

16 June 2022

FSREC Property Fund – Withdrawal Offer Notice

This Withdrawal Offer is made by E&P Investments Limited (ACN 152 367 649 | AFSL 410 433) ("**Responsible Entity**") in its capacity as responsible entity of each of:

- Fort Street Real Estate Capital Fund I (ARSN 163 688 346);
- Fort Street Real Estate Capital Fund II (ARSN 169 190 498); and
- Fort Street Real Estate Capital Fund III (ARSN 605 335 957),

(each, a "**Trust**" and together, the "**FSREC Property Fund**" or "**Fund**"). Each unit in each Trust is stapled to one unit in each of the other Trusts to form a "**Stapled Security**". Holders of Stapled Securities are referred to in this Notice as "**Stapled Securityholders**".

IMPORTANT

Once this Withdrawal Offer has been completed, the Responsible Entity will have made withdrawal offers between December 2021 and October 2023 (including the current Withdrawal Offer) equal to the total number of Stapled Securities on issue at 17 December 2021. This means that following completion of the withdrawal offer, the Responsible Entity will have offered sufficient liquidity opportunities so that it will not be required under the Fund constitutions to convene a meeting in October 2023 to allow a vote on winding up the Fund.

Please consider this Withdrawal Offer carefully, as it may be your final opportunity to redeem your holding.

The Responsible Entity offers Stapled Securityholders the opportunity to make a redemption request in respect of all or any number of their Stapled Securities (the "**Withdrawal Offer**") during the period commencing on 17 June 2022 and ending on the Withdrawal Offer Close Date (defined below) (the "**Offer Period**").¹ The Withdrawal Offer is made on the terms set out in this notice.

Your options:

1. Lodge a request to redeem all or part of your investment.

If you wish to redeem all or part of your investment, you should carefully read the information contained in this Withdrawal Offer Notice and complete, sign and return to Boardroom Pty Limited (the "**Registry**") the redemption request form (the "**Withdrawal Offer Acceptance Form**") together with any identification documentation required by the Registry on or before the Withdrawal Offer Close Date (defined below). The attached Withdrawal Offer Acceptance Form identifies the additional documentation that you may be asked to provide to the Registry and the circumstances in which you will be required to provide such identification documentation to the Registry.

Reasons you may want to redeem include taking advantage of the Responsible Entity's last required opportunity to offer liquidity so that it will not be required under the Fund constitutions to convene a meeting in October 2023 to allow a vote on winding up the Fund; and increasing economic uncertainty due to rising interest rates and its potential impact on Fund performance and valuations.

¹ This Withdrawal Offer comprises three separate withdrawal offers in respect of each Trust and is made in accordance with section 601KB of the Corporations Act and the constitution of each Trust. Given units in each Trusts are stapled to units in each other Trust, each withdrawal offer is being made contemporaneously and Stapled Securityholders who lodge a redemption request will be deemed to have lodged a redemption request in respect of all units that form part of the Stapled Securities to which the redemption request relates.

2. Retain your investment.

You should only make a redemption request if you want to redeem all or part of your investment in the FSREC Property Fund. **If you do not wish to redeem all or any part of your investment, no action is required.**

Reasons you may want to retain your investment include confidence in the Fund's convenience-based retail strategy to provide secure cashflows and continued risk adjusted returns relative to other asset classes and investors are comfortable with the removal of the liquidity requirement and accept that there may be reduced opportunities for liquidity in the future.

E&P Investments Limited recommends that you contact your licensed financial or other professional adviser in relation to the Withdrawal Offer.

Withdrawal Offer Close Date:	The Offer Period will conclude on 8 July 2022, unless postponed by the Responsible Entity and notified on the Fund website (the " Withdrawal Offer Close Date ").
How to make a redemption request:	<p>To lodge a valid redemption request, please complete, sign and return the attached Withdrawal Offer Acceptance Form (together with any identification documentation required by the Registry) to the Registry by the Withdrawal Offer Close Date.</p> <p>Once submitted, a Stapled Securityholder may not withdraw their redemption request unless the Responsible Entity otherwise consents (in the Responsible Entity's absolute discretion).</p>
Assets to be used to satisfy redemption requests:	<p>The Responsible Entity proposes to satisfy redemption requests with proceeds from a placement of Stapled Securities, with the subscriber being the existing majority investor in the Fund, ISPT as trustee for the ISPT Retail Australia Property Trust (FSREC Fund) ("IRAPT") (the "Proposal"). Proceeds of the Proposal will be applied to fund redemptions under the Withdrawal Offer. It is possible that some other cash holdings of the Fund may be used for redemptions.</p> <p>The placement of Stapled Securities will be issued in accordance with the Fund's Constitutions and will be determined after the Withdrawal Offer Close Date as the number of Stapled Securities to be issued is dependent on the number of valid withdrawal requests received.</p>
Available Funds:	<p>IRAPT has committed to subscribe for the same number of Stapled Securities as the total of all Withdrawal Offer acceptances. This means that there will be no scale back of redemptions on a pro-rata basis. You will receive the full number of Stapled Securities you ask to redeem. The maximum number of Stapled Securities that can be redeemed under this offer is 53,928,711, being the number of Stapled Securities currently on issue minus the Stapled Securities already held by IRAPT, and those held by Tarawa Pty Limited ("Tarawa"). The law requires that the Withdrawal Offer is made to all investors, but IRAPT and Tarawa have undertaken not to accept their share of the offer and will remain as investors.</p> <p>The fact that this Withdrawal Offer gives all investors the opportunity to fully exit the Fund means that the Responsible Entity will not be required to convene a meeting in October 2023 to allow investors to decide whether to wind up the Fund. There is no obligation on the Responsible Entity to make another Withdrawal Offer, so this may be your final opportunity to withdraw from the Fund. The Fund will have an indefinite term. If a large number of investors accept this Withdrawal Offer, those who remain in the Fund should be aware that they will together hold only a small minority of the Stapled Securities, and that IRAPT alone may have the voting power to amend the Fund constitution or change the responsible entity.</p>
Redemption Price:	<p>Each stapled security will be redeemed for \$1.78 ("Redemption Price").</p> <p>The Redemption Price for the Withdrawal Offer has been calculated in accordance with the Fund constitutions, as follows:</p>

