

Investor Choice MediLink Property Income Syndicate - Disclosure Principles as at 31 March 2010¹

| | Principle 1: Gearing Ratio | Trilogy Satisfies the Principle |
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| 1.1 | <p>Disclose the gearing ratio for the Syndicate calculated using the following formula:</p> $\text{Gearing ratio} = \text{total interest bearing liabilities} / \text{total assets}$ <p>The liabilities and assets used to calculate the gearing ratio are based on the Syndicate's latest financial statements which in this case is 31 December 2009.</p> | <p>The following is the gearing ratio as at 31 December 2009:</p> $= .48$ |
| 1.2 | <p>What does the ratio means in practical terms and how can investors use the ratio to determine the Syndicate's level of risk.</p> | <p>The gearing ratio is also known as the 'Debt Asset Ratio'. The ratio measures the extent to which the acquisition of assets has been financed by creditors. If the ratio is less than 0.5, then the majority of a scheme's assets are financed using investor's equity. If the ratio is greater than 0.5, the majority of a scheme's assets are financed using debt. It gives an indication of the potential risks a scheme faces in terms of its level of debt.</p> |
| | Principle 2: Interest Cover | Trilogy Satisfies the Principle |
| 2.1 | <p>Disclose the Syndicate's interest cover calculated using the following formula which is based on the latest financial statements which in this case is 31 December 2009:</p> $\text{Interest cover} = \text{EBITDA}^* - \text{unrealised gains} + \text{unrealised Losses} / \text{interest expense}$ <p>*EBITDA (earnings before interest, tax, depreciation and amortization)</p> | $\text{Interest cover} = \text{EBITDA} - \text{unrealised gains} + \text{unrealised losses} / \text{interest expense}$ $= 2.33$ |

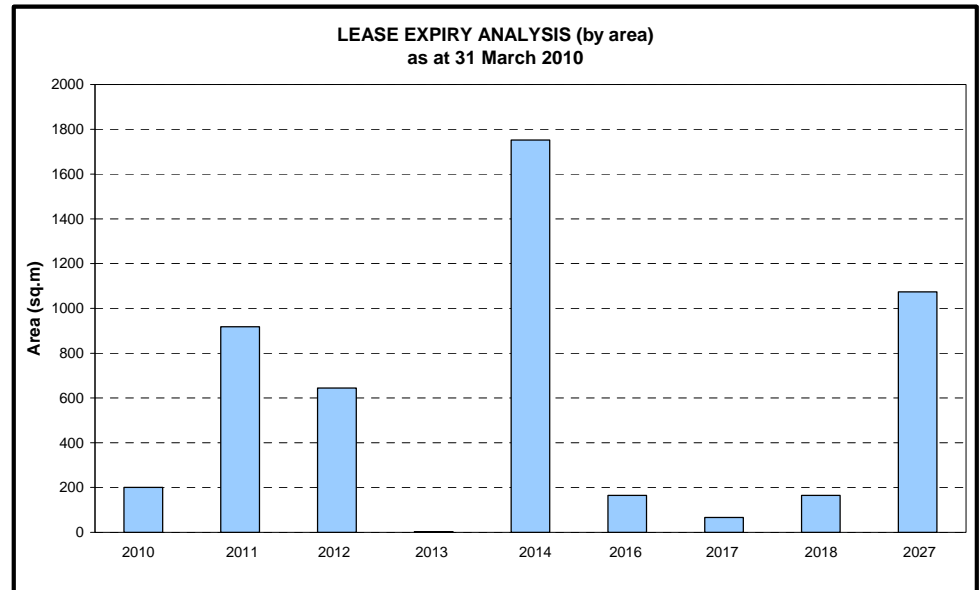
¹ Please note that all financial data is taken from the last month end management accounts being 28 February 2010 unless stated otherwise.

