



QREAL

What is QReal?

The result is that investors are able to secure an apartment at a discount to the master sales price of apartments being offered to the general public.

Quantum Real Estate

The QReal program offers investors via the opportunity to invest into selected residential apartment projects as “development partners” # generate potential development returns and invest these into the residential apartments, at a substantial reduction to the typical market price.

This involves an investment in the Quantum Residential Property Trust (the Trust), which is a managed investment scheme registered under Australian Securities Investment Commission (ASIC). The Trust will inject funds into the development either via equity ownership, loans or agreement, i.e. into the Land holding vehicle, and in return each investor is an indirect investor in the development, with the ability to direct investment profits into the purchase of an apartment, and the allocated development profits can be directed as an offset, of the final amount at settlement. The profit share is shown as a reduction in the apartment purchase price via a standard sales contract, inside a special condition that reflects the profit allocation via a discount in the original sale.

The result is that investors are able to secure an apartment at a reduction to the master sales price of apartments being offered to the general public.

please refer to the PDS on each Project to understand the investment relationship.

Key Benefits of QReal

- First in Australia
- Proven fund manager with 3 current projects
- Project have small number of equity participation units
- ROI in > 45%[^]
- Use your SMSF
- Tax effective

Notes:

[^] subject to certain conditions

QReal is Self Managed Super Fund Compliant

Investing in direct property is a passion for many Australian investors. Now your SMSF has a viable option to not only benefit from a long term hold in direct property, but to participate in true development profits.

STEP 1

Quantum Identifies the project and completes due diligence.

Project profit is agreed.

PDS is issued.

PROJECT IDENTIFIED

STEP 2

Investor chooses their apartment and pays 10% deposit. Contract of sale provides for a development profit share.

APARTMENT SELECTION

STEP 3

Investor pays their project equity amount.

INVESTMENT

STEP 4

Project is constructed.

CONSTRUCTION

STEP 5

Project completes.

Investor either sell their apartment or uses project profit share to settle their apartment at a reduced price.

COMPLETION

Your investment is structured as an investment in a registered managed investment fund (the Quantum Residential Property Trust ARSN 165 569 335 (the Trust or “QReal”)) that invests your funds into a selected residential development.

The Trust uses funds to develop the project and pays a return that can be taken in cash or a discount in the apartment settlement.



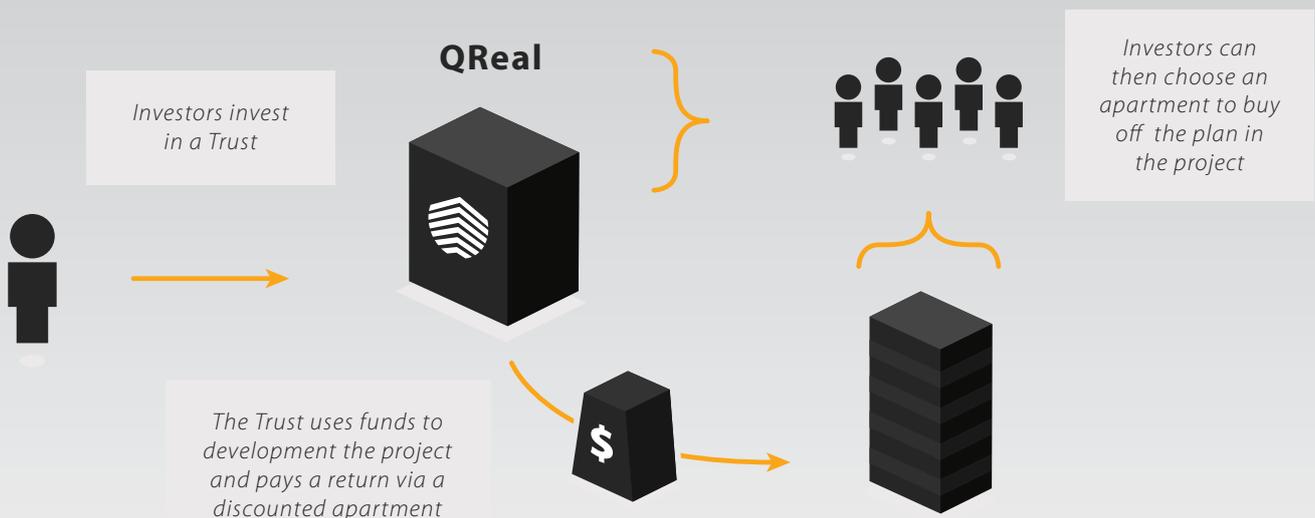
Each particular project is outlined in the Product Disclosure Statement (PDS), which will detail all the specific information in respect of any particular Class of Unit.



With each investment in the Trust, the investor generates investment profit and has the flexibility to use these proceeds to settle as a discounted apartment in the selected project, or take as cash and on-sell the apartment at project completion.

The Structure

Your investment is structured as an investment in a registered managed investment fund (the Quantum Residential Property Trust (the Trust or “QReal”)) that invests your funds into a selected residential development.



The QReal Trust is a newly operated managed investment scheme that is managed by a Responsible Entity – Quantum Funds Management Ltd that holds an Australian Financial Services License # 237301. The Trust allows the investor to invest into a class of Unit specific to the development or project of their choosing. This allows you to review each particular Project with details on the returns, and risks, prior to committing your funds.

