

QUANTUM

DEBT AND REAL ESTATE OPPORTUNITIES



QUANTUM

The Offer

Investments	Average investment of between A\$3 to A\$20m per project.
Target IRR	between 15-25% Gross
Objective	To invest in real estate opportunities that will yield superior, risk adjusted returns on development opportunities created by market volatility, liquidity constraints and credit tightening stemming from the global financial crisis.
Term	between 18 to 60 months

Investment Opportunity

- Take advantage of the current and future supply-demand imbalance in the Australian residential market. The National Housing Supply Council of Australia estimates a current shortfall of 178,400 properties across the country, a gap projected to grow to 308,000 within five years and 640,600 by 2029.
- Target real estate opportunities in capital cities along the eastern seaboard of Australia with significant upside potential, with a particular emphasis on properties located in Sydney and Melbourne.
- The core focus will be the Australian residential sector, specifically approved development opportunities.
- Commercial opportunities will be a secondary focus and the Opportunity would target vendors constrained by capital unable to secure finance and realise value in their properties.
- The manager will consider opportunities partnering with mid size developers with access to proprietary opportunities. The manager will offer developers access to capital that is otherwise not readily available in the market giving the Investors a competitive edge in sourcing attractive Debt and property opportunities in the Australian Market.
- The manager will target opportunistic returns, yet seek to have most debt and property returns secured through debt with a coupon income return, via debt or preferred equity investment structure or a profit share arrangements via a joint venture with proven developers, payable upon completion of the development.
- Quantum has pipeline deals in place to commit opportunities immediately.

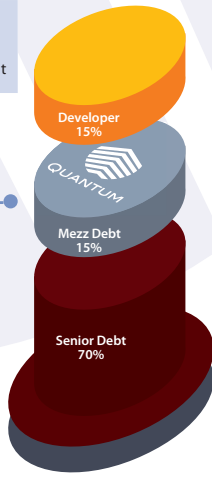
Investment Structure

	RISK		
	Mezzanine Investment (Type C)	Preferred Equity Investment (Type B)	Direct Equity Investment (Type A)
Capital Structure	15-25% (Max Project debt, 85% of Total Development Costs)	20%-50% Developer 80%-50% Fund	50% Developer 50% Fund
Project Type	Development, Refurbishment or Repositioning	Development, Refurbishment or Repositioning	Development, Refurbishment or Repositioning
Security	Ranks second behind Senior Debt	Ranks second behind Senior Debt. Fund Coupon & Equity ranked in priority to Investment Partner Equity	Equally ranked with Investment Partner behind Senior Debt
Returns	Facility Establishment Fee Coupon Return on Debt 18-30%	Facility Establishment Fee Coupon Return on Equity 11-15% Up to 60% Profit Share	50% Profit Share

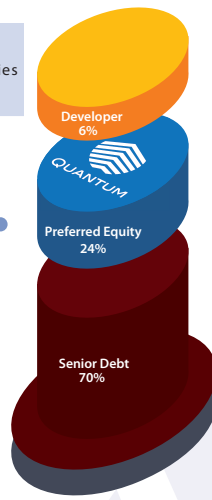
IRR

IRR

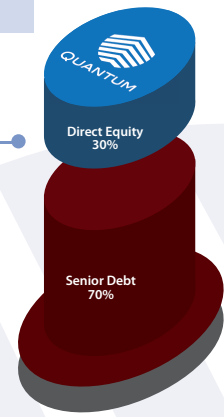
Type C
Debt Underwrite
Mezzanine Investment



