

HOPE

HOME OWNERS PARTNERING EQUITY

Home Sooner



Private Placement Memorandum HOPE Housing Investment Trust

Dated: 19 April 2024

HOPE Housing Investment Trust

Trustee

Specialised Investment and Lending Corporation Ltd
ACN 149 520 918
AFSL 407100

Manager

HOPE Housing Fund Management Limited
ACN 629 589 939
Authorised representative number 001289514

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Important notices

This private placement memorandum (**Private Placement Memorandum, PPM**) is prepared and issued by Specialised Investment and Lending Corporation Ltd (ACN 149 520 918 AFSL 407100) (**SILC, Trustee**) as the trustee of the HOPE Housing Investment Trust (**Fund**).

The Trustee is the issuer of units in the Fund (**Units**). HOPE Housing Fund Management Limited (ACN 629 589 939) is the investment manager of the Fund (**Manager, HOPE**). HOPE is an authorised representative (number 001289514) of SILC Fiduciary Solutions Pty Ltd (ACN 638 984 602, AFSL 522145). The authority of the Manager is limited to providing general advice and dealing by arranging services relating to the Fund and to wholesale clients only.

You should read this PPM in its entirety before making a decision about whether to invest in the Fund. This PPM sets out general information about the Fund for the recipient of this PPM (**Recipient**) to consider in making a decision as to whether the Recipient should acquire an interest in the Fund.

Date

This PPM is dated 19 April 2024 (**PPM Date**). Its delivery at any time after the PPM Date does not imply that the information contained in it is accurate, timely and complete at any time subsequent to the PPM Date.

Glossary

Certain words and expressions used in this PPM are defined in Section 11 (*Glossary*) of this PPM.

Conditions of receipt

This PPM is not made available generally to the public but rather is supplied personally to the Recipient on the conditions set out below, which are taken to be accepted and agreed by the Recipient as evidenced by the retention by the Recipient of this PPM, in part consideration of the supply of this PPM. If these conditions are not acceptable this PPM must be returned immediately.

Eligible Investors

The Offer is only open to wholesale clients (within the meaning of that term under the *Corporations Act 2001* (Cth)) receiving this PPM within Australia and who accept the conditions of receipt of this PPM.

Disclosure document status

This PPM is intended to provide potential Investors with general information only and does not constitute a Product Disclosure Statement or disclosure document as those terms are defined under the *Corporations Act 2001* (Cth).

This PPM has not been, and is not required to be, lodged with the Australian Securities and Investments Commission (**ASIC**) or any other government body.

Restrictions on distribution

The Offer is an offer which is available to persons receiving this PPM within Australia but does not constitute an offer of interests in the Fund in any jurisdiction where, or to any persons to whom, it would be unlawful to make the Offer.

This PPM does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than Units.

It is the responsibility of any person located in a jurisdiction other than Australia to ensure compliance with all laws of any country relevant to the Offer. The return or completion of an Application Form will be taken to constitute a representation and warranty that there has been no breach of any relevant laws and that all approvals and consents have been obtained.

Investors to undertake own due diligence

Information contained in this PPM has been provided to Investors to assist them to make an assessment of whether or not to invest in the Fund. In relation to the information contained in this PPM, none of the Trustee, Manager, Administrator or their officers, employees, related parties, associates, consultants, advisers and agents, warrant or represent that:

- all information which is relevant to the Offer or to the acquisition of Units has been provided in this PPM; or
- all information provided under this PPM is accurate, correct or complete or does not contain misleading or deceptive statements.

Whilst the Trustee has undertaken due diligence in relation to the Fund and the information which has been presented in this PPM, it is possible that due to factors such as the passage of time or the uncertainty in forecast details, the information contained in this PPM may be inaccurate at the date of release of this PPM or at a later time.

Except where expressly disclosed, the information contained in this PPM has not been independently verified or independently audited. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Trustee or Manager and their associates or advisers as to the accuracy or completeness of any part of this PPM, nor will they have any responsibility to update or supplement this PPM.

The Trustee has not sought to verify any statements contained in this PPM about the investments proposed by the Manager, the Manager's business or the business of any other parties named in this PPM.

This PPM has been prepared without taking into account the objectives, financial situation or needs of any particular person. Investors are strongly encouraged to undertake their own due diligence in relation to the Fund before making an investment. In addition, Investors should read this PPM in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in this PPM.

To the maximum extent permitted under the law, the Trustee and the Manager disclaim any liability arising from any information provided in this PPM, including any errors or omissions.

By making an investment in the Fund, an Investor warrants and represents to the Trustee and Manager that they have undertaken their own due diligence in relation to the Offer, Units, and an investment in the Fund, including without limitation, in relation to the structure of the Fund, its investments and the likelihood of returns from the Fund.

No performance guarantee

None of the Trustee, Manager or Administrator, or their officers, employees, related parties, associates, consultants, advisers and agents, or any other person, guarantees the performance or success of the Fund, the repayment of capital invested in the Fund by an Investor or any particular rate of return on investments in the Fund.

There can be no assurance that the Fund will achieve results that are comparable to the track record of the Trustee or the Manager, or that the Fund's investment objectives will be achieved.

An investment in the Fund does not represent a deposit with, or a liability of, the Trustee, Manager or Administrator, or any of their associates. The Trustee is not authorised under the *Banking Act 1959* (Cth) to carry on banking business or for any other purpose and is not supervised by APRA, and investments in the Fund are not covered by the depositor protection provisions available to depositors that make a deposit with an Australian authorised deposit taking institution (**ADI**) under that Act.

An investment in the Fund is subject to investment risks which are described in Section 7 (*Risk factors*) of this PPM, including possible delays in repayment and loss of some or all of your income or capital invested. The risks associated with an investment in the Fund are different to a cash deposit or investment in an ADI.

Illiquid investment

Recipients acknowledge that the Fund will invest in Security Interests over real property, which are long term and illiquid in nature.

No personal advice

Investors should read the whole of this PPM before making a decision about whether to invest in the Fund.

The information contained in this PPM is general information only and is not personal financial product advice. It does not take into account the individual objectives, financial situation, needs or circumstances of any person.

Investors should not construe the contents of this PPM as tax or investment advice.

No representation other than this PPM

No person is authorised to give any information or to make any representation in connection with the Offer which is not set out in this PPM.

