

THE RIVERDALE  
PROPERTY TRUST

As required under the Corporations Law, six monthly audited accounts will be lodged with ASIC for The Riverdale Property Trust. Due to the additional onerous cost to the fund, we will not be sending a copy of six monthly reports to all investors as it is not required under the Corporations Law or the Constitution for the Fund. The reports will be made available on request and we will advise of their availability in your next newsletter.

Any changes need to be notified to us in writing and signed by the applicant/s.



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# The Riverdale Review

AN INVESTOR UPDATE    ISSUE NO. 1

Your Unitholder Certificate which confirms your allotment and unitholding in The Riverdale Property Trust and your interest cheque were sent on 9 September, 2002. If you have not received or misplaced your cheque or certificate please contact us as soon as possible. You will also have received (on or about 21 November, 2002) your first distribution by electronic funds transfer into your designated bank account. Once again, please contact us immediately if this is not the case.



ACN 078 199 569



We are pleased to advise that the costs of establishing the Riverdale Property Trust (eg acquisition, offer and borrowing costs) have been brought in over \$100,000 (approx) under the forecast used in the prospectus. A breakup of the costs in the format used in the prospectus is shown below:-

FUNDS EXPENDED	\$
Purchase price of Property	15,450,000
Legal fees	87,227
Due diligence costs	86,345
Establishment fee	772,500
Borrowing costs	67,101
Interest rate management provision	280,000
Provisions *	530,364
Custodian costs	3,000
Independent expert & registry costs	20,795
Prospectus & research costs	54,003
ASIC costs	3,665
<b>Total Funds Applied</b>	<b>17,355,000</b>
<b>SOURCE OF FUNDS</b>	
Subscriptions from Investors	8,085,000
Loan from Financier	9,270,000
<b>TOTAL FUNDS SOURCED</b>	<b>17,355,000</b>

\* The provision amount of \$530,364 shown above reflects the \$416,554 allowed in the prospectus plus an amount of \$113,810, which is the amount, total funds expended were under that forecast in the prospectus. This saving was principally due to outlays in borrowing, due diligence and prospectus and research costs being less than forecast.



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## SUBWAY

### Franchisee Sets New Record

Subway is one of the world's largest franchise operations with more than 17,000 stores throughout the world. In October 1999, Subway leased Shop 12 (75.9m<sup>2</sup>) of the Riverdale Centre for 10 years.

According to the master franchisee, the first few months of trading for the new Riverdale franchisee, were a record. The reasons for their record trading include great position, well-defined point of difference, great shop fit-out, and fast efficient service. The franchisee took on another shop in Orana Mall plus taking up the franchise for the Orange area (160km away).

The franchisee knew the Subway business having previously owned a franchise on the north coast of NSW. Even though the Riverdale business was very successful, they took nothing for granted.

They opened for business longer, including very late Friday and Saturday nights. Their ideas for Dubbo were a bit radical (staying open very late) but they have set new benchmarks and raised the bar on providing what the customer wants.

"John and Sally are an excellent example of a great husband and wife working team and

they have attracted top quality employees to help them go to new successes. They very recently opened a new Subway in the tourist / motel strip and applying the same 'go get um, never say die' attitude they have at Riverdale, they will own the world in a very short period", said Centre Manager, Paul Cheshire.



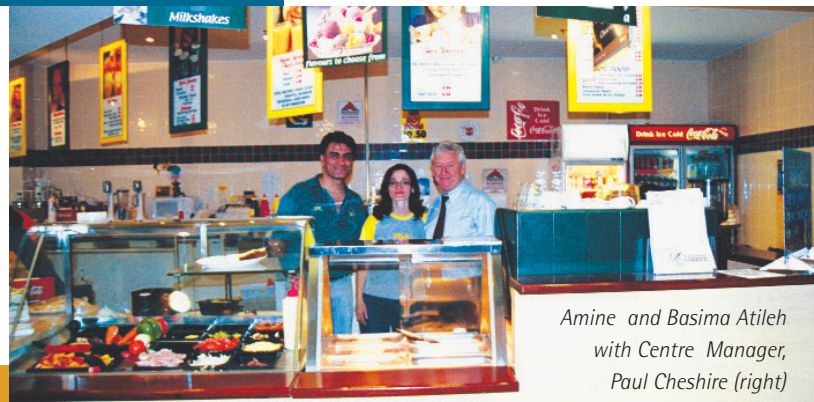
The busy Subway store at the Riverdale Centre

## KIWI WAFFLE 'N' CONES

Husband and wife team, Amine and Basima Atileh commenced their Kiwi Waffle 'n' Cones franchise on June 9, 1999 as one of the foundation tenants, leasing 52.5m<sup>2</sup> on a 5 year lease, in the newly refurbished Riverdale Shopping and Entertainment Centre. It was a bold move. Neither Amine or Basima had run a business prior to opening their store but they figured if they put the time, effort and dedicated customer service into their business, they would be okay.