Type B
Joint Venture Opportunities
Preferred Equity

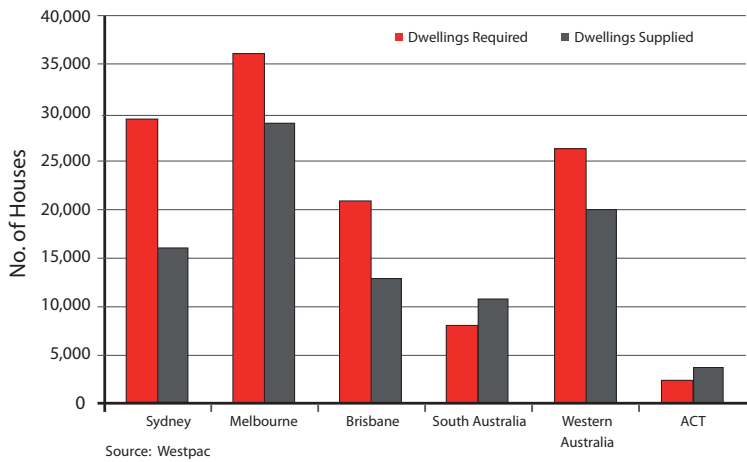


Type A
Development Play
Direct Equity

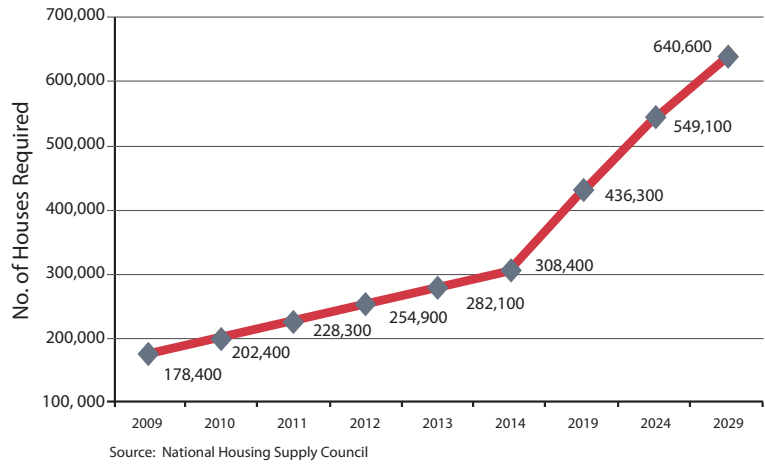


Australian Residential Property Market

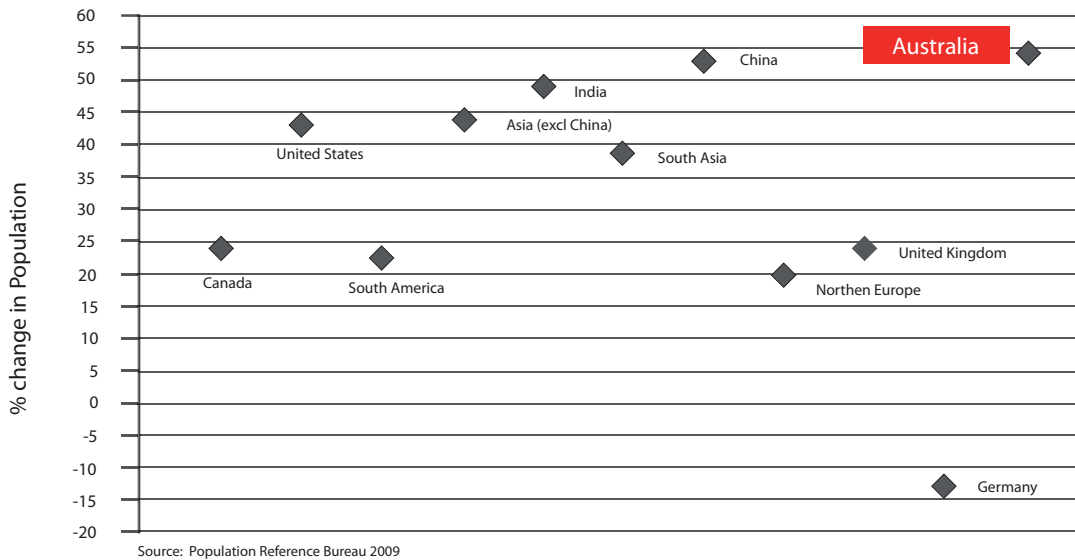
Current Supply/Demand Scenario in Residential Housing Nationally