This PPM supersedes any other private placement memorandum (including the private placement memorandum for the Fund dated 21 April 2022 and 23 February 2024), disclosure document or marketing materials given prior to the issue of this PPM to the extent of any inconsistency. Any information or representation in relation to the Offer not contained in this PPM may not be relied upon as having been authorised by the Trustee, the Manager or their advisers.

Forward-looking statements

Certain information contained in this PPM constitutes 'forward-looking statements' that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'anticipate', 'estimate', 'target', 'intend', 'continue', or 'believe' or the negatives or other variations of those words or comparable terminology.

Furthermore, any projections or other estimates in this PPM, including estimates of returns or performance, are 'forward-looking statements' and are based on certain assumptions that may change.

Due to various risks and uncertainties, including those set out in Section 7 (*Risk factors*) of this PPM, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements.

The forward-looking statements included in this PPM involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Trustee and Manager. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, Investors are cautioned to not place undue reliance on any forward-looking statements.

Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this PPM are forward-looking statements and subject to the above disclaimer.

Past performance information

Where this PPM sets out any past performance in respect of the Australian property market, Investors must not interpret that information as a representation about the future performance of the property market or of the Fund. Past performance is not a reliable indicator of future performance.

Confidentiality

The contents of this PPM are confidential. Neither this PPM nor any other information provided by the Trustee or Manager may be disclosed to any other party, except for the purpose of obtaining independent advice in connection with the consideration of an investment in the Fund, or used for any purpose other than the consideration of an investment in the Fund, unless the express prior written consent of the Trustee is obtained. Any reproduction of all or part of this PPM is strictly prohibited without the written consent of the Trustee, and may only be reproduced in accordance with that consent. In the event that the Recipient does not participate in the Fund, this PPM, along with all related materials, must be returned to the Trustee immediately on demand.

Summary of key documents only

This PPM contains a summary of the terms of the Fund and certain other material documents. However, Investors should refer to the complete legal documentation for the Fund (available upon request from the Trustee). Investments in the Fund are governed by the Trust Deed and associated Fund documents and nothing in this PPM limits or qualifies the powers and discretions conferred on the Trustee and the Manager under those documents. This PPM should be read in conjunction with the Trust Deed and associated documents for the Fund. In the event of any inconsistency between the Trust Deed and associated documents for the Fund and this PPM, then the Trust Deed and associated documents will prevail to the extent of the inconsistency.

Commitments may be rejected

The Trustee reserves the right to evaluate any applications or subscriptions to acquire Units and to reject any or all of them (in whole or in part), without giving reasons for rejection. Neither the Trustee nor the Manager is liable to compensate the Recipient or any Investor for any costs or expenses incurred by any person in reviewing, investigating or analysing any information in relation to the Offer, the Fund or otherwise.

No cooling-off rights

No cooling-off rights apply to the issue of Units.

Trustee limitation of liability

Except in certain circumstances prescribed by law, the Trustee enters into transactions in respect of the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

Updated information

Information in this PPM may change. Updated information regarding this PPM may be made available by the Trustee; however, the Trustee is not required to, and may elect not to, update, supplement or replace this PPM.

Currency

In this PPM any reference to currency, '\$', 'A\$' or 'AUD' is to Australian Dollars, unless otherwise indicated.

Language

The primary language of this PPM is English. This PPM may be translated into different languages, with the consent of the Trustee. Any translations provided or procured by the Trustee are for reference purposes only. If there is any inconsistency or conflict between the English version of this PPM and versions of this PPM in any other language, the English version prevails.

Images

Any photographs or images in this PPM do not depict assets of the Fund, unless otherwise indicated.

Any photographs, images, charts and diagrams in this PPM are for illustrative purposes only.

Questions

Any questions regarding this PPM should be directed to the Manager, whose contact details are set out in Section 12 (*Directory*) of this PPM.

1 Investment summary

1.1 Fund overview

Trust name	HOPE Housing Investment Trust	
Trust type	<p>The Fund is structured as a unit trust that is not, and is not required to be, registered with ASIC.</p> <p>The Fund is a closed-end, unlisted unit trust. The Trustee expects the Fund to qualify as an Attributed Managed Investment Trust (AMIT). However, the AMIT status cannot be guaranteed.</p>	Section 3.4
Investment objective and strategy	<p>The Trustee will continue invest the Fund's assets by way of making shared equity contributions to the purchase price of a range of Properties.</p> <p>The equity contributions will continue to be made to or for the benefit of Australian essential services workers seeking to purchase owner-occupied houses or units, enabling them to live closer to where they work, reducing stress and improving wellbeing and family stability.</p> <p>This shared equity contribution is, and for new investments will be, secured by a Security Interest. The Security Interest is or will be (as the case may be) the asset of the Fund.</p>	Section 3.2
Investment Period	<p>The Investment Period commenced on 16 November 2022.</p> <p>The Investment Period ends four years after the commencement of the Investment Period unless terminated or suspended earlier, and subject to two one-year extensions at the Investor Advisory Committee's (IAC) approval.</p>	Section 3.5
Fund term	Ten years from the First Closing Date, unless terminated earlier. This period can be extended for up to two terms of one year each with the approval of the IAC.	Section 3.5
Fund termination	<p>At the end of the term the Trustee may do one of the following with the remaining Fund assets:</p> <ul style="list-style-type: none">■ sell Fund assets to an investment vehicle managed by the Manager;■ package and sell Fund assets on secondary market; or■ retain the Fund assets and dispose of them on a case-by-case basis, with the approval of the Investor Advisory Committee.	Section 3.5
Redemptions	The Fund is and will remain illiquid. Investors will not be able to redeem their Units during the term of the Fund.	Section 4.7
Transfers of Units	<p>Except in relation to certain permitted transfers, all transfers require the Trustee's consent in consultation with the Manager, which will not be unreasonably withheld.</p> <p>However, there may not be a secondary market for Units.</p>	Section 4.7
Trustee	Specialised Investment and Lending Corporation Ltd (ACN 149 520 918).	Section 2.1
Manager	HOPE Housing Fund Management Limited (ACN 629 589 939).	Section 0

Administrator	SILC Funds Administration Pty Ltd (ACN 628 993 386).	Section 2.3
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1.2 Key financial information

Target internal rate of return (IRR)	The Manager aims to deliver to investors an internal rate of return (IRR) of 10% per annum (pre-tax, post fees). This is a target return only and is not guaranteed by the Trustee, Manager or any other person.	Section 3.3
Distribution payments	Distributions will be paid quarterly, commencing at the quarter following the First Closing Date, if there are any amounts available for distribution.	Section 4.5
Leverage	The Fund may use leverage of up to 65% of the Fund's total Commitments to acquire the Portfolio and enhance investment returns.	Section 3.13

