



**ASX and Media Announcement**

**4 June 2010**

## **Release of Offer Document**

Qube Logistics (Qube) today released the offer document for its fully underwritten 1 for 10 rights issue announced on 28 May 2010 (Offer). The Offer is non-renounceable. Units will be issued at an issue price of \$0.78 per unit to raise approximately \$36.5 million before costs. The Offer is fully underwritten by CCZ Corporate Finance Pty Limited. The offer document, Appendix 3B and cleansing notice for the Offer is attached.

The funds raised through the rights issue will provide Qube with additional capacity to fund further investment in its existing logistics businesses and to undertake new strategic logistics investments. Several possible new acquisitions are presently being considered by Qube and the operating logistics businesses.

The timetable for the Offer is as follows:

Event	Date
Announcement of Offer	28 May 2010
Offer document, Appendix 3B and cleansing notice lodged with ASX	4 June 2010
Despatch of Appendix 3B information to Eligible Unitholders	8 June 2010
Ex Date – The date on which existing Units commence trading without the entitlement to participate in the Offer	9 June 2010
Record Date – The date for determining entitlements of Eligible Unitholders to participate in the Offer (7.00pm AEST)	16 June 2010
Offer document sent to Unitholders – Anticipated despatch of offer document and entitlement and acceptance forms – Offer opens	By 22 June 2010
Closing date – The last day for receipt of entitlement and acceptance forms (5.00pm AEST)	6 July 2010
Allotment date – Allotment of New Units under the Offer	13 July 2010
Despatch date – Anticipated despatch of holding statements for New Units	By 14 July 2010
Expected commencement of normal trading in New Units on ASX	15 July 2010

\* Note: this timetable is indicative only and may be subject to change, subject to the ASX Listing Rules.

Further Enquiries:

Media

Paul White 0417 224 920

Investors

Sam Kaplan / Paul Lewis

Kaplan Funds Management

+61 2 8917 0300



**Qube Logistics**  
**(ARSN 122 556 441)**

**Non-renounceable Rights Issue of 1 Unit for every 10 Units**

**At an issue price of \$0.78 per New Unit**

**to raise up to \$36,537,898**

**Offer Document**

**This Offer is underwritten by**  
**CCZ Corporate Finance Pty Limited**



**CCZ Statton Equities**  
Stockbrokers

**This Offer Document is not a product disclosure statement**

It does not contain all of the information that an investor would find in a product disclosure statement or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Units offered under this Offer Document.

**This document is important and requires your immediate attention.**

It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 22 June 2010 and closes at 5:00 pm AEST on 6 July 2010.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

# Corporate Directory

## **Fund**

Qube Logistics  
(formerly known as KFM Diversified  
Infrastructure and Logistics Fund)  
ARSN 122 556 441  
Level 14, 3 Spring Street  
Sydney NSW 2000

Telephone: (02) 8917 0300  
Facsimile: (02) 8917 0355  
Website: [www.kaplanfunds.com.au](http://www.kaplanfunds.com.au)

## **Responsible Entity**

Permanent Investment Management Ltd  
ABN 45 003 278 821  
AFSL No: 235150  
Level 4, 35 Clarence Street  
Sydney NSW 2000

Telephone: (02) 8295 8100  
Facsimile: (02) 8295 8655  
Website: [www.trust.com.au](http://www.trust.com.au)

## **Underwriter**

CCZ Corporate Finance Pty Limited  
ACN 113 867 486  
Level 18, 9 Hunter Street  
Sydney NSW 2000  
Telephone: (02) 9238 8238  
Facsimile: (02) 9231 0822

## **Auditor**

Pricewaterhouse Coopers  
ABN 52 780 433 757  
Darling Park Tower 2, 201 Sussex Street  
Sydney NSW 2000  
Telephone: (02) 8266 0000  
Facsimile: (02) 8266 9999

## **Investment Manager**

Kaplan Funds Management Pty Limited  
ABN 98 079 218 643  
AFSL No: 240815  
Level 14, 3 Spring Street  
Sydney NSW 2000  
Telephone: (02) 8917 0300  
Facsimile: (02) 8917 0355

## **Investment Advisory Committee**

Christopher Corrigan (Chairman)  
Maurice James (Deputy Chairman)  
Allan Davies  
Sam Kaplan  
Chris Knott  
David Knight

## **Solicitors to the Offer**

Watson Mangioni Lawyers Pty Limited  
ABN 56 120 091 394  
Level 13, 50 Carrington Street  
Sydney NSW 2000

Telephone: (02) 9262 6666  
Facsimile: (02) 9262 2626

## **Registry**

Computershare Investor Services Pty Limited  
ABN 48 078 279 277

Level 4, 60 Carrington Street  
Sydney NSW 2000

Telephone: 1300 702 129 (within Australia)  
+613 9415 4216 (outside Australia)

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.computershare.com.au](http://www.computershare.com.au)

## Important Dates

Event	Date
Announcement of Issue	28 May 2010
Completion of Placement	3 June 2010
Lodgement Date – Offer Document, Appendix 3B and cleansing notice lodged with ASX	4 June 2010
Despatch of Appendix 3B information to Unitholders	8 June 2010
<i>Ex Date</i> – The date on which Existing Units commence trading without the Entitlement to participate in the Offer	9 June 2010
Record Date – The date for determining Entitlements of Eligible Unitholders to participate in the Offer (7.00pm AEST)	16 June 2010
Offer Document sent to Unitholders – Anticipated despatch of Offer Document and Entitlement and Acceptance Forms – Offer opens	By 22 June 2010
Closing Date – The last day for receipt of Entitlement and Acceptance Forms (5.00pm AEST)	6 July 2010
Allotment Date – Allotment of New Units under the Offer	13 July 2010
Despatch Date – Anticipated despatch of holding statements for New Units	By 14 July 2010
Expected commencement of normal trading in New Units on ASX	15 July 2010

The above dates and times are indicative only. All times and dates are a reference to Sydney time. The Responsible Entity reserves the right to vary any of the above dates and times, including closing the Offer early or extending it subject to the Corporations Act, ASX Listing Rules and other applicable laws.

