing	The expected admission of Gateway Lifestyle to the Official List.
Listing Rules	The listing rules of ASX.
Lodgement Date	The date on which a copy of this Offer Document was lodged with ASIC.
MHE	Manufactured home estate.
MHE Operator	The MHE operator or land owner.
NPAT	Net profit after tax.
Offer	Comprises the Broker Firm Offer, Institutional Offer, Employment Gift Offer, and Priority Offer.
Offer Document	This replacement prospectus and product disclosure statement dated 28 May 2015, which replaces the Original Offer Document.
Offer Period	Expected to be 29 May 2015 to 5 June 2015.
Offer Price	The price payable for a Stapled Security under the Offer, being $2.00.
Official List	The official list of entities that ASX has admitted to and not removed from listing.
OMIFL	One Managed Investment Funds Limited ABN 47 117 400 987 in its capacity as responsible entity of the Trust.
Original Offer Document	The prospectus and product disclosure statement dated and lodged with ASIC on 21 May 2015.
Participating Trusts	The trust syndicates associated with Alceon, Harvest, Quattro and PortNordica, which together own 25 of the MHEs comprising part of Gateway Lifestyle's Portfolio.
Portfolio	Gateway Lifestyle's portfolio of MHEs, which on Completion, will consist of 36 MHEs.
Portfolio Acquisitions	The acquisition of 36 MHEs by Gateway Lifestyle on Completion.
Priority Offer	The offer of Stapled Securities described in Section 8.9.
Pro Forma Balance Sheet	Pro forma consolidated balance sheet as at 31 December 2014.
Pro Forma Forecast Financial Information	Pro Forma Forecast Results and Pro Forma Forecast Cash Flows.
Pro Forma Forecast Cash Flows	Pro forma forecast consolidated cash flows for FY15 and 2H15.
Pro Forma Historical Cash Flows	Pro forma historical consolidated cash flows for FY12, FY13 and FY14 and 1H15.
Pro Forma Historical Results	Pro forma historical consolidated income statements for FY12, FY13 and FY14 and 1H15.
Pro Forma Historical Financial Information	Pro Forma Historical Results, Pro Forma Historical Cash Flows and Pro Forma Balance Sheet.
Proposed Transaction	Means the transaction described in Section 12.4.
Registry	Link Market Services Limited ABN 54 283 214 537.
Rent Assistance	Financial help to people who pay rent and receive a payment from Centrelink.

13. Glossary (continued)

Term	Meaning
Retail Investor	A person who is a resident of Australia or New Zealand and is not otherwise treated as an Institutional Investor.
Sale Facility	The facility through which SaleCo sells Existing Investors' Stapled Securities as part of the Offer.
SaleCo	Gateway SaleCo Limited ACN 604 817 343.
Selling MHE	MHEs within Gateway Lifestyle's Portfolio that have been or will have manufactured home sales in a particular period.
Senior Australian	An Australian who is aged over 55 years.
Settlement	The settlement in respect of the Stapled Securities the subject of the Offer occurring under the Underwriting Agreement and associated settlement support arrangements.
Shares	Shares in the Company.
Sophisticated Investor	Private clients of a Broker who are "sophisticated investors" or "professional investors" within the meaning of section 708 of the Corporations Act and "wholesale clients" under section 761G of the Corporations Act.
Stapled Securities	A stapled security consisting of a Share and a Unit.
Stapled Securityholder	Holder of Stapled Securities
Statutory Forecast Financial Information	Statutory Forecast Result and Statutory Forecast Cash Flows.
Statutory Forecast Cash Flow	Forecast consolidated cash flow statement for FY16.
Statutory Forecast Results	Forecast consolidated income statement for FY16.
Tasman	Tasman Lifestyle Continuum Limited ACN168 777 491 and Tasman Lifestyle Continuum Trust.
Tasman Portfolio	The portfolio of 11 MHEs, which before Completion were owned and managed by Tasman.
TFN	Tax File Number.
Transaction Costs	Costs associated with the Offer and Proposed Transaction including underwriting fees, advisers' fees, legal fees, listing fees, printing and other expenses associated with the Offer, as described in Section 5.7.2.
Trust	Residential Parks No.2 Trust.
Trustees	The Trustees of numerous trust syndicates associated with the Existing Investors.
Underwriting Agreement	The agreement between Joint Lead Managers and Gateway Lifestyle pursuant to which Gateway Lifestyle has agreed to undertake, and the Joint Lead Managers have agreed to underwrite, the Offer summarised in Section 12.5.6.
Unit	An ordinary fully paid unit in Residential Parks No. 2 Trust.
US Securities Act	U.S. Securities Act of 1933, as amended.