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| 2.2 | <p>What does interest cover mean and how can investors use the interest cover ratio to assess the Syndicate’s ability to meet its interest payments?</p> | <p>The interest cover ratio is a measurement of the number of times a scheme could make its interest payments with its earnings before interest and taxes.</p> <p>A high interest cover ratio means that a scheme is easily able to meet its interest obligations from profits. Similarly, a low value for the interest cover ratio means that a scheme is potentially in danger of not being able to meet its interest obligations.</p> <p>The Trilogy Investor Choice Medilink Property Income Syndicate distributes its net income to unit holders, thereby reducing its overall profitability. Management believes that a more appropriate measure of interest cover is by a ratio based on the net rental income derived from security properties.</p> $\frac{\text{EBITD}}{\text{Total Interest Expense}}$ <p>Where: EBITD = earnings before interest, Tax, refurbishment allowance appropriate to the security properties and depreciation. Total Interest Expense = interest expense, leasing/HP plus interest expense other.</p> <p>When using this calculation the interest cover is 2.43</p> |
| | Principle 3: Scheme Borrowing | Trilogy Satisfies the Principle |
| 3.1 | <p>Disclose:</p> <ol style="list-style-type: none"> a. for each debt that will mature in 5 years or less—the aggregate amount owing and the maturity profile in increments of 12 months; b. for debts that mature in more than 5 years—the total amount owing; | <ol style="list-style-type: none"> a. The Westpac Senior debt has a balance outstanding of \$4,994,775. The maturity date of the Senior Debt is 28/08/2011. b. There are no debts that mature in more than 5 years c. There are no undrawn amounts d. The amount owing to the Westpac Bank ranks ahead of an investor’s interest in the Syndicate. |

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| | <ul style="list-style-type: none"> c. for each credit facility—the aggregate undrawn amount and the maturity profile in increments of no more than 12 months; and d. whether amounts owing to lenders and other creditors of the Syndicate rank ahead of an investor’s interests in the Syndicate. | |
| 3.2 | Where debt and credit facilities are to mature within 12 months, disclosure the prospects of refinancing or other possible alternative actions (e.g. sales of assets). | Not applicable as the maturity of the Westpac Senior Debt is greater than 12 months. |
| 3.3 | Explain any risks associated with the debt maturity profile, including whether borrowing have been hedged and if so, to what extent. | <p>The Westpac Senior Debt is a fixed rate loan of 7.68% until June 2011.</p> <p>There are no hedging derivatives.</p> |
| 3.3 | Disclose information about breaches of loan covenants that is reasonably required by investors. | There are currently no breaches and to the best of our knowledge. We are not aware of any potential breaches of the loan covenants. |
| 3.4 | Update any information about the status of any breaches. | There are no breaches and to the best of our knowledge there are no potential breaches of the loan covenants. |
| | Principle 4: Portfolio Diversification | Trilogy Satisfies the Principle |
| 4.1 | <p>Disclose the current composition of the Syndicate’s investment portfolio, including:</p> <ul style="list-style-type: none"> a. properties by geographic location by number and value; b. non-development properties by sector (e.g. development projects, industrial, commercial, retail, residential and development projects) by number and value; c. for each significant property, the most recent | <ul style="list-style-type: none"> a. The Syndicate is a single-asset portfolio. The Syndicate has one property investment, located at 100 Angus Smith Drive, Douglas, Townsville, Qld 4814. b. The property is a mixed retail / commercial building and free standing child care centre which is adjacent to the Townsville General Hospital. c. Most recent valuation of \$10,250,000 with a capitalization rate of 9.5% was dated 30 June 2009 and was performed by independent valuers. The property will next be valued by independent valuers prior to the date of intended sale in 2010. |

- d. the portfolio lease expiry profile in yearly periods calculated on the basis of lettable area or income and where applicable, the weighted average lease expiry;
- e. the occupancy rate(s) of the property portfolio;
- f. for the top 5 tenants that each constitutes 5% or more by income across the investment portfolio, the name of the tenant and percentage of lettable area or income; and
- g. a clear description of any significant non-direct property assets of the scheme, including the value of such assets.