### Key offer statistics

Issue Price per New Unit	\$0.78
Total number of New Units available under the Offer	46,843,459
Maximum total Qube Units on issue following the Rights Issue	515,278,050
Maximum total proceeds of the Offer (before expenses of the Offer)	\$36,537,898

## Key Issues

Question	Answer	Where to find more information – Section
<b>Who is the issuer?</b>	Permanent Investment Management Limited ( <b>Responsible Entity</b> ) as responsible entity for Qube Logistics ( <b>Qube</b> )	Section 1.1
<b>What is the Offer?</b>	Non-renounceable rights issue and shortfall offer to raise approximately \$36.5 million (before expenses of the Offer). Eligible Unitholders may apply for all or part of their Entitlement under the Rights Offer and may also apply for additional Units under the Shortfall Offer.	Section 1.2
<b>Terms of the Rights Offer</b>	1 New Unit for each 10 Existing Units at an issue price of \$0.78 per New Unit. As the issue is non-renounceable, Eligible Unitholders do not have the right to sell their Entitlements. Eligible Unitholders have the opportunity to subscribe for all, part or none of their Entitlement to New Units.	Section 1.3
<b>Terms of the Shortfall Offer</b>	Eligible Unitholders who take up their Entitlement in full also have the ability to apply for Shortfall Units, by completing the Entitlement and Acceptance Form and paying the additional Application Monies. You may apply for any number of additional New Units subject to a maximum application to take your voting power in Qube to 19.9%. If the Shortfall Offer is over-subscribed, applications will be scaled back pro-rata to the Unitholding of Eligible Unitholders applying for the Shortfall Units as at the Record Date. There can be no certainty that there will be a Shortfall or that Eligible Unitholders will receive the number of additional New Units applied for under the Shortfall Offer.	Section 1.4
<b>Rights of New Units</b>	New Units rank equally in all respects with Existing Units.	Section 1.5
<b>Use of net proceeds</b>	Net proceeds of the Offer will be used to provide Qube with additional cash to support the growth of its existing logistics investments and to undertake investment in new logistics businesses.	Section 4.2
<b>Underwriting</b>	The Offer is underwritten by CCZ Corporate Finance Pty Limited.	Sections 1.6 and 6.2
<b>No minimum subscription</b>	There is no minimum subscription.	Section 1.9
<b>Who can invest?</b>	Eligible Unitholders of Qube as at 7:00 pm on the Record Date (16 June 2010).	Section 1.3
<b>What are the potential significant risks?</b>	Eligible Unitholders of Qube are exposed to the following risks in acquiring and holding Units: <ul style="list-style-type: none"> <li>• the risk of loss of key personnel of the Manager;</li> <li>• the risk that Units may trade at less than the issue price;</li> <li>• the risk that gearing within Qube and Qube</li> </ul>	Section 5

Question	Answer	Where to find more information – Section
	<p>Investees may magnify the impact of any adverse movements in the value of underlying assets and therefore the price at which Units may trade on ASX;</p> <ul style="list-style-type: none"> <li>• the risk of failures of IT technologies and systems in Qube Investees;</li> <li>• the risk that leases of significant infrastructure and other properties and assets occupied by Qube Investees will terminate, will not be renewed or will be renewed on less favourable terms;</li> <li>• the risk that capital expenditure requirements of some Qube Investees may impact cash flow and therefore the level of distributions received and in turn paid by Qube;</li> <li>• the risk of competition to businesses conducted by Qube Investees;</li> <li>• the risk of government regulation;</li> <li>• the risk that changes in commodity flows and cycles may affect financial performance.</li> </ul>	
<b>What are the expenses payable by Qube?</b>	The total expenses of the Offer are expected to be approximately \$850,000 (exclusive of GST)	Section 6.1
<b>How can further information be obtained?</b>	If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.	Section 1.12
<b>Offer Date</b>	This Offer is dated 4 June 2010.	
<b>How do I apply for New Units?</b>	Return your Entitlement and Acceptance Form and payment before 5:00 pm on 6 July 2010 to: Computershare Investor Services Pty Limited GPO Box 253 Sydney NSW 2001	Section 2

## Important Information

This Offer Document is dated 4 June 2010. This Offer Document was prepared by Kaplan Funds Management Pty Limited (**Manager**) and issued by Permanent Investment Management Ltd (**Responsible Entity**). The Responsible Entity is the responsible entity of Qube Logistics (**Qube**). The Responsible Entity has appointed the Manager as the investment manager of Qube.

In the event that valid applications are not received for all New Units under this Offer, the Responsible Entity reserves the right to place the Shortfall in accordance with the Shortfall Offer and subsequently in accordance with the Underwriting Agreement.

### **This Offer Document is not a product disclosure statement**

This Offer Document is given under Section 1012DAA(2)(f) of the Corporations Act. It is not a product disclosure statement and it does not contain all of the information that an investor would find in a product disclosure statement or which may be required to make an informed investment decision regarding, or about the rights attaching to, the New Units offered by this Offer Document. It has not been and will not be lodged with ASIC. Neither ASIC nor ASX or their respective officers takes any responsibility for the content of this Offer Document or for the merits of the investment to which this Offer relates.

### **As an Eligible Unitholder of Qube this Offer Document is important and requires your immediate attention.**

You should read the entire Offer before deciding whether to invest in the New Units. Please carefully read the instructions on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement under the Offer. If you have any questions regarding your Entitlement or the Offer, please contact your legal, investment or other professional adviser.

### **No cooling off rights**

Cooling off rights do not apply to an investment in New Units. You cannot withdraw the application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

### **Professional advice**

The information in this Offer Document is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer in its entirety before deciding whether to take up your Entitlement to New Units. In particular, you should consider the risk factors that could affect the performance of Qube, some of which are outlined in Section 5. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to take up your Entitlement. If you have any questions you should seek professional advice from your legal, investment or other professional adviser.

### **Foreign jurisdictions**

The distribution of this Offer in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Offer outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer does not constitute an offer or invitation in any place outside Australia or New Zealand where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Units or to otherwise permit an offering of the New Units outside Australia.

### **No Guarantee**

None of the Responsible Entity, the Manager, their respective parent companies or subsidiaries nor the appointed custodian of Qube, nor any other party makes any representation or gives any guarantee or assurance:

- (a) as to the performance or success of Qube;
- (b) the rate of income or capital growth from Qube; or
- (c) that there will be no capital loss or particular taxation consequence of investing in Qube.

An investment in Qube does not represent a deposit or any other type of liability of the above parties. An investment in Qube is subject to investment risk. These risks are discussed in Section 5.

Investors should note that the past unit price performance of Qube provides no guidance as to its future unit price performance.

**No representations other than in this Offer**

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer. Any information or representation not contained in this Offer may not be relied on as having been authorised by the Responsible Entity.

**Future performance**

Except as required by law, and only to the extent so required, none of the Responsible Entity, the Manager or any other person warrants or guarantees the future performance of Qube or any return on any investment made pursuant to this Offer.

**Privacy**

By filling out the Entitlement and Acceptance Form to apply for New Units, you are providing information to Qube (directly and/or via the Unit Registry) that may constitute personal information for the purposes of the Privacy Act 1988 (Cth). Qube (and the Unit Registry on its behalf) collects, holds and uses personal information provided on an Entitlement and Acceptance Form in order to assess your application and administer your holding of Units.

If you do not provide the information requested in the Entitlement and Acceptance Form, Qube and the Unit Registry may not be able to process or accept the form.

Access to your personal information may be provided to other companies within the Qube group and to Qube's agents and service providers on the basis that they deal with such information in accordance with this privacy disclosure statement. You have a right to request access to the personal information that Qube holds about you subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Qube's unit registrar:

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000

**Defined terms and conditions**

Certain terms and abbreviations used in this Offer are defined in the Glossary in Section 7.