1.3 Investment details

Target total equity to be raised	\$100,000,000.	Section 3.6
Unit issue and pricing	Where an application for Units under the Offer has been accepted, Units will be issued to Investors at an Issue Price per Unit calculated by dividing the NAV by the number of Units on issue. The Unit price will be determined on a monthly basis.	Sections 3.12 and 4.3
Buy/sell spread	Nil.	Section 4.3
Minimum investment	A minimum investment of \$100,000 (unless otherwise determined by the Trustee at its discretion, in consultation with the Manager) payable under the terms of a Commitment.	Section 3.7
Commitment structure	Investors are required to make Commitments to the Fund at the time of making an application for Units, and such Commitments must be fully paid up before Units are issued in respect of any accepted application. All Commitments are irrevocable.	Section 3.9
Eligible Investors	Wholesale Clients only and which agree to be bound by the constituent documents of the Fund.	Section 10.6
Investor reporting	Investors will receive or otherwise have available to them audited financial statements in respect of the Fund, annual tax statements and a range of reports to Investors in relation to ongoing key activities and performance of the Fund, including in relation to the impact of the Fund's investments in improving housing for Australian essential services workers.	Section 4.8
Fees and other costs	The Fund will bear the trustee fee, management fee, other Fund expenses, and establishment costs (subject to the cap referred to below). During the first 3 years after the First Closing Date, the management fee will not exceed 0.5% p.a. of the Fund's Commitment Capital. Thereafter, management fees will be adjusted so that from after that period until the date of final distribution on winding up of the Fund, management fees will not	Section 9

exceed 0.5% p.a. of the market value of the total capital invested in investments of the Fund.

Establishment costs are capped at the lower of 1.5% of the aggregate of all Commitments received by the Trustee prior to the Final Closing Date and \$5,000,000, with any amount over the cap being borne by the Manager.

No performance fee is payable to the Manager or the Trustee.

1.4 Key risks

Risk factors

Investments in the Fund are subject to varying degrees of risk. Types of risk factors include general investment risks, general property risks, Homeowner risks and Fund risks.

Section 7

Investors should consider all of the risks described in this PPM before investing.

2 Management of the Fund

2.1 About the Trustee

SILC is the trustee and custodian of the Fund and manages the Fund in accordance with the Trust Deed and its duties and obligations under Australian law and, importantly, has regard to the best interests of Unitholders in all decisions that it makes with respect to the Fund.

Key personnel

Koby Jones – Managing Director and Responsible Manager

Koby is the founder and Managing Director of The SILC Group. He is an accomplished banking and finance executive with over 17 years of experience gained in advising, structuring and distributing traditional and alternative investment assets, structured financing and global financial market instruments. He founded the specialist financial solutions firm in 2011 following a highly successful career in global financial markets and private wealth management with major financial institutions Westpac Banking Corporation, Australia and New Zealand Banking Group, National Australia Bank and Wilson HTM Investment Group. He is a Responsible Manager of The SILC Group's AFSL and is responsible for driving the growth of the business, setting strategic direction and business development activities of The SILC Group alongside the leadership team

He holds numerous qualifications including the Certified Practising Accountants (CPA) Program, a Bachelor of Commerce (Accounting, Commercial Law, Finance) through Deakin University, Diploma in Financial Advising from the Securities Institute of Australia (now Kaplan Professional), and Advanced Certificate in Management Skills from RMIT; as well as having various industry certifications which include the Margin Lending Accreditation Program, Accredited Derivatives Adviser (Level 1), and Diploma of Financial Services from the Australian Financial Markets Association (AFMA).

Koby is also on the Board of Directors at the Northern Health Foundation and a member of the Australian Institute of Company Directors (AICD).

Michelle Tay – Executive Director and Responsible Manager

Michelle is an experienced banking and finance executive, with particular specialisation in syndicated corporate and structured financing, agency services and corporate management. During her tenure at the Australia and New Zealand Banking Group, she managed a portfolio of large complex syndicated corporate and structured finance transactions across multiple industries and geographies. She also has extensive experience in business and corporate banking, property development financing and corporate management across all areas of business operations, financial management and taxation and regulatory compliance.

Michelle Tay is the Executive Director, AFSL Responsible Manager and Head of Group Services at The SILC Group. Her main activities at a corporate level includes oversight and functional responsibilities in The SILC Group's finance, compliance, legal and various operational areas as well as investor relations and involvement in transactions across the business units.

She holds various qualifications including the Certified Practising Accountants (CPA) Program, Masters of Applied Finance through the Financial Services Institute of Australasia (now KAPLAN Professional) and Bachelor of Commerce (Accounting and Finance) through Monash University. Michelle is also member of the Australian Institute of Company Directors (AICD).

2.2 About the Manager

(a) Overview

HOPE Housing Fund Management Limited is a not-for-profit company aimed at raising funds for the purpose of providing shared equity investment in residential property to support essential service workers to live closer to their work.

(b) Investment philosophy

HOPE's investment philosophy is to enable essential service workers to achieve the Australian dream of owning a home closer to their work without undue financial pressure and stress. This negates the need for renting or a long commute to work, and provides essential service workers the benefit of investing in their own home for the future security of their family. HOPE believes that in the long term this will lead to: increased total wealth and the chance of a healthy retirement, improved mental health and physical health, improved child education outcomes and wellbeing, decreased strain on transport and infrastructure, improved service quality, greater workforce stability in capital cities and increased retention of workers and decreased vacancies.

(c) Key management personnel

- (i) Tim Buskens;
- (ii) Tim Sims; and
- (iii) Sam Kong.

Information about the above personnel can be found in Section 5 (*Information about key personnel*) of this PPM.

(d) Investment Committee

The Investment Committee comprises the senior executive team of HOPE.

2.3 About the Administrator

SILC Funds Administration Pty Ltd ACN 628 993 386 is the Administrator of the Fund and is responsible for the general operations and administration of the Fund, including Investor administration processes (including applications and unit registry) and fund accounting. Collectively, the team has a breadth of experience in the banking, funds management and financial services sector. The Administrator is a related party of the Trustee.

3 Details of the Offer

3.1 Investment opportunity

An investment in the Fund can potentially provide the opportunity for a net IRR of 10% per annum according to HOPE's shared equity model whilst also delivering a quantifiable social dividend. The Fund continues to build relationships with a range of Lending Partners developed over time.