Cummulative Shortfall of Houses Annually to 2029



Projected Population Change 2009-2050 (%)

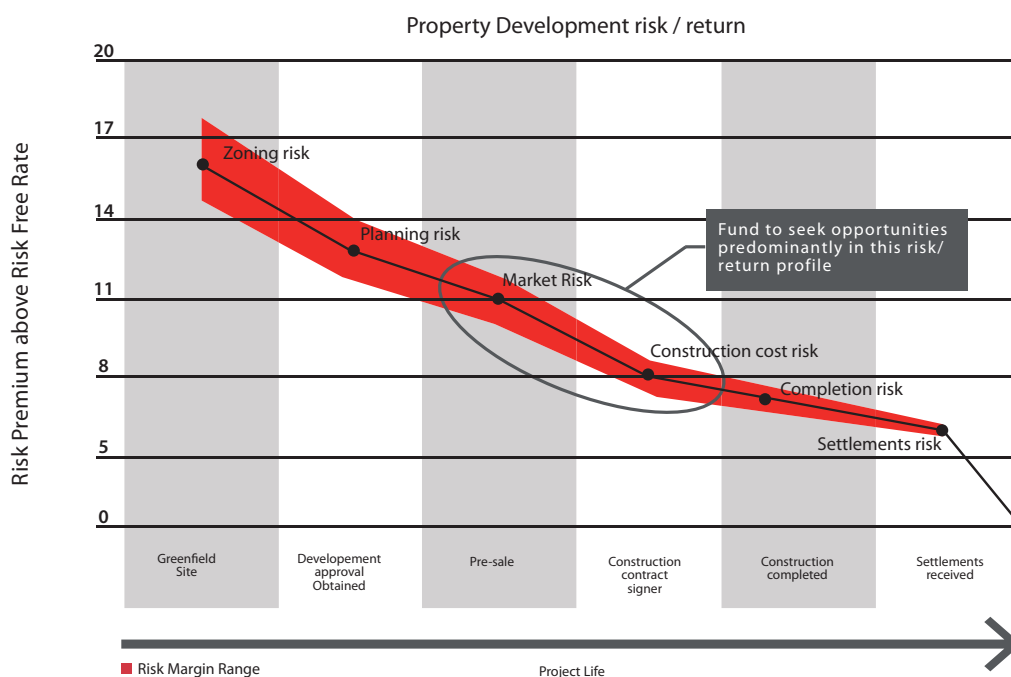


Population growth is expected to expand by more than 60%, reaching 35 million by 2050.

The Manager

- Quantum was founded by the current CEO, Peter Gribble in 1985 and will utilise its existing platform of experienced staff, management and resources to actively source & transact real estate investments. Quantum has been an active purchaser of real estate assets in Australia acquiring 24 properties and generating an IRR on opportunistic funds of 35.5% or a multiple of 1.8x.
- Throughout its two decades of real estate investing, Quantum has established a record of generating superior returns by combining its industry expertise with a strategy of investing in opportunistic real estate investments at all stages of the real estate life cycle.
- Quantum's investment strategy combines four core components that Quantum believes are critical to its success; access to proprietary deal flow, transactional expertise, effective management and development processes and calculated exit strategies.
- The manager will receive management fees of 2% for invested capital.
- Investors will receive a preferred 15% return** and the manager will receive a 15% performance fee.

Risk Management



The manager will adopt the following key risk management principles in relation to the Debt and Real Estate Opportunities offered to Investors;

- All investments will be vetted by an external advisory committee.
- All investment partners to have credit assessments, display a proven track record and have sufficient capital backing to participate throughout the project.
- All projects to be fully funded, have fixed priced building contracts, substantial pre-sales and debt coverage before commencement.
- Apartment developments to be located in prime urban areas within 15km of the Central Business District.
- Quantum to negotiate to have step in rights on projects.
- Quantum will report quarterly to all investors.

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