It has been their focus and customer service that has ensured their family business has worked. Amine and Basima get to know their customers and treat them as though they are the reason the business exists.

"As the centre manager, Kiwi Waffle 'n' Cones is without doubt one of those rare businesses that is a real pleasure to be a part of", said Paul Cheshire.



Amine and Basima Atileh with Centre Manager, Paul Cheshire (right)

## FINANCE

### The Commonwealth Bank chosen as financier

An integral part of being able to deliver good income returns to investors is the selection of an appropriate finance package for the debt portion of the acquisition.

After reviewing a variety of finance submissions, PFA chose the Commonwealth Bank as the Riverdale financier. The Commonwealth Bank offered an attractive interest rate and overall financial package that best met your requirements and those set out in the prospectus. There are two loan facilities provided by Commonwealth Bank.

The first is the initial \$9,270,000 acquisition facility used to purchase the property and fund acquisition costs.

The terms of the acquisition loan were within the parameters outlined in the prospectus including:-

- Interest only facility;
- Five year loan term;
- A variable interest rate;
- An interest margin of 1.1% (compared with a maximum 1.25%pa contemplated in the Prospectus)
- A loan establishment fee in the vicinity of 0.2% (compared with up to 0.5% in the Prospectus).

As stated in the prospectus, we set aside a \$280,000 reserve for the acquisition of an interest rate hedging instrument to be used if we form the view that the use of such funds for this purpose is appropriate.

A "cap and collar" interest rate management product has been purchased from the Commonwealth Bank at a cost to the Trust of \$280,000. The effect of this product is that the Riverdale Centre acquisition loan facility with the Commonwealth Bank is now (up to September 2007) effectively subject to a maximum rate of 6.4% per annum and a minimum rate of 5.75% per annum.

## DEVELOPMENT RECEIVES FINAL COUNCIL APPROVAL

The mooted Pioneer Spirit development has now received official approval from the Dubbo City Council. The mayor of Dubbo, Mr Allan Smith, publicly announced the development approval in early September.

The development is the largest lodged with the Council and is set to create a huge boost for the city, creating both jobs and business spin-offs.

Mayor Allan Smith told the media "This is a blue-ribbon day for Dubbo. We are not just talking about attracting overseas tourists. There is great potential just within our own residents of Australia."

Features of the \$60M Pioneer Spirit development includes a 500 person conference facility, international apartment hotel, condominiums, cabin resort, health & sporting club, Australian bush tucker tavern, boutique winery and Aboriginal cultural centre.

## ON-SITE PROPERTY MANAGER

A significant factor to the efficiency of a retail centre is the calibre and continuity of the on-site property manager. Knight Frank are the principal property manager for all properties within PFA's funds under management including The Riverdale Centre. Given its physical location, the Riverdale Centre also has an onsite manager to carry out the day-to-day management of the Centre. Paul Cheshire is the Centre Manager for Riverdale and to give you an insight we felt it appropriate to provide a profile on Paul.

### Paul Cheshire, Centre Manager, Riverdale

Paul Cheshire is almost a Dubbo local. Paul first arrived in Dubbo in 1967 working as a troubleshooter for a large electrical sales and service business. It was here that he met a local girl Geraldene and married in 1969.

Paul has had a varied career having owned and operated a successful electronics service business as well as working in financial services and real estate.

Paul was appointed Centre Manager for the Riverdale Centre in 1996. During his initial time as Centre Manager Paul saw the main part of the centre completely demolished and rebuilt.

The refurbished Centre was successfully opened in June 1999. The 'new' Riverdale was recognised by the NSW Property Council of Australia receiving an award for marketing.

Paul is well known within the local community. During his spare time he is involved in the NSW State Emergency Service as a Division Controller overseeing some 440 volunteers. Whilst an Executive and Admin Officer look after the day-to-day finance and management of the Division, Paul is involved in training and overseeing emergencies including storm damage, road crash rescue, floods and evacuations.

