MCS PROPERTY

MCS 17

An MCS Securitised Direct Property Investment

Newcomb Central - Vic
Albion Park Village - NSW
Townsville Kmart Plaza - Qld
Action MegaCentre - WA
Liquorland Outlets - South East Qld

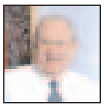
PROSPECTUS

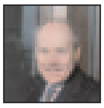
October 2001

DIRECTORS


Denis Page

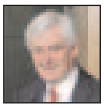

Julius Colman


Anthony Stewart

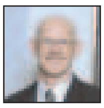

Allan Reid


Glenn Batchelor


Anthony Torney


Peter McGrath


Timothy Poole


Raymond Wilson


Kevin Murphy


Rupert Myer

Denis Richard Page, FCA, FAICD
Chairman of Directors

Denis Page is a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Company Directors. He was a partner of Ernst & Young for more than 26 years, is a past Chairman of the Canberra Business Council and holds numerous directorships of government bodies and various public and private companies.

Julius Colman, LLB, LLM, BA, AAPI
Managing Director - Chief Executive Officer

Julius Colman holds the degrees of Bachelor of Laws and Master of Laws, Bachelor of Arts, and is an Associate of the Australian Property Institute (AAPI). He developed MCS out of the legal practice McGrath Colman Stewart of which he was a partner between 1969 and 1997. He was founding President of the Australian Direct Property Investment Association and is a Director of the Australian Property Exchange Limited.

Anthony Francis Stewart, LLB
Director

Tony Stewart holds the degree of Bachelor of Laws from Melbourne University and was a partner in the legal firm McGrath Colman Stewart. He was involved in the running of solicitors' investments and mortgage management companies for more than 25 years and is the former Chairman of the Chiropractors and Osteopaths Registration Board of Victoria.

Allan Hume Reid, BE, MBA, FAPI
Director

Allan Reid holds the degrees of Bachelor of Engineering and Master of Business Administration. He is a Fellow of the Australian Property Institute (FAPI) and a Licensed Estate Agent. He is a former Director and Treasurer of the Property Council of Australia. Allan has been involved in the property industry for more than 30 years and heads the asset management team.

Glenn Richard Batchelor, B.Bus, ACA
Director of Finance

Glenn Batchelor holds a degree in Business, majoring in accounting, and has 25 years related experience in audit, business mergers and acquisitions. He was Chief Financial Officer of a major public property group and then a partner in a national property management company before joining MCS in 1995. Glenn is a chartered accountant and heads the accountancy and financial services team.

Anthony Gerard Torney, LLB, BA (Hons), Grad Dip (Prop)
Director

Tony Torney holds the degrees of Bachelor of Laws and Bachelor of Arts (Honours) from Melbourne University and a Graduate Diploma in Property. Tony practised law in the areas of legal structures, property law and commercial litigation, joined MCS Property Limited at its creation, and heads the property acquisitions team.

Peter Raymond McGrath, LLB, Dip.FP
Director

Peter McGrath holds the degree of Bachelor of Laws and a Diploma of Financial Planning and was a partner in the legal firm McGrath Colman Stewart from 1966 to 1997. He is a Director of the publicly listed company P Cleland Enterprises Limited and is a governor of the Melbourne University College. He is also a former Deputy Commissioner of the Victorian Liquor Control Commission.

Timothy Michael Poole, B.Comm
Non-Executive Director

Tim Poole holds the degree of Bachelor of Commerce from Melbourne University and is an Associate of the Institute of Chartered Accountants. Tim is an Associate Director with the private equity firm Hastings Funds Management Limited. Hastings has more than $2 billion in assets under management and is a specialist investor in unlisted assets in sectors that include public infrastructure, utilities, manufacturing and property.

Raymond Ian Wilson, BA (Hons), Grad Dip (Edu)
Non-Executive Director

Ray Wilson holds the degree of Bachelor of Arts (Honours) and a Diploma of Education. He is the founder and a Director of Wilson Dilworth Limited, a financial planning and investment company managing over $1 billion in master funds. Wilson Dilworth is now a subsidiary of Perpetual Trustees Australia Limited, for whom Ray was Group Executive, Superannuation. He is also the Chairman of Hastings Funds Management Limited.

Kevin Joseph Murphy, BSc. (Hons), M.Comm MRICS
Director

Kevin Murphy holds the degrees of Bachelor of Science (Honours) and Master of Commerce majoring in Property Investment. Kevin originally qualified as a Chartered Surveyor in the United Kingdom and has 20 years experience in development, management, valuation and property investment including senior management positions with Commonwealth Funds Management and Schroders Australia.

Rupert Hordern Myer, B.Comm (Hons), MA Cantab
Non-Executive Director

Rupert Myer holds the degree of Bachelor of Commerce from Melbourne University. He also studied at Cambridge University, majoring in social and political sciences. He serves as Deputy Chairman of The Myer Family Co Pty Ltd and is on the Boards of a number of investment companies, including the publicly listed AMCIL Limited. He is Chairman of WorkPlacement, a community organisation which places young people in jobs, and the NGV Foundation. He also serves as a Trustee of the National Gallery Victoria and is a Director of The Myer Foundation.

Cover photo -
Newcomb Central, (Geelong) Vic

In this Prospectus we offer you a Direct Property Investment in 4 shopping centres and 8 Liquorland outlets which we believe will provide attractive, reliable and tax-effective returns.

Direct Property Investment

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This Prospectus is dated 8 October 2001 and was lodged with the Australian Securities and Investments Commission on 8 October 2001.

The Australian Securities and Investments Commission takes no responsibility as to the contents of this Prospectus.

No Lots or Units will be issued on the basis of this Prospectus later than 12 months after the date of this Prospectus.

Neither the Custodian, nor its parent Bendigo Bank Ltd, nor the Manager guarantees the repayment of capital nor the performance of this investment.

MCS17 DPI ARSN 097 912 279

MCS17 Unit Trust ARSN 097 912 135

THIS INVESTMENT AT A GLANCE

The Properties	Newcomb Central	Albion Park Village	Townsville Kmart Plaza	Action MegaCentre Innaloo	Liquorland outlets
Location	Geelong (Vic)	Albion Park (NSW)	Townsville (Qld)	Perth (WA)	Brisbane/ Sunshine Coast/ Gold Coast (Qld)
Price	$13.70m	$11.50m	$20.75m	$17.00m	$42.00m
Valuation	$13.70m	$11.35m	$20.75m	$17.00m*	$41.70m
Yield on Purchase (see Section 3.3)	9.37%	8.49%	10.48%	9.68%	8.29%
Major Tenants	Safeway (Woolworths trade as Safeway in Victoria) 3,936m^2	Woolworths 3,200m^2	Coles 3,348m^2 Kmart 7,416m^2	Action Supermarket 4,673m^2 Centrelink 1,700m^2	Liquorland (Subsidiary of Coles Myer Group)
Major Leases	**Safeway** Expires: Dec 2006 Further Options: 5 x 5 years	**Woolworths** Expires: Nov 2018 Further Options: 4 x 5 years	**Coles** Expires: Sept 2011 Further Options: 3 x 5 years **Kmart** Expires: Sept 2011 Further Options: 2 x 10 years	**Action** Expires: Nov 2024 Further Options: 2 x 10 years **Centrelink** Expires: May 2004 Further Options: 2 x 5 years	**Liquorland** Expires: July 2016 Further Options: 2 x 10 years
Majors % of GLA	64.1%	72.4%	84.3%	71.9%	N/A
Majors % of Passing Net Rental	52.5%	59.4%	67.8%	57.6%	91.2%
Site Area	2.475ha	2.128ha	4.242ha	3.608ha	N/A
GLA	6,138m^2	4,731m^2 (ex. Plus Petrol)	12,740m^2	8,861m^2	N/A
Car Spaces	342	202	835	473	N/A
No. of Specialty Tenants	15	12	27	26	9**

** In addition to the Centre for which we have paid $17m, we have purchased an adjacent parcel of land for $300,000. Settlement is deferred for 18 months. The property's current value is $230,000, not having regard to any marriage value.*

*** There are five specialty tenancies (including the TAB) at Runaway Bay, and 4 specialty tenancies at Mudgeeraba.*

Estimated Returns to Investors

	6 months to June 2002	Year to June 2003	Year to June 2004	Year to June 2005	Year to June 2006
Forecast Annual Return on Equity Invested	9.00%	9.00%	9.15%	9.25%	9.30%
Forecast Tax Advantaged	90.32%	83.23%	71.71%	67.93%	61.33%
Pre-Tax Return (based on 48.5% taxpayer)	16.66%	16.05%	15.33%	15.17%	14.67%

Quarterly distributions will be made to investors.

This page contains a brief overview of the investment.
To make an informed assessment you must read the whole Prospectus
and obtain your own independent professional advice.


MCS
PROPERTY
NEWCOMB
CENTRAL

10 IMPORTANT FEATURES OF THIS INVESTMENT

1. **Very Good Tax Effective Return**

   Expected to be 9% in the first full year (see Section 6). In the first 6 months to June 2002 this is equivalent to a pre-tax return of 16.66% p.a. (based on a 48.5% tax payer).

2. **Secure Income Stream**

   Approximately 66% of the total net income comes from long leases to some of Australia's largest retailers - Coles Myer Group (47%), Woolworths (13%) and Foodland (6%).

3. **Established Performing Properties**

   All four shopping centres and eight Liquorland outlets are well established trading facilities which currently generate substantial retail sales.

4. **Strong Anchor Tenants**

   All properties are anchored by strongly performing anchor tenants.

5. **Opportunity to Add Value**

   Our plans for each centre place strong emphasis on tenancy remixing to improve the retail offer. We believe that in implementing these changes, we can grow trading turnovers, traffic and income at each of the four shopping centres. Liquorland has indicated that it intends spending some $4m on the eight liquor outlets by way of refurbishments, rebranding and improvements to the drive-in bottleshops. This should add further value to what are already quality properties.

6. **Excellent Timing**

   At a time when interest rates are low and there is much uncertainty in the investment market, this investment offers secure, attractive and tax effective returns.

7. **Prized Market Sectors**

   The investment is in the two sectors of the property market that are prized by MCS - convenience based shopping centres and hotel/liquor outlets.

8. **Diversification**

   This Direct Property Investment (DPI) offers excellent diversity, both geographically and by sector. The shopping centres are located in Queensland, New South Wales, Victoria and Western Australia. The liquor outlets, located in south-east Queensland, also bring sector diversification.

9. **Solid Trade Area and Strong Growth Potential**

   All of the properties in this portfolio are located in established and developing catchments.

10. **Diligent Management and Regular Payments and Reporting**

    Investors will have the benefit of the professional skills and commitment of a Manager experienced in managing retail properties and Liquorland leased outlets in Queensland. The Manager is also dedicated to the protection and enhancement of its Investors' interests. Payments will be made to Investors quarterly. MCS will also provide regular reporting to investors (See Section 7 and 14.10).

This page contains a summary of some of the main features of this investment.

To make an informed assessment you must read the whole Prospectus and obtain your own independent professional advice.

Left - Newcomb Central Shopping Centre signage, (Geelong), Vic

1. What is the minimum investment?

You may invest a minimum of $20,000.

2. In what properties am I investing?

The four shopping centres are each food-based convenience centres.

Newcomb Central Shopping Centre is located 4 km south-east of Geelong in the suburb of Newcomb. It comprises a Safeway supermarket, 15 specialty tenancies, a community library, child care centre and office suites.

Albion Park Village is 5.5 km west of Shellharbour in southern Wollongong, New South Wales. It comprises a Woolworths supermarket, 12 specialty shops and a Woolworths Plus Petrol.

Townsville Kmart Plaza is located in the Townsville suburb of Aitkenvale in Queensland. It has a Coles supermarket, Kmart Discount Department Store ('DDS') and 27 specialty shops.

Action MegaCentre located in the Perth suburb of Innaloo has an Action supermarket and 26 specialty shops.

The portfolio of eight Liquorland outlets is located in south-east Queensland and includes Aspley Hotel, Browns Plains Hotel, Koala Tavern, Morayfield Tavern, Newnham Hotel, Runaway Bay Tavern, Sands Tavern and Wallaby Hotel.

The purchase price of the four shopping centres and eight Liquorland outlets is $105,250,000.

3. How can I invest in this investment?

a) By completing the maroon Application Form at the back of this Prospectus; or

b) Some Investors (such as superannuation funds) may not wish to borrow in their own right. These Investors may complete the blue Application Form by which they apply to buy Units in the MCS17 Unit Trust. The Unit Trust will then invest in this DPI and make the relevant borrowings.

Unless otherwise stated, this Prospectus analyses the investment from the point of view of an Investor in the DPI. Those Investors who wish to invest via the Unit Trust must read Section 13 for details of the differences that will apply to them.

4. What do I get for my investment?

You become a part owner of the property in this Prospectus and you will receive a Certificate of Ownership identifying your percentage share of ownership (see Section 3.5). If you are a Unit Trust Investor you will receive a certificate identifying the number of Units issued to you in the Trust and the Trust will, in turn, use your funds to become a part owner of the properties.

5. Who is the Manager and what does it do?

The Manager is MCS Property Limited, established in 1993. Following this purchase MCS will have under management some $950m of property including 35 shopping centres and 12 Liquorland outlets, with more than 1,000 tenants and an annual gross income of over $100m (see Section 7). The Manager is responsible for ensuring that the properties are managed in the best interests of all Investors.

6. What are MCS's plans for the Centre?

MCS has developed and demonstrated significant retail property management skills which will be utilised to maximise the returns of this DPI and to add value to your investment. A summary of our plans for the properties is set out in Section 5.

7. Who is the Custodian and what does it do?

The Custodian, Sandhurst Trustees Limited, was incorporated by an Act of Parliament more than 100 years ago (see Section 8). The Custodian holds title on your behalf and on behalf of the other Investors (see Section 1.5). The role of the Custodian is to hold all property in this DPI and to ensure it is dealt with properly under the terms of the Constitution, and it is obliged to exercise due diligence and vigilance in carrying out its duties.

8. For how long are my funds committed?

MCS expects the period of investment to be around 6-8 years. MCS has made application to the Australian Securities and Investments Commission (ASIC) for Investors to be able to exit their investment earlier than on sale of the property, by means of the Australian Exempt Property Market (see Section 4.2). You should, however, plan to stay in this DPI for its duration, as there is no guarantee that your Lot can be sold prior to the sale of the property nor that the Exempt Market application will be granted.

9. Are there any tax advantages in this acquisition?

Yes. MCS believes that 90.32% of your first 6 month's return will be tax advantaged and that thereafter 83.23%, 71.71%, 67.93% and 61.33% of your distributions will be tax advantaged in the 2nd to 5th years respectively (see Sections 6.4 and 6.5).

10. Can you explain the borrowing arrangements?

Investors will collectively subscribe about $53.2m and MCS will arrange for a lender to provide loan funds to the Investors totalling about $65m (see Section 9). This provides sufficient funds to cover the initial acquisition costs and establishment fees, and initial capital expenditure and working capital requirements. For Unit Trust Investors the Custodian will do the borrowing on behalf of the Trust on the same basis.

11. Is my liability as an Investor in this acquisition limited?

The borrowing arrangements limit the liability of Investors to the funds they subscribe. The lender will have rights against the properties and the income but no further recourse to the Investors (see Section 9.2).

12. What happens to my subscription before completion?

It is important to get your subscription in early because MCS has the right to close this Issue as soon as it is fully subscribed. Until settlement, your money will be held for you by the Custodian. It will be returned to you together with interest earned if for some reason this DPI does not proceed, or if there is an over-subscription or your application is not accepted (see Section 3.4).

These two pages contain answers to commonly asked questions.

To make an informed assessment of this investment you must read the whole Prospectus and obtain your own independent professional advice.

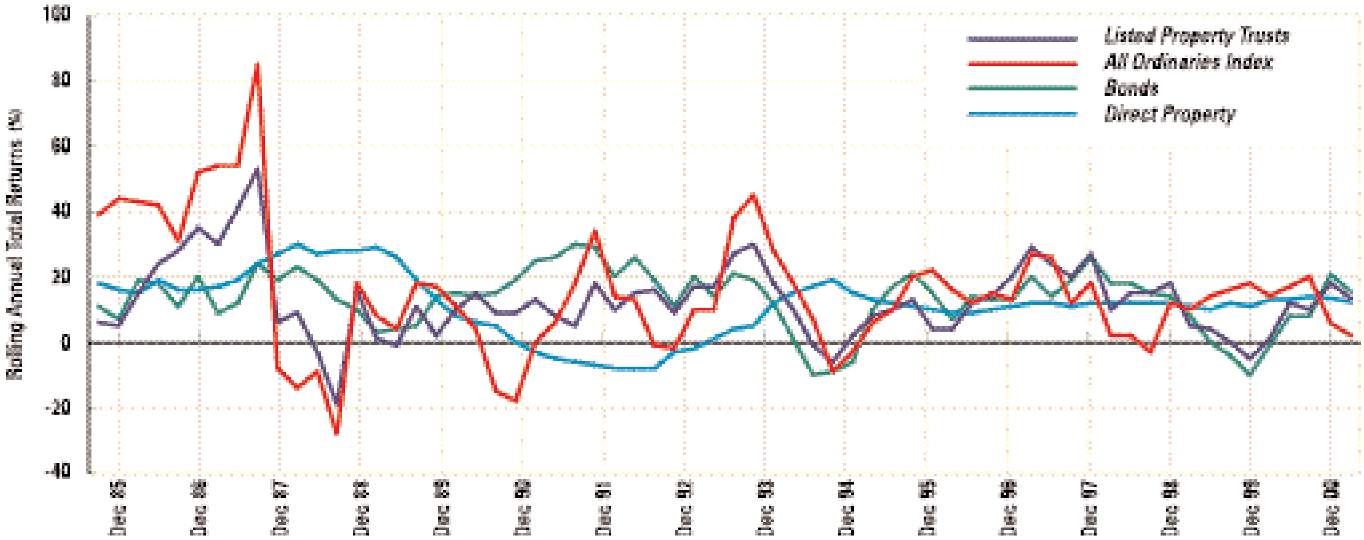
1.1 Direct Property as an Asset Class

We believe that property, as an asset class, offers a unique feature. It is the only major asset class that actually delivers lower negative correlation to shares and bonds, which is the fundamental goal that you are trying to achieve through diversification.

Direct Property Performance

Our investment structure is designed to deliver to Investors the benefits of the actual performance of the properties. This is because it provides a fixed date in the future at which each Investor is able to exit the vehicle at the true underlying value of its property and other assets.

Figure 1.1
All Ordinaries Index, Listed Property Trusts and Bonds vs Direct Property
Rolling Annual Total Returns (Sep 85 - Mar 01)



Sources: ASX, Jones Lang LaSalle Research, CBA

As this chart shows, direct property moves in very low correlation to the other asset classes of shares, LPTs and bonds.

1.2 The MCS Direct Property Investment Structure

In this DPI, MCS offers you part-ownership of the properties described in this Prospectus. Your precise share in the ownership of the properties is the proportion which your investment bears to the total of all equity invested.

Our structure allows a number of Investors, who may each invest different sums of money, to purchase quality property together.

There is no partnership between Investors. Rather, you, as an Investor:

- become a part owner of the properties described in the Prospectus;
- appoint MCS Property Limited to manage the investment on your behalf pursuant to this Prospectus and the Constitution;
- give a limited Power of Attorney to MCS to arrange the borrowings referred to in this Prospectus; and
- have your part of the ownership of the properties held on your behalf by an independent Custodian, Sandhurst Trustees Limited.

1.3 Key Features

This investment will have the following key features:

Closed-End

- clearly identified real property assets in which you invest i.e. you know precisely what you are buying;
- the Manager has no power to purchase any other property except where that property is associated with, related to, or adjoins any of the purchased properties. Such additional property can cost no more than 15% of the value of the property which it adjoins or to which it relates and may be purchased only where the Manager believes it to be in the interests of all Investors; and
- your equity cannot be watered down by the issue of additional equity.

Fixed Term

- we expect the investment to be held for a period of around 6-8 years;
- under the terms of the Constitution, the properties cannot be held for more than 10 years (see Section 14.11) unless either:
  - all Investors agree; or
  - the Manager deems it to be in the best interests of Investors and each Investor who wishes to exit the investment, for all or some of their investment, is able to do so at a value which is fair, transparent and independently established, and which reflects a sale of the properties at their market value;
- following the sale of any property you immediately share in the benefits of the sale.

Appraisal Based

Investors taking a long term investment approach gain an investment that is appraisal based (i.e. the value is established by an independent external source who appraises the value of the underlying asset) and MCS will, each year, detail to you the appraised value of Lots in this investment.

1.4 Advantages of our DPI Structure

We have chosen this structure because we believe, for the reasons set out below, that it is the best available for managed direct investment in property.

- It is designed to give you a way to invest in property as an asset class without having to face the hurdles that make property investment difficult, such as:
  - selecting quality property investment opportunities;
  - finding quality property in an affordable price range;
  - conducting the enquiries necessary to ensure as far as possible that the investment is a sound one (in this investment, costs incurred in due diligence and legal expenditure alone total approximately $574,000); and
  - affording the professional skills in management which are often so important in producing better property performance.
- You know precisely what you are buying because the properties in which you are investing are described in detail. You share in their performance and, when they are sold, you share in the proceeds of sale (i.e. the proceeds are not used to buy other property).
- You know we will 'mark-to-market' i.e. either the properties will be sold, or you will be able to exit your investment at the value of the underlying properties, within a specified time frame (see Section 4.1).
- Your investment is in direct property. Unlike Listed Property Trusts (LPTs), you can expect this investment to perform in line with the property market, rather than in line with the share market. This can be very important to you if you are trying to obtain diversity in your investments.
- You will be taxed at your own tax rate on the income from this investment and you may offset income and capital gains from this investment against any tax losses that you may have.
- If an Exempt Market listing is approved (see Section 4.2) you may be able to exit your investment without having to wait until the properties are sold.
- You can further gain the benefits of diversity by following the strategy we recommend on p.54.

1.5 Independent Custodian

As one of the beneficial owners of the properties, your name would normally appear on the title. However, because of the impracticality of having the names of all Investors on title and on all leases, permits and applications, an independent Custodian, Sandhurst Trustees Limited, holds your beneficial interest in the properties for you. MCS does not hold title. It is held for you by this independent Custodian. (For more details about the Custodian see Section 8.)

1.6 Rights of Owners

This DPI was created and is regulated by a Constitution which was lodged with ASIC on 21 August 2001 (see Section 14.2).

Your rights are set out in the Constitution and the Corporations Law. These rights include:

- the right to the net income;
- the right to have the Manager and the Custodian perform their duties in a proper and efficient manner;
- the right to have the Manager removed pursuant to the terms of the Constitution;
- the right to have the Manager convene meetings and for you to vote at such meetings; and
- the right to receive copies of the accounts and regular reports relating to the investment.

1.7 Managed Investments Act (MIA)

The DPI and the Trust are registered Managed Investment Schemes regulated by the Corporations Law, in particular the provisions of the MIA.

As required by the MIA, MCS has lodged a Constitution and Compliance Plan at ASIC, and has appointed a Compliance Committee and an Auditor of the Compliance Plan (see Section 14.2).

1.8 Complaints Resolution

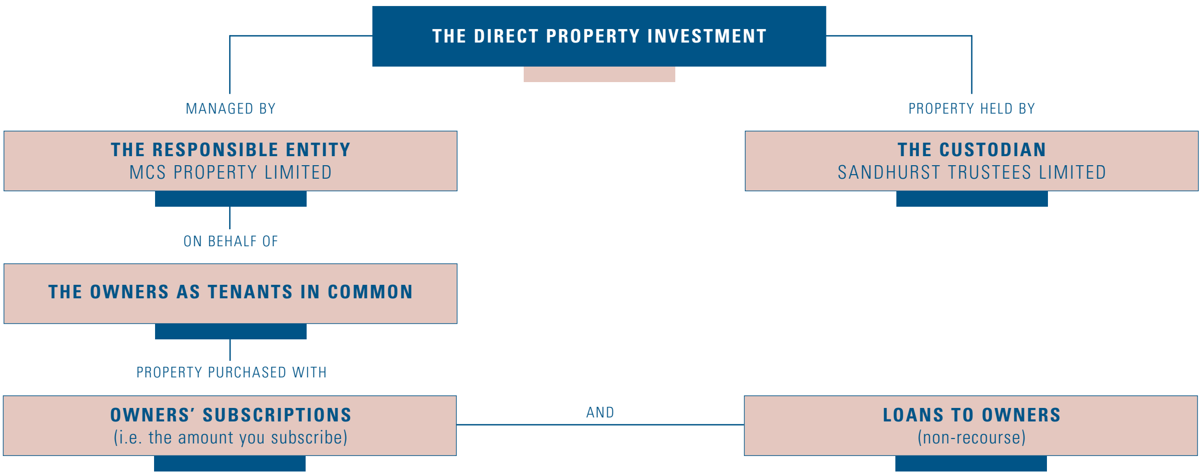
MCS has a complaints resolution procedure and is a member of Financial Industry Complaints Service Limited.