The housing market in Australia and particularly in Sydney and Melbourne has historically experienced strong growth. This provides an opportunity for the Fund to provide a return to investors while creating a social impact for essential service workers and their families which benefits the whole community.

3.2 Trust objective and investment strategy

The investment objective of the Fund is to provide Investors with leveraged exposure to the capital growth of the Australian residential property market. To achieve this objective, the Fund works with, and will continue to work with, one or more Lending Partners to help Australian essential services workers to buy their own home.

The investment strategy involves making equity contributions in Australian residential real estate, where the Fund takes a Security Interest in houses and other forms of residential real estate that will be newly acquired by Homeowners. In addition to the Equity Contributions, the Fund may invest in cash, cash-like and short-term fixed interest investments. Information about co-investing with Homeowners is set out in Section 6 (*Portfolio information*) of this PPM.

Neither the Trustee nor the Manager will use derivatives (including any interest rate hedging) as part of the investment strategy of the Fund.

3.3 Target return

The Manager aims to deliver to investors an internal rate of return (IRR) of 10% per annum (pre-tax, post fees). This is a target return only and is not guaranteed by the Trustee, Manager or any other person.

3.4 Fund structure

The Fund is a unit trust established under the Trust Deed. The Fund was established on 20 April 2022.

The Fund is a managed investment scheme that is not, and is not required to be, registered with ASIC.

Investors' money is pooled and used by the Trustee to acquire the Portfolio and other assets. Under the Trust Deed, each Unit will provide the Unitholder with an equal undivided beneficial interest in the Fund's net assets as a whole, including the Portfolio, but a Unitholder does not have any interest in a particular asset of the Fund.

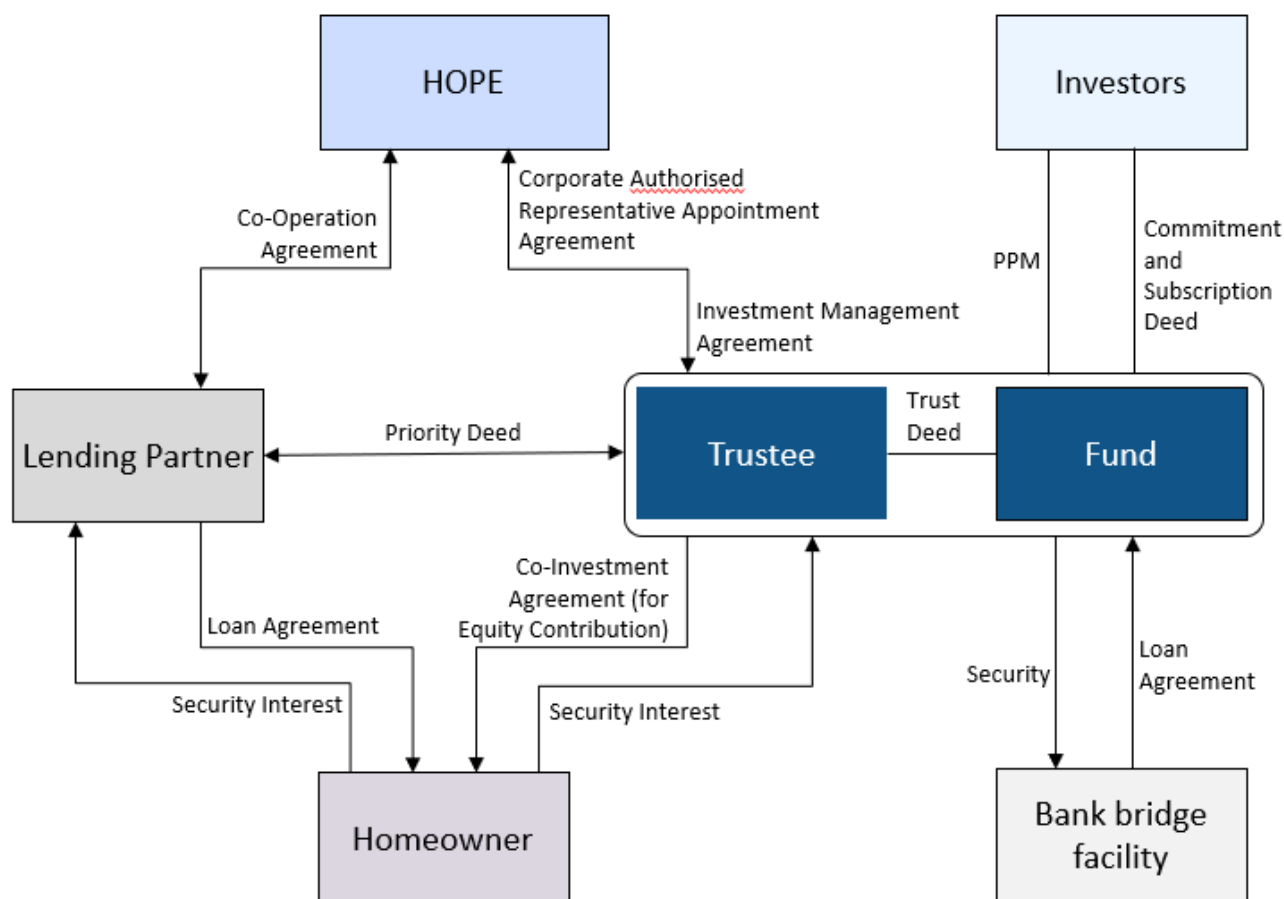
The Trust Deed (in addition to the Corporations Act and general law) sets out the Trustee's powers, duties and obligations, as well as the rights of Investors. Together with this PPM, the Trust Deed also sets out the framework under which the Fund operates.

The Fund has been established for the purpose of acquiring and holding the Portfolio and any other assets.

As stated in Section 2 (*Management of the Fund*) of this PPM, SILC is the trustee and custodian of the Fund, and HOPE is the investment manager of the Fund. As the investment manager, HOPE

has the responsibility of managing the operations of the Fund and its assets, under the fiduciary oversight of the Trustee. The Trustee is also the custodian of the Fund, meaning that it holds legal title to the Fund's assets. The Trustee has appointed SILC Funds Administration Pty Ltd (ACN 628 993 386) as the Fund's administrator.