Each particular project is outlined in the Product Disclosure Statement (PDS), which will detail all the specific information in respect of any particular Class of Unit.

With each investment in the Trust, the investor is given the option to take up a discounted apartment in a particular project.

An example of a QReal Investment

Original Investment	\$145,500
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Return over term	\$66,340
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ROI [^]	46%
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Property Allocated via QReal

Property @ Cost	\$569,065
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Debt at settlement*	\$410,250
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Normal Equity	\$158,815
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QReal Equity	\$92,475
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QReal Saving	\$66,340
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At Settlement

Equity in Property	\$92,475
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Cash Provided	\$145,500
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Cash Refund	\$53,025
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NOTES

[^] over the term, assumes property settled (as equity), or sold taken as cash.

*@75% LVR, on the value, transaction costs included.

And investment held over 3 additional years.

Net Investment	\$145,500	\$92,475
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Return over term	\$277,586	\$315,162
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ROI [^]	200%	241%
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Multiple	3.00	3.41
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Yearly Return	40%	48%
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Estimated Capital Growth

Assumed Capital Growth pa	6.0%	8.0%
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Property Value	\$651,486	\$689,062
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Debt at settlement *	\$382,900	\$382,900
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Equity Returned	\$268,586	\$306,162
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Yearly Income

Rental Net of Expenses	\$3,000
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Rental Yield pa	\$3.24%
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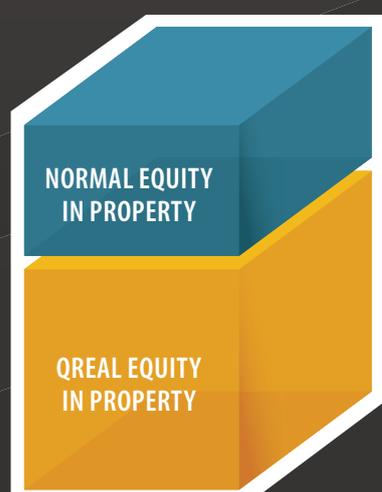
NOTES

[^] over the term, 2 years at QReal, plus 3 additional years.

*@75% LVR, on the value, transaction costs included.

NB; Figures subject to change please refer to web site and PDS. Assumptions used in this example may not occur.

Based upon Apartment #506 in GL Class Units – Gladesville Project.



Possible Exit Strategies

- 1 Sell Property during construction
 - i. Sell property during 18 months build.
 - ii. You control timing.
 - iii. If Market strengthen you can generate extra income.
- 2 Retain Property as part of Portfolio
 - i. Settle property, use returns as part of equity to hold investment.
 - ii. Cash flow positive ~ 2-4% pa.
 - iii. Further possible appreciation to enhance overall returns for medium-term investment.

Q&A

1. What do I get for my investment?

You receive a unit certificate in the Quantum Residential Property Trust, with a fixed rate of return, and the ability to purchase in a related development project a contract of sale for a selected unit with a fixed rebate (discount) off the sales price. The sales contract will require an additional 10% deposit.

3. How secure is my investment?

Your investment is secured over real property in Australia.

5. Are the projects researched?

Some QReal projects will come with an independent research report on the project.

7. Do I get my equity loan returned at settlement?

Yes, however as each project in QReal is slightly different, you will need to read the PDS and the part two PDS, for each project, as to the timing.

9. Can I place this structure in my superannuation fund (SMSF)?

Yes both the investment in the Trust and the direct property can be held in a SMSF.

2. How is the discount provided?

In a special condition in the contract of sale, which is a legal document binding the land owner and yourselves to settle the contract of sale net of your discount.

4. How do you choose a project?

QReal will have a number of projects available each year, on its web site www.qreal.com.au, these available to you to review and decide which one is the most suitable for you to consider.

6. What is stamp duty do I have to pay? Is it on the face value of the contract or on the contract value after the discount?

Typically the stamp duty will be on the face value of the apartment purchase price (i.e. the contract value before the discount).

8. Can I use a deposit bond for the 10% deposit?

Yes in most cases, but it will depend on the senior funder to the project.

10. What type of paperwork do I get when I hand over my equity?

You receive a Unit certificate in an ASIC registered managed investment scheme, which has been established by Quantum Funds Management Ltd (the Funds manager or RE of the Trust) which holds an Australian Financial Services Licenses AFSL # 237301.

Should you have any other enquiries please call Craig at Quantum on 1300 360 949 or email craign@quantumgroup.com.au or general email to info@quantumgroup.com.au.

To receive more information or obtain a copy of the PDS or to attend a seminar please go to www.qreal.com.au or call **1300 360 949**.

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Important Notice:

This is only an outline of the information that is presented to potential investors via the Product Disclosure Statement (PDS). An "in use notice" will shortly be lodged with the Australian Securities and Investments Commission (ASIC). You will only be able to apply to participate in the Trust after reading the PDS in its entirety and completing the application form accompanying the PDS. Any forecast figures provided in this document are estimates only and will be fully detailed in the PDS. Investors should consider the PDS and their objectives, financial situation and needs in deciding whether to acquire, or continue to hold, the product. This information has been prepared without taking into account your objectives, financial situation or needs.