If you have a complaint, you may contact the MCS Complaints Officer on (03) 9639 4511 or write to the Complaints Officer at MCS Property Limited, Level 28, 55 Collins Street, Melbourne, Victoria, 3000, Australia or email to mail@mcsproperty.com.au

Your complaint will be dealt with and you will receive a response within 15 working days.

1.9 Diagram of the Structure

The relationship between the Manager and the Owners is set out in the Constitution. The relationship between the Custodian and Manager is set out in the Custodian Agreement. Both documents set out the respective rights and duties of the parties. The diagram below outlines the structure.



2.1 The Properties

The properties offered in this prospectus are:

Four Shopping Centres

Newcomb Central Shopping Centre, Newcomb (Geelong), Victoria

Albion Park Village Shopping Centre, Albion Park (near Wollongong), New South Wales

Townsville Kmart Plaza, Aitkenvale (Townsville), Queensland

Action MegaCentre, Innaloo (Perth), Western Australia

Eight Liquorland Outlets

Aspley Hotel, Aspley, Queensland

Browns Plains Hotel, Browns Plains, Queensland

Koala Tavern, Capalaba, Queensland

Morayfield Tavern, Morayfield, Queensland

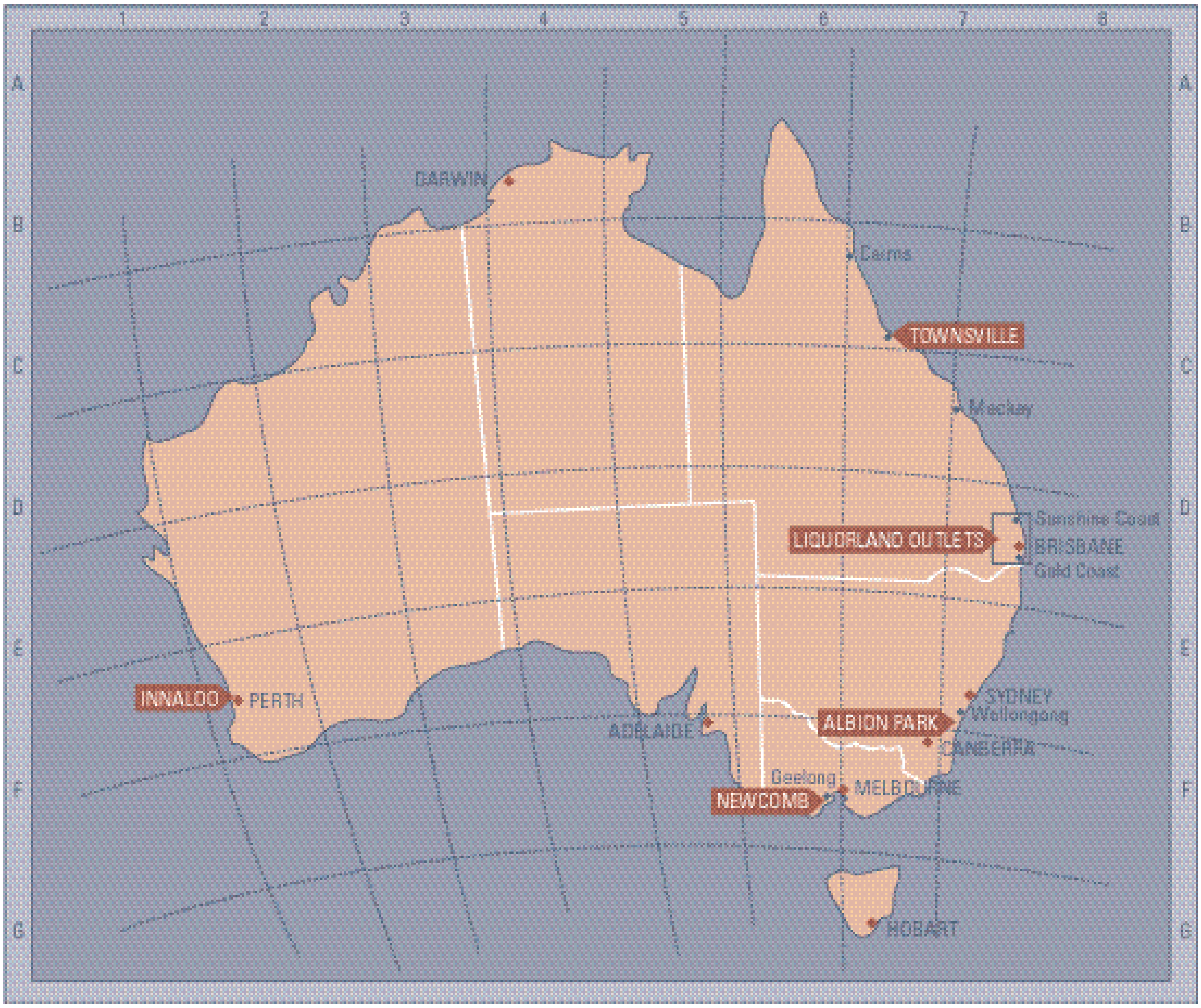
Newnham Hotel, Upper Mt Gravatt, Queensland

Runaway Bay Tavern, Runaway Bay, Queensland

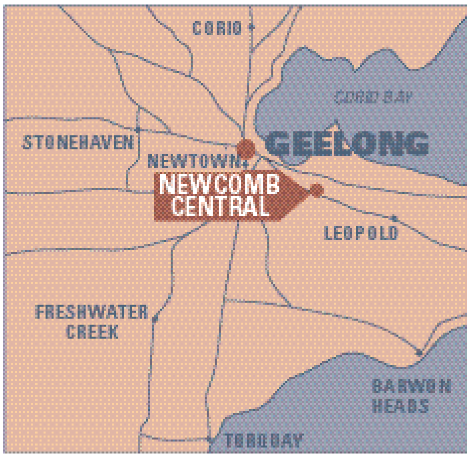
Sands Tavern, Maroochydore, Queensland

Wallaby Hotel, Mudgeeraba, Queensland

A summary of the key features of each property is set out in the table on page 3.



2.2 Location and Description



Newcomb Central Shopping Centre is prominently located approximately 4 km south-east of the Geelong Central Business District, at the intersection of Bellarine Highway and Wilsons Road in the suburb of Newcomb.

The City of Greater Geelong is the largest metropolitan area in Victoria outside Melbourne, with a population of 200,000.

The Centre has an open air design comprising a stand alone Safeway supermarket of 3,936m^2, 15 specialty tenancies totalling 1,849m^2 and office suites of 352m^2. There is also a Council-leased library, meeting rooms and child care centre on the site. The total Gross Lettable Area (GLA) of the Centre is 6,138m^2 and there is excellent on-grade car parking for 342 vehicles.

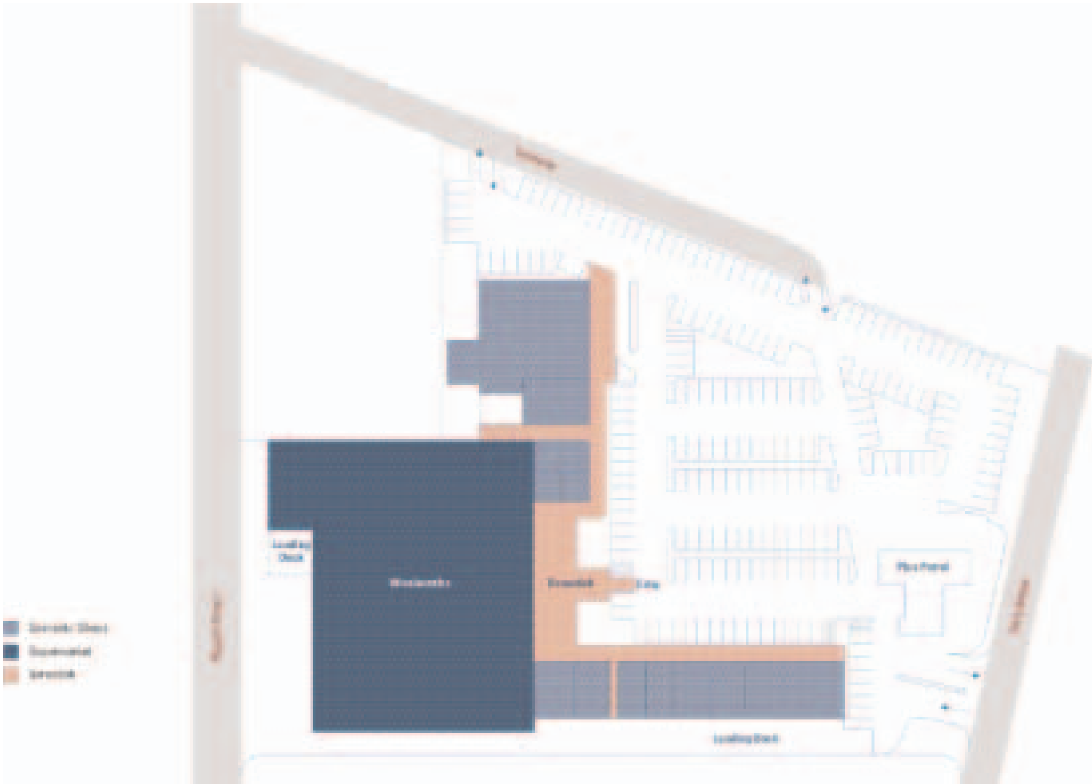
In addition to the Centre, we have agreed to pay an additional sum to the Vendor upon delivery of a constructed and leased Safeway Plus Petrol outlet on the site.

Newcomb Central - exterior and signage

Albion Park Village Shopping Centre is located within the growth suburb of Albion Park, approximately 5.5 km west of the Shellharbour Town Centre in southern Wollongong. This area is known as the Illawarra region of New South Wales, some 90 km south-west of Sydney.

The Centre opened in November 1998 and is a modernsingle level open neighbourhood shopping centre. It comprises a Woolworths supermarket, 12 specialty shops, a Woolworths Plus Petrol service station and on-grade car parking for 202 vehicles.

The GLA of the Centre is 4,731m^2, plus the Plus Petrol site.



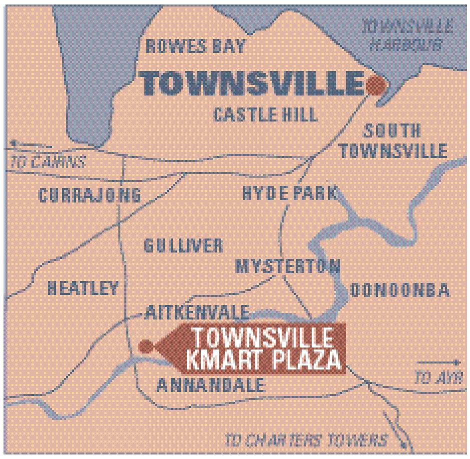
Albion Park Village, Albion - exterior and Woolworths Plus Petrol

Townsville Kmart Plaza is located in the heart of the Townsville metropolitan area within the suburb of Aitkenvale.

Townsville is considered to be the administrative centre of Northern Queensland. It is some 300 km south of Cairns and 600 km north of Brisbane.

The Centre was originally developed in 1977 by the Coles Myer Group and was extensively refurbished in 1998. The enclosed single level shopping centre has a Coles supermarket of 3,348m^2, a Kmart Discount Department Store (DDS) of 7,416m^2 and 27 specialty tenants. It has on-grade car parking for 835 cars, 308 of which are under shadecloth cover.

The site has an area of 4.242ha and is prominently located on Townsville's busiest intersection with an estimated 65,000 vehicles passing per day.



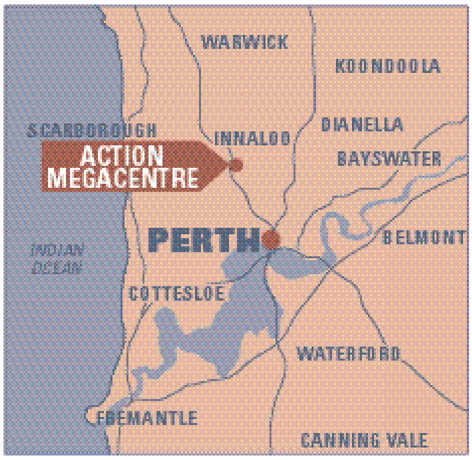
Townsville Kmart Plaza, Townsville - Coles, Kmart entrances and interior mall

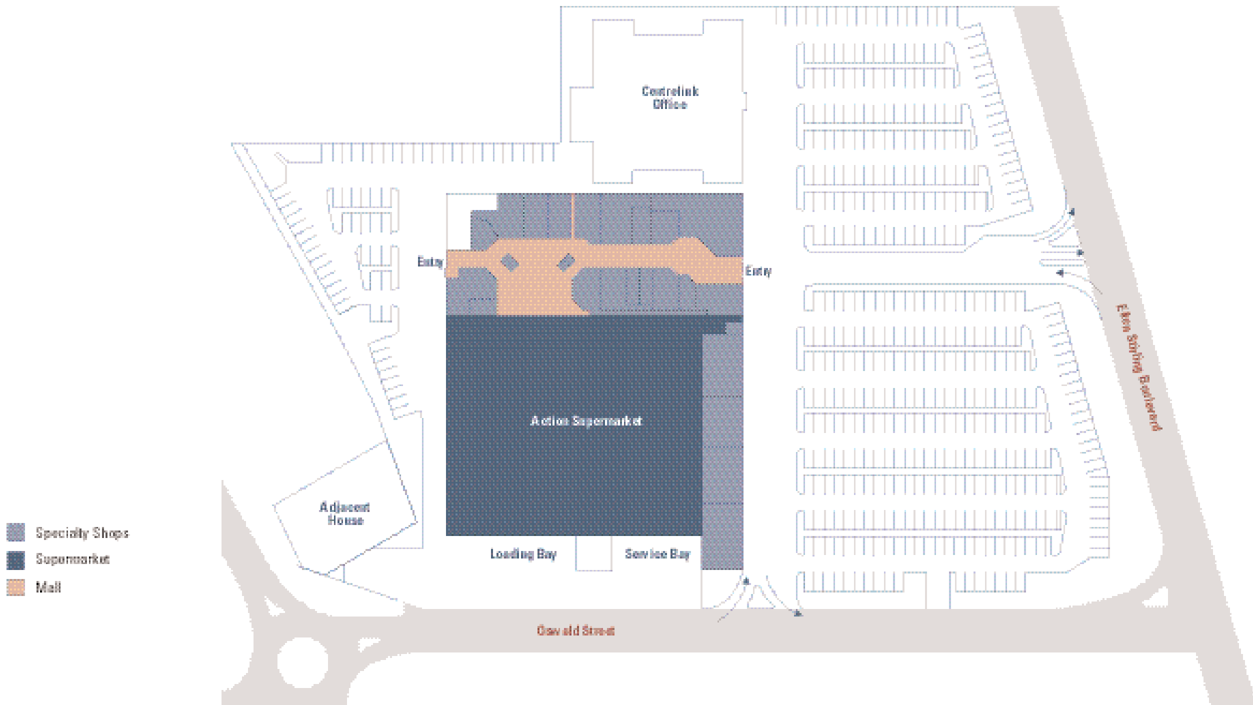
Action MegaCentre Innaloo is located approximately 8 km north-west of the Perth CBD within the established residential suburb of Innaloo.

The Centre has a GLA of 8,861m^2 and comprises a retail complex with an Action Supermarket (part of the Foodland group) of 4,673m^2, 26 specialty tenancies and a freestanding office building of 1,700m^2 occupied by Centrelink. There is on-grade car parking for 473 vehicles.

The Centre is new, having commenced trading in late 1999, and as such enjoys excellent presentation and an open modern design. It is very well located in Innaloo's emerging retail precinct.

We have also contracted to purchase an adjacent parcel of land with an 18 month deferred settlement, for future redevelopment.





Action MegaCentre, Innaloo - Action Supermarket entrance, mall and external entrance

Liquorland Outlets

We are buying the freeholds of eight established Liquorland outlets, each leased to Liquorland (Qld) Pty Ltd. Attached to two of these are separate speciality tenancies, not leased to Liquorland, the freeholds of which we are also purchasing.

Each Liquorland lease is for 15 years from July 2001 with two further option terms of 10 years. Except for the speciality tenancies, Liquorland operates the properties in their entirety, including not only the large bottled liquor outlets attached to each of the properties, but also the hotel and gaming operations. Each of the properties has the maximum allotment, under Queensland legislation, of 40 poker machines per venue.

The eight properties are:

Aspley Hotel is located approximately 12 km north of the Brisbane CBD, with an extensive frontage to Gympie Road, a major six lane dual carriageway.

The property has been progressively upgraded over time. It comprises a main bar and adjoining gaming room as well as an attached Liquor Barn incorporating a drive-through facility. The area of the site is approximately 4,765m^2 incorporating generous car parking.

Browns Plains Hotel comprises a tavern, incorporating a main bar, gaming room, TAB, bistro, function area and associated amenities, as well as a detached Liquor Barn and a six unit motel. It is prominently located on Browns Plains Road, a major four lane carriageway with heavy volumes of passing traffic.

Browns Plains is 26 km south of Brisbane and the property occupies a large site of approximately 1.65 ha with extensive car parking.

The single storey structures on the property were originally constructed in the early 1970's and have been extensively refurbished and extended from 1989 to 1997.

Aspley Hotel, Qld

Browns Plains Hotel, Qld

Koala Tavern is located in the Brisbane suburb of Capalaba, approximately 22 km east of the Brisbane CBD.

The property occupies a site of approximately 7,590m^2 with frontage to Moreton Bay Road near the intersection of Finucane Road and Old Cleveland Road.

The site contains a tavern (incorporating TAB facility, gaming room, bistro and main bar), detached Liquor Barn with drive-through bottle shop and on-site car parking for approximately 75 vehicles.

Morayfield Tavern is located some 44 km north of the Brisbane CBD on the north-western corner of Morayfield and Michael Avenue, Morayfield.

The site has an area of approximately 1.424 ha and incorporates a tavern, with a main bar, TAB facility, gaming room, bistro, nightclub and associated amenities. An attached Liquor Barn, with drive-through bottle shop and a 25 unit motel are also located on site.

Car parking is provided for approximately 163 cars.

Newnham Hotel occupies a site of approximately 1.229 ha located on the corner of Newnham Road and Devalan Street, Upper Mt Gravatt.

Upper Mt Gravatt is a predominantly residential suburb, albeit with a strong commercial presence, approximately 15 km south of the Brisbane CBD.

The site contains a hotel incorporating a TAB facility, gaming room, terrace bar and bistro, a Liquor Barn with drive-through and a large office component.

The buildings have been extensively refurbished in recent years.

Car parking is provided for approximately 115 cars.

Koala Tavern, Qld

Morayfield Tavern, Qld

Newnham Hotel, Qld

Runaway Bay Tavern is located approximately 9 km north of Surfers Paradise, on the south-eastern corner of Lae Drive and Morala Avenue, Runaway Bay, adjoining the Runaway Bay Regional Shopping Centre.

The property is a modern and well presented facility comprising a tavern with a main bar, lounge bar, gaming room, separate TAB tenancy, bistro and small meeting/function room. The restaurant component of the hotel has just been redeveloped at a cost of $1.2m. A detached Liquor Barn with drive-through bottle shop is adjoined by four retail tenancies comprising a florist, hairdresser, Cash Converters and Traveland.

The site area is approximately 1.20 ha and extensive landscaped car parking is provided for some 117 vehicles.

Runaway Bay Tavern, Qld

Sands Tavern, Maroochydore was built in the mid 1990s and comprises a tavern incorporating a main bar, TAB facility, gaming room, bistro, function room and associated amenities.

A freestanding Liquor Barn with storage area and covered drive through is located on site.

Extensive landscaped car parking for approximately 115 cars surrounds these modern and well presented buildings.

The site has an area of approximately 8,527m^2 and is located within Maroochydore, a major commercial centre on the Sunshine Coast of south-east Queensland, some 100 km north of the Brisbane CBD.

Sands Tavern, Qld

Wallaby Hotel, Mudgeeraba comprises a heritage style hotel facility, incorporating a main bar, TAB facility, gaming room, restaurant, beer garden, lower level offices and function room, a detached Liquor Barn with covered drive-through, four specialty shops and separate motel accommodation.

The area of the site is approximately 6,206m^2. It is located in a hinterland suburb on Queensland's Gold Coast, approximately 14 km south-west of Surfers Paradise.

Car parking is provided for some 95 cars.

Wallaby Hotel, Qld

TERMS OF PURCHASE

Section 3

3.1 The Contracts

Agreements have been entered into for the purchase of all of the properties

The Agreements allow us time to complete thorough economic, demographic, retail, engineering services, structural, survey, environmental, occupational health and safety, legal, planning and other checks; to verify income outgoings and leases; to arrange finance for the acquisition; and to prepare this Prospectus.

3.2 Settlement and Closing of Subscriptions

Settlement of the properties is scheduled for 14 December 2001. Whilst final settlement is to occur by then, our aim is to settle shortly after full subscriptions are received so it is important to send your subscription in early. MCS has the right to close this Issue as soon as it is fully subscribed.
It also has the right to accept or reject any application in part or in full.

3.3 Yield

The yield at which each property has been purchased, calculated on passing income at time of purchase, is as follows:

Property	Purchase Price	Yield (on passing income)
Newcomb Central	$13.70m	9.37%
Albion Park Village	$11.50m	8.49%
Townsville Kmart Plaza	$20.75m	10.48%
Action MegaCentre	$17.30m*	9.68%
Liquorland outlets	$42.00m	8.29%

** Includes adjoining property*

3.4 How the Purchase Proceeds

Companies associated with MCS have entered into the Agreements set out in Section 14.3.

Once full subscriptions are raised, Sandhurst Trustees Limited will be nominated (or substituted) as Purchaser under the Agreements and Sandhurst will then complete each purchase as your Custodian.

Until the purchases are settled, all subscription monies will be held by the Custodian in a bank account established for that purpose. Interest earned belongs to the Investors.

If the purchases are not completed within the terms of this Prospectus, then the Custodian will refund all Investors' funds in full, together with interest earned thereon less any bank charges and FID.

3.5 Certificate of Ownership

Within 28 days of completion of the purchase, MCS will mail to you a Certificate of Ownership which details the amount you have invested, the total amount invested by all Investors and the precise percentage share which you have in the beneficial ownership of the properties.

Townsville Kmart Plaza signage

TIME FRAME OF THIS INVESTMENT

4.1 Time Frame

This investment is expected to have a time frame of about 6 to 8 years.

Under the terms of the Constitution and this Prospectus, the properties cannot be held for more than 10 years unless both:

- the Manager deems it to be in the best interests of all Owners; and
- each Owner who wishes to exit the DPI, for the whole or a part of their investment, is able to exit the investment at a value which is fair, transparent and independently established and which reflects a sale of the properties at their market value.

If this cannot be achieved then the properties must be sold.

These provisions give you access, upon the expiration of the investment period or upon the earlier sale of the properties, to the underlying property value and this helps to ensure that your investment performs in line with the property market.

4.2 Exempt Market

MCS has been granted Federal Government and ASIC approval to conduct a market in interests, such as the ones offered in this Prospectus, in its previous securitised direct property investments.

MCS has applied to ASIC to be permitted to conduct a market in the Lots in this particular DPI.

If approved, the market, known as the Australian Exempt Property Market ('Exempt Market'), will provide an opportunity for Investors who wish to exit or add to their investment to do so without having to wait until the properties are sold.