A diagrammatic representation of the Fund is set out below:



3.5 Term of the Fund, Investment Period and exit strategy

The Fund will operate for a term of ten years from the First Closing Date. The First Closing Date is 20 October 2022, which is the date on which the first Commitment was accepted by the Trustee. This termination date may be extended by the Trustee for up to two terms of one year each with the approval of the IAC where the extension is considered necessary or advisable for the orderly realisation of the Portfolio. The Fund may terminate prior to the tenth anniversary from the First Closing Date in circumstances described in the Trust Deed.

The Fund will invest the amounts that have been called under Commitment Calls during the Investment Period. Under the Trust Deed, the Investment Period commences at the Manager's discretion, but in any event not later than six months after the First Closing Date. The Investment Period commenced on 16 November 2022.

The Investment Period ends on the earlier of:

- (a) the date that is four years from the First Closing Date, provided that this period may be extended for up to two one-year terms if the Trustee so determines, with the approval of the Investor Advisory Committee;

- (b) termination of the Fund;
- (c) such date as specified in a notice given at any time by the Trustee to Unitholders which states that in the reasonable opinion of the Trustee it is, for regulatory or other reasons, impracticable for the Fund to continue to make investments;
- (d) such date as specified in a notice given to the Trustee which is approved by special resolution of Unitholders; and
- (e) the date on which all Commitments are fully called.

On termination of the Fund, the Manager will consider divestment options. Options include:

- (a) selling the Portfolio to an investment vehicle managed by the Manager;
- (b) packaging and selling the Portfolio on a secondary market; or
- (c) retaining the Portfolio and disposing of Security Interests on a case-by-case basis, with the approval of the Investor Advisory Committee.

3.6 Size of Fund

The target size for the Fund is \$100 million. However, the Fund will proceed to make investments, and has made investments, even if the total Commitments received is greater or less than the target size.

The current gross value of the Fund's assets in excess of \$13 million.

3.7 Minimum investment

The minimum investment under the Offer is a Commitment of \$100,000.

The Trustee, in consultation with the Manager, may accept Commitments below the minimum investment at its discretion provided the Investor is an Eligible Investor.

3.8 Closings

The Trustee, in consultation with the Manager, may accept Commitments from new Investors after the First Closing Date and prior to the Final Closing Date. There is no limit on the number of times the Trustee may accept Commitments prior to the Final Closing Date.

As all Unitholders have fully paid their Commitments, Investors who become Unitholders under the Offer will be required to pay fully their Commitments so that each Investor has the same proportionate paid-up percentage on their Commitments. Investors who become Unitholders under the Offer will not be required to pay interest on investment amounts (being the 'Time Value Amount' as described in the Trust Deed).

3.9 Commitments

Investors are required to make irrevocable Commitments to the Fund, which will be subject to Commitment Calls being made by the Trustee in consultation with the Manager.

For Units issued under the Offer, a Commitment Call for the entire Commitment of an Investor is taken to be made by the Trustee at the time of the acceptance of the application for Units by the Trustee. That is, for the purposes of the Trust Deed, a confirmation by the Trustee that an application has been accepted serves as a notice issued by the Trustee to the Investor calling for the

full payment the Commitment. Accordingly, the Investor under the Offer is required to pay their Commitment in full as part of their application.

3.10 Commitment Calls

The terms of a Commitment are set out in the Trust Deed and this PPM.

Where an Investor's application for Units has been accepted by the Trustee, the Investor must pay their Commitment fully before being issued any Units under that application.

Where a Unitholder has an uncalled Commitment, and where Commitment Calls are not complied with in accordance with a call notice, there are a number of consequences for the defaulting Investor, including:

- (a) the payment of any additional liability subject to interest at a rate of Bank Bill Rate plus 5% p.a. during the periods amounts are outstanding;
- (b) delaying, limiting or applying conditions to distributions of income or capital;
- (c) forfeiture resulting in either a compulsory sale or redemption of all or part of the defaulting Investor's Units at a price deemed commercially reasonable by the Manager; and
- (d) the payment of costs associated with default.

For so long as a Unitholder is in default it will have no voting rights.

3.11 Liability of Unitholders

Under the Trust Deed, the liability of a Unitholder is limited to its uncalled Commitment, subject to the liability associated with a Unitholder's particular Unit holding (such as the obligation to pay Commitment Calls) or the clawback of distributions described in Section 4.6 (*Clawback of distributions*) of this PPM.

3.12 Allotment of Units

Units will generally be issued (in respect of applications which have been made on a closing date prior to the Final Closing Date and accepted by the Trustee acting in its absolute discretion) each calendar month within five Business Days after the prevailing Issue Price is available following the relevant closing date. Information about how to apply for Units, the process the Trustee will apply to consider an application, is set out in Section 4.9 (*How to invest*) of this PPM.

Units are issued at an Issue Price per Unit calculated by dividing the NAV by the number of Units on issue. The relevant Issue Price is the next available Issue Price after the application is accepted. There will be no buy spread applicable on an issue of Units under the Offer.

All Units issued under the Offer will be ordinary units of the same class as each other and as the class currently on issue.

All Units issued under the Offer will be issued on a fully paid basis and an Investor is required to pay their Commitment in full at the time of the issue of Units to the Investor. The amount of the Commitment is the subscription amount that an Investor wishes to contribute to the Fund for the issue of Units under the Offer.

The number of Units issued will be calculated by dividing the amount of the Commitment by the Issue Price.

3.13 Leverage

The Trustee may borrow money and give guarantees and other undertakings for any purpose of the Fund, using uncalled Commitments and other Fund assets as collateral, provided borrowings do not exceed 65% of the total value of the Fund's total Commitments. Such borrowings may be from a Unitholder, or from persons who are associates of the Manager or a Unitholder with interest rates at or below market.

The borrowing described above does not include short term borrowings, intra-group borrowings or leases. The repayment period for short term borrowings is limited to 90 days.

Investors should note that any borrowings by the Fund will remain repayable by the Fund regardless of the performance of the underlying investment portfolio.

It is not the responsibility of the Trustee to assess the merits of each loan recommended by the Manager, but rather to review the loan term's consistency with the PPM and the Trust Deed and that the Fund's borrowing is otherwise in the interests of Investors.

4 How the Fund operates

4.1 Fund governance

SILC is the trustee of the Fund. The Trustee must administer the Fund in accordance with the Trust Deed and the laws relating to trusts and unregistered managed investment schemes.

HOPE is the investment manager of the Fund. The Manager must discharge its duties having regard to the Investment Management Agreement and this PPM.