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Appendix

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RESIDENTIAL PARKS

Appendix

Appendix 1 – Significant Accounting Policies

Consolidation and group accounting

The listed vehicle will comprise a head trust and a head operating company, whose securities will be stapled and traded as one security on the Australian Securities Exchange ("**ASX**"). Applicable accounting standards require one of the entities to be deemed the 'acquirer' for accounting purposes and consolidate the net assets of the other, resulting in a consolidated group with a non-controlling interest of 100% in the entity being acquired.

The Financial Information is an aggregation of the various entities that will be combined as part of the stapling. In preparing the Financial Information, all intra-group transactions and balances, including unrealised profits arising from intra Group transactions, have been eliminated in full.

Business combinations and goodwill

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill is carried at cost less accumulated impairment losses.

Impairment of non-financial assets

Goodwill that has an indefinite useful life is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

At each reporting date, and whenever events or changes in circumstances occur, the Group assess whether there is any indication that any other asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows for other assets or groups of assets (cash generating units). Assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

Revenue recognition

Manufactured home sales and rental agreement income are treated as two separately identifiable arrangements rather than a combined transaction.

Revenue from the sale of manufactured homes is recognised on final settlement when both construction is complete, legal title to the property has been transferred and the resident has right of access to the manufactured home and other risks and rewards related to ownership. Construction costs and other items of expenditure attributable to work in progress are classified as inventory until disposal. The customised manufactured homes are built by third party suppliers and installed on the chosen site, and Gateway Lifestyle earns a margin on each sale, being the difference between the cost of the manufactured home and the sale price to the resident.

The relationship between MHE operator and resident is governed by a site agreement, which sets out the respective parties' rights and obligations. Residents are charged rent under the site agreement on a weekly basis that varies depending on the size and location of the manufactured home site. Revenue from rental income is recognised on a straight line basis over the applicable rental term.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales related taxes. Revenue is measured net of cash discounts, settlement discounts and rebates given to customers.

Investment property

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

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Investment property is originally stated at cost, which includes purchase price and any directly attributable expenditure such as property transfer duty, professional fees and other transaction costs. AASB 140 Investment Property allows a choice between the cost and fair value models for subsequent recognition.

In the Pro Forma Historical Results period investment property has been subsequently measured under the cost model, involving the systematic depreciation of assets over a period of 5-40% reducing balance and recognition of impairment where appropriate.

Following the Offer, Gateway Lifestyle has elected that investment properties be measured under the fair value model, which reflects market conditions at the reporting date, and revalued on an annual basis. Gains or losses arising from changes in the fair values of investment properties will be recognised in the Income Statement in the period in which they arise.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Fair values for investment properties will be determined based on an annual evaluation performed by an accredited, external independent valuer applying a capitalised income discounted cash flow (DCF) model or market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

Inventory

Inventory (work-in-progress) includes property under construction or re-development for sale in the ordinary course of business, measured at the lower of cost and net realisable value (NRV).

Cost primarily includes amounts paid to contractors for construction, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated based on a useful life that largely mirrors the capital allowances granted for taxation purposes. Subsequent to Listing, useful lives will be re-assessed and assets will be classified into the following categories, each of which will have a distinct useful life:

- Plant, machinery and equipment (6.67% to 50% reducing balance)
- Motor vehicles (16.67% - 25% reducing balance)
- Computer Equipment (50% reducing balance)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Borrowing costs

Arrangement and establishment fees related to external financing are capitalised into the cost of the associated loan and amortised over the period to which they relate, i.e. to the next expected refinancing date. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Interest payable is typically settled quarterly throughout the financial year.

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Appendix 1 – Significant Accounting Policies (continued)

Income tax

Under current income tax legislation the Trust is not liable to pay tax provided its taxable income and taxable realised capital gains are distributed to unitholders. The liability for capital gains tax that may arise if the properties were sold is not accounted for in this report.

The income tax expense for the respective forecast period is the estimated tax payable on the relevant period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Appendix 2 – Existing and proposed capital structure of Gateway Lifestyle

The table below shows the existing and proposed capital structure of Gateway Lifestyle.

	Number and class of security currently on issue	Number of securities to be sold through SaleCo by Completion of the Proposed Transaction	Number of securities to be retained by Existing Investors and shareholders of Gateway Management at Completion of the Proposed Transaction	Number of new securities to be issued following admission in accordance with material contracts or agreements
Shares in the Company	1 ordinary share held by One Managed Investment Funds Limited as responsible entity for the Residential Parks No.2 Trust	74.9 million	58.8 million	115.8 million
Units in the Trust	21.5 million ordinary (Class A) units held by 74 Existing Investors. 1 Class B unit held by Alceon GT Pty Ltd ATF Alceon Group Trust	74.9 million	58.8 million	115.8 million

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Appendix 3 – Corporate structure – list of subsidiaries and sub-trusts

The following table sets out each subsidiary of the Company and each sub-trust of the Trust, and in each case, the nature of its business. Following Completion of the Offer, each subsidiary of the Company or sub-trust is 100% owned by the Company or Trust (whether directly or indirectly through one of its wholly owned subsidiaries or sub-trusts) (as set out in Figure 18).