d. Lease expiry by area



- e. The occupancy rate is 100%.

f. Top Five Tenants by Income

| Tenancy | Lessee | % Gross Income |
|----------------|-----------------------------------|----------------|
| Suites 129/122 | Dept of Health (Qld) Breastscreen | 13% |
| Shops 1 & 6 | Making Life Easy (API)** | 11% |
| Childcare | ABC Childcare Centres | 10% |
| Suite 124 | Dept of Health (Qld) HR Dept | 9% |
| Shop 8 | Sorelle Care "Therapy Café" | 6% |

**Have vacated but bound by the terms of the leases until 31 March 2012.

Top Five Tenants by Net Lettable Area

| Tenancy | Lessee | % NLA |
|----------------|--|-------|
| Childcare | ABC Child Care Centres | 29% |
| Suites 129/122 | Dept of Health (Qld) Breastscreen | 11% |
| Suite 124 | Dept of Health (Qld) HR Dept | 10% |
| Shops 1 & 6 | Making Life Easy (API) Dept of Health (Qld) – | 7% |
| Shop 7 | GP Clinic | 5% |

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| | | g. None |
| 4.2 | Disclose the Syndicate's investment strategy on the above matters, including its strategy on investing in other unlisted property schemes. | <p>The Constitution of the Syndicate allows flexibility for Trilogy to terminate the project at any time prior to the end of the 5 year term (following due notice) and it will do so if it believes it is in the best interest of Investors. It is Trilogy's intention to make a recommendation to Investors in approximately 5 years time on the sale (or possible continued ownership) of the property and the appropriate strategies to implement the recommendation.</p> <p>The Syndicate does not intend to invest in any other unlisted property schemes.</p> |
| 4.3 | <p>In relation to any property development, disclose:</p> <ul style="list-style-type: none"> a. the project timetable with significant milestones; b. funding arrangements; c. pre-sale and lease pre-commitments where applicable; and d. development approval status (e.g. percentage of completion) | Not applicable, there is no property development. |
| | Principle 5: Valuation Policy | Trilogy Satisfies the Principle |
| 5.1 | <p>Disclose the valuation policy of direct property investments. This policy should cover, at a minimum:</p> <ul style="list-style-type: none"> a. how often are valuations obtained for direct investments in real property, including how often independent valuations are obtained; b. if independent valuations are not regularly obtained, the reason for this; and | <ul style="list-style-type: none"> a. Under the Trust's compliance plan, the property assets must be valued before acquisition and revalued every three years and before disposition, in each case by an independent valuer. b. See Item a above c. Trilogy uses 'Certified Practicing Valuers' for all valuations. The Australian Property Institute (API) administers a set of ethics and standards with which valuer members are required to comply. Such people practice as "Certified Practicing Valuers". Their valuations and code of conduct are based upon |

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| | c. whether the valuation is in accordance with relevant industry standards. | |
| 5.2 | Where a property under development is valued on an 'as if complete' basis, the 'as is' basis of the valuation should also be disclosed. The responsible entity should also disclose the risks associated with 'as if complete' valuations, including the risk that assumptions about future market conditions on which such valuations are based may prove to be inaccurate. | Not applicable, no property is under development. |
| 5.3 | Has the previously disclosed policy on valuations been followed or has there been any changes to the policy (unless clearly immaterial). | The valuations obtained for the current portfolio properties complied with the valuation policy described in Item 5.1 above. There has not been any change to the policy. |
| 5.4 | Are valuers who accept an appointment to provide valuations for an unlisted property scheme: a. where applicable, registered under one of the state or territory valuer registration regimes; and b. include a statement in their valuation reports on whether the valuation complies with all relevant industry standards. | Yes, valuers who accept an appointment: a. are where possible, registered under one of the state/territory valuer registration regimes; and b. include a statement in their valuation reports on whether the valuation complies with all relevant industry standards and codes. |
| | Principle 6: Related Party Transactions | Trilogy Satisfies the Principle |
| 6.1 | Disclose the approach to related party transactions, including: a. details of investments in and loans, guarantees and fees to any related party; b. the policy on related party transactions, including the | a. There are no loans or guarantees to any related party. Related parties are able to investment in the Trust on the same terms and conditions as any other investor. There are various regular related party transactions such as re- imbursements for management and other fees and expenses as set out in |