$$\frac{97\% \times \text{Net Asset Value of the FSREC Property Fund}}{\text{Number of stapled securities on issue}}$$

In calculating the Redemption Price, the Responsible Entity has used the unaudited Net Asset Value² and the number of Stapled Securities on issue as at 31 May 2022. The following table, calculates a pro-forma 31 May 2022 NAV using the latest financial information available:

\$'m (unless stated)	31-Dec-21 (Auditor Reviewed)	31-May-22 (Unaudited)	Pro-forma adjustments	Pro-forma 31- May-22
Cash	9.0	7.8		7.8
Receivables and other	5.5	8.5		8.5
Investment properties	686.5	687.8	15.9	703.7
Total Assets	701.0	704.1	15.9	720.0
Borrowings	-250.5	-255.5		-255.5
Payables and other	-14.8	-7.4	-4.9	-12.3
Total Liabilities	-265.3	-262.9	-4.9	-267.8
Net assets	435.7	441.1	11.0	452.1
# Stapled Security	252,723,891	246,911,167	246,911,167	246,911,167
NAV per security (\$/security)	\$ 1.72	\$ 1.79	\$ 0.04	\$ 1.83
Redemption Price (\$/security)				\$ 1.78

Pro-Forma adjustment notes:

- The unaudited pro-forma Net Asset Value of \$1.83/stapled security for 31 May 2022 includes the following adjustments as if they took place as at 31 May 2022 to represent a current market valuation:
 - \$4.9m accrual for the June 2022 quarterly distribution of \$0.02 per stapled security, declared on 6 June 2022 (to be paid on or around 5 August 2022).
 - \$15.9m increase from the June 2022 property revaluations, announced on 6 June 2022.
- Figures have been rounded to the nearest \$100,000. Totals may not sum due to rounding.
- The unaudited summary statement of Financial Position shown above have been prepared applying the accounting policies set out in the Fund's 31 December 2021 half-year financial report, which are consistent with Australian Accounting Standards.

Acceptance of redemption requests:	To be eligible for acceptance, the attached Withdrawal Offer Acceptance Form must be completed, signed and returned to the Registry by the Withdrawal Offer Close Date. Withdrawal Offer Acceptance Forms received by the Registry after the Withdrawal Offer Close Date will not be accepted by the Responsible Entity (subject to the Responsible Entity deciding to extend the date).
Payment period:	It is estimated that payment will be made in the last week of July, but if this changes we will publish an update on the FSREC website. At the latest, payment will be made within 21 days of the Withdrawal Offer Close Date. Redemption proceeds will be paid electronically to the bank account currently held on file by the Registry for your distribution payments. If you have not provided or do not know if you have provided bank account details, please contact the Registry immediately.
Tax Implications	All stapled securityholders should consider their individual tax circumstances before participating in the Withdrawal Offer. Capital gains tax may be payable.
Brokerage	Stapled securityholders will not incur any brokerage fees as a result of participating in the Withdrawal Offer.
Other	

² The "Net Asset Value" of the FSREC Property Fund will be calculated as the sum "net asset value" of each Fund (as such term is defined in the constitutions of each Fund).

<p>Details</p>	<p>The Responsible Entity will only accept and process Withdrawal Offer Acceptance Forms which have been properly completed with clear instructions, validly signed and accompanied by any required documents. If a form is incomplete or unclear, the Responsible Entity or the Registry may contact you for clarification but neither is required to do so.</p> <p>The Responsible Entity intends to refuse to register any transfer, to a different entity, of stapled securities that are held by a Stapled Securityholder who has made a redemption request while the Withdrawal Offer remains open.</p> <p>Once submitted, a redemption request may not be withdrawn unless the Responsible Entity consents (in its absolute discretion).</p> <p>The Responsible Entity is permitted under the Corporations Act and the Fund constitutions to cancel the Withdrawal Offer in limited circumstances.</p>
<p>Any questions?</p>	<p>Stapled Securityholders should consider whether the offer is relevant to their needs, and where appropriate, seek professional advice from a licensed financial or other professional advisor.</p> <p>For questions in relation to the Withdrawal Offer Acceptance Form, please call the Unit Registry on 1300 737 760 or email FSREC@boardroomlimited.com.au</p> <p>Withdrawal Offer Acceptance Forms must be sent to the Registry via email to FSREC@boardroomlimited.com.au or by post via the included reply-paid envelope attached to this notice (if this notice was received via post). Please see the Withdrawal Offer Acceptance Form for further details.</p> <p>For questions in relation to the Withdrawal Offer, please call us on 1300 454 801 or email us at info@fsrec.com.au.</p>