References to **Australian dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Offer are due to rounding.





## Letter to Unitholders

4 June 2010

Dear Unitholder

Qube Logistics (formerly known as KFM Diversified Infrastructure and Logistics Fund), is pleased to offer you the opportunity to participate in a non-renounceable rights issue of 1 New Unit for every 10 Existing Units held (**Offer**). The issue price of each New Unit is \$0.78, representing a discount of 10% to the volume weighted average price at which Units traded on ASX over the 3 trading days up to the announcement of this Offer on 28 May 2010.

The Offer will result in the issue of 46,843,459 New Units raising approximately \$36.5 million before expenses of the Offer. The Offer is underwritten by CCZ Corporate Finance Pty Limited (**CCZ**). Any shortfall in applications will only be met by CCZ after allocation of New Units under the Shortfall Offer.

On 28 May 2010 Qube announced an institutional placement of Units to raise approximately \$28 million (**Placement**). This issue was undertaken at \$0.78 per Unit. This raising was considered prudent in light of recent volatility in domestic and global equity markets to ensure that Qube was well-funded to pursue further growth opportunities. The Offer is being made in order to provide Unitholders with the opportunity to subscribe for additional Units at the same price as Units issued under the Placement. Units issued under the Placement are eligible to participate in the Offer.

The funds raised through the Offer and the Placement will provide Qube with additional capacity to fund further investment in its existing logistics businesses and to undertake new strategic logistics investments. Several possible new acquisitions are presently being considered by Qube and the operating logistics businesses. See Section 3.5 for further information on acquisitions undertaken since the acquisition of Kaplan Equity Limited and further acquisition opportunities.

Following the completion of the capital raising, the Fund will have gross assets of over \$500 million<sup>1</sup> and a market capitalisation of around \$450 million<sup>2</sup>.

Eligible Unitholders may apply for all or part of their Entitlement under the Rights Offer and may also apply for additional Units under the Shortfall Offer. You may apply for any number of additional New Units subject to a maximum application to take your voting power in Qube to 19.9%. To participate in the Shortfall Offer, you must apply at the same time as you apply for your Entitlement under the Rights Offer.

In the event that there is a shortfall in applications for New Units under the Rights Offer, Eligible Unitholders who have taken up their Entitlement in full and have applied for additional New Units in the Shortfall Offer will be allocated additional Units. In the event of oversubscription for this Shortfall, applications will be scaled back pro-rata to holdings of Units on the Record Date. See Section 1.4 for details.

I commend this Offer to you and thank you for your continued support of Qube.

Yours sincerely

**Sam Kaplan**  
**Managing Director**  
**Kaplan Funds Management Pty Limited**  
**Investment Manager – Qube Logistics**

<sup>1</sup> Based on unaudited management accounts of Qube as at 31 May 2010 and applying the mid-point in the valuation ranges of unlisted logistics assets determined by Deloitte Corporate Finance Pty Limited in its independent expert's report dated 29 March 2010.

<sup>2</sup> Based on \$0.87, the last price at which Units traded before announcement of the Offer on 28 May 2010.

## Table of Contents

1.	Details of the Offer.....	1
2.	Action required by Eligible Unitholders .....	4
3.	Update on Qube .....	6
4.	Purpose and effect of the Offer.....	8
5.	Risk factors.....	9
6.	Additional information .....	13
7.	Glossary .....	17

## **1. Details of the Offer**

### **1.1 Description of the issuer**

Permanent Investment Management Limited as responsible entity of Qube Logistics is the issuer of New Units under this Offer Document.

### **1.2 Description of the Offer**

The Offer consists of a total of 46,843,459 New Units to be offered by Qube by way of a non-renounceable rights issue and the Shortfall Offer to raise up to approximately \$36.5 million (before expenses of the Offer). This takes the form of a 1 for 10 rights offer together with a right to apply for additional New Units to meet the shortfall in applications under the Rights Offer (if any).

The Offer is explained in more detail in this Section 1.

### **1.3 Rights Offer**

If you are an Eligible Unitholder, you are being offered an Entitlement to acquire 1 New Unit for every 10 Existing Units held as at the Record Date.

The Issue Price per New Unit is \$0.78.

The Entitlements are non-renounceable, meaning you do not have the right to sell your Entitlement. You have the opportunity to subscribe for all, part or none of your Entitlement to New Units.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form. If you have more than one holding of Units, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

### **1.4 Shortfall Offer**

In addition to applying for their Entitlement, Eligible Unitholders may apply for additional New Units out of any Shortfall. Application may be made for these New Units at the same time as applying for Entitlements under the Rights Offer by completing the relevant box in the Entitlement and Acceptance Form and including the appropriate Application Monies.

Eligible Unitholders may apply for any further number of New Units out of the Shortfall, provided that the voting power of the applicant in Qube will not exceed 19.9% as a result of the issue of those additional New Units. If any Eligible Unitholder's voting power will exceed this limit, the number of New Units to be issued under the Shortfall Offer to that unitholder will be reduced.

If there is no Shortfall, the Application Monies relating to the Shortfall will be returned to Eligible Unitholders as soon as practicable following the Closing Date without interest.

If applications from Eligible Unitholders under the Shortfall Offer exceeds the Shortfall, those applications will be scaled back pro-rata in proportion to each applicant's unitholding as at the Record Date, and the number of New Units produced from that scaling back will be issued.

If scaling back occurs, Application Monies relating to New Units applied for but not issued will be returned to Unitholders as soon as practicable following the Closing Date without any interest.

There can be no certainty that there will be a Shortfall or that Eligible Unitholders will receive the number of additional New Units applied for under the Shortfall Offer.

### **1.5 Ranking of New Units**

The New Units will be fully paid and rank equally in all respects with Existing Units.

## 1.6 Underwriting

The Offer and the Shortfall Offer is underwritten by CCZ Corporate Finance Pty Limited (**CCZ**). CCZ will lodge or procure the lodgement of applications for any shortfall in the Offer after allocation of New Units under the Shortfall Offer within 2 Business Days of notification of the Shortfall.

In consideration for underwriting the Offer and the Shortfall Offer, Qube will pay CCZ an underwriting fee of 2% of the Issue Price for all New Units the subject of the Offer (representing approximately \$730,758). CCZ is also entitled to reimbursement of certain costs and expenses and the benefit of an indemnity provided by Qube.

CCZ has entered into sub-underwriting agreements with a number of institutional investors under which the sub-underwriters have committed to subscribe for a defined proportion of the New Units under the Offer.

See Section 6.2 for further details.

## 1.7 Allotment

Qube expects to allot all New Units on 13 July 2010.