This Market is published daily in the Australian Financial Review under the 'Australian Exempt Property Market' and can also be accessed through our website, www.mcsproperty.com.au

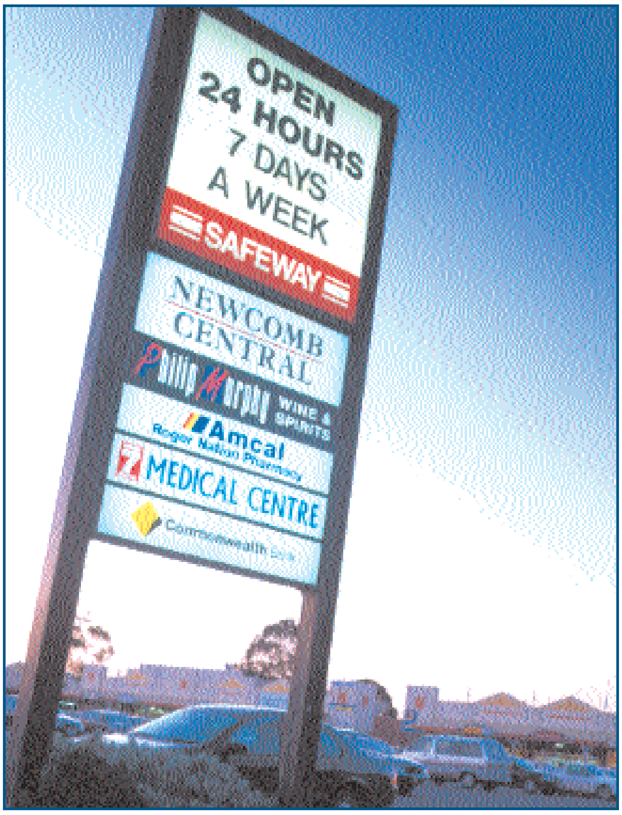
4.3 No Right of Early Withdrawal

In the absence of approval for an Exempt Market listing during the period of this investment, an Investor cannot exit the investment until the properties are sold or unless a purchaser for that Interest can be found. There is no undertaking given by the Manager that it will find a purchaser for such Interest, nor is there any obligation on the Manager to buy back or redeem.

4.4 Termination or Winding Up

The Manager has the right to sell any of the properties or any part of the properties at any time if it believes it is in the best interests of Owners to do so.

If Owners wish the DPI to be wound up earlier than in accordance with the provisions of this Prospectus and the Constitution, then they may call a meeting of Owners to consider and vote on an extraordinary resolution directing the Manager to wind up this investment.



Newcomb Central Shopping Centre, signage

In this section we tell you why we have chosen these properties for this investment.

5.1 Retail Property Assets

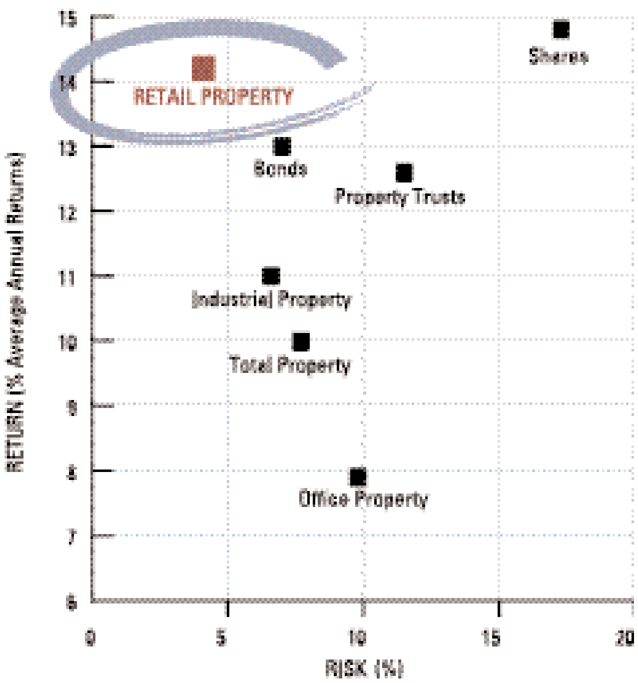
We believe that quality property, which derives the major portion of its income from sound tenants who in turn derive income from the supply of weekly convenience food and other goods, presents a very attractive investment opportunity.

We also like to be the owner of retail assets that are well-leased to proven operators, particularly where much of the value of that retail business is derived from the freehold which we own.

We therefore have a high regard for food-based convenience shopping centres and well leased hotel premises which make up the 12 properties in this portfolio.

Retail property, as figure 5.1 shows, has been able to provide returns which have substantially exceeded returns from other sectors of the property market over a long time and has delivered this performance with less volatility and hence greater security.

Figure 5.1
Australian Asset Class Performance Analysis
(June 1985 - June 1998)



Source: University of Western Sydney

5.2 Timing

Purchase yields on passing income on the properties in this portfolio range from 8.29% to 10.48%. These yields are well above the prevailing interest rate on funds borrowed, which is expected to be around 6.5%. We believe that this factor provides an added reason for increasing asset allocation into quality property today.

5.3 What We Look for in Property

We look for properties which we believe have a good prospect of producing reliable and growing cash flow and, at the same time, potential for capital gain.

We choose locations which are proven and which have demonstrated all or most of the following:

- they generate substantial turnover for their anchor tenants from a well defined and substantial trade area;
- they are substantial centres of population;
- they are capable of having value added by either redevelopment, refurbishment, tenancy re-mixing and/or expansion; and
- careful assessment of the existing or potential competition within their catchments shows a sound level of security for the future.

The four shopping centres in this portfolio fulfil these criteria of being established centres, producing reliable and growing cashflows with the capacity for value adding through refurbishment and tenancy remixing.

All the centres are anchored by major supermarket tenants. Not only is it comforting to know that retailers of the calibre of Coles, Woolworths and Foodland underpin the income, but there is additional security for Investors in knowing that each of the locations sustains substantial retail turnover on daily and weekly convenience items.

The eight liquor outlets provide a sound income stream and will be further improved not only with the substantial expenditure proposed by Liquorland in refurbishing and rebranding the facilities, but in the efficiencies and economies of scale that Liquorland may achieve in adding these businesses to its Queensland operations.

5.4 Prized Market Sector

We look for properties which have, by virtue of their special characteristics, a value that is substantially independent of particular tenants, and we believe that each of these properties falls into this category. In the case of the shopping centres the level of trade of each of their 'anchor' tenants is such that, upon expiry of their lease, we expect that these tenants will take up options for further leases or that they will be able to be replaced by major tenants of equal quality.

In the Liquorland outlets we, the freehold owners, hold the key assets being the freehold title and the general liquor licence. This is because, in Queensland, the general liquor licence attaches to the premises (and so to the freehold owner).

5.5 Strong Major Lease Covenants

Both Newcomb Central and Albion Park Village have supermarket leases to the Woolworths group (which in Victoria trades as Safeway) expiring in December 2006 and November 2018 respectively (plus options).

Action MegaCentre enjoys a 25 year lease to Action Supermarkets Pty Ltd, part of the Foodland group. The lease expires in November 2024, and has two further options of 10 years each. The Centre also has a Centrelink as one of its major tenants with a five year lease and two further options of five years each.

Townsville Kmart Plaza has a Coles Supermarket lease and a Kmart lease, both extending to September 2011 (plus options).

The Liquorland leases are to Liquorland (Qld) Pty Ltd. The initial 15 year terms are guaranteed by Liquorland (Australia) Pty Ltd. These leases expire in 2016 and all have two further options of 10 years each.

5.6 Majors Performing Well

Newcomb Central - The trading performance of the Safeway supermarket is some 30% above the typical average for supermarkets in Australia. (Source: Jebb Holland Dimasi 'JHD')

Albion Park Village - The trading performance of the Woolworths supermarket is in line with the typical average for supermarkets in Australia. The store has achieved strong sales growth in the past two years and this growth is projected to continue in the future, given the rapid population growth in the surrounding region (JHD).

Townsville Kmart Plaza - The Kmart DDS trading level is some 14% above the average for Kmart DDSs in single DDS based centres in Australia (JHD).

The sales volume of the Coles supermarket has declined since the opening of a Coles supermarket in Annandale in south Townsville. Further impact may be experienced from the recent expansion of the Woolworths supermarket at Vincent Village. However, the Coles supermarket at Kmart Plaza still remains the best performing Coles store in Townsville.

Action MegaCentre - The Action supermarket is achieving a solid level of supermarket sales which is expected to further improve as the Centre matures and forecast population growth in the trade area increases (JHD).

5.7 About the Properties

In the following pages we analyse each of the shopping centres and the Liquorland portfolio. We tell you what we see as their strengths, weaknesses, opportunities and threats (SWOT Analysis) and we explain why we regard each property as being a quality investment.

SWOT Analysis

A SWOT Analysis follows. (Our comments are in italics). Our future strategy for each property is based on this analysis.

NEWCOMB CENTRAL SHOPPING CENTRE

Strengths

- A strongly trading Safeway supermarket with healthy sales some 30% above the typical average for supermarkets in Australia (JHD).
- Occupancy costs for retail specialty stores at the Centre are currently \$358 per m^2, well below the benchmark average for Australian single supermarket based centres of \$530 per m^2. Rents at the Centre are sustainable and future sales growth for specialty stores should result in increased income at the Centre (JHD).
- Secure specialty lease profile with over 50% of the specialties having a lease expiry beyond two years.
- The good mix of non-retail service oriented specialty tenancies at Newcomb Central, in particular the library and child minding centre are important drawcards to the Centre and reinforce the convenience based nature of the neighbourhood shopping centre.
- Good tenancy fit-outs complement the modern appearance and comfortable ambience of the Centre.
- Highly visible and easily accessible Centre with prominent and extensive frontage to Bellarine Highway, a major thoroughfare linking the Geelong commercial business district with Geelong's eastern suburbs and wider Bellarine Peninsula.
- Ample on-grade car parking for 342 cars.

Weaknesses

- A significant proportion of the Safeway supermarket rent is derived from percentage rent (assessed on sales turnover). Percentage rent is less secure than base rent and receipt of a significant proportion of income is delayed until two months following each lease year end. *Lease expiry in 2006 will enable a base rent review to market.*
- Limited opportunity for expansion of the Centre under the Greater Geelong Planning Scheme which limits the combined leasable floor area for 'shop' purposes to 6,000m^2. The current GLA is 5,785m^2 excluding the office suites and medical uses. *Any expansion we might plan would be as a result of customer demand and this would underpin any approaches to Council to increase the GLA limit.*
- The Safeway supermarket is located at the eastern end of the shopping centre resulting in a need for destination retailers at the western end to improve pedestrian flows along the mall. *Whilst the Centre will continue to trade well without a second anchor, opportunities may exist in the medium term to relocate the library and community facilities and use that space for a second anchor such as a DDS.*
- The limited number of specialty stores at the Centre results in a weak non-food/personal services offer. The Centre, therefore, is purely serving a food and convenience function within the trade area and does not incorporate any comparison or non-food shopping. *We believe that the strong food and convenience function of the Centre is one of its main strengths. We see no immediate need to increase the non-food offer.*
- Limited demand for the office suite tenancies which may result in extended periods of vacancy. *We are already discussing opportunities with some existing tenants to expand into some vacant space. Proactive marketing of this office space will be a high priority. The office space only comprises a small percentage of total income.*
- The Centre is an open-air mall, as compared with the enclosed shopping centre at Bellarine Village just 300 metres west of the Centre. As such, residents of the region may be more inclined to use Bellarine Village Shopping Centre during periods of inclement weather. *Plans have been prepared to enclose the main entrance to ensure weather protection for Safeway shoppers. Irrespective of this, the open air design of the Centre adds to its accessibility and convenient nature.*
- There is limited population growth projected for the primary sector of the trade area. *There is above average growth in the secondary sector, which includes new residential estates to the south (Grovedale) and east (Leopold).*

Opportunities

- Potential to add a new Safeway Plus Petrol outlet. This opportunity is well progressed with the Vendor having reached in principle agreement with Safeway to build and lease it, subject to planning approval. The Vendor has contracted with us to use its best endeavours to complete this project, which we expect will occur around June 2002. On completion, we have agreed to pay an additional sum of approximately $1m reflecting a 9% return on net rental income from the facility.
- Potential to increase the base rent under the Safeway lease upon expiry in 2006 and to negotiate a new lease with a significantly higher base rent.
- Purchase of the adjacent parcel of land will allow redevelopment opportunities.
- Improve the retail specialty mix by attracting additional national chains.
- Substantial expansion of the Centre to include a DDS and additional specialty tenants may be possible given the locational advantages of the site in relation to the immediate surrounding population and competition. Circumstances permitting, Newcomb would present an excellent opportunity for a Woolworths 'Marketplace' development.
- Improve the physical appearance of the Centre including a refurbishment of the Safeway store, landscaping of the car park and enclosure of the Safeway entrance.
- Occupancy costs for retail specialty stores at the Centre are currently $358 per m^2, well below the benchmark average for Australian single supermarket based centres of $530 per m^2 (JHD). Rents at the Centre are sustainable and future sales growth for specialty stores should result in increased income at the Centre (JHD).

Threats

- Conversion of the Franklins Fresh supermarket, at the neighbouring Bellarine Village Shopping Centre, to a Safeway Supermarket, may impact on Newcomb Central's supermarket turnover. *Turnover figures show that since replacing the Franklins supermarket with a Safeway, there has not been any noticeable impact on sales at Newcomb Central.*
- Bellarine Village has recently obtained rezoning consent to allow the provision of an additional 46 car park spaces on adjacent land. *Whilst this is not considered to have any major effect on Newcomb Central, any further significant improvements at Bellarine Village Shopping Centre could pose a potential threat.*
- Development of a Safeway Plus Petrol service station at the Bellarine Village Shopping Centre may adversely affect the trading performance of Safeway at Newcomb Central. *We see this as a remote threat given that the car park numbers at Bellarine Village are limited and in principle agreement has been reached for a Plus Petrol at Newcomb Central (see Opportunities).*
- Development of a supermarket based retail complex east of Newcomb Central from where the subject centre currently draws trade. *Enquiries with the City of Greater Geelong have not identified any significant proposed retail development in the main trade area. Nonetheless this does not preclude further retail development in the long term. We are experienced at protecting our centres and will apply our usual rigorous approach to management to protect its market share in the face of potential competition.*

Summary

Newcomb Central Shopping Centre is an ideal MCS acquisition. It is a modern, open air neighbourhood centre that is anchored by a strongly performing supermarket, and provides basic convenience shopping with a good mix of food and services based specialties. It is well located on the Bellarine Highway, has excellent exposure and car parking, and serves an established residential community in the south-east of Geelong.

Very little is needed to be done to this Centre. There are only minor capital works requirements which include some minor airconditioning and fire protection works in the first year and replacement of some airconditioning units over time.

We have allowed $77,000 for programmed maintenance over the next five years and a further $481,949 has been set aside for tenancy remixing, leasing expenses and other capital expenses.

The Centre provides some excellent opportunities in the future, with a very real likelihood of securing a Safeway Plus Petrol facility, which should further increase Safeway sales and provide shoppers with an additional enticement to shop at the Centre.

The potential future relocation of the existing community facilities to make way for a new DDS will be explored as part of our ongoing strategy to add value to the Centre.

ALBION PARK VILLAGE SHOPPING CENTRE

Strengths

- Albion Park Village is an attractive, convenient and well positioned centre that services a main trade area which has undergone significant residential development over the past 10 years. This development is projected to continue with strong population growth in the trade area to 2006, thus providing the opportunity for further sales growth at the Centre (JHD).
- An efficient centre design with good sight lines.
- The Centre is a modern building with a simple design, is easily accessible from both Terry and Russell Streets (refer plan), and has ample on-grade parking.
- The Centre has limited competition in a well defined trade area. As such, it captures a high proportion of the food, grocery and convenience shopping of surrounding residents.
- The Centre has a strong anchor tenant. Woolworths has experienced strong sales growth since opening in 1998 with the latest trading figures showing growth of 6.5% in the 12 months to May 2001 (JHD).
- Albion Park Village has an appropriate provision of traditionally sized specialty shops for a centre in a developing non-metropolitan location.

Weaknesses

- Retail specialty mix. Three of the specialties are vacant and the food specialty offer lacks national chain stores. *Although we have one year rent guarantees over the vacant areas our first priority will be to lease this space. We plan to target a few key food uses and over time, obtain stronger representation from national traders although we do not consider this essential for the overall success of the Centre.*
- The non-food offer at the Centre is also limited. *We will be endeavouring over time to locate a pharmacy and a newsagent to the Centre and by doing so strengthen the retail offer of the Centre.*

- Pedestrian links between Albion Park Village and the retail strip of Tongarra Road are limited, which does not encourage cross shopping between the two facilities. *There is a vacant site linking Albion Park Village Shopping Centre with the Tongarra Road retail strip. We will commence discussions with the owners of this site and Council with the view to establishing a suitable pedestrian link.*
- Population catchment is currently below optimum level. *We see this as an opportunity. With the completion of the final stages of the nearby Centenary Estate and the proposed Tullimbar Village development, Albion Park Village Shopping Centre should benefit significantly over time from the resultant increased population.*
- Constrained site with limited expansion potential. *We do not believe that this area would warrant a larger centre than presently exists. Our task is to improve the performance of the existing Centre, so that it trades to its maximum potential rather than to expand it.*
- Gross leases do not allow Lessor reimbursement of increases in outgoings. *We have allowed for gross leases in our cashflow forecasts and on lease renewals will renegotiate lease terms with specialty tenants.*
- Car parking average is slightly below comparable properties. *There are presently 202 car parking bays on site. This number was approved by Shellharbour City Council when the Centre was constructed and we believe it to be adequate, particularly in the light of 24-hour trading which has the effect of spreading the peak parking requirements.*

Opportunities

- Clearly the key opportunity at the Centre is to improve the retail specialty mix. This will include leasing the current three vacant specialty spaces and attracting strong non-food retailers such as a pharmacy and newsagent to the Centre. Attracting national chains, particularly in food specialty retailing, will further strengthen the appeal of the Centre.
- The Centre could also be improved with the addition of financial or personal services which at present are located in the nearby retail strip.
- The Albion Park urban area has experienced rapid population growth and is projected to continue to grow strongly in the future. There is clearly an opportunity for Albion Park Village to continue to service the food and convenience shopping needs of this growing population.
- Retail spending by trade area residents is projected to increase by 40% over the next five years (JHD).
- Occupancy costs for retail specialty stores at the Centre are currently \$396 per m^2, well below the benchmark average for Australian single supermarket based centres of \$530 per m^2 (JHD). Given the population growth forecast for the main trade area, there is likely to be scope for rental growth in the future. Put another way, below average rents suggest above average rental growth.

Threats

- New competitors. *Discussions with Council indicate that there are no areas within the main trade area that are zoned under the planning scheme to support a competing centre, and that there are currently no proposals for new supermarket facilities either within the Albion Park Village main trade area or the nearby region.*
- The proposed new road link between Ashburton Drive in the Centenary Estate at Albion Park, through to New Lake Entrances Road near the Princes Highway will provide more direct access to competitive retail facilities at Shellharbour particularly for residents in the southern part of the Albion Park suburb. *While Shellharbour Square can be expected to be a key destination for non-food shopping for main trade area residents, Albion Park Village will still be the closer and more convenient centre for food and grocery retailing for trade area residents and as such this road diversion would only be considered a minor competitive threat to the Centre.*
- Future outgoings increases. *As leases are predominantly 'gross' leases, any increase in outgoings and in particular statutory costs and insurance could have an impact on the Centre's cashflow. We have appropriately provisioned for this in our cashflow forecasts.*

Summary

Albion Park Village Shopping Centre is a modern, open air neighbourhood centre that serves a growing residential community within the outer western sector of Wollongong. It is the only shopping centre located within its main trade area and no other significant retail facilities are planned for this area.

With the exception of a minor tenancy remix there is little that needs to be done to this centre in the foreseeable future. Since its opening in 1998 it has continued to trade well, particularly the Woolworths supermarket which has recorded consistently strong sales growth. On the basis of forecast population growth in the immediate catchment, particularly on completion of the final stages of the Centenary Estate residential development and the proposed Tullimbar Village development, we expect this trend to continue.

The Centre lacks a pharmacy and newsagent, both of which are presently located in an adjoining retail strip. Our aim is to seek to relocate these tenancies into our centre as soon as practicable. If this can be achieved, it will significantly strengthen the Centre by broadening the retail offer with retailers who better serve the day to day needs of the Albion Park community.

As the Centre is only three years old, there is little required by way of capital expenditure in the foreseeable future. However, we have allowed $233,000 for programmed maintenance over the next five years in accordance with our due diligence reports. A further $520,048 has been set aside for tenancy remixing, leasing incentives and other capital expenses.

Our due diligence on this property has revealed a number of outstanding issues relating to the Development Approval which Shellharbour Council has directed to be remedied by the present owner. To safeguard against any financial consequences as a result of these works not being completed prior to settlement, we have reserved the right to withhold $500,000 at settlement until such time as these works are completed by the vendor to the satisfaction of the Council.

TOWNSVILLE KMART PLAZA

Strengths

- The Centre occupies a high profile, strategic location at the intersection of Nathan Street and Ross River Road in Aitkenvale with excellent exposure and accessibility from the surrounding region.
- The Centre forms part of the Aitkenvale shopping area which also includes Stockland Nathan Plaza and an extensive strip along Ross River Road. Aitkenvale is one of the largest retail precincts in Townsville.
- The Centre has strong major tenants including the only Kmart DDS and the strongest performing Coles supermarket in Townsville.
- Kmart trades at a level some 14% above the average for Kmart in single DDS based centres (JHD).
- The average trading level of specialties is comparable to the typical average for specialties in single DDS based centres.
- Occupancy costs are generally lower than comparable single DDS based centres with consequent potential for rental growth in the future, particularly if the quality and mix of the specialty tenants is improved (JHD).
- Three current vacancies which, when filled, can be expected to lead to rental growth.
- Some strongly performing tenants such as pharmacy and fashion accessories with turnovers 42% and 18% respectively above JHD benchmarks.
- Main trade area population is forecast to continue to grow for the next ten years at around 1.4%-1.5% p.a. compared with the typical population growth throughout Australia, estimated at around 1.0%-1.1% p.a. (JHD).
- Coles and Kmart make up over 84% of the GLA and over 67% of the net passing rental income, with both tenants having at least 10 years remaining on their initial lease terms.
- Very good car parking facilities for 835 vehicles, of which approximately 300 are under shadecloth cover.
- Retail spending in the trade area is expected to increase by some $268m or 27% over the next five years (JHD).
- The Centre has been well designed with a very user-friendly layout (traditional 'dumb-bell' configuration providing maximum traffic flow past specialty shops). It underwent refurbishment in 1998 and presents well.

Weaknesses

- Poor specialty mix with few national brand tenants throughout the Centre and limited retail fashion offer to provide comparison shopping and support for Kmart. The Centre also lacks service tenants such as banks, which attract residents to the Centre for reasons other than shopping. *We plan to strengthen the tenancy mix by attracting higher profile food related national traders to the Centre. Bakers Delight has recently taken up a tenancy at the Centre and Lenard's is in the final stages of lease negotiation. We will immediately commence discussions with Suncorp Metway to extend its lease and will continue discussions with a prominent credit union that has previously expressed interest in the Centre.*
- Due to the current poor tenancy mix, the performance of some of the specialty retailers are at levels significantly below comparable traders in Australian single DDS based centres and may place negative pressure on current rentals (JHD). *The strengthening of the tenancy*

mix as planned will assist some of the poorer trading tenants to improve their performances and thereby their capacity to pay market rents. In some instances it may be necessary to replace some of the tenancies with higher profile and better performing traders.

- The relatively low provision of specialty stores at the Centre (27) means that the Centre lacks the depth and range of specialty stores that most sub-regional centres offer. *This is a food-based convenience centre that is not dependent upon a large range of specialty traders to ensure its success. It boasts the only Kmart DDS in Townsville which in itself is a very significant draw and with 27 specialties the Centre adequately services the community's needs. Should additional food-based retailers be required, we have the capacity to accommodate them through subdividing vacant areas and by downsizing some existing tenancies.*
- The Coles turnover has been declining over the past 6-7 months. This is likely to continue until the 12 month impact from the opening of nearby Annandale Shopping Centre (4.5 km south-east) and Vincent Village Plaza (1 km north) has been absorbed. *There is usually an impact from new and refurbished centres within a catchment for a period of up to 12 months after commencement of trading. We believe that over the next few months this trend will dissipate and that the future trading performance at Kmart Plaza will be strengthened by the plans we have for the Centre as outlined. We have assumed in our cashflow forecasts that no percentage rent will be received from Coles until 2004.*
- The Centre has three vacant specialty shops. *We have already embarked on a strategy to lease the vacant space and are confident this will soon be achieved. Our hands-on style of management will ensure that vacancies are kept to a minimum.*
- Adverse lease expiry profile of specialty tenants over the short term. *We see this as an opportunity. Strengthening of the tenancy mix may necessitate the relocation and/or replacement of some of the specialty tenants. Imminent lease expiries will assist with this process.*
- Strong competition from larger centres such as Stockland Plaza, Castletown and Willows, as well as from smaller supermarket based developments at Annandale, Hermit Park and Vincent (approximately 1 km to the north). *We are experienced at protecting and developing our shopping centres in the face of competition. The key is to differentiate the Centre. We will aim at ensuring Kmart Plaza maintains its market position as a solid, predominantly food-based convenience centre.*

Opportunities

- Forecast trade area population growth should drive a stronger turnover performance.
- Increase the number of specialty stores that complement the Kmart DDS and attract residents from developing surrounding areas. This may involve replacing some of the existing tenants.
- Remixing and refurbishing the specialty shops with a greater emphasis on national brand tenants to result in higher trading levels for specialty stores and consequently higher rental opportunities.
- To increase turnovers by placing greater marketing emphasis on the food-based convenience nature of the Centre.
- Occupancy costs for specialty stores at the Centre average \$592 per m^2. This is slightly below the typical benchmark for specialty stores in Australian single DDS based centres at \$617 per m^2. These occupancy costs average 10.7% of turnover compared with 11.5% for the JHD benchmark. Rents at the Centre, therefore, are sustainable in the future, and income growth prospects are strong as long as specialty sales grow and the leasing of vacant shops can be achieved (JHD).
- The size of the land and abundance of car parking may enable the inclusion of stand alone tenancies.