Company / trust name	Nature of business
Acacia Ponds Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Acacia Ponds Village Operations Pty Limited	Operates a Gateway Lifestyle MHE
Alceon Group Pty Ltd	Trustee of a sub-trust
Alceon Group No. 1 Pty. Limited	Trustee of a sub-trust
Alceon Group No. 2 Pty. Limited	Trustee of a sub-trust
Alceon Group No. 3 Pty. Limited	Trustee of a sub-trust
Alceon Group No. 5 Pty. Limited	Trustee of a sub-trust
Alceon Group No. 6 Pty. Limited	Trustee of a sub-trust
Alceon Group No. 10 Pty Limited	Trustee of a sub-trust
Alceon Group No. 11 Pty Limited	Trustee of a sub-trust
Alceon Group No. 12 Pty Limited	Trustee of a sub-trust
Alceon Group No. 22 Pty Limited	Trustee of a sub-trust
Alceon Group No. 26 Pty Limited	Trustee of a sub-trust
Alceon Group No. 29 Pty Limited	Trustee of a sub-trust
Alceon Group No. 31 Pty Limited	Trustee of a sub-trust
Aspley Operations Pty Limited	Operates a Gateway Lifestyle MHE
Aspley Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Bass Hill Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Beerburrum Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Beerburrum Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Benalla Gateway Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Benalla Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Bremer Waters Over 55's Lifestyle Resort Holdings Pty Limited	Trustee of a sub-trust
Bremer Waters Resort Management Pty Limited	Management company of a Tasman Lifestyle MHE is operated
Bremer Waters Over 55's Lifestyle Resort Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
Chinderah Lakes Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Chinderah Lakes Park Pty Ltd	Trustee of a sub-trust
Edgewater Village Operations Pty Limited	Operates a Gateway Lifestyle MHE
Edgewater Village Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Gateway Lifestyle Employment Services Pty Ltd	Operating company

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Appendix 3 – Corporate structure – list of subsidiaries and sub-trusts (continued)

Company / trust name	Nature of business
Gateway Lifestyle Financial Services Pty Ltd	Proposed internal responsible entity
Gateway Lifestyle Investments Holdings Pty Limited	Operates a Gateway Lifestyle MHE
Gateway Lifestyle Investments Pty Limited	Operates a Gateway Lifestyle MHE
Gateway Lifestyle Residential Parks Pty Ltd	Operating company
Gateway Lifestyle Residential Parks Realty Pty Ltd	Operating company
Gateway Lifestyle Residential Parks Solutions Pty Ltd	100% owner of a number of operating companies and sub-trustees
Gateway Lifestyle Villages Goodna Trust	Holds property upon which a Gateway Lifestyle MHE is operated
The Gateway Lifestyle Villages Redland Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Goodna Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Grafton Gateway Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Grafton Gateway Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Gumtrees Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Gumtrees Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Hammond Village Operations Pty Limited	Operates a Gateway Lifestyle MHE
Hammond Village Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Harvest Investment No. 4 Pty Ltd	Trustee of a sub-trust
Harvest LSWM Bass Hill Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Harvest LSWM Investment No. 1 Pty Ltd	Trustee of a sub-trust
Harvest Property Pty Ltd	Trustee of sub-trusts
Lakeland Park Village Holdings Pty Limited (formerly known as Buoncompagni Jufrserose Holdings Pty Ltd)	Trustee of a sub-trust
Lakeland Park Village Pty Limited	Management company of a Tasman Lifestyle MHE
Lakeland Park Village Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
Lorikeet Resort Holdings Pty Limited	Trustee of a sub-trust
Lorikeet Resort Pty Limitedtd	Management company of a Tasman Lifestyle MHE
Lorikeet Resort Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
Maroochy Palms Holdings Pty Ltd	Dormant company
Maroochy Palms Operations Pty Limited	Operates a Gateway Lifestyle MHE
Maroochy Palms Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Maroochy River Holdings Pty Limited	Dormant company
Maroochydore Park Holdings Pty Limited	Dormant company
Nepean Operations Pty Limited	Operates a Gateway Lifestyle MHE
Nepean Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Nestle Inn Brisbane Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Oaklands Ops Pty Limited	Operates a Gateway Lifestyle MHE