## 1.8 Application Monies

Until the time of allotment of New Units, Qube will hold all Application Monies in relation to those New Units in a purpose specific bank account. Interest earned on any Application Monies (whether or not allotment takes place) will remain the property of Qube. Application will be made to ASX for quotation of the New Units to be issued under the Offer within 7 days of the date of this Offer Document. If application is not so made or if quotation of the New Units is not granted by ASX within 3 months of the date of this Offer, any allotment of New Units in response to an application made under this Offer will be void, and all Application Monies received will be returned without interest.

Where an applicant pays more than the Application Monies relevant to their Application and the overpayment is less than the price of a New Unit, that overpayment will not be returned to the applicant. These funds will be donated to a charity selected by Qube.

## 1.9 No minimum subscription

There is no minimum subscription for the Offer.

## 1.10 Foreign Unitholders

This Offer is made only to Unitholders with a registered address in Australia or New Zealand or such other place in which, or to any person to whom, it would be lawful to make such an offer.

Qube is of the view that it is unreasonable to make the Offer to other overseas Unitholders (**Foreign Unitholders**) having regard to:

- the number of Foreign Unitholders;
- the number and value of New Units that would be offered to Foreign Unitholders; and
- the cost of complying with overseas legal requirements.

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Qube is not required to make offers under this Offer to Foreign Unitholders. Where this Offer has been despatched to Unitholders domiciled outside Australia or New Zealand and where the country's securities code and/or legislation prohibits or restricts in any way the making of the offers contemplated by this Offer, this Offer is provided for information purposes only.

Unitholders resident in Australia or New Zealand holding Units on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

Return of a duly completed Entitlement and Acceptance Form will be taken by Qube to constitute a representation that there has been no breach of such regulations.

The offer contained in this Offer to Unitholders with registered addresses in New Zealand is made in reliance on the Security Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not Unitholders on the Record Date are not entitled to apply for any New Units.

#### **1.11 Taxation**

The taxation consequences of investing in the New Units will depend on your particular circumstances. It is your responsibility, as a potential investor, to make your own enquiries concerning the taxation consequences of an investment in Qube. See Section 6.5 for a general discussion of taxation issues. If you are in doubt as to the consequences of an investment, you should consult with your taxation or other professional adviser before investing.

#### **1.12 Enquiries**

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.

## **2. Action required by Eligible Unitholders**

### **2.1 What happens if I accept my full Entitlement?**

If you take up your full Entitlement under the Rights Offer, you will not have your unitholding in Qube diluted by the Offer.

### **2.2 What happens if I do not accept my full Entitlement?**

If you do not take up your full Entitlement, your proportional unitholding in Qube will be diluted by the Offer.

As the Entitlements are non-renounceable, if you decide not to take up all or part of your Entitlement, they will lapse on the Closing Date to the extent not taken up. If Entitlements lapse the Responsible Entity has reserved the right to place lapsed Entitlements in accordance with the Shortfall Offer and, in respect of any New Units not taken up under the Shortfall Offer, to CCZ as underwriter or its nominees.

### **2.3 How do I accept all, or part, of my Entitlement**

You may accept your Entitlement following the despatch of this Offer Document (expected to be 22 June 2010). Qube will accept applications until the Closing Date.

If you decide to take up all or part of your Entitlement, or apply for additional New Units, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies OR pay your Application Monies via BPAY® by following the instructions set out on the Entitlement and Acceptance Form. Qube will treat you as applying for as many New Units as your payment will pay for in full.

The relevant Entitlement and Acceptance Form must be accompanied by cheque, bank draft or money order in Australian dollars drawn on an Australian branch of an Australian bank for the Issue Price of the New Units for which application is made. All cheques must be made payable to "Qube – Rights Offer Account" and crossed "Not Negotiable". Do not forward cash. Receipts for Application Monies will not be issued.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for Additional New Units on the Entitlement to which that CRN applies. If you are paying by BPAY® payment, you do not need to mail the personalised Entitlement and Acceptance Form.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (AEST) on Tuesday, 6 July 2010 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Completed Entitlement and Acceptance Forms and accompanying cheques must be returned to the following address and received no later than 5.00 pm on 6 July 2010.

Computershare Investor Services Pty Limited  
GPO Box 253  
Sydney NSW 2001

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

You should read this Offer Document in its entirety before deciding to complete and lodge your Entitlement and Acceptance Form.

## **2.4 How do I accept for the Shortfall Offer?**

To participate in the Shortfall Offer, you must accept your full Entitlement in the manner outlined in Section 2.3. You must also mark on your Entitlement and Acceptance Form the number of additional New Units for which you wish to apply under the Shortfall Offer and include Application Monies for those additional New Units. You must then include the Application Monies and return the relevant Entitlement and Acceptance Forms in the manner outlined in Section 2.3.

## **2.5 Acceptance of applications under the Offer**

Completing and lodging an Entitlement and Acceptance Form for the Offer is an offer by you to Qube to subscribe for the number of New Units specified in the Entitlement and Acceptance Form at the Issue Price on the terms and conditions set out in this Offer and the Entitlement and Acceptance Form.

An application may be accepted in respect of the full amount, or any amount less than that specified in the Entitlement and Acceptance Form, without further notice to the relevant Eligible Unitholder. Acceptance of an application will give rise to a binding contract with acceptance to take place after the quotation of the New Units on ASX.

Where an applicant pays more than the Application Monies relevant to their Application and the overpayment is less than the price of a New Unit, that overpayment will not be returned to the applicant. These funds will be donated to a charity selected by Qube.

No stamp duty, brokerage or commission is payable by applicants.

### **3. Update on Qube**

#### **3.1 Completion of KEL acquisition**

On 17 May 2010, Unitholders unanimously passed all resolutions to approve Qube's acquisition of Kaplan Equity Limited (**KEL**).

Completion of the acquisition of KEL took place on 25 May 2010.

#### **3.2 Change of name**

To reflect the Fund's strategy of focussing on acquiring and developing quality logistics businesses, the name of the Fund was changed to Qube Logistics on Monday, 31 May 2010. This change of name was reflected in a change in the code under which Units traded on ASX from KIL to QUB on Tuesday, 1 June 2010.

#### **3.3 Placement**

On 28 May 2010, Qube confirmed that it had secured commitments for a placement to institutional investors of 36 million new Units at \$0.78 per Unit to raise around \$28 million. The Placement was strongly supported by institutional investors and was significantly oversubscribed. The issue price represents a 10% discount to the volume weighted average price at which KIL Units traded over the 3 trading days prior to the Placement.

Units were issued under the Placement on 3 June 2010. Investors under the Placement may participate in the Rights Offer and Shortfall Offer on the same terms as other Existing Unitholders.

#### **3.4 Internalisation of management**

In the unitholder booklet regarding the acquisition of KEL dated 15 April 2010, KFM confirmed its intention to internalise the management of Qube once further progress has been made consolidating Qube's ownership of its existing logistics businesses, subject to reaching commercial agreement with relevant parties including the Responsible Entity and KFM. As part of that process, the benefits of restructuring Qube from a trust to a company will be considered.