Threats

- Proposed development or expansion of competitive retail facilities such as the addition of a new IGA supermarket at Greenwood, Thurigowa and the expansion of Vincent Village. *It is unlikely that there will be major expansions to any of the competing sub-regional shopping centres in the future. We do not believe the Kmart store is likely to face major competition from new DDSs in the foreseeable future and while the Coles supermarket has faced increased competition in recent years it has nonetheless maintained high levels of turnover in the wake of this competition. Vincent Village, a nearby small neighbourhood centre, may have an impact on Coles' sales due to the expansion of a Woolworths supermarket. We believe the plans we have for our Centre, as outlined above, will significantly enhance its performance and thereby minimise the impact the expansion of Vincent Village may have.*

Summary

Townsville Kmart Plaza has many of the important characteristics of a good convenience food based shopping centre. It is located in a busy retail area with a strong and growing trade area population. Retail spending in the trade area is expected to increase by some $268m or around 27% over the next five years (JHD).

The Centre is anchored by strong major traders including the strongest performing Coles supermarket in Townsville and the only Kmart DDS in Townsville (JHD). The Centre has a very user friendly layout in the traditional 'dumb-bell' design. It has over 830 on-grade car spaces and enjoys excellent access and exposure on Townsville's busiest corner. We believe we can further improve the Centre by improving the specialty mix. This will involve a greater emphasis on national brand tenants, introducing a wider range of non-food specialty stores to complement the Kmart DDS and maintaining an adequate proportion of non-retail elements such as banks and other service oriented groups.

There are three vacant tenancies which we believe can be leased in the next few months. Already, we are implementing a leasing strategy in conjunction with the Vendor which aims to have the Centre fully leased.

The property has undergone quite an extensive refurbishment in recent years and presents well. There is therefore only modest capital expenditure required for the Centre. In accordance with our due diligence reports we have allowed $570,000 for programmed maintenance over the next five years. A further $760,189 has been set aside for tenancy remixing, leasing expenses and other capital expenses.

Whilst Townsville is a competitive retail market, it is unlikely that there will be further major expansion of retail facilities in future years. It is anticipated that the position of Townsville Kmart Plaza should be consolidated as one of four sub-regional shopping centres.

ACTION MEGACENTRE, INNALOO

Strengths

- The Action MegaCentre is located in one of the largest shopping areas throughout the northern suburbs of Perth. It forms part of the Innaloo Shopping precinct, which also includes the double DDS based Westfield Innaloo, a Greater Union cinema complex and an extensive retail strip along Scarborough Beach Road.
- The layout of the Centre is simple and efficient with a single enclosed mall attached to the Action Supermarket and extensive on-grade car parking, which is easily accessible.
- The Centre is anchored by a large Action Supermarket of 4,670 m^2, which has been open for only 22 months. The store is achieving a moderate sales volume but has the capacity to significantly grow its turnover over the next few years.
- After a period of static population levels recorded in the trade area, some strong population growth is forecast for the Innaloo region, reflecting the redevelopment of former public housing areas and the development of a number of smaller estates.
- The Centre enjoys excellent accessibility, being located off a number of major roads, such as the Mitchell Highway and Scarborough Beach Road.
- The Centre commenced trading in November 1999 and the standard of shopfront presentation and fitout are generally of a level expected of modern shopping centres throughout Australia. The age of the Centre also means that the need for refurbishment and repairs is largely non-existent.

Weaknesses

- The specialty shop mix requires significant improvement. There are few national brand tenants throughout the Centre and there are few non-retail elements. *We plan to focus heavily on improving the tenancy mix by the introduction of more national traders and, if possible, the introduction of a pharmacy, which is presently missing from the current mix.*
- The Action Supermarket is only achieving a moderate sales performance. *As the Centre matures, we believe this trading performance will significantly improve over the next few years. This will occur as the surrounding community become more aware of the Action MegaCentre offer and residential housing estates develop.*
- The moderate sales turnover of the supermarket and the weakness of the current specialty mix are reflected in the performance of the specialty retailers, which trade well below the typical average of specialty stores at supermarket centres around Australia. *As the Centre matures, we expect an improvement in the supermarket's performance. A focus on tenancy remixing, incorporating more national traders should improve the overall sales performance of all retailers at the Centre.*

- Occupancy costs for specialty stores at the Centre average \$430 per m^2. While this figure is below the typical benchmark for specialty stores in Australian single supermarket based centres of \$530 per m^2, it nonetheless results in an average occupancy cost ratio of 12.7%, being above typical supermarket centre averages of around 10.2%. Specialty rents at the Centre are therefore considered unlikely to grow in the foreseeable future, unless strong growth in sales for the specialty stores is achieved over the next few years. *We recognise that the Centre is in its early phase and its mix and performance will take some time to settle over the coming years. Allowances have been made for this. Our strategy for the Centre is targeted at improving the turnovers of the supermarket and specialty stores, which in turn will improve their capacity to pay higher rents.*

Opportunities

- Improve the speciality mix. This includes leasing the current vacant specialty space and attracting some better quality food and non-food retailers to the Centre.
- The addition of non-retail stores, such as banks or financial services or a medical centre, would also improve the customer numbers at the Centre.
- Negotiate a new lease term with Centrelink. We have commenced discussions with Centrelink for it to exercise its five year option from May 2004.
- Trade area growth as development occurs in primary and secondary catchments.

Threats

- Threat of expansion of competitive retail facilities. The adjoining Westfield Innaloo Centre has approval for further expansion, including the possible addition of a second supermarket, an expansion to the Coles supermarket, mini major stores and further specialty shops. The expansion of the supermarket facilities at the Centre would be expected to have an impact on our Action Supermarket. *The Action MegaCentre has benefits of convenience and accessibility over such centres as Westfield Innaloo. We believe this competitive edge will only be amplified as Westfield expands. We are very experienced in protecting our centres from the threat of such competition.*

Summary

The Action MegaCentre is a relatively new shopping centre that commenced trading in late 1999 and is therefore in the early stages of establishment. It has many of the key features of a successful convenience based shopping centre, including a strong anchor tenant (Action Supermarket), an abundance of car parking (473 cars) and excellent exposure to a major arterial road.

Although our Centre adjoins the larger Westfield Innaloo, we believe that when Westfield expands this will only amplify the competitive edge of convenience that our centre offers its customers.

Whilst the main trade area population is forecast to show only modest growth over the period to 2006, future residential growth is expected primarily as a result of the Ministry of Housing's New Living Urban Renewal Program, which includes the redevelopment of previous public housing areas around Innaloo and Gwelup. A retirement village is proposed for a site adjoining our centre and there are some small pockets of residential development being undertaken throughout the trade area. As this development progresses, so too should the performance of the Centre and our ability to improve the specialty mix by attracting national traders to the Centre.

As the Centre is quite new, there is little need for capital expenditure over the short to medium term.

We have allowed, however, \$62,000 for programmed maintenance over the next five years and have set aside a further \$983,652 for tenancy remixing, leasing expenses and other capital expenses.

LIQUORLAND OUTLETS

We have contracted to purchase the freeholds of eight Liquorland outlets, all securely leased to Liquorland (Qld) Pty Ltd and guaranteed by Liquorland (Australia) Pty Ltd, a wholly owned subsidiary of Coles Myer.

We believe they offer an excellent investment for the following reasons:

- Each is leased for 15 years with two further option terms of 10 years each.
- Rent increases at a fixed 3% per annum.
- The tenant pays all outgoings such as rates, water, sewerage and public liability insurance.

- The operation of these outlets is, for Liquorland, another major step in establishing a substantial role in the Queensland liquor trade. It is difficult to gain entry into the Queensland liquor market as under current legislation the liquor licence attaches to the freehold, as does the right to operate three other liquor stores within a 10 km radius of the licensed premises. Liquorland does not wish to be a freehold owner and, in the case of these eight outlets, leases the operation of the hotels from us.
- Our enquiries of the tenant indicate that it plans to spend $4m on upgrading, refurbishing and rebranding the properties.
- If Liquorland does not renew its lease on any of our outlets, it may also, under current legislation, cease to be able to operate the three liquor stores which it might be operating under the licence that attaches to our hotel.
- Liquorland has paid what our enquiries reveal is a very substantial sum to the previous owners for the ‘goodwill’ which attaches to the businesses - i.e. for simply the right to lease the property and hence the licence. This indicates that the freehold properties may actually be worth more if they were unleased, which is a very pleasing underpin of their value.
- Liquorland expects to be able to increase sales from each outlet simply because, as it increases its presence in the Queensland market, it gains the ability to implement economies of scale to more cost effectively market and operate its outlets.
- Liquorland has indicated to us that the net rent it is paying for each site is based on its own assessment of liquor sales attached to those sites and based on its own standard performance indicators.
- Our independent enquiries indicate that the rent payable by Liquorland is at a fair market value for the portfolio.
- Our responsibility for structural repairs and maintenance is limited to $80,000 p.a. across the eight properties.

Summary

We see the eight Liquorland outlets as offering an attractive property investment because they are:

- leased to a quality tenant on long term leases,
- leased to a tenant which will spend substantial monies on the properties and has already committed substantial funds for the right to occupy the premises,
- properties that themselves have a value because liquor licences attach to the freehold,
- a reliable and growing income stream,
- substantial buildings on large sites,
- established businesses with proven trading performances,
- well located on easily accessible sites in populated areas,
- properties where our obligation for structural repairs and maintenance is limited.

In accordance with our due diligence reports and the cap on the lessor’s responsibility for repairs and maintenance of $80,000 p.a. we have allowed $517,473 for structural repairs and maintenance over the next five years. A further $102,029 has been set aside for leasing, legal and other capital expenses.

5.8 Potential for Capital Gains

We believe that these properties provide not only an attractive and soundly based income stream but also potential for capital growth. This could flow from a number of factors:

- We expect income from the properties to grow. As income grows, so typically does value;
- The yield at which these properties may be valued or sold could well be lower at the time of valuation or sale. Where income has remained at least stable, revaluation or sale at a lower yield implies a higher value for the properties. The re-rating of the properties to a lower yield could come as a consequence of our being able to improve the properties, or improving economic conditions or a combination of both. (Economic factors could also cause yields to increase);
- In respect of the Centres, our aim is to deliver additional income and value through re-mixing, reconfiguration of existing tenancies and refurbishment. These works have the potential of making the properties more attractive and hence perhaps saleable at lower yields (i.e. higher prices); and
- Addressing the weaknesses identified in the SWOT analysis, taking the required action to counter any threats to the properties, enhancing their strengths and capitalising on the significant opportunites that we have identified above.

5.9 Sound and Good Condition

We have conducted extensive enquiries into the properties, their titles and structures, and into their compliance with fire, mechanical, electrical, hydraulic services, structural standards and planning regulations.

As a result of these enquiries, we are satisfied that the properties are in good and sound condition and/or that any defects and necessary works are adequately provided for within the scope of the capital budget we have proposed.

Right - Entry to Albion Park Village, NSW


MCS
PROPERTY

CASH FLOW ANALYSIS AND FINANCIAL FORECASTS

6.1 Cash Flow Analysis

The following table sets out the annual income we calculate the properties are expected to produce. Projected outlays are then deducted from income. The resultant figure is what we calculate will be the cash distribution which is payable to you each year. This figure is then shown as a percentage return on your initial investment.

A number of assumptions have been made in preparing this cash flow analysis and these financial forecasts. These assumptions are set out and explained in the detailed notes following the forecasts. We believe the assumptions made are well founded and appropriate.

Forecast Operating Cash Flows ($000s)

Total Net Rental Income	**Notes 1**	**6 mths to Jun-02**	**Year to Jun-03**	**Year to Jun-04**	**Year to Jun-05**	**Year to Jun-06**
Newcomb Central	2	613	1,238	1,298	1,328	1,356
Albion Park Village	2	510	1,044	1,093	1,138	1,169
Townsville Kmart Plaza	2	1,145	2,232	2,272	2,349	2,411
Action MegaCentre	2	924	1,800	1,867	1,964	2,021
Liquorland Outlets	2	1,889	3,651	3,746	3,841	3,928
		5,081	9,965	10,276	10,620	10,885
Less						
Interest to Financiers	3	2,115	4,295	4,328	4,373	4,406
Management Fees - less portion deferred	4	387 (120)	767 (550)	779 (400)	793 (200)	804 (50)
Valuation Fees	5	-	50	53	55	58
Accounting & Audit Fees	6	45	90	95	100	105
Registry - Computershare	7	25	50	52	54	57
Promotional Support	8	95	200	209	220	231
Disbursements	9	25	53	55	58	61
Custodian Fees	10	26	55	57	60	63
Exempt Market Listing	11	20	21	22	23	24
MIA Costs	12	15	32	33	35	36
Other Expenses & Allowances	13	52	115	125	125	140
Cash available for Distribution		2,396	4,787	4,868	4,924	4,950
Distribution as a Percentage of Equity $ 53,200,000	14	9.00%	9.00%	9.15%	9.25%	9.30%

6.2 Notes on Assumptions to Cash Flow Forecasts

1. Except for the first period, the forecast cash flows are for 12 months of income and expenditure. In the year to June 2002, distributions will be proportional to our period of ownership.
2. Forecast net income for the property is as assessed by the independent valuation expert who valued the property (see Section 11).
3. Interest is estimated at the average rate of 6.5% p.a. on initial loan funds of $65m (see details on page 40). We have received an indication that a lending margin of about 1.2% p.a. over the swap rate should be obtainable. The forecasts provide for further drawdowns for capital and other works of approximately $2.5m for the period to June 2006, on which we have forecast interest paid at 6.5%.
4. An estimate of management fees (payable on the basis set out in Section 7.4). The Manager will defer recovery of part of the management fees due in the first 5 years until the sale of the properties, unless cash available for distribution exceeds forecasts in which case the Manager will be entitled to take such excess to reduce the amount deferred.
5. We have allowed for appropriate valuations annually, commencing in the second year (which will be reported in your Annual or Half Yearly Investor Reports, the cost of which has been allowed for at an increase of 5% p.a.).
6. An estimate of accounting and audit fees (the cost of which has been allowed for at an increase of 5% p.a.).
7. An estimate of registry services fees to be paid to Computershare with an allowance for an increase of 5% p.a.
8. An estimated general allowance for promotional support for the Centres (the cost of which has been allowed for at an increase of 5% p.a.).
9. An estimate of administration expenses (the costs of which have been allowed for at an increase of 5% p.a.).
10. Payable to Sandhurst Trustees Limited at 0.05% of the Gross Value of Assets under Management (as defined in the Constitution).
11. Annual cost of listing the DPI and the Trust on the Exempt Market, the cost of which has been allowed for at an increase of 5% p.a.
12. Compliance costs associated with the Managed Investments Act (the costs of which have been allowed for at an increase of 5% p.a.).
13. A general contingency allowance which, if not used, belongs to Investors, is included as a buffer that we have allowed for unforeseen circumstances.
14. Cash available for distribution has been shown as a percentage return on equity invested. Investors will receive quarterly distributions. The distributions will consist of the surplus cash from the properties after providing for all expenses and interest on the borrowings. The first payment will be made to you by 30 April 2002 covering the period from completion of the purchase to 31 March 2002. Subsequent payments will be made quarterly on 31 July, 31 October and 31 January.

Other assumptions made in preparing the forecasts are:

- there are no material changes in the indirect and direct tax regime other than those already announced or the subject of draft legislation;
- there are no changes to regulations and legislation that would have a material impact on the DPI;
- there is no material change in the competitive environment in which the properties operate; and
- where allowances and estimates are used these are based on MCS's knowledge and experience (see Section 7).

6.3 Disclaimer

Due care and attention has been given to the preparation of the forecasts. However, forecasts by their very nature are subject to significant uncertainties and contingencies, many of which are outside the control of MCS. In a retail property investment, the principal uncertainties are tenancy and rental levels.

There can be no guarantee or assurance that the forecasts will be achieved and actual results may vary significantly from these forecasts.

6.4 Taxation

Your MCS investment has special advantages, one of which is that you do not pay income tax on a significant proportion of the annual distributions which you receive, i.e. there is a 'flow through' of the taxation benefits (see Section 6.5). Some of the benefits you gain in this way may reduce the cost base, for Capital Gains Tax purposes, of your investment.

Capital Gains Tax (CGT)

Individual Investors (i.e. not companies) may now be entitled to a 50% exemption from CGT, provided that the investment has been held for more than 12 months. Similarly, superannuation funds will be required to include only two thirds of the capital gain in their calculation of net capital gain.

Some Investors will participate in the DPI through the MCS17 Unit Trust (refer to Section 13.5). The MCS17 Unit Trust will be taxed on a 'flow through basis'.

Goods & Services Tax (GST)

All financial information relating to the DPI has been stated at the net cost to the DPI. Where GST has been paid and a refund is to be obtained, the expense has been shown net of GST. Where a full refund will not be obtained, the expense includes the non-recoverable GST.

Seek Your Own Taxation Advice

Taxation laws are complex, and the above comments are necessarily general in nature. They do not, for example, apply to non-residents or those who carry on a business of trading in Lots. Tax liability is the responsibility of each individual Investor, and neither the Custodian nor the Manager is responsible for taxation or penalties incurred by an Investor.

6.5 Estimated Taxable Income Portion

The estimated taxable income portion of the distributions which you are expected to receive is calculated as follows:

Estimated Taxable Income ($000s)

	Notes	6 months to Jun-02	Year to Jun-03	Year to Jun-04	Year to Jun-05	Year to Jun-06
Cash Surplus	1	2,396	4,787	4,868	4,924	4,950
Less:						
Amortised Borrowing Expense	2	124	228	228	228	228
Depreciation of Plant & Equipment						
- existing	3	546	964	843	768	720
- new	5	6	44	75	92	103
Division 43						
- existing	4	326	601	601	601	601
- new	5	1	11	19	23	26
Amortisation of Establishment Costs	6	559	1,118	1,118	1,118	1,118
Other	7	602	1,018	607	515	240
Total Deductions		2,164	3,984	3,491	3,345	3,036
Taxable Income		232	803	1,377	1,579	1,914
% of Return which is Tax Advantaged		90.32%	83.23%	71.71%	67.93%	61.33%

Notes on Assumptions:

1. This figure comes from the table of Forecast Operating Cash Flows in Section 6.1.
2. Borrowing expenses are amortised over the lesser of the term of the loan or 60 months. Rollover of the three year facility for a further three years has been assumed to occur at December 2004.
3. For the purposes of these forecasts, MCS has adopted a conservative approach and amortised plant and equipment over each item's expected life on the straight line basis (prime cost method).
4. Division 43 Concessional Building Allowances are calculated on a straight line basis, at the prescribed rates of 2.5% p.a. and 4.0% p.a.
5. MCS proposes to spend about $4m for the period to June 2006 on capital improvements to DPI assets as set out in Section 5. For the purposes of this forecast, we have assumed that in each year, the funds will be applied towards Plant & Equipment and Concessional Building Expenditure in the approximate ratio 50:50.
6. Costs of business establishment and equity raising are from 1 July 2001, an eligible tax deduction over a 5 year period.
7. The Manager has provided for other adjustments to taxable income, including deferred management fee.

6.6 Information for your Taxation Return

By no later than the end of August each year we will provide you with full audited financial statements together with an individual tax schedule containing the details needed for you to include in your annual tax return.

Please do not lodge your income tax return until you have this information.

6.7 Department of Social Security (DSS)

Income Assessments

The DSS considers this type of investment (DPI) not to be a managed investment and therefore not subject to the applicable deeming provisions.

The DSS considers Investors in a DPI to be direct property owners and therefore bases its income assessment on taxable income excluding amortisation and capital allowances. Because of this, and because there is significant other tax advantaged income, the amount of income to be declared to the DSS will be significantly below the amount actually distributed. These amounts will be calculated for you annually on your yearly Financial Statement.

The Unit Trust will be considered as a managed investment by the DSS and Unit Trust Investors' income will be subject to deeming provisions.

Action Supermarket interior, Action MegaCentre, Innaloo

MCS Property Limited (ACN 051 908 984) is the Manager and Responsible Entity appointed under the Constitution and will manage the DPI on each Investor's behalf.

MCS holds Dealer's Licence No 15729 issued by ASIC which permits it to be the Responsible Entity of a direct real property managed investment under the Corporations Law.

The Directors of MCS and the people behind this Prospectus are Denis Richard Page, Julius Colman, Anthony Francis Stewart, Allan Hume Reid, Glenn Richard Batchelor, Anthony Gerard Torney, Peter Raymond McGrath, Timothy Michael Poole, Raymond Ian Wilson, Kevin Joseph Murphy and Rupert Hordern Myer.

MCS has undertaken to carry on the business of this DPI in a proper and efficient manner and in the best interests of all owners.

7.1 MCS Management Team

The MCS team of some 60 members is a dedicated group of property professionals experienced in the areas of property valuations, land economy, real estate agency, chartered accountancy, property law, engineering, property development and property and asset management.

MCS has expert resources in the fields of finance, accounting, marketing, securitisation of investments, client services, legal, IT and administration. Our teams work together to ensure the secure ongoing servicing of the needs and inquiries of our Investors.

MCS manages properties valued at some $950m (if one includes the property in this Prospectus), including 35 food-based convenience retail shopping centres across 14 investment portfolios. MCS manages over 1,000 tenants and a gross annual income of over $100m.

7.2 Corporate History

MCS's business has evolved over the last 26 years. The legal firm McGrath Colman Stewart (hence 'MCS') initially encouraged clients who had little expertise in property, or who could not afford to buy on their own (or who did not want to put all their eggs in one basket), to join with others in buying real estate. McGrath Colman Stewart would find and then manage the property. The first purchase was a small residential unit. The next was a small block of units; then a larger block; then a city building, and so on.

This service filled such an untapped need that it quickly grew and led to the establishment of the separate public company, MCS Property Limited, in January 1993.

7.3 Corporate Philosophy

We believe that carefully selected, soundly investigated and skilfully managed real estate is an essential part of any investment strategy.

In this DPI, our aim is to make the returns which are available from a well chosen spread of quality shopping centres and eight liquor outlets accessible to our Investors.

Our aim is to generate wealth for our investors. We believe that certain property is very well placed to achieve this. In particular, we look for property which has the ability to provide strong, reliable and growing cashflows.

We seek to offer investors such property in what we believe is the best available securitised property structure.

7.4 Remuneration of MCS

MCS is entitled to an initial fee of 5% of the purchase price from which MCS meets any underwriting fees and commissions payable.

MCS is also entitled to an annual management fee which has a significant performance component. For the initial period of investment, this fee is made up of 0.35% of the Gross Value of Assets Under Management and 4% of the Annual Net Income. If the DPI is rolled over, or extended, for a further period then this fee will increase to 0.425% of the Gross Value of Assets Under Management, and 4.25% of the Annual Net Income.

At the end of the period of investment or earlier sale of the property or on each rollover of the DPI, MCS is entitled to a fee of 2% of the Gross Value of Assets Under Management (or sale price of the property, as the case may be) provided that no part of such fee is payable if, after payment of such part, the amount then repayable to each Owner would be less than the capital subscribed by such Owner.