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Company / trust name	Nature of business
Oaklands Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Ocean Breeze Village Holdings Pty Limited	Trustee of a sub-trust
Ocean Breeze Village Management Pty Limited	Development Company
Ocean Breeze Village Pty Limited	Management company of a Tasman Lifestyle MHE
Ocean Breeze Village Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
Parklea Operations Pty. Limited	Operates a Gateway Lifestyle MHE
Parklea Trust	Holds property upon which a Gateway Lifestyle MHE is operated
PortNordica Limited	Trustee of sub-trusts
Quattro Parks NSW Pty Ltd	Trustee of a sub-trust
Quattro Parks NSW Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Quattro Parks Operations NSW Pty Ltd	Trustee of an (operating) sub-trust
Quattro Parks Operations NSW Trust	Operates a Gateway Lifestyle MHE
Quattro Parks Operations Trust	Owner of trusts which operate Gateway Lifestyle MHEs
Quattro Parks Operations VIC Pty Ltd	Trustee of an (operating) sub-trust
Quattro Parks Operations VIC Trust	Operates a Gateway Lifestyle MHE
Quattro Parks Trust	Owner of trusts which own property upon which a Gateway Lifestyle MHEs are operated
Quattro Parks VIC Pty Ltd	Trustee of a sub-trust
Quattro Parks VIC Trust	Holds property upon which a Gateway Lifestyle MHE is operated
R & R Retirement Holdings Pty. Ltd.	Dormant company
Redbark Palms Resort Holdings Pty Limited	Trustee of a sub-trust
Redbark Palms Resort Pty Limited	Management company of a Tasmin Lifestyle MHE
Redbank Palms Resort Trust	Holds the land which a Tasmin Lifestyle MHE is operated
Redland Park Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Regal Waters Holdings Pty Limited	Dormant company
Regal Waters Retirement Community Pty. Ltd.	Dormant company
Regal Waters Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Residential Parks Operations Pty. Limited	100% holder of companies which operate Gateway Lifestyle MHEs
Residential Parks Operations 2 Pty. Limited	100% holder of companies which operate Gateway Lifestyle MHEs
Residential Parks Trust	100% holder of sub-trusts
Residential Parks Trust 2	100% holder of sub-trusts
Riverside Village Holdings Pty Limited	Trustee of a sub-trust
Riverside Village Management Pty Limited	Management company of a Tasmin Lifestyle MHE
Riverside Village Trust	Holds the land upon which a Tasmin Lifestyle MHE is operated
Salamander Bay Operations Pty Limited	Operates a Gateway Lifestyle MHE
Salamander Bay Trust	Holds property upon which a Gateway Lifestyle MHE is operated

Appendix 3 – Corporate structure – list of subsidiaries and sub-trusts (continued)

Company / trust name	Nature of business
Sea Winds Village Holdings Pty Limited	Trustee of a sub-trust
Sea Winds Village Management Pty Limited	Management company of a Tasmin Lifestyle MHE
Sea Winds Village Pty. Limited	Will become a Dormant subsidiary under the proposed transaction transferring the land to Sea Winds Village Trust
Sea Winds Village Trust	Sub-trust which under the proposed transaction will acquire the land in Sea Winds Village Pty Limited
Seed Unit Trust No. 4	Holds property upon which a Gateway Lifestyle MHE is operated
Taskers Residential Village Holdings Pty Limited	Trustee of a sub-trust
Taskers Residential Village Management Pty Limited	Management company of a Tasman Lifestyle MHE
Taskers Residential Village Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
Tasman Lifestyle Continuum Limited	100% owner of a number of operating companies and sub-trustees
Tasman Lifestyle Continuum Trust	100% holder of sub-trusts
Tasman MHE Holdings Pty Ltd	Operates a Gateway Lifestyle MHE
The Pines Lifestyle Resort Management Pty Limited	Management company of a Tasman Lifestyle MHE
The Pines Lifestyle Resort Pty Limited	Trustee of a sub-trust
The Pines Lifestyle Resort Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
The Retreat Village Holdings Pty Limited	Trustee of a sub-trust
The Retreat Village Pty Limited	Holds the assets (other than land) of a Tasman Lifestyle MHE
The Retreat Village Trust	Holds the land upon which a Tasman Lifestyle MHE is operated
Tweed C Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Tweed Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Tweed Park Trust	Holds property upon which a Gateway Lifestyle MHE is operated
Valhalla Village Holdings Pty Limited	Holds the assets (other than land) of a Tasman Lifestyle MHE
Valhalla Village Management Pty Limited	Dormant subsidiary
Valhalla Village Pty. Limited	Holds the assets (including land) of a Tasman Lifestyle MHE
Valhalla Village Trust	Sub-trust which under the proposed transaction will acquire the land in Valhalla Village Pty. Limited
Yamba Operations Pty Ltd	Operates a Gateway Lifestyle MHE
Yamba Trust	Holds property upon which a Gateway Lifestyle MHE is operated

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Corporate Directory

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Corporate Directory

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Ord Minnett Limited

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