This was confirmed in an ASX announcement issued on 28 May 2010 in which KFM announced that it was targeting completing this process as soon as possible and, in any event, within 12 months.

The terms on which KFM will terminate the management agreement are yet to be discussed with the Responsible Entity. However, KFM also announced that if the management agreement is terminated following these discussions, KFM committed to a maximum termination payment of \$40 million (excluding GST). KFM also committed that, subject to receipt of all necessary approvals, it will reinvest at least 80% of the consideration payable into subscription for new Units. The terms of the termination of the management agreement and related payment to KFM will be subject to receipt of an independent expert's report and unitholder approval.

#### **3.5 Acquisitions update**

##### *CFS Acquisition*

On 31 May 2010, Qube announced that it has expanded the capabilities of its Automotive and General Stevedoring Division through the acquisition of Continental Freight Services (Aust) Pty Limited (**CFS**). CFS operates berth facilities in the Port of Melbourne and undertakes a range of activities including wharf services for visiting vessels, ships' agency, warehouse and transport distribution services. CFS is a specialist in the offshore industry catering for oil and gas and other resource projects. CFS also offers specialist air and sea freight forwarding services and has its own in-house customs clearance department catering to this niche market.



## *AAT*

On 1 June 2010, Qube confirmed that it has completed the transaction under which K-AATerminals Pty Limited (**K-AAT**) has increased its interest in Australian Amalgamated Terminals (**AAT**) from 24.5% to 50%.

AAT provides berth and port facilities for automotive and general stevedoring at Port Kembla in New South Wales, Fisherman Islands in Brisbane, Webb Dock West in Melbourne, Bell Bay in Tasmania and Outer Harbour in Adelaide.

Qube is the largest shareholder in K-AAT and now has an indirect interest in AAT of approximately 38.6%. Qube invested approximately \$46.6 million as part of the transaction.

## *South Spur Rail Services*

Qube announced on 23 March 2010 that POTA Holdings Pty Limited (**POTA**) had entered into a term sheet for the acquisition of South Spur Rail Services Pty Limited. The acquisition will assist POTA's strategy of developing a port shuttle and bulk rail service which may be integrated with POTA's existing logistics operations to provide a comprehensive service to its customers.

Documentation for the acquisition is presently being finalised and is expected to be signed within the next week. Completion will be subject to satisfaction of a number of conditions precedent including the vendor securing necessary consents from third parties. Subject to satisfaction of these conditions, completion is likely to take place in early-mid June 2010.

Qube has provided a short term loan of \$5 million to POTA to assist in funding this acquisition. This loan has been included in the sum of \$50 million in new investments referred to in Section 4.2.

## *Additional Opportunities*

Several possible new acquisitions are presently being considered by Qube and the Qube Investees.

## 4. Purpose and effect of the Offer

### 4.1 Overview

On completion of issue of New Units:

- the New Units will constitute approximately 9.1% of the total number of issued Units immediately after the allotment of the New Units; and
- the total number of Units on issue will be 515,278,050.

The issue of New Units will provide Qube with net proceeds of up to approximately \$35.7 million after issue expenses of approximately \$0.85 million. Please refer to Section 4.3 for further information regarding the effect of the issue of New Units on the capital structure.

The net proceeds of the Placement and the Offer totals approximately \$63.2 million.

### 4.2 Use of Funds

The proceeds raised from the Offer will ensure that Qube is well placed to continue to take advantage of the growth opportunities within its existing logistics businesses as well as to undertake new logistics investments as suitable opportunities arise.

Since release of the unitholder booklet for the KEL acquisition in April 2010, Qube, through its Landside Logistics and Automotive and General Stevedoring Divisions, has completed new investments of over \$50 million. See Section 3.5 for details.

Prior to the Placement and this Offer, Qube held cash and liquid listed securities with an aggregate value of around \$20 million. The proceeds of the Placement and the Offer will provide additional capacity to undertake further acquisitions as and when the opportunities arise as well as potential investments presently under consideration. These raisings were considered prudent in light of recent volatility in domestic and global equity markets to ensure that Qube was well-funded to pursue these further growth opportunities.

### 4.3 Impact on Qube's capital structure

The table below shows the current structure of Qube and the capital structure on completion of the Offer:

	Number of Units	Percentage of post-Offer Units
Opening balance	468,434,591	90.9%
New Units	46,843,459	9.1%
Total immediately after Offer	515,278,050	100%

### 4.4 No impact on control

The issue of New Units under this Offer Document and the underwriting and sub-underwriting arrangements are not expected to have a material effect on the control of Qube. See Section 6.2 for further information on the underwriting and sub-underwriting arrangements.

## 5. Risk factors

### 5.1 Overview

There are a number of factors, both specific to Qube and of a general nature, which may affect the future operating and financial performance of Qube and the outcome of an investment in Qube. There can be no guarantees that Qube will achieve its stated objectives, that forecasts will be met or that forward looking statements will be realised.

This Section 5 describes certain, but not all, risks associated with an investment in Qube. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Offer or of which they are otherwise aware.

### 5.2 Risks associated with your holding of Units

The risks associated with your holding of Units include the following:

(a) *Key Personnel*

The ability of the Manager to continue to identify and manage Qube's portfolio of investments may be dependent on a number of key personnel including members of the Investment Advisory Committee. The loss of one or more of these key personnel to undertake investment functions on behalf of the Manager could have an adverse impact on the Manager's operations in managing Qube's portfolio.

(b) *Investment risk*

There are several types of investment risk that may affect your investment in Qube, including a decline in the market price of the Units (the initial capital value may decrease especially if you are investing for the short term), the amount you receive as income may vary over time or the value of your investment may not keep pace with inflation. This includes the possibility that the Manager may not be able to achieve the medium to long term capital growth objectives.

(c) *No guarantee of return*

No guarantee is provided that the Manager or the Responsible Entity will be able to make distributions to you as this will depend on the extent to which income and/or capital gain is derived from the underlying securities in the portfolio.

(d) *Gearing*

Gearing is borrowing money to increase the amount available for investment. Qube will meet borrowing costs and other obligations associated with gearing. You will not be required to apply additional funds to meet borrowing costs, nor sell assets to repay debt or pay interest.

The gearing within Qube will magnify the impact of any adverse movements in the value of the underlying investments within Qube, and therefore the value of Units and the price at which Units may trade. This could result in a decrease in the Unit price of Qube. Unitholders will face larger movements in the value of their Units than on an investment which is not geared.

(e) *Suspension of trading of Units on ASX*

If ASX suspends trading of Units or a trading suspension is requested by the Responsible Entity, you will not be able to buy or sell Units on ASX during the suspension period.