At the end of the period of investment or earlier sale of the property or rollover of the DPI, MCS is entitled to a performance fee of 2.5% of the Gross Value of Assets Under Management (or sale price of the property as the case may be) provided that no part of such fee is payable if, after payment of such part, the amount then repayable to each Owner would be less than the capital subscribed by such Owner plus 50%.

If MCS retires or is removed as Responsible Entity and is replaced by a new Responsible Entity, MCS will be entitled to a fee of 2% of the gross value of the real estate of the DPI.

Where any fee received by MCS is subject to a GST or like tax, the fee paid to MCS will be increased by this amount. We expect that the DPI will then receive an input tax credit and the net effect of the GST on the DPI will not be significant.

MCS is also entitled to be reimbursed for any costs or expenses incurred in the management of this DPI.

Neither MCS nor its directors nor any interests associated with any of them will receive any part of the establishment fees (including any procuration fee) on any borrowings nor any part of any agent's fee on purchase.

7.5 The Manager's Subscription

MCS and/or interests associated with MCS will subscribe at least $500,000 to this DPI.

MCS Team

THE CUSTODIAN

The Custodian of the DPI is Sandhurst Trustees Limited (ACN 004 030 737) (Sandhurst Trustees).

Sandhurst Trustees is a long established and respected trustee company, incorporated 113 years ago on 18 January 1888 as a result of a special Act of the Victorian Parliament. It is dedicated to providing an efficient service to assist fund managers in obtaining the best possible returns for investors.

Sandhurst Trustees is a wholly owned subsidiary of the Bendigo Bank, one of the largest regional based financial institutions in Australia.

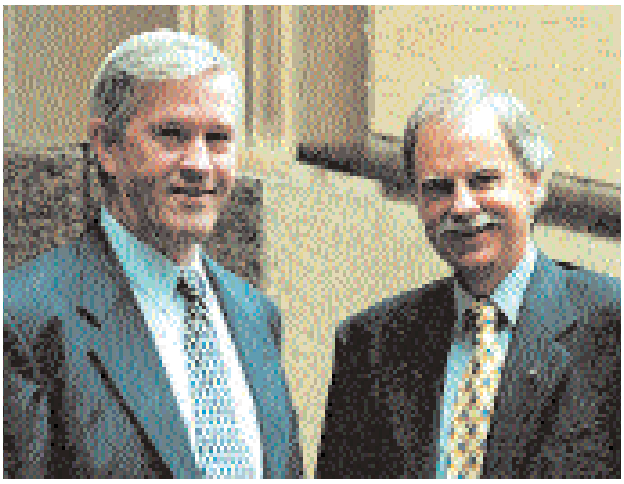
The role of the Custodian is to hold the property of the DPI as custodian for the Investors, and to deal with such property only as instructed by the Manager in accordance with the provisions of this Prospectus, the Custodian Agreement and the Corporations Law. In performing this role the Custodian must exercise all diligence and vigilance in carrying out its duties under the Custodian Agreement.

The Custodian receives all investment monies and income on behalf of the Investors.

The Custodian will be entitled to receive an annual fee for acting as custodian of the Real Estate at the rate of 0.05% p.a. of the Gross Value of Assets under Management. This is indexed annually by the percentage increase in the CPI (Capital Cities) and paid quarterly in arrears.

The Custodian has been involved only in the preparation of those parts of this Prospectus which refer to factual statements regarding the Custodian or which are derived from the Custodian Agreement. While the Custodian has read the Prospectus, made limited comments to MCS, seen the Corporations Law Compliance List of MCS and confirmed those parts of this Prospectus applicable to the Custodian, the Custodian has relied on MCS for the truth and accuracy of the contents of the Prospectus. The Custodian is not to be taken to have authorised or caused the issue of this Prospectus.

Neither the Custodian nor Bendigo Bank guarantees the repayment of capital or the performance of the DPI.



*Sandhurst Trustees Executive:
Colin Harris (left) and Frank O'Brien*

Left - Aerial view of Albion Park Village Shopping Centre, NSW

9.1 Loan Arrangements

The purchase of the properties will be paid for partly by subscriptions from Investors and partly by monies lent by a financier. The total initial capital of this DPI, including retained funds for contingencies, stamp duties and fees, is $118.20m as set out in Section 10. Of this, about $53.20m will be made up of equity subscribed by Investors, and the balance of about $65m will be made up of monies provided by a financier.

Each Owner, by subscribing to this DPI, authorises and empowers the Manager to borrow on his or her behalf in proportion to that Owner's subscription to this DPI and grants to the Manager a limited Power of Attorney on the terms set out on the back of the Application Form to do so.

The Manager may increase loan funds to 75% of the value of the properties if it deems it appropriate to do so for the benefit of this investment. Often it is by increasing loan funds in this way that the Manager is able to fund expansion, development, refurbishment and capital works.

Whilst MCS plans to raise equity of $53.20m and to have initial borrowings of $65m, MCS may vary the amount initially raised in equity or debt but by no more than 15%. The total initial capital shall, however, remain $118.20m.

9.2 Non-Recourse Loan

The loan is non-recourse to Investors. This means you are not at risk for any more than the monies you have invested. The lender will take no additional security from you and cannot look to you any further in seeking a repayment of the loan.

9.3 Security

The financier's security will be a first mortgage over the properties. It will also have a right to the income of the properties and to the Interests of the Owners in the event of a default.

The Owners will not be required to guarantee the repayment of the loan. Neither will any Investor be responsible for the obligations of any other Investor.

9.4 Term of the Loan

Some 75% of the loan is expected to be borrowed for a fixed term of five years. The balance, of about 25%, is expected to be borrowed for a term of three years with a right to extend as the Manager deems appropriate in the interests of Investors.

9.5 Interest Rate

We have allowed for the average rate of interest to be 6.5% p.a. Whilst loan terms have not been finalised, we have received an indication that a lending margin of about 1.2% p.a. over the relevant swap rate should be obtainable. If the interest rate on the loan finally arranged exceeds 6.5% p.a. by more than 1.0% p.a. then Investors will have the opportunity of withdrawing all their funds or remaining in the investment as they choose.

The Manager may also adopt a hedging facility where this could deliver a lower overall cost of funds without substantially increasing risk.

9.6 Repayment of the Loan

The loan will be on an interest only basis. This means that the principal is not due to be repaid until the loan term has been completed, however, we intend including an option for reduction (see section 9.8). Interest on the loan is proposed to be met from income generated by the properties.

9.7 Limited Liability of Owners

The liability of an Owner in the DPI is restricted to the funds he or she has subscribed. The Manager cannot require an Owner to make any further payments beyond the amount initially invested.

Furthermore, no Investor is under any obligation to personally indemnify the Manager or the Custodian or any creditor in the event of there being any deficiency in the assets of the DPI. Specifically, the rights of the Manager or Custodian or creditors are limited to having recourse to the Real Estate and the Fund (see Section 14.9).

The question of liability of a beneficiary for claims against a trustee in an arrangement such as this has not, however, been finalised in law.

9.8 Our Philosophy on Debt

Our view is that debt increases risk. At times, however, it also increases returns, both in annual distributions and in capital growth. We believe now is such a time. With quality property available at yields of around 9% and with 5 year fixed interest debt (including margins) available at a cost of around 6.5% p.a., it is our view that to gear to levels of around 60% - 65%, provided that we can lock in the major components of the loan at the low interest rate for 3 - 5 years, is sensible and represents an appropriate risk/reward assessment.

You may not share this view and so you may wish to invest only in one of our DPIs where the level of debt is lower. On the other hand, you may like the idea of buying a bigger share of more properties because the level of debt is higher. This is something you should consider when investing.

Borrowings of $65m against the valuation on purchase of $105.25m represent a gearing level of approximately 61.76%.

We regard this level of gearing as appropriate to this particular DPI because:

- when property yields are around 9% and borrowing rates are around 6.5% we believe higher gearing makes good sense;
- total income before interest, management fees, etc. from these properties in each year represents more than two times cover on interest on the loan;
- borrowings are non-recourse to Investors; and
- the gearing level allows access to further funds to meet capital works and other needs that may be required to further upgrade or develop the properties.

Aerial view of Albion Park Village Shopping Centre

ACQUISITION COSTS

10.1 Estimated Acquisition Costs	$	$
Purchase Price		
Newcomb Central	13,700,000	
Albion Park Village	11,500,000	
Townsville Kmart Plaza	20,750,000	
Action MegaCentre	17,300,000	
Liquorland outlets	42,000,000	105,250,000
Legal Fees		
on - Constitution, Compliance and Prospectus	40,000	
- Solicitors on purchase	211,000	
- on Disbursements	25,000	276,000
Due Diligence		
Consultants on mechanical, fire, electrical, environmental, occupational health and safety, hydraulics, structure, survey, accounting, depreciation, income and outgoings, retail aspects, valuations, leases, legal, etc		338,000
Stamp Duty and Registration Fees		
- on Purchase	4,562,000	
- on Mortgage	260,000	4,822,000
Direct Property Investment Fees		
5% - payable to Manager		5,262,500
Agents Fees on Purchase		
- Madison & Masters Pty Ltd (Newcomb)	107,000	
- Jones Lang LaSalle (NSW) Pty Ltd (Townsville)	200,000	
- Byvan (WA) Pty Ltd (Action MegaCentre)	80,000	387,000
Disbursements		
Relating to publication of Prospectus		105,000
Loan Fees		
Including loan establishment fees, procuration fees, legal fees on mortgage, hedging fee, etc.		185,000
Miscellaneous and Contingencies		74,500
SUB TOTAL		**116,700,000**
Initial Funds for Capital Works and Working Capital		1,500,000
TOTAL		**118,200,000**

10.2 Source of Funds

Equity from Investors	53,200,000
Initial Loan from Financier	65,000,000
TOTAL	**118,200,000**

Chesterton

CORPORATE PROPERTY ADVISORS

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Fax (07) 3229 0446
Telephone (07) 3222 3000
email: chestbris@ccpa.com.au

Please Quote Our Ref 01-1833-40
1 October 2001

The Directors
MCS Property Limited
Level 28
55 Collins Street
MELBOURNE VIC 3000

Dear Sir

RE : VALUATION SUMMARY - LIQUORLAND PORTFOLIO

We refer to your instructions to provide a valuation of the Liquorland Portfolio subject to the existing leases albeit as agreed to be amended.

The eight (8) properties were inspected on various dates between 23 August and 11 September 2001.

Valuation Summary

We assess individual properties as follows

Aspley Hotel, 1247 Gympie Road, Aspley	$ 870,000
Browns Plains Hotel Motel, 64 Browns Plains Road, Browns Plains	$ 5,430,000
Koala Tavern, Lot 7 Moreton Bay Road, Capalaba	$ 5,210,000
Morayfield Tavern, 146-150 Morayfield Road, Morayfield	$ 6,100,000
Newnham Tavern, 516 Newnham Road, Upper Mt Gravatt	$ 2,920,000
Runaway Bay Tavern, Lae Drive, Runaway Bay	$ 12,540,000
Sands Tavern, Plaza Drive, Maroochydore	$ 3,020,000
Wallaby Hotel, 39-47 Railway Street, Mudgeeraba	$ 5,610,000
	$ 41,700,000

Synopsis

The portfolio comprises eight (8) licensed hotels which have been leased back, in whole or in part, to Liquorland (Qld) Pty Ltd for a term of 15 years commencing 24 July 2001. Rental is in each instance increased annually by 3%. The leases provide for contributions to capital works by the lessor of $80,000 per annum, (albeit escalated by CPI) which is apportioned appropriately between the properties. In the event that expenditure is higher than the amount apportioned to the property the expenditure is the responsibility of the lessee. At the expiry of each 5 year period any unspent funds in respect to each property are to be refunded to the lessee to provide a known fixed annual cash flow that will equal to $80,000 per annum escalated by CPI. The aggregate gross rent contribution by Liquorland is $3,512,068 which equates to 91.21% of the aggregate gross passing rental.

A Chesterton Group Company
Chesterton Valuations (Qld) Pty Ltd trading as
Chesterton Corporate Property Advisors
A.C.N. 010 922 371
A.B.N. 49 010 922 371

Quality Endorsed Company

Chesterton Blumenauer Binswanger
160 offices worldwide
North America South America Europe
Middle East Africa Asia Australia

CHESTERTON BLUMENAUER BINSWANGER

Other leases affecting the portfolio include

Browns Plains Hotel Motel
Lease to The Totalisator Administration Board of Queensland for a term of 15 years commencing 13 May 1995 at a current rental of $37,932 per annum. Reviews are annual in accordance with the CPI.

Runaway Bay Tavern
Lease to The Totalisator Administration Board of Queensland for a term of 15 years commencing 7 November 1994 at a current rental of $45,667 per annum. Reviews are annual in accordance with the CPI.

Lease to Runaway Cove (Aust) Pty Ltd (Cash Converters) for a term of 5 years commencing 14 February 2000 at a current rental of $92,882 per annum with annual 3% increases other than third lease year when the rent is reviewed to market.

Three other leases to a travel agent, hairdresser (new) and a florist. These tenants' rental totals $80,098 per annum.

Wallaby Hotel, Mudgeeraba
Four tenancies comprising a baby wear shop, two real estate agents and a hairdresser whose rental together equals $81,928.

In total the gross rental from the portfolio is $3,850,575 per annum.

Each property comprises bar facilities, liquor barn and a gaming room licenced for 40 machines. All properties with the exception of Aspley contain a bistro/restaurant. There is motel accommodation at Browns Plains, Morayfield and the Wallaby Tavern.

Valuation Rationale

We have assessed our valuation primarily by the capitalisation of net market rental, adjusted with an allowance for ongoing vacancy of the Specialty Shops and Lessor's non recoverable outgoings including land tax, insurance, major repairs, lighting (Runaway Bay only) and management. We have in the case of Runaway Bay added the present value of the over-rent during the period of the lease of one of the specialties. These calculations are summarised in the table below

Property	Gross Market Income	Vacancy on Specialty	Non Recov Outgoings	Cap'n Rate	PV of Overrent	Valuation
Aspley	115,000	0	34,770	9.25%	0	870,000
Browns Plains	505,000	0	56,918	8.25%	0	5,430,000
Koala	460,000	0	30,194	8.25%	0	5,210,000
Morayfield	540,000	0	36,630	8.25%	0	6,100,000
Newnham	290,000	0	34,258	8.75%	0	2,920,000
The Sands	300,000	0	50,795	8.25%	0	3,020,000
Runaway Bay	1,065,647	2,855	65,555	8.00%	75,339	12,540,000
Wallaby	551,928	4,096	56,894	8.75%	0	5,610,000

Comparable Evidence

Assistance was obtained from a wide variety of sales including three hotels and a club that were sold subject to leases in addition to sales of four shopping centres where there was strong tenant covenant. These sales clearly demonstrated the relevance of the tenant covenant in the minds of investors. The hotels which only provided secondary covenant sold at yields ranging from 9.1% to 10.9% and the club which had a stronger tenant covenant sold at a capitalisation rate of 9.5%. The shopping centres attracted yields of between 8.0% and 8.9%.

Limitations

We confirm that this summary may be used in the Prospectus.

The valuer and this firm advise that they do not have any pecuniary or other interest that would conflict with the proper valuation of the property.

Allen J Crawford of Chesterton Valuations (QLD) Pty Ltd, has prepared this summary. Allen J Crawford was involved only in the preparation of the summary and the valuations referred to herein and specifically disclaims any liability to any person in the event of any omission from, or false or misleading statements included in the Prospectus, other than in respect of the valuation report and summary.

Chesterton Valuations (QLD) Pty Ltd trading as Chesterton Corporate Property Advisors were involved in the preparation of the valuation report and this summary and the valuation referred to therein only to the extent of the involvement of Allen J Crawford, and specifically disclaim liability to any person in the event of omission from, or false or misleading statement included in the Prospectus, other than in respect of the valuation and summary.

We confirm that the rental income forecasts and income assumptions contained in Section 6 of this Prospectus are based on our independent enquiries and are reasonable in all circumstances as at the date of valuation. Our forecasts are based on income payable under existing leases. We have assessed the likelihood of lease renewals on expiries and where applicable have adopted an ongoing vacancy after the initial lease period and a new market rental. The CPI figures we have used are based upon forecasts by Access Economics.

Yours faithfully

CHESTERTON CORPORATE PROPERTY ADVISORS

ALLEN J CRAWFORD F.A.P.I.
Certified Practising Valuer
The Valuers Registration Board of Qld.
Registered Valuer No. 1604.
Executive Director

LandMark White

18 September 2001

Independent
Valuation
Research
Property Advice

LandMark White (Vic) Pty Ltd
ABN 99 472 148 297
ACN 005 688 531

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200 Queen Street
Melbourne 3000
Victoria Australia

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The Directors
MCS Property Limited
Level 28, Collins Place
55 Collins Street
MELBOURNE VIC 3000

Dear Sirs

Re: Newcomb Central Shopping Centre, Bellarine Highway, Geelong, Victoria

We refer to your instructions requesting us to prepare a valuation of the freehold interest in the abovementioned property. Our valuation is based on information available in respect of the property and reflects market conditions currently prevailing. Newcomb Central Shopping Centre was inspected on 4 September 2001 and this forms the respective date of valuation.

Valuation Summary

We have assessed the market value of the Newcomb Central Shopping Centre, exclusive of GST, subject to existing lease agreements, as at the date of inspection, to be $13,700,000.

Synopsis

Newcomb Central Shopping Centre is situated within the Victorian regional city of Geelong, lying approximately 80 kilometres south of the Melbourne Central Business District and approximately 4 kilometres south-east of the Geelong Central Business District.

The shopping centre is situated on a land area of 24,750 square metres (2.475 hectares) of which approximately 2,663 square metres is subject to a 999 year ground lease to the City of Greater Geelong commencing 1 July 1995. The land is zoned ‘Business 1’ with a limitation on leaseable floor area for ‘SHOP’ purposes of 6,000 square metres.

The shopping centre comprises a single level, external neighbourhood shopping centre anchored by a Safeway Supermarket, 15 speciality tenancies and five office suites with a total lettable area of 6,138.10 square metres. The property additionally comprises a caretakers residence and the portion of the land fronting Wilsons Road subject to a ground lease which is developed with a library and preschool facility. There are a total of 342 car bays provided on site at open grade level.

The shopping centre was originally developed in the early 1980’s and comprised a stand alone Safeway Supermarket, office suites and the community buildings situated on the Council ground lease area. In 1996 the speciality tenancies were added improving the overall visual appeal of the retail development.

Tenancy Details

The Safeway Supermarket lease is for a term of 25 years expiring on 7 December 2006 with five further terms of 5 years each being available. Current turnover is approximately $38,000,000. The lease terms and conditions of the Safeway Supermarket do not provide for the base rent to be reviewed during the term of the lease resulting in a relatively low base rent being maintained with a significant proportion of percentage rent given the supermarkets strong trading performance. Of the 15 speciality tenancies and five office suites, nine have lease expiries beyond a two year horizon from the date of valuation disclosing a relatively secure lease tenure. The shopping centre benefits from an appropriate mix of service oriented speciality tenancies which complement the convenience based nature of the neighbourhood shopping centre.

Valuation Rationale

We have arrived at the market value assessment after considering recent sales of comparable retail properties and having regard to the subject property's level of existing and potential future vacancies, annual turnover projections and prospects for future income growth. We have used both the capitalisation and discounted cash flow methods in arriving at our assessment of market value with the adopted analysis and valuation being outlined as follows:

Property	Newcomb Central Shopping Centre
Capitalisation rate	9.00%
10 year IRR	10.50%
Market value	$13,700,000

We confirm that the rental income forecasts and rental income assumptions contained in Section 6 of this prospectus are based upon our independent enquiries and are reasonable in all circumstances as at the date of valuation. Our forecasts are based on income payable under existing leases. We have assessed the likelihood of lease renewals on expiries and where applicable have adopted an appropriate letting up allowance and a new market rental. The CPI figures we have used are based on Access Economics forecasts.

Disclaimer

Mr S M Fox and Mr G A Jackson, LandMark White (Vic) Pty Ltd, have prepared this summary. Both Mr Fox and Mr Jackson were involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaim liability to any person in the event of any omission from, or false or misleading statement included in the prospectus, other than in respect of the valuation and summary.

LandMark White (Vic) Pty Ltd were involved in the preparation of the valuation and summary which appears in this prospectus and the valuation referred to herein, only to the extent of the involvement of Mr Fox and Mr Jackson and specifically disclaim liability to any person in the event any omission from, or false or misleading statement included in the prospectus, other than in respect of the valuation and summary.

Yours faithfully

LandMark White

Stuart Fox B.Bus (Prop) AAPI
Certified Practising Valuer/Director
stuartf@melb.landmarkwhite.com.au

Grant Jackson FAPI
Certified Practising Valuer/Director
grantj@melb.landmarkwhite.com.au

Jones Lang LaSalle

Jones Lang LaSalle Advisory Services Pty Limited
ACN 003 262 600
400 George Street Sydney NSW 2000
tel +612 9220 8500 fax +612 9220 8555

31 August, 2001

The Directors
MCS Property Limited
Level 28 Collins Place
55 Collins Street
MELBOURNE VIC 3000

Dear Sirs,

ALBION PARK VILLAGE SHOPPING CENTRE,

ALBION PARK, NSW.

We refer to your instructions of 30 July 2001, to provide an open market value of the freehold interest of the above property. Albion Park Village Shopping Centre was inspected on 8 August 2001, which forms the respective date of valuation. Our valuation is based upon information provided by the Vendor of the property, the Centre Manager and MCS Property Limited.

For full descriptive details, qualifications and valuation rationale, reference should be made to our report.

Synopsis

Albion Park Village Shopping Centre is a single level open-air neighbourhood shopping centre. Opened for trading in November 1998, the centre extends to a gross lettable area of approximately 4,731.0m^2 plus a pad-site area of some 833.1m^2. The centre comprises a Woolworths supermarket, together with some 12 specialty shops, Plus Petrol service station and Optus tower aerial. On-grade parking is provided for 202 vehicles. The Deposited Plan indicates a site area of approximately 21,280m^2.

The property is zoned 3(a) (the Mixed Use Commercial zone) and partly 9(c) (the Local Roads Reservation zone) under provisions of the Shellharbour Local Environmental Plan 2000 (gazetted on 25 May 2000).

Competition mainly stems from retail developments located along New Lake Entrance Road in Shellharbour, some 5 kilometres away.

Tenancy Details

The lease to Woolworths expires in November 2018 with four further terms of five years each. Woolworths' turnover is currently below industry benchmarks, and more than likely reflects a population base yet to reach its optimum level. Stronger performance is expected over the medium term when the trade catchment approaches 'critical mass'.

Upon inspection of the centre, there was one vacancy (Shop 6), with Shop 9 undergoing a fit-out to a new tenant.

JONES LANG LASALLE

Valuation Rationale

We have valued the property adopting a capitalisation of net income approach, capitalising the estimated passing net income at yields ranging between 8.75% to 9.00%. We have deducted a total of $35,125 from our end value comprising appropriate letting-up allowances and potential incentives for existing and impending vacancies plus miscellaneous capital works. As a check method we have undertaken a discount cash flow adopting a discount rate of 11.50% and terminal yields ranging from 9.25% to 9.50% (i.e. 0.50% above the core rate).

We confirm that the rental income forecasts and rental income assumptions contained in Section 6 of this Prospectus are based upon our independent enquiries and are reasonable in all circumstances as at the date of valuation. Our forecasts are based on income payable under existing leases. We have assessed the likelihood of lease renewals on expiries and where applicable have adopted an appropriate letting up allowance and a new market rental. The CPI figures we have used are based on Access Economics' forecasts.

After consideration of both methods, we are of the opinion that the current market open value of the centre is $11,350,000.

Disclaimer

Mr John Burdekin and Mr David McLennan, Jones Lang LaSalle, have prepared this summary which appears in this prospectus. Both Mr Burdekin and Mr McLennan were involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaim liability to any person in the event of any omission from, or false or misleading statement included in the prospectus, other than in the respect of the valuation and summary.

Jones Lang LaSalle were involved in the preparation of the valuation and summary which appears in this prospectus, and the valuation referred to therein, only to the extent of the involvement of Mr Burdekin and Mr McLennan and specifically disclaim liability to any person in the event of any omission from, or false or misleading statement included in the prospectus, other than in the respect of the valuation and summary.