4.2 Investor Advisory Committee

The Manager on behalf of the Trustee will establish an Investor Advisory Committee. The Investor Advisory Committee will comprise representatives of Unitholders determined by the Manager on the Trustee's behalf. The members of the Investor Advisory Committee will be selected by the Manager in its sole discretion and will include representatives of Unitholders, with each member qualifying for one vote. Where the Investor Advisory Committee has the authority to give approvals under the Trust Deed, the decisions and deliberations of the Investor Advisory Committee are binding on the Manager, and each Unitholder, and on the Trustee (subject to the Trustee's right to call a Unitholder meeting).

Key management decisions which the IAC will be responsible for include the following:

- (a) any extension of the Investment Period in accordance with the Trust Deed;
- (b) any change to the investment strategy of the Fund;
- (c) any investment outside of limits set in the Fund's investment guidelines; and
- (d) any potential conflicts of interest referred to it by the Manager or Trustee.

It is intended that the IAC will be established and will operate under the following general rules:

- (a) the Trustee, the Manager or their respective affiliates may not be members of the IAC, but they may have a representative present at a meeting of the IAC;
- (b) the Manager will appoint a non-voting chairperson, provided that the person is not a member of the IAC, is not a Unitholder and is not an affiliate of any of the Trustee, the Manager, an IAC member or a Unitholder;
- (c) the Manager will procure that meetings of the Investor Advisory Committee will be convened from time to time (but at least annually);
- (d) two or more IAC members, acting jointly, may call an IAC meeting at any time;
- (e) the quorum for meetings of the IAC will be two-thirds, provided that the chairperson is always in attendance. Each representative of the IAC present at any meeting will be entitled to exercise one vote per representative. A representative may be disqualified from voting at a meeting in the event of a material conflict of interest or is disqualified from voting because the Unitholder they represent is in default under the Trust Deed; and
- (f) the representatives of the Trustee and Manager will be entitled to attend any meetings of the IAC (save for any deliberations or discussions the IAC determines that the Trustee's or the Manager's representative should not be present for), but will have no voting rights.

The direct costs of IAC members incurred in the course of discharging their duties (but excluding the overhead expenses of such members) will be borne by the Fund.

4.3 Unit pricing

The Trustee may issue different classes of Units.

The Manager will make available to Investors the Unit price on a monthly basis.

Under the Trust Deed, the Issue Price is calculated by dividing the NAV by the number of Units on issue, as adjusted where Units on issue are partly paid. There will be no buy spread applicable on an issue of Units under the Offer.

Under the Trust Deed, the ongoing Unit price is calculated by dividing the NAV by the number of Units on issue, as adjusted where Units on issue are partly paid.

Redemptions are not available during the term of the Fund, except with the consent of the Trustee.

Unit prices are generally finalised by and made available within ten Business Days after the end of each calendar month. Unit prices are typically calculated using the Net Asset Value for the end of the last Business Day for each calendar month, unless otherwise calculated by the Administrator.

4.4 Asset valuations

The Manager is responsible for the valuation of all Fund assets in accordance with the Valuation Policy, under the oversight of the Trustee. It is intended that valuations of assets will occur once each month for Unit pricing purposes, or at such other times the Trustee in consultation with the Manager considers appropriate.

The Manager may procure third parties to undertake the valuation of Fund assets. The costs of such valuations will be paid out of the Fund's assets.

4.5 Distributions

It is expected that the Fund will distribute its income in full each financial year. It is intended that the distributions will be calculated and paid within 60 days of the end of each calendar quarter. However, at the end of each financial year, due to the time required to prepare annual investor distribution statements and carry out the tax compliance obligations, the Trustee will endeavour to pay the final distributions (if any) for the financial year as soon as these requirements are met and, in any event, within three months of the end of the financial year. Distributions paid to Investors cannot be automatically reinvested.

All distributions will be paid directly into an Australian bank or an account with a financial institution (where there is a branch in Australia). Distributions will not be paid by cheque. Distributions will be paid to the Investor's nominated bank account (which must be in the same name as the Investor).

Distributions paid by the Fund during the Investment Period will be added to the Unitholders' uncalled Commitments at the time and will again be available to be called by way of Commitment Calls, provided that the cumulative amount by which a Unitholder's uncalled Commitment may be increased will not exceed 30% of such Unitholder's Commitment, and the Fund will never invest more than 100% of its total Commitments in the Portfolio.

As discussed in Section 8 (Taxation Information) below, it is considered unlikely that the Fund will be eligible to be treated as an AMIT. However, in the event that the Fund is eligible and makes an election to be an AMIT, a distribution received by a Unitholder may be different to the taxable income which is attributed to the Unitholder (refer Section 8 (*Taxation information*) of this PPM. A Unitholder will be assessable on the taxable income of the Fund that is attributed to that Unitholder irrespective of:

- (a) whether a distribution is actually paid by the Fund to the Unitholder; or

- (b) the extent to which that distribution is added to the Unitholders' uncalled Commitments during the Investment Period.

The Trustee will provide Investors with a distribution statement for each distribution payment made which will summarise the components of the distribution and may include a return of capital. In addition, where the Fund makes an election to be an AMIT, the Trustee will provide Investors with an AMIT member annual statement (**AMMA statement**) within three months of the end of the financial year.

4.6 Clawback of distributions

If, prior to termination of the Fund, the Trustee has given notice to the Unitholders of any potential or actual losses or liabilities (including indemnity payments) of the Fund, the Unitholders will be liable to contribute, on demand by the Trustee, to such losses or liabilities (in proportion to their Unit holdings as at the time of the Trustee's demand) provided that a Unitholder's maximum liability will be the lesser of:

- (a) 25% of the Unitholder's Commitment; and
- (b) the aggregate amount of distributions received by the Unitholder.

However, a Unitholder will not be liable to contribute to any losses or liabilities described above out of the proceeds of a prior distribution where the Trustee gives the notice of demand described more than 33 months after the date of that prior distribution, unless the Trustee has given that Unitholder written notice of the potential for such contribution prior to the date 33 months after the date of that prior distribution.

4.7 Redemptions and transfers

The Fund is and remains illiquid. Investors will not be able to redeem their Units during the term of the Fund, except with the consent of the Trustee.

Investors, with the consent of the Trustee, in consultation with the Manager, may be able to transfer their Units to third parties. Further, the following transfers are permitted:

- (a) the transfer is to an affiliate of the Unitholder, provided that the affiliate covenants with the Trustee (if required by the Trustee, acting reasonably), at or before the time of the transfer, that while it holds Units it will remain an affiliate and the Trustee consents to the transfer; or
- (b) in the case of a trustee Unitholder, the transfer is to a replacement trustee or responsible entity, custodian or nominee (or sub-custodian or nominee) of the trustee Unitholder, provided that the transfer would not result in a change in the beneficial ownership of the Units that are the subject of the transfer,

subject to some conditions, including the transferee meeting the criteria for being a Unitholder as determined by the Trustee.