### 5.3 Risks associated with Qube's existing logistics investments

Qube has a majority or significant equity interest in a number of unlisted logistics businesses (each a **Qube Investee**). These include businesses operating in the Automotive and General Stevedoring Division which undertake stevedoring of motor vehicles, processing and storage of motor vehicles, stevedoring of bulk and break bulk cargo and provision of services to third party stevedores. It also includes businesses in the Landside Logistics Division which undertake a broad range of logistics

activities focussed on container-based freight movements including international freight forwarding, customs and quarantine clearance processing, road and rail transport, warehousing and container storage, handling and repairs.

Qube is indirectly exposed to certain risks associated with the Qube Investees. These risks include the following:

*(a) Key Personnel*

The ability of the Qube Investees to continue to manage and grow their businesses may be dependent on its ability to attract and retain suitable management. The loss of key personnel or failure to attract suitably qualified management from time to time could have an adverse impact on those businesses.

*(b) Key contracts and IT/systems*

Major contracts of Qube Investees are constantly expiring. Failure to renew such contracts, or to renew them on the same or more favourable terms, may have a material adverse effect on Qube Investees' future financial performance and position of the Qube Investees.

Some Qube Investees are heavily reliant upon key customer contracts which are generally of a short to medium term with some risks of contracts not being renewed or being renewed on less favourable terms and thereby impacting future revenues.

Qube Investees make considerable use of information technologies or systems. Failures of such technologies and systems could have an adverse effect on customer service and therefore future financial performance and position.

*(c) Leasehold title risk*

Some Qube Investees lease significant infrastructure and other properties and assets such as rail terminals, container parks and stevedoring facilities. These leases carry renewal risk upon expiry. These businesses are heavily reliant upon long term leases of critical sites/properties. Any failure to renew, renewal on less favourable terms or termination of such key leases may have a material adverse effect on future financial performance and position.

*(d) Capital expenditure*

The businesses carried on by some Qube Investees are capital intensive. The operating and financial performance of these businesses will be partly reliant on their ability to effectively manage significant capital projects within required budgets and timeframes and on sufficient funding being available for the capital expenditure requirements of the business, including the maintenance and replacement of equipment to meet operational requirements. Capital expenditure requirements may impact the cash flow available to service financing obligations, pay dividends or otherwise make distributions.

*(e) Competition risks*

Qube Investees currently have a strong competitive position in the Australian automotive and general stevedoring and landside logistics sectors. Increased competition in these operations could result in price reductions, under-utilisation of personnel, assets or infrastructure, reduced operating margins and/or loss of market share, which may have a material adverse effect on future financial performance and position.

*(f) Government policy and regulation*

The operations of Qube Investees depend on access to infrastructure including ports, terminals and associated infrastructure which is subject to government policy and legal and regulatory oversight - including access, accreditation, operational, tax, environmental and industrial (including occupational health and safety) regulation. Changes in government policy and legal and regulatory oversight may have a material adverse effect on future financial performance and position.

*(g) Employees/Industrial action*

The majority of operational employees of Qube Investees are members of trade unions. These employees are generally covered by collective agreements which are periodically renegotiated and renewed. The risk of strikes and other forms of industrial action that may have a material adverse impact on these businesses would be primarily dependent on the outcomes of negotiations with representative unions regarding the terms of new collective agreements. If there were a material dispute between Qube Investees and its unions or workforce, this could disrupt operations which may have a material adverse effect on future financial performance and position.

*(h) Exposure to commodity flows and cycles*

Businesses of several Qube Investees, including those operating in the automotive and general stevedoring division are exposed, through their customers, to global demand for commodities. Revenues from the provision of bulk stevedoring services may be adversely impacted by reduced global demand for bulk commodities.

*(i) Taxation risk*

Changes in tax law (including in goods and services taxes and stamp duties) or changes in the way taxation laws are interpreted in the various jurisdictions in which Qube Investees operate may impact their future tax liabilities.

*(j) Environmental risk*

National and local environmental laws and regulations may affect operations of Qube Investees. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities if such standards are breached, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted. Qube Investees incur costs to comply with these environmental laws and regulations and in respect of violation of them, and changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities, which may have a material adverse effect on future financial performance and position.

*(k) Occupational Health and Safety risk*

A number of the operational tasks conducted by Qube Investees involve the use of heavy machinery on infrastructure and heavy machinery to load and unload ships and trucks. Any failure by Qube Investees to safely conduct its operations or otherwise to comply with the necessary occupational health and safety requirements across jurisdictions they operate in could result in death or injury to personnel, contractors and/or members of the public, criminal prosecution, fines, penalties and compensation for damages as well as reputational damage to them, which may have a material adverse effect on future financial performance and position.

**5.4 General risk factors***(a) Unit market conditions*

The New Units may trade on ASX at higher or lower prices than the Issue Price following issue. There can be no guarantee that the price of the New Units will increase.

The price at which the New Units trade on ASX may be affected by the financial performance of Qube and by external factors over which the Responsible Entity and the Manager have no control. Neither the Responsible Entity nor the Manager warrants the future performance of New Units or any return on investments in those securities.

*(b) Economic conditions*

The operating and financial performance of Qube is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies and factors peculiar to the oil

and gas sector. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Qube's business or financial situation.

## 6. Additional information

### 6.1 Expenses of the Offer

Expenses connected with the Offer are being borne by Qube. The approximate expenses of the Offer including underwriting expenses, legal fees, registry fees, printing fees and other general costs are estimated to be \$850,000 (exclusive of GST).

### 6.2 Underwriting Agreement and sub-underwriting arrangements

Qube has entered into an Underwriting Agreement dated 28 May 2010 with CCZ under which CCZ has agreed to manage the Offer and underwrite the issue of New Units under the Offer.

CCZ is entitled to a commission of 2% on the amount committed by parties, being \$730,758. This commission is only payable if the Offer is completed. Of this commission, \$548,068 will be paid by CCZ to sub-underwriters of the Issue. Qube must also reimburse CCZ for certain other reasonable costs incurred by it in connection with the Offer.

The Underwriter may terminate its obligations to procure the subscription of the Underwritten Units if any of the following occur:

- a statement contained in this document, the cleansing notice issued in accordance with section 1012DAA of the Corporations Act in respect of the Offer, the Entitlement Form and any corrective notice (**Offer Documents**) is misleading or deceptive in a material respect, the Offer Documents are defective (having regard, among other things, to the provisions of Sections 1012DAA(7) and 1012DAA(11) of the Corporations Act) or the issue of the Offer Documents is misleading or deceptive in a material respect;
- any adverse change occurs in the assets, liabilities, financial position and performance, profits, losses or prospects of Qube and its controlled entities (the **Group**) (insofar as the position in relation to an entity in the Group will or may affect the overall position of Qube) including any adverse change in the assets, liabilities, financial position and performance, profits, losses or prospects of the Group from those disclosed in the Public Information as at the date of this Agreement;
- the S&P/ASX All Ordinaries Index decreases to a level that is at least 15% below the level of that Index as at the close of trading on 28 May 2010 and remains at or below that level for 3 consecutive trading days;
- there is introduced or there is announced a proposal to introduce into the Parliament of Australia or any State of Australia a new law or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt a new policy, any of which does or is likely to prohibit or regulate the principal business of the Issuer, the Offer, capital issues generally or stock markets generally;
- there occurs a contravention by Qube or any entity in the Group of the Corporations Act, its constitution or any of the Listing Rules;
- approval to the quotation of all of the New Units on the ASX is refused, not granted or granted subject to any condition which is unacceptable to the Underwriter (acting reasonably) on or before completion of the Offer;
- approval to the official quotation of all of the New Units on the ASX is withdrawn or qualified on a basis which the Underwriter reasonably considers unacceptable before completion of the Offer;
- approval is withdrawn by the ASX before Completion to the quotation of all of the New Units on the ASX;
- ASIC issues an order or indicates an intention to hold a hearing arising out of or in connection with the Offer or ASIC commences an examination of any person or requires any person to

produce documents arising out of or in connection with the Offer or Qube under Sections 19 or 30 to 33 of the Australian Securities and Investments Commission Act;