Yours Faithfully
Jones Lang LaSalle
Capital Markets Group

J E BURDEKIN FAPI
Certified Practising Valuer (Reg No. 1278)
Director - Advisory

I D McLENNAN AAPI
Certified Practising Valuer (Reg No. 5023)
Manager - Advisory

Jones Lang LaSalle Advisory Services Pty Limited
ACN 003 262 600
Level 3 St Georges Square 225 St Georges Terrace Perth WA 6000
tel +618 9483 8555 fax +618 9483 8400

30th September 2001

The Director
MCS Property Limited
Level 28, Collins Place
55 Collins Street
MELBOURNE VIC 3000

Dear Sir

ACTION MEGACENTRE AND CENTRELINK OFFICE, OSWALD STREET, INNALOO, WESTERN AUSTRALIA

Instructions

We refer to your instructions of the 13th August 2001 requesting us to prepare a valuation of the freehold interest in the above property.

Our valuation is based upon information available in respect to the property and reflects market conditions currently prevailing. Action MegaCentre Shopping Centre was inspected in June 2001 and 12th September 2001 with the date of valuation being the 31st August 2001.

The valuations have been prepared pursuant to regulation 8.12.15(5) of the Corporations Law.

Valuation Summary

We are of the opinion that the market value of Action MegaCentre Shopping Centre, subject to the existing leases and relevant rent guarantees, is $17,000,000.

Synopsis

Action MegaCentre Shopping Centre is a modern, fully enclosed single level retail shopping complex containing an Action Supermarket of 4,673 square metres, an office building of 1,700 square metres occupied by Centrelink and 26 specialty shops with a total lettable area of 8,861 square metres. There are approximately 500 marked car parking bays.

It is currently situated on a land area of 3.6085 hectares. The Centre was constructed in 1999.

Valuation Rationale

We have arrived at Market Value after considering recent sales of other retail properties of similar character, likely growth rates in turnover depending upon population statistics, the current economic and investment climate, and the age and character of the property. We have used both capitalisation and discounted cashflow techniques in arriving at our reported value. Our findings are summarised as follows:

Capitalisation rate adopted	9.75%
Internal Rate of Return over 10 years	12.50%
Value of Centre	$17,000,000

JONES LANG LASALLE

Section 6 - Prospectus

We confirm that the rental income forecasts and income assumptions contained in Section 6 of this prospectus are based upon our independent enquiries and are reasonable in all circumstances as at the date of valuation. Our forecasts are based on income payable under existing leases. We have assessed the likelihood of lease renewals on expiries and where applicable have adopted an appropriate letting up period and a new market rental. The CPI figures we have used are based upon forecasts by Access Economics.

Adjacent Property: 50 Oswald Street

We have also valued an adjacent residential property comprising a duplex pair each containing 3 bedrooms having an area of 200 square metres. We have arrived at a Market Value of $230,000 after considering sales of other comparable properties.

We are aware the purchaser has contracted to purchase this property for $300,000.

Given the special nature of the purchaser being an adjacent land owner, and the possible development opportunities for this land for the purchaser, we are of the opinion that a special premium in order of $70,000 is not unreasonable for the long term strategic benefit of this property.

Disclaimer

Mr G N Kennedy and Jones Lang LaSalle Investment Advisory Services Ltd have prepared this summary which appears in this prospectus. Mr Kennedy was involved only in the preparation of the summary and the valuation referred to herein and specifically disclaims liability to any person in the event of any omission from or false or misleading statements included in the prospectus other than in respect of the valuation and summary.

Jones Lang LaSalle Investment Advisory Services Ltd were involved in the preparation of the valuation and summary which appears in this prospectus and the valuation referred to therein only to the extent of the involvement of Mr Kennedy, and specifically disclaim liability to any person in the event of any omission from, or false or misleading statement included in the prospectus, other than in respect of the valuation and summary.

Yours faithfully
Jones Lang LaSalle
Investment Advisory Services

GN KENNEDY, FAPI
CERTIFIED PRACTISING VALUER
LICENSED VALUER NO. 43
FOR THE STATE OF WESTERN AUSTRALIA

Action MegaCentre & Centrelink Office,
Oswald Street, Innaloo, WA Val No: 9514

Knight Frank Valuations

Knight Frank

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[illegible]
Direct 07 3246 8870

20 September 2001

The Directors
MCS Property Limited
Level 28
Collins Place
55 Collins Street
Melbourne Vic 3000

Dear Sirs

Re: Market Valuation of Townsville Kmart Plaza Shopping Centre, Townsville, Queensland

We refer to your instructions requesting Valuations Services (Qld) Pty Ltd Trading as Knight Frank Valuations Queensland to prepare a market valuation of the freehold interest in Townsville Kmart Plaza Shopping Centre. An inspection of Townsville Kmart Plaza Shopping Centre was undertaken on 3 August 2001 and the inspection date is also our date of valuation. In undertaking our valuation, we have relied upon various financial and tenancy information provided by MCS Property Limited as obtained through its due diligence enquiries and Centre Management.

Where possible, and limited to our expertise as valuers, we have reviewed this information, including analysis against industry standards. Based upon our review, Knight Frank Valuations Queensland has no reason to believe that the information provided is not fair and reasonable or that material facts have been withheld. However, our enquiries are necessarily limited by the nature of our role and, Knight Frank Valuations Queensland does not warrant that its enquiries have identified or verified all of the matters which a full audit, extensive examination, or final "due diligence" investigation might disclose. For the purposes of our valuation assessment, we have assumed that the provided information is correct and complete.

Synopsis

Townsville Kmart Plaza comprises a fully enclosed, sub regional shopping complex originally completed in 1977 and last refurbished (and extended) in August 1998. The Centre is anchored by a Kmart Discount Department Store (7,417 sqm) and a Coles Supermarket (3,348 sqm) and supported by approximately 27 specialty tenancies including a kiosk and three ATMs. Parking facilities are provided on site for approximately 835 cars. The Centre is developed on a 4.24 hectare site situated at the intersection of Ross River Road and Nathan Street, Aitkenvale, being diagonally opposite Stockland Townsville Regional Shopping Centre. The Centre is approximately seven radial kilometres south-west of Townsville's CBD.

Tenancy Details

The Kmart lease is for a term of 15 years expiring 29 September 2011 with two further 10 year option terms available. Kmart currently pays a base rent of $881,739 per annum plus Additional Rent of $46,580 per annum and percentage rent at 2% of gross sales which exceed $20,045,363. Based on forecast sales for the lease year ending 29 September 2001, percentage rent in the order $44,593 is anticipated.

Valuations Services (Qld) Pty Ltd ABN 35 084 700 472 trading as Knight Frank Valuations is independently owned.
*Trade mark used under licence.

Knight Frank Valuations

Knight Frank

Tenancy Details (cont)

The Coles Supermarket lease is for a term of 15 years expiring 26 July 2013 with three five year option terms available. The Coles lease is still subject to finalisation to reflect the tenancy extensions completed in July 1998. We understand that a Variation of Lease for Coles Supermarket will be imminently finalised at a base rent of $488,486 per annum plus an Additional Rental of $12,674 per annum and percentage rent at 2% of gross sales exceeding a fixed threshold of $22,000,000.

The majority of specialty shop tenancies have five year lease terms with available option periods. The weighted average lease duration remaining for specialty tenants is approximately 2.42 years. The Centre incorporates a mix of state and local traders. There were five vacant shops as at the date of valuation representing 3.12% of the Centre's total gross lettable area.

Valuation Rationale

The market value of Townsville Kmart Plaza has been assessed utilising both the capitalisation and discounted cashflow methods and also having regard to the sale of comparable retail properties within Queensland and nationally. Our valuation under both methods arrived at a market value of $20,750,000 based on an applied capitalisation rate of 10.25% and a discount rate of 11.75%.

We confirm that the rental income forecasts and rental income assumptions contained in Section 6 of this prospectus are based on our independent enquiries and are reasonable as at the date of valuation. The forecasts are based on income payable under existing leases. We have reviewed the likelihood of lease renewals at expiry and where applicable have adopted an appropriate letting up allowance at a new market rental. CPI figures that have been adopted within our valuation are based on Access Economics forecasts.

Certification

Acting under instructions from MCS Property Limited, Knight Frank Valuations Queensland certify that the current market value of the unencumbered freehold interest in the property, based on the available evidence and subject to qualifications and assumptions contained within our full valuation report, as at 3 August 2001, exclusive of GST, is $20,750,000 (Twenty Million Seven Hundred and Fifty Thousand Dollars).

The above value includes the benefit of the Vendor's incentive guarantee of $190,000 in accordance with the terms and conditions of the Contract of Sale of the property between the Vendor (ISPT Pty Ltd) and the Purchaser (MCS Property Limited). This additional value represents a benefit, in addition to market value of the property as at the date of valuation and will not be reflected in the value of the "real estate" until such time as the nominated tenancies have been let and payments made to the incoming tenants, or relevant contractors.

Yours faithfully
Knight Frank Valuations Queensland

Paul Kwan, AAPI
Certified Practising Valuer
Registered Valuer (Qld) No. 2423

Philip Willington
Director

We believe for all the reasons described in our analysis, that this investment is a very good one. However, it is always wise not to put all your eggs in one basket. We expect to continue to bring you many fine property investments in the future and these will give you an opportunity to spread your investment dollar.

Diversity

MCS PROPERTY

The future performance of this investment may be influenced by a number of factors, many of which are outside the control of MCS. The level of distributions in the future, the value of the underlying properties and the value of your investment may all be reduced by any of these risk factors.

In this section you will find a summary of the material risk factors.

12.1 Property Associated Costs

Whilst investment in direct property is an investment in an asset class with its own distinct advantages, property in Australia carries with it significant entry and exit costs. These include stamp duties (typically 5%-6% of the purchase price), legal fees on acquisition, due diligence costs (to ensure that the property is sound and the income stream upon which a purchase has been made is soundly based), etc. Fees on sale typically include agency fees and advertising and legal expenses. It is common for acquisition and exit expenses on a typical property purchase to amount to 8% or more of the acquisition price before taking into account Manager's fees.

This means that if you want to preserve the capital that you have invested in a property, the property must be sold at a price which is considerably more than the price at which it was purchased. Sometimes, of course, the extra income that you can earn from the property, over and above that which you might have earned from another investment, goes some way to reducing, or even removing altogether, the margin that must be made up. Sometimes, too, the tax effective nature which is typical of property income also works to reduce or remove this margin.

Nevertheless, it remains that, in order for there to be no loss of capital, the costs of purchase and exit and the fees payable to the Manager must be recovered in some way.

This Prospectus deals with the issue of making up entry and exit costs in the following ways:

(i) allowing a longer time frame for this investment (see Section 4.1) has the effect of ensuring that the growth in value that needs to be achieved in order to recover such costs, is lower (by virtue of being spread over more years);

(ii) the provision for possible rollover (see Section 14.11) further reduces the capital growth that needs to be achieved each year, again by virtue of spreading the costs that need to be recovered over a potentially longer period of time; and

(iii) by adding value to the investment by the means set out in Section 5.

You may also believe that MCS's fees, spread over the projected time of this investment, are an appropriate cost in return for the benefits offered by diversification and through not having to find and manage appropriate property assets yourself.

12.2 Timing of Exit

There is a risk that the property market may move downwards. All markets go up and down and at the time that we may wish to sell the property the market may be in a downturn. With the structure we use, we are able to be flexible as to the time of sale and have the potential to effect a rollover (see in particular Section 14.11). Nevertheless, the risk, though reduced, still exists.

12.3 Other Areas or Factors of Risk

- Investments in real estate, as in this DPI, ought to be viewed as long term investments and are likely to be illiquid because it may be difficult to sell a property or obtain the price one would wish to obtain at the time one wants to sell. At the date of this Prospectus there is no secondary market for such interests (although an application will be made for Exempt Market status - see Section 4.2).
- You are acquiring property investments, the value of which will be determined by movements in the property market at any particular point in time. Past experience has shown that property values can, and are likely to, fluctuate.
- You have no right to require that your interest be bought by MCS or any other person, nor to have your investment redeemed.
- Your investment is essentially an investment in retail real estate.

  It will accordingly be influenced by factors which affect retail real estate such as:

  - any downturn in demand for rental of space that may be or may fall vacant;
  - any downturn in the value of the properties, or in the property market in general;
  - any downturn in the economy;

Previous page - Entry to Action MegaCentre, Innaloo

- any interest rate fluctuations outside the fixed interest rates assumed in the forecast in this Prospectus;
- any adverse consequences of amendments to statutes and regulations affecting the DPI including any changes in the tax regime;
- pricing or competition policies of any competing retail properties or tenants;
- increased competition from new or existing competing property; or
- any longer term changes in shopping habits.

- Our income depends upon our tenants continuing to operate profitably and continuing to abide by the terms and conditions of their tenancy arrangements. The ability to lease or re-lease to tenants upon expiry of their current leases, and the rents achievable, will depend upon prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.
- This is an investment in income producing real estate, consisting partly of invested funds (equity) and partly of borrowed funds (debt). When a real estate investment is geared (i.e. purchased with debt) the potential for gains and losses is greater. Gearing also has the effect that acquisition costs, charges and fees represent a higher percentage of the equity in the purchase than they would if there was no mortgage and the property was purchased entirely with equity.
- Our forecasts assume similar rates of interest throughout the forecast period. At the time that our debt needs to be refinanced, interest rates may well be higher. If they are, then returns to Investors could be affected accordingly. If interest rates rose very substantially, then refinancing might not be possible. In such an event, the properties might have to be sold at short notice and in a market that was not conducive to a speedy sale.
- Details of borrowings are set out in Section 9. The lender has no obligation to roll over this funding at the end of the loan period and so there is no certainty that the borrowings will be able to be replaced as their terms expire. If there is a breach of conditions of the borrowings the lender may enforce its security and, amongst other things, sell the properties.
- Building and refurbishment works are proposed which will be contracted to experienced consultants engaged by MCS to ensure that the works are completed in accordance with specifications, on time and within budget. Nevertheless, there are always risks attached to building works in the form of delays, cost overruns, changes to proposed tenancies and prospective tenancies and risks relating to the quality of work performed.
- Natural disasters and man made disasters may occur which are beyond the control of MCS.

Please note that the performance of this investment, the repayment of capital or any particular rate of return is not guaranteed by MCS, the directors of MCS, the Custodian or Bendigo Bank. Property investment, by its nature, carries a level of risk and no guarantee is or can be given that the properties will not decrease in value.

In this prospectus, we carry a separate single page (p.54) devoted to just one message - that you spread your property investment dollar amongst several of our property investment offerings. We regard this as the best means available for you to share all the significant benefits of this form of investment whilst minimising the risks.

MCS17 UNIT TRUST

The MCS17 Unit Trust ('the Trust') is for Investors ('Unit Trust Investors') who do not wish, or who are unable, to borrow in their own right (e.g. superannuation funds). It is also useful for those Investors who wish to take advantage of the Department of Social Security deeming provisions. It allows such Investors to participate in the MCS17 DPI through an investment in the Trust. All intending Unit Trust Investors should read this section carefully.

As with the DPI, the Manager and Responsible Entity of the Trust is MCS, and the Custodian appointed by MCS to hold the assets of the Trust is Sandhurst Trustees.

The Constitution and Compliance Plan for the Trust have been lodged with ASIC. They have been drawn so as to give to Unit Trust Investors as closely as possible the same rights as those of Investors in the DPI, such as the right to surplus cash flow, the right to have the Manager and the Custodian carry out their duties in your best interests, the right to regular reports, and the right to inspect the Register.

The ways in which the Trust differs from the DPI are set out in this Section. Unless otherwise stated, the rights of Unit Trust Investors and the obligations of the Custodian and the Manager in relation to the Trust are the same as those in relation to the DPI, with all necessary changes being made to comply with the context and the Law.

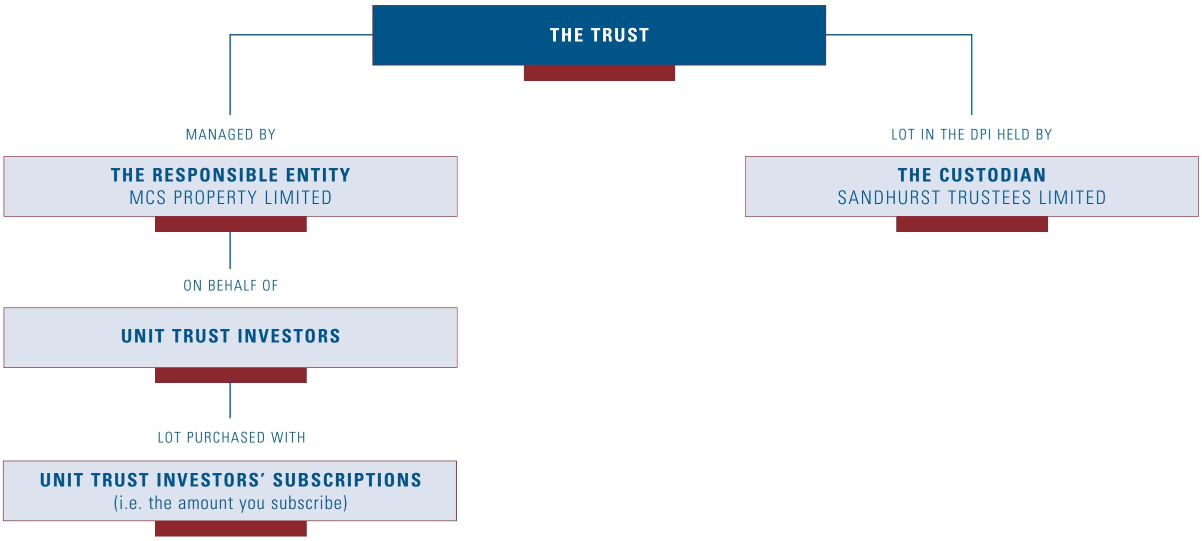
13.1 Price per Unit and Minimum Application

As with the DPI, the Minimum Subscription is $20,000. The Manager may prohibit any Investor from holding or controlling more than 15% of the DPI at any time. However, rather than receiving a percentage share in the beneficial ownership of the properties as you would if you invested in the DPI, you will receive Units in the Trust. The issue price of these Units is $1 per Unit.

MCS reserves the right to allot less than the requested number of Units or to decline to issue any Units at all.

On acceptance of all applications for Units in the Trust, the Custodian will complete and lodge an Application Form for a Lot in the DPI.

13.2 Structure of the Trust



The relationship between the Manager and the Unitholders is set out in the Constitution.
The relationship between the Manager and the Custodian is set out in the Custodian Agreement.
Both documents set out the respective rights and duties of the parties.

13.3 Certificate

Within 28 days of settlement of the properties, MCS will mail to you a Unit Certificate. This Unit Certificate will show, as with the DPI, the amount you have invested. It will also show the number of Units you have been issued in the Trust, and the percentage share in the DPI represented by those units.

13.4 Trust Expenses

All expenses of the establishment of the Trust and its administration will be funded by the DPI as direct expenses. No additional management fee will be charged to the Trust nor will there be any separate Custodian fee.

13.5 Distributions and Tax

Unit Trust Investors will receive distributions in the same way as Investors in the DPI. The forecast distributions in relation to equity subscribed by Unit Trust Investors will be identical to those forecast for Investors in the DPI. Unitholder distributions will therefore benefit from the same tax deferrals resulting from depreciation and capital allowances (see Section 6.4), but such tax benefits may reduce the cost base of the units held.

13.6 Reports

All Unit Trust Investors will receive reports and financial statements in the same way as Investors in the DPI. Whilst these reports will contain the same set of information as those in relation to the DPI, they will also show all relevant information of the Trust.

13.7 Assets of the Trust

The assets of the Trust will be quite different from the assets of the DPI. The only assets of the Trust will be a Lot in the DPI and any funds resulting from the holding of the Lot.

13.8 Borrowings

No Unit Trust Investor will be a party to any loans arranged by MCS in relation to the DPI. The Custodian, after receipt of Unit Subscriptions, will apply those Subscriptions to invest in a Lot in the DPI. As part of this investment, the Custodian will borrow funds in the same way as all other Investors in the DPI. Unit Trust Investors will have no liability for any borrowings undertaken by the Custodian.

13.9 Exempt Market

As with Lots in the DPI, MCS will be seeking approval for an Exempt Market for Units in the Trust. Unit Trust Investors should refer to previous comments in this Prospectus in relation to the Exempt Market.

13.10 Department of Social Security (DSS)

As the Unit Trust will be considered a managed investment by the DSS, it will be subject to the deeming provisions.

13.11 Additional Information

In most respects, the Additional Information pertaining to the Trust is the same as that pertaining to the DPI. This section lists only those sections which differ. In all other respects, Unit Trust Investors are referred to the Additional Information contained in Section 14, with the necessary changes being made to comply with the context and the Law.

Constitution of the Trust

The Constitution has been registered with ASIC. It is the primary document which establishes the structure of the Trust. The Responsibilities of the Manager together with all its duties, obligations and rights pertaining to the Trust are set out in this document.

Date:	20 July 2001
Manager and Responsible Entity:	MCS Property Limited ACN 051 908 984
Amending Deeds:	As at the date of this Prospectus the Constitution has not been amended.

Custodian Agreement

Date:	20 July 2001
Parties:	
Manager:	MCS Property Limited ACN 051 908 984
Custodian:	Sandhurst Trustees Limited ACN 004 030 737
Amending Deeds:	As at the date of this Prospectus the Custodian Agreement has not been amended.

Compliance Plan

The Compliance Plan dated 20 August 2001, setting out the measures and processes put in place by MCS to ensure compliance with its obligations, has been registered with ASIC. All details in relation to the Compliance Committee are the same as those of the DPI.

Custodian

The Custodian will not receive a fee for acting as Custodian. Otherwise, all information contained in Section 14.4 in relation to the Custodian is applicable to the Trust.

Manager

The Manager will not receive a fee for acting as Manager and Responsible Entity. Otherwise, all information contained in Section 14.5 in relation to the Manager is applicable to the Trust.

Unit Trust Investors

Meetings: Unit Trust Investors may call, attend and vote at meetings of the Trust. At a meeting of the DPI, they will be able to direct the Custodian in relation to any vote taken.

Borrowings: Unit Trust Investors will not take out any borrowings.

Otherwise, the information contained in Section 14.6 in relation to the Owners in the DPI is applicable to the Unit Trust Investors in relation to the Trust.

Sale of the Lot/Termination

Sale of the Lot and termination of the Trust can occur only in conjunction with the termination of the DPI, or in accordance with the provisions of Section 14.11 in relation to winding up of the DPI.

Authorised Investments

Other than the purchase of a Lot in the DPI and money in the bank, there are no authorised investments of the Trust.

Right - Aerial view of Runaway Bay Tavern, Qld


MCS

14.1 Introduction

The information contained in this section of the Prospectus is based on the Constitution, the Custodian Agreement and relevant provisions of the Corporations Law as at the date of lodgment of this Prospectus with ASIC. However, not all provisions of the Constitution, the Custodian Agreement and the law which are relevant to the DPI are outlined here and those parts which are included here are summarised. Certain provisions of the Constitution and the Custodian Agreement are outlined in other sections of the Prospectus and are therefore not included here. Investors should seek their own independent professional advice.

14.2 Constitution, Custodian Agreement & Compliance Plan

Constitution

The Constitution has been registered with ASIC.

It is the primary document which establishes the structure of the DPI. The responsibilities of the Manager together with all its duties, obligations and rights pertaining to the DPI are set out in this document.

Date:	20 July 2001
Parties:	
Manager and Responsible Entity:	MCS Property Ltd (ACN 051 908 984)
Original Participants:	Dunecorp Pty Ltd (ACN 006 986 605) a company associated with MCS
Amending Deeds:	As at the date of this Prospectus the Constitution has not been amended.

Custodian Agreement

The Custodian Agreement is not required to be registered by ASIC. It is the primary document which establishes the responsibilities of the Custodian together with all its duties, obligations and rights pertaining to the DPI. There is no legal relationship created between the Custodian and any Investors to satisfy the provisions of Section 601FB of the Corporations Law.

Date:	20 July 2001
Parties:	
Manager:	MCS Property Ltd (ACN 051 908 984)
Custodian:	Sandhurst Trustees Ltd (ACN 004 030 737)
Amending Deeds:	As at the date of this Prospectus the Custodian Agreement has not been amended.

Compliance Plan

MCS has lodged a Compliance Plan dated 20 August 2001 with ASIC. ASIC has registered this Compliance Plan. The MCS Compliance Committee is composed of one of our Directors, Glenn Batchelor, our independent Chairman, Denis Page, and Brian Mitcham, who is the immediate past Manager Corporate Trusts of Sandhurst Trustees. Thomas Borsky, FCA, Registered Company Auditor of Alexander & Spencer, has been appointed to carry out the audit.

14.3 Material Contracts

The following Contracts are material to a potential Investor in this DPI. The Contracts are available for inspection (see Section 14.20).