The Trustee will not consent to the transfer where, without limiting other matters:

- (c) the intended transferee is not an Eligible Investor;
- (d) the transfer instrument is not duly stamped (where required);
- (e) the Trustee considers the transfer will, for any reason, have an adverse impact on the Investors, the Fund's assets or the Trustee; or

- (f) the transfer would prejudice the Fund's status as a managed investment trust under applicable tax legislation.

4.8 Reporting

Investors will receive the following regular reports about the Fund and their investments in the Fund from the Manager:

- (a) a report setting out the performance and operation of the Fund each quarter;
- (b) reports on the social impact of the Fund at least annually;
- (c) valuation summaries of the Portfolio at least annually; and
- (d) ad hoc reports on the Portfolio and relevant market conditions.

Additionally, the Trustee will provide the following:

- (a) a confirmation statement following the allotment of Units as and when they are issued;
- (b) distribution statements for each distribution payment;
- (c) an annual tax statement, which will summarise the distributions paid/payable in respect of that income year and the tax components; and
- (d) audited financial statements in respect of the Fund.

The above reports may, with the agreement of the Investor, be delivered electronically.

4.9 How to invest

The Offer is only open to Eligible Investors.

Commitments can only be made by completing and submitting an Application Form.

To participate in the Offer, you must complete the Application Form and submitting it (along with the required supporting material) to the Trustee. The Trustee may require the Application Form to be completed using an online portal, the details of which will be provided to you. Your completed Application Form must be received by the Final Closing Date.

The Trustee will need to verify your identity before Units are issued to you, as described in Section 10.9 (*Anti-money Laundering Law*) of this PPM.

Units will not be issued to you without the payment of your Commitment in full. Payment of your Commitment may be made by direct credit to the bank account indicated on the Application Form. The Trustee can only accept electronic funds transfers from a bank, building society or credit union account in the name of the Investor. Cash or cheque payments will not be accepted.

A completed and submitted Application Form cannot be withdrawn (unless the Trustee agrees) and together with the Trust Deed and this PPM constitute a binding and irrevocable Commitment. Application Forms must be received by the relevant offer close date. If an Application Form is not completed correctly or is received by the Trustee after the relevant offer close date, the Trustee may in its discretion either reject the Commitment or treat the Commitment as valid.

It is important that you read this entire PPM and consider consulting with your financial or other professional adviser, before deciding to make a Commitment.

5 Information about key personnel

5.1 Tim Buskens



Tim is the Chief Executive Officer and a Founding Director of the Manager. Tim has over 25 years' experience in financial services across both private and public sectors, most recently as COO of the Association of Superannuation Funds of Australia. Tim has also held executive positions in Link Group, Oasis Asset Management and ASIC. Tim has completed a Bachelor of Business with Victoria University and a Master of Applied Finance with Macquarie University.

5.2 Tim Sims



Tim Sims is the Founder and Managing Director of the Manager. Tim is also a Founder and Managing Partner of Pacific Equity Partners, a leading private equity fund manager in Australasia with assets under management over \$6 billion. Prior to founding Pacific Equity Partners in 1998, Tim was the Chairman of Bain & Company's Australasian and African businesses and an elected member of the Global Executive Committee. Prior to that Tim was a Founder of the LEK Partnership. Tim has a BA/MA from Oxford University where he was a Mitsui Scholar and an MBA from Harvard where he was a Kennedy Scholar.

5.3 Sam Kong



Sam Kong is a Chief Operating Officer of the Manager. Sam is also a Managing Director and Chief Financial Officer of Pacific Equity Partners, a leading private equity fund manager in Australasia with assets under management over \$6 billion. Prior to joining Pacific Equity Partners in 1998, Sam was a senior accountant at PricewaterhouseCoopers where he advised clients in the financial services, retail, shipping and manufacturing industries. Sam received a BEc from the University of Sydney and an MBA from the Australian Graduate School of Management, University of New South Wales. He is a Certified Practising Accountant.

6 Portfolio information

6.1 Investment philosophy

The purpose of the Fund is to help Australian essential services workers (such as police officers, nurses, and teachers) to buy their own home. To do this, the Fund will make an investment by contributing an amount (the **Equity Contribution**) towards the purchase price of a Property. The Equity Contribution will be secured by a registered charge or registered mortgage (as the case may be) over the Property (**Security Interest**). The Equity Contribution is not a loan to a Homeowner and it will not grant the Fund or the Trustee any proprietary interest in the Property.

The Fund has partnered, or will partner, with Lending Partners to help achieve this purpose. Under the current and anticipated arrangements with the Lending Partners, the Lending Partner will lend the Homeowner the amount the Homeowner requires to settle the purchase of the Property, having regard to the Equity Contribution. The Lending Partner will take a registered mortgage over the Property.

The Fund will also receive the proceeds of any capital gains when the Fund's share of a Property is partially or fully repaid.

6.2 Co-investment criteria

The Fund will work with the relevant Lending Partner to determine who will be eligible to become Homeowners.

There are restrictions associated with the Fund's arrangements with eligible Homeowners, including but not limited to the following:

- (a) Homeowners must be Australian essential services workers at the time of entry into the arrangements with the relevant Lending Partner and the Fund;
- (b) Homeowners may purchase any kind of residential accommodation, such as a house, duplex, townhouse, apartment or unit, but must not purchase off the plan property;
- (c) the maximum loan-to-value ratio in respect of each loan to a Homeowner is 95%;
- (d) Homeowners must purchase the Property as their primary place of residence; and
- (e) Homeowners may improve their Property in accordance with their arrangements with HOPE.

6.3 Portfolio limit

In relation to the entire Portfolio, the Trustee intends to limit each initial Equity Contribution to not more than 50% of the purchase price of each Property at the time of the purchase plus the value of the stamp duty associated with that purchase.

In limited circumstances, the Fund's exposure in relation to a value of a Property may increase, such as in circumstances of agreed financial hardship on the part of the Homeowner, or capitalisation of unpaid costs such as essential maintenance not performed by a Homeowner but performed by the Fund.

6.4 Location

The Properties may be located in any Australian State or Territory.