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| | <p>c. how the processes and arrangements are monitored to ensure their policy is followed.</p> | <p>the PDS.</p> <p>b. The related party transaction policy is contained in Trilogy ‘Outsourcing Policy Statement Version 4’ dated 1 July 2009. The following describes the process:</p> <ul style="list-style-type: none"> □ Any transaction involving a related party shall be on terms and conditions no more favourable to the related party than those which it is reasonably expected would be the case if the benefit directly or indirectly was paid to a third party dealing at arm’s-length in the same circumstances and on commercial terms. □ Before any related party transaction is entered into, the Board will satisfy itself that the fees to be paid to the related party are approximately equivalent to what would be paid to a third party at arm’s-length for the same goods or services. □ Details of all transactions involving a related party shall be placed in Trilogy’s Related Party Register. □ The Related Party Register shall be maintained by the Compliance Officer who shall have the responsibility of regularly seeking review of disclosure by Directors of their interests in accordance with the law. □ Trilogy shall ensure its Directors, Responsible Managers, Compliance Committee members and Compliance Officer are aware of their obligations under the law, the Compliance Plan and Compliance System in relation to related party duties and how to comply with these duties. □ The Compliance Officer has the responsibility for assisting all officers and employees of Trilogy and Compliance Committee |
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| | | <ul style="list-style-type: none"> □ Any actual or potential conflicts of interest are managed by Trilogy's Conflict of Interest Policy. <p>c. All related party transactions are reviewed on an annual basis by the Board. The Compliance Committee reviews authorised related party transactions and the Compliance Officer is responsible for ongoing reviews of any actual or potential conflicts of interest.</p> |
| | Principle 7: Distribution Practices | Trilogy satisfies the Principle |
| 7.1 | <p>Where a scheme has made or forecasts to make distributions to members, disclose:</p> <ul style="list-style-type: none"> a. the sources of the distributions (e.g. from realised income, capital, unrealised revaluation gains); b. the source of any forecast distributions; c. if the current or forecast distribution are not solely sourced from realised income, the reasons for making distributions from other sources; and d. if the current distribution or forecast distribution is sourced other than from realised income, whether this is sustainable over the next 12 months. | <ul style="list-style-type: none"> a. Trilogy distributes net income from the property on a monthly basis (Please note this is a targeted return only and is not guaranteed by the Trilogy.) The source of the distribution is realised income from the Syndicate and the loan facility, if required. b. See above c. The model allows for top-up income. d. There has been an increase in outgoings that may not be recoverable; consequently, the current level of distributions may not be sustainable for the next 12 months. |
| | Principle 8: Withdrawal Rights | Trilogy Satisfies the Principle |
| 8.1 | <p>Are investors given the right to withdraw from the Syndicate? If yes, answer the following questions:</p> <ul style="list-style-type: none"> a. the maximum withdrawal period allowed under the constitution for the Syndicate (this disclosure should be at least as prominent as any shorter withdrawal | <p>There is no redemption features in this Syndicate, although Investors may transfer their units if they wish.</p> |

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| | <ul style="list-style-type: none">b. any significant risk factors or limitations that may impact on the ability of investors to withdraw from the Syndicate (including risk factors that may impact on the ability of the responsible entity to meet a promoted withdrawal period);c. a clear explanation of how investors can exercise their withdrawal rights, including any conditions on exercise (e.g. specified withdrawal periods and scheme liquidity requirements); andd. If withdrawals from the Syndicate are to be funded from an external liquidity facility, the material terms of this facility including any rights the provider has to suspend or cancel the facility. | |
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