NEWCOMB CENTRAL

Contract of Sale

Date:	4 September 2001
Parties:	
Vendor:	Maidtown Pty Ltd (ACN 006 319 339)
Grantee:	Tangerine Aura Pty Ltd (ACN 005 656 940) a company associated with MCS
Property:	Newcomb Central Shopping Centre Newcomb, Victoria
Title Particulars:	Certificate of Title Volume 10047 Folio 025
Price:	$13,700,000
Deposit:	$150,000
Settlement Date:	14 December 2001

The Contract contains a substitution right which permits Tangerine Aura Pty Ltd to nominate the Custodian as Purchaser.

The contract contains a provision for the leasing and construction by the Vendor of a Safeway Plus Petrol outlet on the site. Subject to strict conditions to be satisfied by the Vendor, we have agreed to pay an additional amount in consideration of the delivery of the Safeway Plus Petrol. Refer Section 5.7, Opportunities.

Leases

Safeway

Commencement	8 December 1981
Lessee	Australian Safeway Stores Pty Ltd (ACN 004 319 939)
Term	25 years
Expiry Date	7 December 2006
Options	5 further terms of 5 years each

ALBION PARK VILLAGE

Deed of Option

Date:	27 July 2001
Parties:	
Grantor:	Albion Park Village Pty Ltd (ACN 078 641 246)
Grantee:	Dunecorp Pty Ltd (ACN 066 986 605) a company associated with MCS
Property:	Albion Park Village Shopping Centre Albion Park, NSW
Title Particulars:	Lot1 DP222288 Folio Identifier 1/222288
Price:	$11,500,000
Deposit:	$150,000
Settlement Date:	14 December 2001

The Deed of Option contains a substitution right which permits Dunecorp Pty Ltd to nominate the Custodian as Purchaser.

Leases

Woolworths

Commencement	8 November 1998
Lessee	Woolworths Ltd (ACN 000 014 675)
Term	20 years
Expiry Date	7 November 2018
Options	4 further terms of 5 years each

TOWNSVILLE KMART PLAZA

Deed of Option

Date:	20 July 2001
Parties:	
Grantor:	ISPT Pty Ltd (ACN 064 041 283)
Grantee:	Dunecorp Pty Ltd (ACN 066 986 605) a company associated with MCS
Property:	Townsville Kmart Plaza, Townsville, Qld
Title Particulars:	Certificates of Title Reference 21054123 and 21054124 (Lots 50 and 51, RP 731915)
Price:	$20,750,000
Deposit:	$250,000
Settlement Date:	14 December 2001

The Deed of Option contains a substitution right which permits Dunecorp Pty Ltd to nominate the Custodian as Purchaser.

Leases

Coles

Commencement	30 September 1996
Lessee	Coles Supermarkets Australia Pty Ltd (ACN 004 189 708)
Term	15 years
Expiry Date	29 September 2011
Options	3 further terms of 5 years each

Kmart

Commencement	30 September 1996
Lessee	Kmart Australia Ltd (ACN 004 700 485)
Term	15 years
Expiry Date	29 September 2011
Options	2 further terms of 10 years each

ACTION MEGACENTRE

Deed of Option

Date:	7 September 2001
Parties:	
Grantor:	Oahu Management Pty Ltd (ACN 071 815 444) and Fabray Pty Ltd (ACN 009 011 581)
Grantee:	Tangerine Aura Pty Ltd (ACN 005 656 940) a company associated with MCS
Property:	Action MegaCentre Shopping Centre Innaloo, WA
Title Particulars:	Certificates of Title Volume 2148 Folio 301 and part Volume 2147 Folio 800
Price:	$17,000,000
Deposit:	$150,000
Settlement Date:	14 December 2001

The Deed of Option contains a substitution right which permits Tangerine Aura Pty Ltd to nominate the Custodian as Purchaser.

Deed of Option (adjoining land)

As a condition of the option agreement for purchase of the Centre, we have agreed to purchase the adjoining land at 50A and 50B Oswald Street, Innaloo from Hawaiian Developments Pty Ltd (ACN 059 585 741) and Fabray Holdings Pty Ltd (ACN 009 011 581) for $300,000, with settlement to occur 18 months after settlement of the Centre.

Leases

Action

Commencement	14 November 1999
Lessee	Action Supermarkets Pty Ltd (ACN 008 882 488)
Term	25 years
Expiry Date	13 November 2024
Options	2 further terms of 10 years each

Centrelink

Commencement	11 May 1999
Lessee	The Commonwealth of Australia
Term	5 years
Expiry Date	10 May 2004
Options	2 further terms of 5 years each

LIQUORLAND OUTLETS

The current proprietors ('Vendors') of the Liquorland outlets have entered into an option agreement with Liquorland (Qld) Pty Ltd for the purchase of the properties.

That agreement allows Liquorland (Qld) Pty Ltd to nominate a different party to enter into contracts of sale for each of the eight properties and complete the purchase. Dunecorp Pty Ltd, a company associated with the Manager, has entered into a contract with Liquorland (Qld) Pty Ltd ('the Umbrella Agreement') which entitles Dunecorp Pty Ltd to be the nominated purchaser, or to have Sandhurst Trustees Limited be nominated purchaser under the contracts of sale with the Vendors. Details of the two contracts are as follows:

Option Agreement

Date:	3 May 2001
Parties:	
Vendors:	Ecovale Pty Ltd (ACN 003 855 061) Errenmore Pty Ltd (ACN 010 567 745) Barob Pty Ltd (ACN 001 024 915) Wallaby Hotel (Mudgeeraba) Pty Ltd (ACN 002 430 775)
Purchaser:	Liquorland (Qld) Pty Ltd (ACN 079 861 626)
Property:	Aspley Hotel, Aspley, Qld
Title Particulars:	Title Reference 13986181 and 12725169 (Lots 1 and 2 on RP 75647)
Property:	Browns Plains Hotel, Browns Plains, Qld
Title Particulars:	Title Reference 18012018 (Lot 42 on RP 801852)
Property:	Koala Tavern, Capalaba, Qld
Title Particulars:	Title Reference 50103426 (Lot 7 on RP 888108)
Property:	Morayfield Tavern, Morayfield, Qld
Title Particulars:	Title Reference 17050214 (Lot 1 on RP 214506)
Property:	Newnham Hotel, Upper Mt Gravatt, Qld
Title Particulars:	Title Reference 50224620 (Lot 4 on SP 105377)
Property:	Runaway Bay Tavern, Runaway Bay, Qld
Title Particulars:	Title Reference 50064918 (Lot 9 on RP 883690)
Property:	Sands Tavern, Maroochydore, Qld
Title Particulars:	Title Reference 50103803 (Lot 1 on RP 895681)
Property:	Wallaby Hotel, Mudgeeraba, Qld
Title Particulars:	Lot 4 on RP 21852 contained in Title Reference 16961030, Lots 12 and 13 on RP 64304 contained in Title Reference 17373032, Lot 14 on RP 64304

	contained in Title Reference 16687049, Lot 16 on RP 64304 contained in Title Reference 13183182, Lot 5 on GTP 501 contained in Title reference 16012146, Lot 4 on GTP 501 contained in Title Reference 16012145, Lot 3 on GTP 501 contained in Title Reference 16012144, Lot 2 on GTP 501 contained in Title Reference 16012143, Lot 1 on GTP 501 contained in Title Reference 16012142
Deposit:	$800,000
Settlement Date:	15 December 2001

Umbrella Agreement

Date:	28 August 2001
Parties:	
Grantor:	Liquorland (Qld) Pty Ltd (ACN 079 861 626)
Grantee:	Dunecorp Pty Ltd (ACN 066 986 605) a company associated with MCS
Property:	As listed above in the Option Agreement
Title Particulars:	
Price:	$42,000,000
Deposit:	$20,000
Settlement Date:	15 December 2001

In consideration of the other parties extending the dates for exercise of options and settlement, MCS has agreed to pay to the Vendor a consideration of $200,000. This is payable by MCS and will not be recovered or sought to be recovered from Investors or this DPI.

Leases

Liquorland leases

Commencement	24 July 2001
Lessee	Liquorland (Qld) Pty Ltd (ACN 079 861 626)
Term	15 years
Expiry Date	23 July 2016
Options	2 further terms of 10 years each

14.4 Custodian

The role of the Custodian is to hold the property of the DPI and to deal with such property only as instructed by the Manager and provided such instructions are in accordance with the provisions of the Constitution. The Custodian must exercise diligence and vigilance in carrying out its duties. The Custodian will hold evidence and documents of title and the assets of the DPI in safe custody except for titles held by the lender as security for the Loans

The main duties and obligations of the Custodian are:

- to hold title to the real estate as nominee for the Owners;
- to hold the Fund upon and subject to the terms and conditions contained in the Constitution and in that regard to facilitate the distribution of the surplus cash flow by the Manager;
- to comply with instructions from the Manager in relation to investment of the Fund; and
- to act continuously as Custodian until the Fund is determined or it has retired or been removed from office in accordance with the provisions of the Law and the Custodian Agreement.

Remuneration of the Custodian

The Custodian will be entitled to receive an annual fee for acting as Custodian at the rate of 0.05% p.a. of the Gross Value of Assets under Management (as defined in the Constitution) paid quarterly in arrears. The Custodian is entitled to be paid or reimbursed out of the Fund for all costs, charges, outgoings and expenses properly incurred by it pursuant to the administration of the DPI and the Trust and which are properly incurred in relation to the performance of its duties as Custodian of the DPI and the Trust.

Retirement and Removal of the Custodian

The Custodian has covenanted with the Manager that it will resign as custodian in any of the following events:

- if it ceases to carry on business;
- if it is placed in liquidation, other than for the purposes of amalgamation, reconstruction or a purpose of a similar kind, or in official management;
- where a receiver, or a receiver and manager, is appointed in relation to the property of the Custodian and is not removed or withdrawn within 30 days of the appointment;
- if the Custodian is not, or is no longer, empowered to act as a custodian; or
- if the Manager gives not less than 30 days notice of its intention to appoint a new custodian.

The Custodian may retire upon the expiration of three months (or such lesser period as the Manager may agree) notice to the Manager.

14.5 Manager

The role of the Manager is to act as the Responsible Entity for the DPI. In this role the Manager will have all the rights, powers and duties as listed in the Constitution. MCS has covenanted to carry out its duties and exercise its powers under the Constitution in the best interests of all Owners and in a proper and efficient manner.

The main duties and obligations of the Manager are:

- to manage, improve and enhance the Real Estate and to do all matters incidental thereto;
- to appoint and instruct an approved Valuer as necessary to ensure a proper valuation of the Real Estate;
- to keep, or cause to be kept, proper books of account in relation to the Real Estate and the Fund;
- to ensure the accounts of the Real Estate and the Fund are audited at the end of each financial year and to ensure that a statement of the accounts of the Real Estate and the Fund is given to each Owner not more than 90 days after the end of the financial year to which the accounts relate;
- to comply with any directions given to it at a meeting of the Owners convened pursuant to the terms of the Constitution provided such directions are consistent with the Constitution or the Corporations Law;
- to facilitate the distribution of the surplus cash flow to the Investors;
- to collect and receive all income and capital receipts arising from the Real Estate and the Fund;
- to forward to each Owner for each financial year a statement of that Owner's tax position in relation to the DPI;
- to insure and keep insured in the name of the Custodian or with the interest of the Custodian noted on the policy, the Real Estate to its full insurable value on a replacement and reinstatement basis and its rents and profits against loss or damage; and
- to maintain an up to date Register of Owners.

Remuneration of the Manager

The Manager will be entitled to receive the fees set out in Section 7.4. The Manager is also entitled to be paid or reimbursed out of the Fund for all costs, charges, outgoings and expenses of the DPI and the Trust, including commissions (other than as referred to in Section 14.15), procuration fees, agents' fees, brokerage, legal fees, project management fees on supervision of capital works, accounting fees and expenses, bank charges, stamp duty, taxes, government charges, auditor's fees, insurance fees and any other costs which it might properly incur in relation to the performance of its duties as Manager of the DPI and the Trust.

Retirement of the Manager

The Manager may retire at any time in accordance with the Law and the Constitution. In addition, the Law and the Constitution provide that the Manager must retire:

- following an extraordinary resolution of the Members requiring it to do so; or
- if it goes into liquidation; or
- if it ceases to hold a Dealer's Licence.

If MCS retires or is removed as Responsible Entity and is replaced by a new Responsible Entity, the new Responsible Entity must cause the Real Estate to be valued forthwith by an approved Valuer. MCS will be entitled to receive a fee of 2% of such value within three months of its retirement or removal even though payment of such fee will reduce return to investors and may, in some circumstances, result in a loss of capital.

14.6 Owners

Limited Liability of the Owners

MCS has covenanted in the Constitution that the Owners will not be liable to them or any creditors of the DPI in excess of the amounts subscribed. The question of liability of a beneficiary for claims against a trustee in an arrangement such as this has not however been finalised in law.

Meetings of Owners

The Constitution contains detailed provisions relating to the convening and conduct of meetings. The Custodian or the Manager may at any time summon a meeting of Owners for such purposes as they see fit. On the requisition in writing of either 50 Owners or 5% in number (whichever is less), the Manager will convene a meeting of Owners.

Voting

At a meeting, and on a show of hands, each Owner present in person, or by proxy, shall have one vote. On a poll, in relation to each Lot, Owners will be entitled to one vote for each $1 value of their investment.

Register of Owners

The Manager will maintain an up to date Register of Owners which will include the details of the Owners and their Lots. The Register will be available for inspection at the registered office of the Manager.

14.7 Auditor

The Auditor of the DPI is Alexander & Spencer, Chartered Accountancy Firm of Level 12A, 440 Collins Street, Melbourne, which is a registered Company Auditor appointed by MCS.

The role of the Auditor is to perform an audit of the accounts of the DPI as required by the Constitution and the Corporations Law and provide an opinion thereon.

The Manager may at any time remove the Auditor, subject to the Corporations Law. The Auditor may retire upon written notice to the Manager and only after consent has been obtained by the Auditor from ASIC.

14.8 Authorised Investments

It is the intention of MCS that the funds of the DPI shall be invested in the property referred to in this Prospectus. The Constitution also permits funds to be placed or invested in:

- Deposits (whether secured or unsecured) with a bank, bills of exchange, certificates of deposit and negotiable certificates of deposit issued by a bank, bills of exchange or similar instruments accepted and endorsed by a bank; and
- Deposits with, and promissory notes, debentures, debenture stock, stock, inscribed stock, shares, bonds, bills or similar securities issued by, the Commonwealth of Australia or any Australian State or Territory or any semi-governmental body or statutory authority where repayment of the principal and interest is guaranteed in each case by the Commonwealth Government or by a State or Territory Government.

14.9 Borrowings

In accordance with the terms of the Constitution and the Corporations Law, MCS may arrange loans to the Owners to finance their Lots in the Real Estate and the Fund. The Lots of the Owners in the Real Estate and the Fund shall be charged as security for such loans, provided that the liability of the Custodian, Manager and Owners under such mortgage and charge shall be limited to the value of the Real Estate and the Fund. It shall be a condition of such loans that the Custodian, Manager and Owners shall not be personally liable beyond the Contributions. As further security for the loans MCS shall procure for the financier a mortgage of the Real Estate and a charge over the Fund.

Each Owner, on application for a Lot, authorises MCS to borrow on his or her behalf and grants to MCS a limited Power of Attorney in the terms set out on the back of the Application Form. The borrowings shall be arranged so that each Owner's percentage share of the borrowings shall be the same as his or her percentage share of the DPI as stated in the Register of Owners.

MCS shall not arrange any loans which at the time of draw down bring the total loans to more than 75% of the value of the Real Estate. Where loans are used for capital improvements the value of the Real Estate shall be the assessed value of the Real Estate upon completion of the said capital improvements.

The Manager is not authorised to enter into any financing arrangement which will have the effect of making the Custodian, the Manager, or any Owners liable for payment to the financier of any amount in excess of the value of the Real Estate and the Fund.

Whilst MCS plans to raise equity of $53.20m and to have initial borrowings of $65m, MCS reserves the right to vary the amount raised in equity by no more than 15% provided however that the total sum initially raised from equity and borrowings shall be $118.20m.

14.10 Income and Distribution

The Manager is responsible for collecting the income and is responsible for the distribution of the income of the DPI.

The Owners are entitled to the income derived during any financial year in proportion to the contribution which they have made to the DPI.

The Manager shall distribute surplus cash flow to the Owners quarterly, for the quarters ending on the last days of September, December, March and June in each financial year. The first payment will be made in accordance with the provisions set out in Section 6.2. Each subsequent payment will be made three months thereafter. Surplus cash flow represents, for each accounting period ending on 30 June of each year, the revenue from rent and recovery of outgoings, interest income and interest derived from any other sources relating to this investment less all expenditures including capital expenditures paid.

Within 90 days of the end of each financial year, the Manager shall send to each Owner a statement of the accounts of that financial year in relation to the Real Estate and the Fund and that Owner's Lot and a copy of the Auditor's report on the statements.

14.11 Duration and Termination

This DPI commenced on the date on which this Prospectus was lodged at ASIC (the Commencement Date) and must terminate before the end of 10 years from the Commencement Date (the Termination Date), but may terminate earlier in certain circumstances outlined in the Constitution, including:

- if the Manager retires or is removed as Responsible Entity and is not replaced within the time required by the Law; or
- if the Owners so resolve by special resolution.

Upon termination of the DPI, the Manager will realise all assets of the DPI and will, after repayment of loans and deduction of all fees provided for by the Constitution, distribute the proceeds, in one or more distributions, to the Owners in proportion to the number of Lots they hold, subject to retaining sufficient funds to meet all costs, charges and expenses. Such proceeds shall be distributed within two months after the settlement of the sale of the Real Estate.

Notwithstanding the above, the DPI may continue if both:

- the Manager deems it to be in the best interests of all Owners; and
- each Owner who wishes to exit the DPI for the whole or a part of his or her investment is able to exit the investment at a value which is fair, transparent and independently established and reflects a sale, at market, of the properties.

14.12 Sale of the Real Estate

Sale of the Real Estate is prohibited other than:

- at the end of the Period of Investment;
- subject to prior approval of the Investors pursuant to the Constitution; or
- if the Manager believes it is in the best interests of the Owners to sell all or part of the Real Estate.

14.13 Amendment of the Constitution

The Manager may alter the Constitution if it is of the opinion that the alteration is necessary to comply with any legal requirement or to better effect the operation of the DPI, or to correct a manifest error, provided the alteration is not or will not become prejudicial to the rights of the Owners.

14.14 Accounts

The Manager will prepare the accounts of the DPI as required by the Law and these will be forwarded, together with an Auditor's report and a distribution statement, to each Owner, before the expiration of 90 days from the end of the relevant accounting period.

14.15 Commission

The Manager may pay commissions to persons in respect of a subscription pursuant to this Prospectus.

The maximum commission payable in respect of a subscription pursuant to this Prospectus, other than in relation to underwriting, will not exceed in the first 6 years 3% up-front and 0.25% p.a. or the net present equivalent.

If this Prospectus is underwritten, partially or fully, then the Manager may pay an additional commission to any underwriter of up to 1.0% of the amount which is underwritten.

All of the above fees and commissions are paid by MCS from its fee.

14.16 Insurance

The Manager will take out insurance cover for the property, workers compensation and public liability.

The properties will be the subject of comprehensive insurance policies which cover all usual insurable risks including earthquakes. Coverage includes replacement cost of the building, machinery breakdown, public liability and loss of rent in the event of disruption to tenants due to damage caused by an insurable event.

14.17 Foreign Investment Restrictions

The Foreign Acquisitions & Takeovers Act 1975 (the Act) regulates foreign investment in Australia. Where a proposed investment in a DPI would result in a foreign entity acquiring an 'interest in Australian urban land' then that foreign entity must notify the Commonwealth Treasurer.

Accordingly, foreign Investors should obtain independent legal advice in relation to the application of the Act to their own circumstances before any investment decision is made.

Primary rules governing the taxation of non-residents provide that non-residents are liable to Australian tax on all items of income which have their source in Australia.

14.18 Disclosure of Interests

Custodian and Directors of the Custodian

At the date of this Prospectus and throughout the preceding two year period neither the Custodian nor any Directors of the Custodian has or had any interest in the promotion of or in the DPI other than the remuneration to which it is entitled as Custodian (see Section 8).

Manager

At the date of this Prospectus and throughout the preceding two year period MCS had no interest in the promotion of or in the DPI other than the remuneration to which it is entitled as Manager as detailed in Section 7.4.

As always MCS will appoint a property manager to handle the on-site management of the properties. For the properties in this DPI, MCS will appoint MCS Property Services Pty Ltd (MPS), a subsidiary of the Manager, as property manager. Its fee for these services will be 3% of gross income, which is in line with industry standards. MPS is licensed to manage the properties. Before settlement of the properties MCS will enter into a contract with MPS for such management. This contract can be terminated should MPS be in breach of its obligations under the Property Management Agreement.

MCS and/or interests associated with MCS will subscribe at least $500,000 to this DPI.

Recovery of Expenses

MCS and/or its associates will be reimbursed for expenses which it has already incurred and which it has paid or will pay for engineering, fire, lifts and hydraulics, experts' and consultants' reports, survey reports, structural reports, accountants' reports, quantity surveyors' reports, retail experts' reports, soil contamination reports, expenses of design, printing and other prospectus publication expenses, valuation expenses and fees, other than to interests associated with MCS, loan establishment fees and procuration fees. These expenses are provided for in the acquisition costs (see Section 10).

Directors of the Manager

The Directors of MCS are Denis Richard Page, Julius Colman, Anthony Francis Stewart, Allan Hume Reid, Glenn Richard Batchelor, Anthony Gerard Torney, Peter Raymond McGrath, Timothy Michael Poole, Raymond Ian Wilson, Kevin Joseph Murphy and Rupert Hordern Myer. At the date of this Prospectus and throughout the preceding two year period, their interests relevant to this DPI were as follows:

All Directors of MCS except Denis Richard Page, Timothy Michael Poole, Raymond Ian Wilson, Kevin Joseph Murphy and Rupert Hordern Myer are directors of Dunecorp Pty Ltd and Tangerine Aura Pty Ltd, companies associated with MCS, which have entered into the agreements to purchase the Real Estate. Dunecorp Pty Ltd and Tangerine Aura Pty Ltd will nominate, substitute or assign the agreement to the Custodian on or prior to the Completion Date and will have no further interest in the DPI save as an Owner. Dunecorp Pty Ltd and Tangerine Aura Pty Ltd receive no fees in relation to the DPI other than interest on the deposit monies paid.

Neither MCS, the Directors, nor any interests associated with any of them, will receive any part of loan fees, establishment fees or procuration fees on the purchase.

Experts

As at the date of this Prospectus and throughout the preceding two year period none of the experts listed in Section 14.19 has or had any interest in the promotion of or in the Real Estate, except as follows:

Jebb Holland Dimasi - fee of $37,750 for retail survey information

Landmark White (Vic) Pty Ltd - fee of $12,000 for valuation of Newcomb Central.

Jones Lang LaSalle Advisory Services Pty Ltd - fee of $11,700 for valuation of Albion Park Village.

Knight Frank Valuations Pty Ltd - fee of $15,000 for valuation of Townsville Kmart Plaza.

Jones Lang LaSalle Advisory Services Pty Ltd - fee of $15,000 for valuation of Action MegaCentre.

Chesterton Corporate Property Advisors - fee of $35,000 for valuation of Liquorland outlets.

14.19 Consent of Experts

The following experts have given their written consent to the issue of this Prospectus with the information and references as stated, in the form and context in which they appear in this Prospectus, and have not withdrawn such consent prior to the delivery of this Prospectus for registration to the ASIC:

Jebb Holland Dimasi - information contained in Section 5.6 and 5.7

Landmark White (Vic) Pty Ltd - the summary of valuation for Newcomb Central in Section 11 and the references contained in Section 6.2 note 2.

Jones Lang LaSalle Advisory Services Pty Ltd - the summary of valuation for Albion Park Village in Section 11 and the references contained in Section 6.2 note 2

Knight Frank Valuations - the summary of valuation for Kmart Plaza Townsville in Section 11 and the references contained in Section 6.2 note 2

Jones Lang LaSalle Advisory Services Pty Ltd - the summary of valuation for Action MegaCentre in Section 11 and the references contained in Section 6.2 note 2

Chesterton Corporate Property Advisors - the summary of valuation for the Liquorland Outlets in Section 11 and the references contained in Section 6.2 note 2

14.20 Inspection of Documents

A true copy of the following documents will be available for inspection during normal business hours free of charge at the registered offices of MCS:

- the Constitution, Custodian Agreement and Compliance Plan of the DPI and the Trust mentioned in Section 13.10 and Section 14.2;
- the Agreements mentioned in Section 14.3;
- the Leases mentioned in Section 14.3;
- MCS's Dealers Licence mentioned in Section 7;
- the Reports of Experts mentioned in Section 14.19; and
- the Consents of Experts mentioned in Section 14.19.