- an application is made by ASIC for an order under Section 1324B of the Corporations Act in relation to the Offer;
- at any time after the date of the underwriting agreement an event occurs in relation to Qube or the Group (in so far as the position in relation to an entity in the Group will or may affect the overall position of Qube), as set out in Sections 652C(1) and (2) of the Corporations Act as if references in those sections to “the target” were references to Qube;
- at any time after the date of the underwriting agreement Qube withdraws the Offer Documents;
- any litigation, arbitration or other legal proceeding is commenced against any entity in the Group;
- there is a default by Qube in the performance of any of its material obligations under this Agreement;
- a representation or warranty made or given or deemed to have been made or given by the Issuer under this Agreement proving to have been untrue or incorrect in any material respect and the matters rendering the representation or warranty untrue in such respect are not remedied to the satisfaction of CCZ prior to the issue of the shortfall notice.

CCZ may not terminate its obligations under the underwriting agreement in the circumstances outlined above unless it believes that the event has or is likely to have a materially adverse effect on the Company or the Group, or the outcome of the Offer, or could give rise to a material liability of CCZ under any law or regulation.

Qube has agreed to indemnify CCZ, its directors, employees and advisers (each an **Indemnified Party**) against all claims, demands, damages, losses, expenses (including costs in connection with the underwriting agreement) or liabilities incurred or suffered in connection with:

- any material breach of its obligations under the underwriting agreement;
- any representation, warranty and undertaking made or given by Qube in the underwriting agreement proving to have been untrue or incorrect in any material aspect;
- any claim that an Indemnified Party has any liability under the Corporations Act or any other law in relation to the Offer.

The indemnity provided by Qube does not extend to any loss, liability, claim, damage, cost or expense resulting from any untrue statement or omission made in reliance upon and in conformity with the written information given by CCZ to Qube for use in this offer document.

CCZ has entered into sub-underwriting agreements with 15 investors under which the sub-underwriters have committed to subscribe for a defined proportion of the New Units under the Offer. The obligations of the sub-underwriters are several not joint. The obligations of the sub-underwriters are conditional only on the issue proceeding and Qube meeting its obligation to pay the commission in the underwriting agreement.

Based on the information available to Qube as at the date of this Offer Document, if no Unitholder takes up its Entitlements under the Offer and all sub-underwriters met their sub-underwriting obligations, the maximum voting power that any sub-underwriter would have in Qube would be less than 10%.

### 6.3 Disclosure

This Offer Document contains an Offer to subscribe for continuously quoted securities (as defined in the Corporations Act) of Qube and has been prepared in accordance with Section 1012DAA(2)(f) of the Corporations Act. In broad terms, Section 1012DAA relates to rights issues by certain registered



managed investment schemes that do not require the provision of a product disclosure statement or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than that required in a product disclosure statement. Eligible Unitholders should therefore rely upon their own knowledge of Qube, refer to disclosures already made by it to ASX, and refer to their professional adviser before deciding to accept the Offer.

#### **6.4 Continuous Disclosure and Documents Available for Inspection**

Qube is a disclosing entity within the meaning of the Corporations Act 2001 and is, and has for the past twelve months been, subject to regular reporting and disclosure obligations.

The Responsible Entity believes that it has fully complied with the general and specific requirements as set forth by the ASIC and ASX in relation to continuous disclosure, which includes the provisions of Chapter 2M of the Corporations Act as they apply to Qube and Section 674 of the Corporations Act.

Copies of documents lodged with ASIC in relation to Qube may be obtained from, or inspected at, an office of the ASIC.

#### **6.5 Taxation**

Set out below is a summary of the Australian tax implications of the Offer for Eligible Unitholders who are residents of Australia for tax purposes and who hold their Units as capital assets.

The summary below also does not take account of any individual circumstances of any particular Eligible Unitholder. **Eligible Unitholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.**

The summary below does not necessarily apply to Eligible Unitholders who hold their Units as assets used in carrying on a business or who may carry on the business of security trading, banking or investment. The summary below does not necessarily apply to Eligible Unitholders whose Units are held as revenue assets or trading stock. The summary below is based on the law in effect as at the date of this Information.

##### *(a) Issue of Entitlements*

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Unitholder.

##### *(b) Exercise of Entitlements*

Eligible Unitholders who exercise their Entitlements and subscribe for New Units will acquire those units with a cost base for capital gains tax (**CGT**) purposes equal to the Offer Price payable by them for those units plus any non-deductible incidental costs they incur in acquiring those units, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Units.

##### *(c) New Units*

Eligible Unitholders who exercise their Entitlements will acquire New Units. Any future distributions made in respect of those New Units will be subject to the same taxation treatment as distributions made on Units held in the same circumstances.

On any future disposal of New Units, Eligible Unitholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Units. The cost base of those units is described above.

New Units will be treated for the purposes of the CGT discount as having been acquired when the Eligible Unitholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those units, they must have been held for at least 12 months after those dates before the disposal occurs,

(d) *Other Australian taxes*

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Units.

**6.6 Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Units.

**6.7 Permanent Investment Management Limited**

The responsible entity of Qube, the Responsible Entity, is ultimately wholly owned by Trust Company Limited (**Trust**). Trust has been a specialist fiduciary service provider in Australia delivering a personalised service to its key client markets – institutions, intermediaries and individuals. A company listed on ASX, Trust is one of the largest trustees in Australia, operating outside the ownership of banks or other wealth management companies. Trust employs over 230 staff in Melbourne, Sydney, Brisbane, Townsville and Singapore.

**6.8 Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Document.

Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Responsible Entity, the Manager or any of their related bodies corporate in connection with the Offer. Except as required by law, and only to the extent so required, none of the Responsible Entity, the Manager, or any other person, warrants or guarantees the future performance of Qube or any return on any investment made pursuant to this Offer Document.