14.21 Disclaimers

Other than as required by law, no responsibility is taken by MCS or any of the Experts mentioned in Section 14.19 for any statement made in relation to the DPI, other than those statements contained in this Prospectus.

Neither MCS, the Custodian nor any Expert (or any of their solicitors or advisers) gives any guarantee with respect to the return of any investment, any tax deduction with respect to the investment, nor the performance of the investment generally.

In relation to the property to be acquired by the DPI and its valuation, after due enquiry regarding the interval commencing on the date of valuation to the date of this Prospectus and save as disclosed in the Prospectus, MCS is not aware of any circumstances that, in its opinion, materially have affected or will affect the trading or profitability of this Prospectus.

Townsville Kmart Plaza signage, Townsville

REPORT BY DIRECTORS OF THE MANAGER

The Directors of MCS have authorised the issue of this Prospectus by MCS Property Limited.

MCS is the holder of a Dealer's Licence issued by ASIC. The Dealer's Licence permits it to be the Responsible Entity of and operate schemes which invest in direct real property.

The Directors of MCS are Denis Richard Page, Julius Colman, Anthony Francis Stewart, Allan Hume Reid, Glenn Richard Batchelor, Anthony Gerard Torney, Peter Raymond McGrath, Timothy Michael Poole, Raymond Ian Wilson, Kevin Joseph Murphy and Rupert Hordern Myer who are experienced in the fields of real estate acquisition and development, sales, leasing, management, the legal aspects of property acquisition, disposal, structuring, corporate governance, capital structures and financial modelling.

To the best of their knowledge and belief the information contained in this document is true and nothing is omitted which is likely to materially affect the importance of the information provided.

The Directors of MCS Property Limited report that, as at the date hereof, after due enquiry by them and except as otherwise set out in this Prospectus, they have not become aware of any circumstances that, in their opinion, have materially affected or will affect the trading or profitability or the value of the assets to be acquired by this DPI.

Signed for MCS.

Denis Richard Page	Julius Colman	Anthony Francis Stewart	Allan Hume Reid
Glenn Richard Batchelor	Anthony Gerard Torney	Peter Raymond McGrath	Timothy Michael Poole
Raymond Ian Wilson	Kevin Joseph Murphy	Rupert Hordern Myer	

This Prospectus in the form in which it appears has been duly signed on the 8th day of October 2001 by the Directors whose names appear above.

GLOSSARY

Applicant	A person who submits an Application Form
Application Form	The Application Form attached to the Prospectus
Application Monies	The money payable by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
CBD	Central Business District
Certificate of Ownership	Certificate issued to each Owner or each Unit Trust Investor identifying that Owner's Lots or Units
CGT	Capital Gains Tax
Compliance Plan	Compliance Plan of the Manager for the DPI or the Trust (as applicable) and registered by ASIC
Constitution	Constitution for the DPI or the Trust (as applicable) registered by ASIC
Corporations Law	Corporations Law of Victoria
CPI (Capital Cities)	The Consumer Price Index, Capital Cities
Custodian	Sandhurst Trustees Limited (ACN 004 030 737)
DDS	Discount Department Store
Direct Property Investment	The managed investment scheme known as the MCS17 Direct Property Investment established by the Constitution for the DPI
DPI	MCS17 Direct Property Investment
Exempt Market	The Australian Exempt Property Market, a regulated market for direct property interests
Fund	Assets of the DPI (other than the Real Estate), which may from time to time hereafter be held by the Custodian or the Manager (other than the Custodian's and Manager's fees and expenses) or on their behalf for the benefit of the Owners
GLA	Gross Lettable Area
GST	Goods and Services Tax
Investor	Owner
Issue	Capital raising
Listed Property Trust (or LPT)	A property trust listed on the ASX
Loan	The loan arranged pursuant to the terms of this Prospectus
Lot	The percentage share of an Owner in the DPI
Majors	Full scale supermarkets, DDSs and related entities
Manager	MCS Property Limited (ACN 051 908 984)
MIA	Managed Investments Act
Nationals	Retailers who have a representation in two or more States of Australia
Owner	The holder of Lots in the DPI who is registered as an Owner under the provisions of the Constitution
Period of Investment	The period between the commencement and the termination of the DPI
Prospectus	This Prospectus
Ralph Report	The report prepared for the Australian Federal Government by the Ralph Committee
Real Estate	Albion Park Village Shopping Centre, Albion Park NSW, Action MegaCentre, Innaloo WA, Newcomb Central Shopping Centre, Newcomb Vic, Townsville Kmart Plaza Shopping Centre, Townsville Qld, Liquorland outlets, South East Qld Any associated, related or adjoining properties, easements or interests in land, the acquisition of which the Manager and the Custodian reasonably believe will be in the best interests of the Owners provided however that the value of such acquisitions will not exceed 15% of the property which they adjoin or relate to.
Securitised	Arranged in allotments as securities for raising money as an investment
Subscription	The amount set out on the Application Form and accepted by MCS
Unit	A $1 Unit in the Unit Trust
Unit Trust	The managed investment scheme know as the MCS17 Unit Trust
Us	MCS
Valuers	Landmark White (Vic) Pty Ltd, Jones Lang LaSalle Advisory Services Pty Ltd, Knight Frank Valuations, Chesterton Corporate Property Advisors
We	MCS
Yield	Net income divided by purchase price excluding costs associated with purchase, expressed as a percentage
You	The Owners and the Unitholders

For Direct Investors

Applications may be made only on the maroon Application Form attached to this Prospectus. No allotment pursuant to this Prospectus may be made later than 12 months from the date of this Prospectus.

If you have any queries on how to complete an Application Form or wish to obtain additional copies of this Prospectus please telephone Tracey Capraro on (03) 9639 4511 or fax (03) 9639 4501 or email: mail@mcsproperty.com.au or visit our website: www.mcsproperty.com.au

MCS has the right to close the subscription lists at any time. Further MCS has the right to accept or reject any subscription in whole or in part.

Applicants wishing to apply for a Lot in the DPI should fill out the maroon Application Form.

PLEASE NOTE that all successful Applicants in the DPI will become parties to the Loans (see Section 9).

Minimum and Maximum Subscription

You may invest an amount of $20,000 or more, however MCS may prohibit any Investor from holding or controlling more than 15% of the DPI at any time.

Signing the Application Form

Before signing the Application Form, you must read this Prospectus. The Application Form must be signed by you personally, or under company seal or by an attorney.

Joint Applications must be signed by each Applicant.

Joint Applicants will be assumed to be joint tenants unless otherwise specified.

If signed by an attorney, the relevant original power of attorney (including the power to nominate another attorney) must be submitted with this Application Form for noting and return.

If signed under company seal, the Director(s) and/or Secretary attest that the common seal was affixed in accordance with the company's Articles of Association.

Tax File Numbers

Collection of tax file numbers is authorised by tax law and privacy legislation. You do not have to advise us of your tax file number or exemption, but if you do not, tax may be taken out of the quarterly payments at the top personal marginal rate plus the Medicare levy.

Direct Credits

MCS provides a direct credit facility. Should you wish to take advantage of this facility, please complete Section 8 in the Application Form.

Cheques and Application Forms

Cheques must be made payable to:
'Sandhurst Trustees Limited - MCS17 DPI'.

Completed Application Forms and cheques must be sent to:

MCS17 DPI
C/- Computershare Investor Services Pty Limited
GPO Box 52A
MELBOURNE VIC 3001
AUSTRALIA

or

MCS17 DPI
C/- Computershare Investor Services Pty Limited
Level 12
565 Bourke Street
MELBOURNE VIC 3000
AUSTRALIA

For Unit Trust Investors

For Investors such as superannuation funds who may not wish to borrow in their own right, applications should be for Units in the Trust and applicants should fill out the blue Application Form (please read Section 13).

Applications may be made only on the blue Application Form attached to this Prospectus. No allotment pursuant to this Prospectus maybe made later than 12 months from the date of this Prospectus.

If you have any queries on how to complete an Application Form or wish to obtain additional copies of this Prospectus please telephone Tracey Capraro on (03) 9639 4511 or fax (03) 9639 4501 or email: mail@mcsproperty.com.au or visit our website: www.mcsproperty.com.au

MCS has the right to close the subscription lists at any time. Further MCS has the right to accept or reject any subscription in whole or in part.

Minimum and Maximum Subscription

You may invest an amount of $20,000 or more, however, MCS may prohibit any Investor from holding or controlling more than 15% of the DPI at any time.

Signing the Application Form

Before signing the Application Form, you must read this Prospectus. The Application Form must be signed by you personally, or under company seal or by an attorney.

Joint Applications must be signed by each Applicant.

Joint Applicants will be assumed to be joint tenants unless otherwise specified.

If signed by an attorney, the relevant original power of attorney must be submitted with this Application Form for noting and return.

If signed under company seal, the Director(s) and/or Secretary attest that the common seal was affixed in accordance with the company's Articles of Association.

Tax File Numbers

Collection of tax file numbers is authorised by tax law and privacy legislation. You do not have to advise us of your tax file number or exemption, but if you do not, tax may be taken out of the quarterly payments at the top personal marginal rate plus the Medicare levy.

Direct Credits

MCS provides a direct credit facility. Should you wish to take advantage of this facility, please complete Section 8 in the Application Form.

Cheques and Application Forms

Cheques must be made payable to:
'Sandhurst Trustees Limited - MCS17 Unit Trust'.

Completed Application Forms and cheques must be sent to:

MCS17 Unit Trust
C/- Computershare Investor Services Pty Limited
GPO Box 52A
MELBOURNE VIC 3001
AUSTRALIA

or

MCS17 Unit Trust
C/- Computershare Investor Services Pty Limited
Level 12
565 Bourke Street
MELBOURNE VIC 3000
AUSTRALIA

Next page - Koala Tavern, Qld signage


VB

Web Copy

Direct Investors Only

Application Form

To meet with the requirements of the Corporations Law, this Application Form must not be handed on unless attached to the Prospectus. Fill out this Application Form if you want to apply for a Lot in MCS17 Direct Property Investment.

Follow instructions overleaf to complete this Application Form. **Print clearly in capital letters using black or blue ink.** Lodge your Application Form as soon as possible.

This offer is open for a limited time.

Brokers Code

MCS Advisor Code

Brokers Reference Stamp

1. MCS Investor Number

C

2. Total Amount Subscribed

I / We lodge full application monies: A$ .00

3. Full Name and Title(s)

Individual / Company / Joint Applicant No. 1 - (refer overleaf for correct title(s))

Joint Applicant No. 2

Trust Name <Account Designation>

4. Contact Details

Street Number / Street Name / PO Box

Suburb / Town

State

Postcode

Country

Contact Telephone No.

Contact Name

Contact Fax No.

Email Address

Mobile Number

5. Tax File Numbers / ABN

Applicant 1 / Trust / Company

Applicant 2

6. Request for Direct Payment of Distribution

Name of Financial Institution

BSB No.

Account Name

Account No.

7. Personal Details (Optional)

Age (Optional)

<35y **35-44y** **45-54y**

55-64y **65-74y** **>75y**

Occupation (Optional)

8. Cheque Details

Please fill out your cheque details

Name of drawer	*Cheque No.*	*BSB No.*	*Account No.*	*Amount A$*

9. Declaration

Date

/ /

I/We authorise you to act in accordance with my/our instructions set out above and overleaf.

Individual

Sole Director & Sole Company Secretary

Joint 2

Director/Secretary

Joint 3

Director

HOW TO COMPLETE THE APPLICATION FORM

Please use BLOCK LETTERS

1. Item 1: If you do not have a current investment in an MCS portfolio, please go directly to Item 2.
2. Item 2: Please enter the **TOTAL AMOUNT** of application monies payable.
3. Item 3: Please enter the **FULL NAME(S)** of all legal entities that are to be recorded as the registered holder(s). Up to three Joint Applicants may register. Please refer to the examples below for guidance on valid registrations. A Trust name should be recorded in the specified boxes where applicable.
4. Item 4: Please enter your **CONTACT DETAILS**. Please include your telephone number and contact name in case we need to contact you in relation to your application.
5. Item 5: Please enter your **TAX FILE NUMBER(S) or ABN**, and, where applicable, please enter the TFN for each Joint Applicant. Collection of TFNs is authorised by taxation laws. It is not compulsory to provide your TFN and this will not affect your application. However, if you do not provide your TFN, tax may be deducted from quarterly payments at the top personal tax rate plus the Medicare levy. Your privacy regarding your TFN will be respected and your TFN will not be disclosed under any circumstances
6. Item 6: We recommend that you complete this section in order to have your distribution paid directly into a nominated Australian bank, credit union or building society. If you prefer to receive your distribution by cheque, please leave this section blank.
7. Item 8: Payment must be made in Australian currency. Cheques or bank drafts must be made **payable to 'Sandhurst Trustees Limited - MCS17 DPI'** and crossed Not Negotiable. No receipts will be issued. Cheques not drawn properly may be rejected. Cheques will generally be deposited on the day of receipt.
8. You hereby irrevocably nominate MCS PROPERTY LIMITED (MCS) (ACN 051 908 984) to be your Attorney (with power to appoint and from time to time remove a substitute or substitutes) only in accordance with the terms of this Prospectus to borrow on your behalf in proportion to your subscription and to sign any necessary document or instrument in respect of such borrowing and without limiting the generality of the foregoing, MCS is empowered to charge your interest, and if the loan falls due prior to the sale of the Real Estate, to roll it over, discharge it wholly or partly and/or enter into a new loan. MCS has no authority to put you at risk for any more than the monies you have subscribed. The terms herein shall have the same meanings as given to them in the Glossary contained in the Prospectus.
9. Item 9: Each Applicant must sign this form. If your units are to be held in joint names, all Applicants must sign. If you are signing as an attorney, then the power of attorney must have been noted by Computershare Registry Services or a certified copy of it must accompany this form.

   Only duly authorised officer(s) can sign on behalf of a company. Please sign as directed, indicating the office held by the signatory; i.e. director and director, or company secretary and director, or the sole director and sole company secretary.

   In signing this Application Form you agree:

   1. Your Application is made on the basis that pending completion of the purchase of the Real Estate, your contribution will be held by the Custodian and will be returned if the purchase does not proceed or if your Application is not accepted;
   2. That you have read the Prospectus to which this Application Form is attached;
   3. That by signing this Form, you agree to be bound by the terms of the Constitution;
   4. That the Manager may accept your Application in whole or in part;
   5. That you acknowledge that none of MCS nor any other person or entity guarantees the value or performance of this investment;
   6. That if your Application is accepted, you hereby appoint MCS Property Limited as your Attorney, on the terms set out above in Point 8, to obtain a loan on a non-recourse basis as set out in this Prospectus or any rollover or discharge of that non-recourse loan or the entering into of a new loan;
   7. You certify that you will not be holding or controlling more than 15% of this DPI at any time.

   Forward your completed Application together with the Application Monies to:

MCS17 Direct Property Investment C/- Computershare Investor Services Pty Limited GPO Box 52A MELBOURNE VIC 3001	or	MCS17 Direct Property Investment C/- Computershare Investor Services Pty Limited Level 12, 565 Bourke Street MELBOURNE VIC 3000

Name Standards

Only legal entities are allowed to hold interests in this investment. Applications must be in the name of a natural person or natural persons, company or other legal entity acceptable to MCS Property Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual *Use given names in full, not initials*	Mr John Alfred Smith	J A Smith
Company *Use the company's full title, not abbreviations*	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings *Use full and complete names*	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts *Use the trustee(s) personal name(s)*	Sue Smith (above) or Trustee <Sue Smith Family A/C>	Mrs Susan Jane Smith Sue Smith Family Trust
Deceased Estates *Use the executor(s) personal name(s)*	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) *Use the name of a responsible adult with a appropiate designation*	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Master Peter Smith
Partnerships *Use the partners' personal names*	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names *Use office bearer(s) personal name(s)*	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds *Use the name of the trustee of the fund*	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Web Copy
Unit Trust Investors Only — Application Form

To meet with the requirements of the Corporations Law, this Application Form must not be handed on unless attached to the Prospectus. Fill out this Application Form if you want to apply for a Unit in MCS17 Unit Trust.

Follow instructions overleaf to complete this Application Form. **Print clearly in capital letters using black or blue ink.** Lodge your Application Form as soon as possible.

This offer is open for a limited time.

Brokers Code

MCS Advisor Code

Brokers Reference Stamp

1. MCS Investor Number

C

2. Total Amount Subscribed

I / We lodge full application monies: **A$** .00

3. Full Name and Title(s)

Individual / Company / Joint Applicant No. 1 - (refer overleaf for correct title(s))

Joint Applicant No. 2

Trust / Superfund Name <Account Designation>

4. Contact Details

Street Number / Street Name / PO Box

Suburb / Town

State

Postcode

Country

Contact Telephone No.

Contact Name

Contact Fax No.

Email Address

Mobile Number

5. Tax File Numbers / ABN

Applicant 1 / Trust / Company

Applicant 2

6. Request for Direct Payment of Distribution

Name of Financial Institution

BSB No.

Account Name

Account No.

7. Personal Details (Optional)

Age (Optional)

<35y

35-44y

45-54y

55-64y

65-74y

>75y

Occupation (Optional)

8. Cheque Details

Please fill out your cheque details

Name of drawer	*Cheque No.*	*BSB No.*	*Account No.*	*Amount A$*

9. Declaration

Date

/ /

I/We authorise you to act in accordance with my/our instructions set out above and overleaf.

Individual

Joint 2

Joint 3

Sole Director & Sole Company Secretary

Director/Secretary

Director

HOW TO COMPLETE THE APPLICATION FORM

Please use BLOCK LETTERS

1. Item 1: If you do not have a current investment in an MCS portfolio, please go directly to Item 2.
2. Item 2: Please enter the **TOTAL AMOUNT** of application monies payable.
3. Item 3: Please enter the **FULL NAME(S)** of all legal entities that are to be recorded as the registered holder(s). Up to three Joint Applicants may register. Please refer to the examples below for guidance on valid registrations. A Trust and Superfund name should be recorded in the specified boxes where applicable.
4. Item 4: Please enter your **CONTACT DETAILS**. Please include your telephone number and contact name in case we need to contact you in relation to your application.
5. Item 5: Please enter your **TAX FILE NUMBER(S) or ABN**, and, where applicable, please enter the TFN for each Joint Applicant. Collection of TFNs is authorised by taxation laws. It is not compulsory to provide your TFN and this will not affect your application. However, if you do not provide your TFN, tax may be deducted from quarterly payments at the top personal tax rate plus the Medicare levy. Your privacy regarding your TFN will be respected and your TFN will not be disclosed under any circumstances
6. Item 6: We recommend that you complete this section in order to have your distribution paid directly into a nominated Australian bank, credit union or building society. If you prefer to receive your distribution by cheque, please leave this section blank.
7. Item 8: Payment must be made in Australian currency. Cheques or bank drafts must be made **payable to 'Sandhurst Trustees Limited - MCS17 Unit Trust'** and crossed Not Negotiable. No receipts will be issued. Cheques not drawn properly may be rejected. Cheques will generally be deposited on the day of receipt.
8. Item 9: Each Applicant must sign this form. If your units are to be held in joint names, all Applicants must sign. If you are signing as an attorney, then the power of attorney must have been noted by Computershare Registry Services or a certified copy of it must accompany this form.

   Only duly authorised officer(s) can sign on behalf of a company. Please sign as directed, indicating the office held by the signatory; i.e. director and director, or company secretary and director, or the sole director and sole company secretary.

   In signing this Application Form you agree:

   1. Your Application is made on the basis that pending completion of the purchase of the Real Estate, your contribution will be held by the Custodian and will be returned if the purchase does not proceed or if your Application is not accepted;
   2. That you have read the Prospectus to which this Application Form is attached;
   3. That by signing this Form, you agree to be bound by the terms of the Constitution;
   4. That the Manager may accept your Application in whole or in part;
   5. That you acknowledge that none of MCS nor any other person or entity guarantees the value or performance of this investment;
   6. You certify that you will not be holding or controlling more than 15% of this DPI at any time.

   Forward your completed Application together with the Application Monies to:

MCS17 Unit Trust C/- Computershare Investor Services Pty Limited GPO Box 52A MELBOURNE VIC 3001	or	MCS17 Unit Trust C/- Computershare Investor Services Pty Limited Level 12, 565 Bourke Street MELBOURNE VIC 3000

Name Standards

Only legal entities are allowed to hold interests in this investment. Applications must be in the name of a natural person or natural persons, company or other legal entity acceptable to MCS Property Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual *Use given names in full, not initials*	Mr John Alfred Smith	J A Smith
Company *Use the company's full title, not abbreviations*	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings *Use full and complete names*	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts *Use the trustee(s) personal name(s)*	Sue Smith (above) or Trustee <Sue Smith Family A/C>	Mrs Susan Jane Smith Sue Smith Family Trust
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Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
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Superannuation Funds *Use the name of the trustee of the fund*	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

DIRECTORY

MCS Portfolios

1. MCS1 Sunnyside (sold 1997)

2. MCS2 John Martin's Car Park & Retail Plaza Joint Acquisition

3. MCS3 Nepean Square Shopping Centre Joint Acquisition

4. MCS4 The Hills Shopping Centre Joint Acquisition

5. MCS5 Coles & Kmart Shopping Centres Joint Acquisition
- Belmont Shopping Village
- Kurralta Plaza Shopping Centre
- Launceston Plaza Shopping Centre
- New Town Plaza Shopping Centre
- Albany Plaza (sold 2000)

6. MCS6 Melbourne - Brisbane Retail & Bulky Goods Joint Acquisition
- Brandon Park Shopping Centre
- Big Top Showrooms (sold 1999)

7. MCS7 Park Lane Apartments Joint Acquisition (sold 2000)

8. MCS8 1998 Retail Portfolio Joint Acquisition
- Albany Shopping Village
- Northgate Plaza Shopping Centre
- Croydon Market Shopping Centre
- 4 Liquorland Hotels

9. MCS9 1998 National Retail Portfolio DPI & UT
- Dianella Plaza Shopping Centre
- Festival Faire Shopping Centre
- Gympie Village Shopping Centre
- Hollywood Plaza Shopping Centre
- Thomsons Plaza Shopping Centre

10. MCS10 1999 Retail No 1 Portfolio DPI & UT
- Lennox Shopping Centre
- Hunter Mall Shopping Centre
- Kmart Centre, Alice Springs

11. MCS11 Paradise Centre DPI & UT

12. MCS12 2000 Retail No 2 DPI & UT
- Oakleigh Central Shopping Centre
- St Agnes Shopping Centre
- Glenorchy Shopping Centre

13. MCS13 1999 Retail 10 (not a current portfolio)

14. MCS14 DPI & UT
- Kalamunda Central Shopping Centre
- Kincumber Village Shopping Centre
- Stirlings Central Shopping Centre
- Warringal Shopping Centre

15. MCS15 DPI & UT
- Ringwood Square Shopping Centre
- Meadow Mews Shopping Centre

16. MCS16 (Institutional/NZ) DPI & UT
- Toormina Gardens Shopping Centre

17. MCS17 DPI & UT

MCS Directory

Manager

MCS Property Limited
ACN 051 908 984
Registered Office
Level 28, Collins Place
55 Collins Street
MELBOURNE VIC 3000
Tel: +61 3 9639 4511
Fax: +61 3 9639 4501
Email: mail@mcsproperty.com.au
Website: www.mcsproperty.com.au

Custodian

Sandhurst Trustees Limited
ACN 004 030 737
Principal Office
Level 1
410 Collins Street
MELBOURNE VIC 3000

Auditor

Alexander & Spencer
Registered Office
Level 12A
440 Collins Street
MELBOURNE VIC 3000

Auditor of the Compliance Plan

Thomas Peter Borsky
Level 12A
440 Collins Street
MELBOURNE VIC 3000

Investor Services

Computershare Investor Services Pty Ltd
GPO Box 52A
MELBOURNE VIC 3001
Investor Enquiries: 1300 555 079
or +61 3 9649 5212
Fax: +61 3 9611 5710
Website: www.computershare.com

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