## 7. Glossary

<b>AEST</b>	Australian Eastern Standard Time
<b>Application Monies</b>	means the monies received from applicants for New Units in accordance with this Offer Document.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691).
<b>ASX Listing Rules</b>	means the listing rules of ASX.
<b>Business Day</b>	means a day on which ASX is open for trading.
<b>CCZ</b>	CCZ Corporate Finance Pty Limited (ACN 113 867 486)
<b>Closing Date</b>	means 6 July 2010.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Eligible Unitholder</b>	means a person who is a Unitholder at 5.00pm (Sydney time) on the Record Date who is not a Foreign Unitholder.
<b>Entitlement</b>	means the non-renounceable right of an Eligible Unitholder to subscribe for New Units under the Rights Offer.
<b>Entitlement and Acceptance Form</b>	means the personalised form attached to or accompanying this Offer Document.
<b>Existing Units</b>	means Units on issue immediately before the Record Date.
<b>Foreign Unitholder</b>	means a Unitholder described in Section 1.10.
<b>GST</b>	means goods and services tax.
<b>KEL</b>	Kaplan Equity Limited (ACN 096 840 318)
<b>KFM</b>	Kaplan Funds Management Pty Limited (ACN 079 218 643)
<b>Issue Price</b>	means the issue price of \$0.78 per New Unit.
<b>Manager</b>	means Kaplan Funds Management Pty Limited (ACN 079 218 643).
<b>New Units</b>	means the Units offered under this Offer Document.
<b>Offer</b>	means the Rights Offer and the Shortfall Offer.
<b>Offer Period</b>	means the period starting on the despatch of this Offer Document and ending at 5.00pm on the Closing Date.
<b>Offer Document</b>	means this document and any supplementary or replacement Offer Document in relation to this document.
<b>Responsible Entity</b>	means Permanent Investment Management Limited (ACN 003 278 821) to be renamed The Trust Company (RE Services) Limited.
<b>Qube</b>	means Qube Logistics (ARSN 122 556 441).

<b>Qube Investee</b>	means a logistics business in which Qube has a direct or indirect investment including through its controlled entities.
<b>Record Date</b>	means the date for determining Entitlements under the Offer, being 16 June 2010.
<b>Rights Issue</b>	means the issue of New Units upon receipt of valid acceptances under the Rights Offer.
<b>Rights Offer</b>	means the offer of Entitlements to New Units under this Offer Document.
<b>Shortfall</b>	means the shortfall in applications for New Units under the Rights Offer (if any).
<b>Shortfall Offer</b>	means the offer to subscribe for New Units in excess of a Unitholder's Entitlement as described in Section 1.4
<b>Shortfall Units</b>	means the New Units for which applications are not received under the Rights Offer prior to the Closing Date.
<b>Unitholder</b>	means a holder of Units.
<b>Unit Registry</b>	means Computershare Investors Services Pty Limited.
<b>Units</b>	means ordinary units in Qube.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Qube Logistics

ABN

ARSN 122 556 441

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                           |
|---|--|---------------------------|
| 1 | +Class of +securities issued or to be issued   | Ordinary Units            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 46,843,459                |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary units |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.78</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised through the rights issue will be used to provide Qube Logistics with additional cash to support the growth of its existing logistics investments and to undertake investment in new logistics businesses.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>13 July 2010</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="716 1461 997 1493">Number</th> <th data-bbox="997 1461 1273 1493">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1493 997 1703">515,278,050</td> <td data-bbox="997 1493 1273 1703">Ordinary Units</td> </tr> </tbody> </table>	Number	+Class	515,278,050	Ordinary Units
Number	+Class				
515,278,050	Ordinary Units				

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+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	N/A	N/A
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change in policy from this issue.	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 new unit for each 10 existing units
14	+Class of +securities to which the offer relates	Ordinary units
15	+Record date to determine entitlements	16 June 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Any country other than Australia and New Zealand and such other jurisdiction in which it is decided to make offers
19	Closing date for receipt of acceptances or renunciations	6 July 2010

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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20	Names of any underwriters	CCZ Corporate Finance Pty Limited
21	Amount of any underwriting fee or commission	2% of the issue price for all new units the subject of the rights issue, representing approximately \$730,758
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	By 22 June 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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+ See chapter 19 for defined terms.



- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 +Despatch date By 14 July 2010

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	N/A

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+ See chapter 19 for defined terms.

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

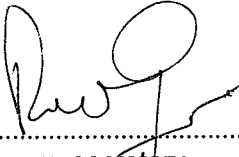
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

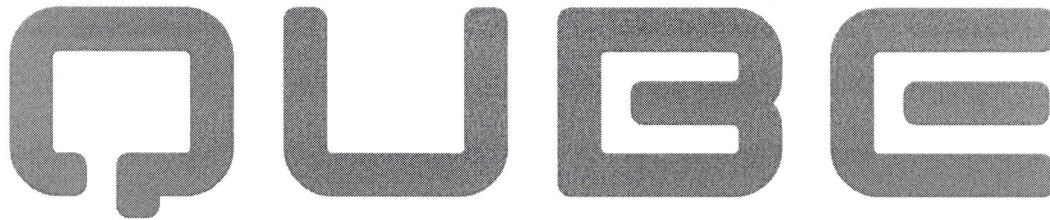
Sign here:  .....  
(Company secretary –  
Kaplan Funds Management Pty Limited)

Date: 4 June 2010

Print name: Robert Geeves  
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+ See chapter 19 for defined terms.



4 June 2010

**Qube Logistics**

**Notice under Section 1012DAA(2)(f) of the Corporations Act**

This notice is given by Permanent Investment Management Limited (**PIML**) in its capacity as responsible entity for Qube Logistics (**Qube**) under section 1012DAA(2)(f) of the Corporations Act as modified by Australian Securities and Investments Commission Class Order 08/35 (**CO 08/35**).

Qube has released an offer document for a rights offer of 1 ordinary unit for every 10 ordinary units in Qube held as at 7:00 pm on 16 June 2010 and a shortfall offer in respect of that rights offer to raise approximately \$36.5 million (before expenses of the offer).

PIML advises that:

1. the Qube units the subject of the offer (**New Units**) will be made available and will be issued without a product disclosure statement for the New Units being prepared;
2. this notice is given under section 1012DAA(2)(f) of the Corporations Act as modified by CO 08/35;
3. as a disclosing entity, PIML is subject to regular reporting and disclosure obligations;
4. as at the date of this notice, PIML has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to Qube; and
  - (b) section 674 of the Corporations Act as it applies to Qube;
5. as at the date of this notice, there is no excluded information of the type referred to in sections 1012DAA(8) and 1012DAA(9) of the Corporations Act as modified by CO 08/35; and
6. the issue of New Units is not expected to have a material effect on control of Qube.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Robert Geeves', written over a faint blue line.

**Robert Geeves**

**Company Secretary**

**Kaplan Funds Management Pty Limited**

**Investment Manager for Qube Logistics**

**On behalf of Permanent Investment Management Limited**