6.5 Valuation methodology

The Manager maintains and complies with a written Valuation Policy. The Manager must procure a valuation of a Property at any time at the request of the Trustee.

Valuation summaries will be provided by the Manager to Unitholders.

7 Risk factors

All investments carry some level of risk. In investment terms, risk is the variability of returns over time and the potential loss of capital. Risk means it is not possible to predict the returns that an investment will achieve. Investment returns are not guaranteed and past performance is not an indicator of future performance.

The following table outlines the key risks of the Fund. The value of your investment will rise and fall in line with the changing value of the Portfolio and any other assets of the Fund. The table does not purport to cover or explain all the risks of investing in the Fund. Each Investor has their own particular investment objectives, financial situation and particular needs. You should consult with your financial adviser before investing and from time to time, to ensure your investment is, and remains, appropriate to your needs.

Risk	Description
General investment risk	
Market risk	<p>An investment in the Fund is subject to general market risks, in Australia or in another country or region. For example, an investment is subject to:</p> <ul style="list-style-type: none"> ■ a downturn in general economic and market conditions; ■ movements in relevant markets, including real estate markets of which the Portfolio forms part; ■ unfavourable movements in interest rates, employment rates or inflation; ■ changes to the law, government policy and tax settings; ■ changes to governments; ■ changes to consumer confidence; ■ political or social unrest; and ■ natural disasters, including terrorist attacks or war.
Force majeure risk	<p>Force majeure is the term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, fire, flood, pandemics, epidemics, earthquakes, war, acts of terrorism and labour strikes. Some force majeure risks are uninsurable or are unable to be insured economically.</p> <p>If there is a force majeure event, it may adversely affect the ability of the Manager to achieve the investment strategy of the Fund.</p>
Personal circumstances risk	<p>Investment risks can affect your financial circumstances in a number of ways, including:</p> <ul style="list-style-type: none"> ■ your investment in the Fund may not keep pace with inflation, which would reduce the future purchasing power of your money; ■ the stated aims and objectives of the Fund may not be met; ■ the amount of any distribution you receive from the Fund may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments; and ■ your investment in the Fund may decrease in value, which means you may get back less than you invested. <p>Other factors such the length of time you intend to hold your investment, other investments you may hold, and your personal risk tolerance will affect the levels of risk for you as an investor. As the risks noted in this section do not take into account your personal circumstances, you should consider</p>

Risk	Description
	obtaining tax and financial advice before making a decision about investing in the Fund.
General property risks	
Valuation risk	The value of the Portfolio may be adversely affected by a downturn in real estate market conditions or the underlying performance of the Portfolio. There is no guarantee that the Portfolio or Investors will achieve a capital gain or that the Portfolio will not fall in value relative to the current valuation.
Diversification risk	<p>The Fund is invested in one asset class only (Security Interests), and therefore there is no diversification of investments of the Fund across different asset classes.</p> <p>Generally, the more diversification of the Fund's portfolio, the lower the impact that an adverse event affecting one asset in the portfolio will have on the income or capital value of the overall portfolio.</p>
Property market risk	<p>The property market, like markets for other assets, fluctuates over time. Nevertheless, the consensus is that the value of residential property in metropolitan areas of Australia has increased over time (in real terms). There is a risk that the value of the Property may decrease over time, whether in relation to one particular Property or the entire Portfolio.</p> <p>The Manager's forecast returns set out in Section 3.3 (<i>Target return</i>) of this PPM takes into account the variability of returns in the Portfolio, and assumes a conservative capital growth values in preparing these forecasts.</p>
Property investment risk	<p>The Fund's returns may be affected by factors relating to real estate investments, such the demand for real estate by prospective homeowners, the quality of the buildings and improvements on land, ongoing expenses for maintenance and repairs, costs and losses associated with natural disasters, or other disasters or events outside of the Manager's reasonable control.</p> <p>Homeowners own their Property, and the Trustee does not have any title to the Property. Therefore, the Fund's control over the maintenance, renovation and repairs of a Property subject to a Security Interest is limited.</p> <p>These types of factors may affect the ability of the Manager to achieve the investment strategy of the Fund.</p>
Tail risk	<p>Historical data shows that on average residential property in Australia is sold or refinanced every seven years. When a Property is sold or refinanced, the Fund will receive its proportionate share of the sale proceeds of the Property and the Security Interest will be discharged. There will be some Homeowners, however, who do not sell or refinance their Properties in this timeframe. The Fund will either need to hold these or sell down these exposures. However, there may be a limited market for the sale or transfer of Security Interests that are not discharged in the expected timeframe.</p>
Asset illiquidity risk	<p>The major assets of the Fund are Security Interests.</p> <p>Real estate, by its nature, is an illiquid investment. Further, the Trustee does not have the right to sell the Property at will, as its rights to the Property are limited to the terms of the Security Interest.</p> <p>This may affect the Manager's ability to achieve the target IRR or return capital to Investors and may reduce the Unit value.</p>

Risk	Description
Homeowner risks	
Borrowing risk	<p>There is a risk that that Homeowners may default on their loan payment obligations with the relevant Lending Partner.</p> <p>This may result in the Lending Partner enforcing its security interest in relation to the Property, which may include a sale of the Property.</p> <p>The Lending Partner's recourse is limited to the share funded by the Homeowner. Therefore, there is a risk that the sale proceeds might not be sufficient to discharge fully the debt obligations of the Homeowner. This represents a reputational risk to the Fund, as the Homeowner might be left with ongoing obligations to the Lending Partner even after the Property is sold.</p> <p>The Fund seeks to mitigate these risks through active engagement in hardship processes before any enforcement proceedings are commenced.</p>
Counterparty risk	<p>There is a risk that a Homeowner may not comply with its obligations secured under the terms of the Security Interest.</p>
Property sale risk	<p>A Homeowner may sell their Property at any time with the approval of the Trustee. If the price at which a Homeowner sells their Property is at least market value (and other conditions are met) approval is generally granted.</p> <p>The sale price of the Property may affect the Manager's ability to return capital to Investors and may reduce the Unit value.</p>
Due diligence risk	<p>There can be no assurance that the Properties will be free from latent defects, or will be free from environmental or structural risks.</p> <p>While the Manager will conduct pre-acquisition due diligence in relation to each Property, neither the Trustee nor the Manager can guarantee the identification and mitigation of all risks associated with a real estate asset.</p>
Fund risks	
Investment risk	<p>There is a risk that an investment in the Fund may not produce the target IRR, or any return at all, or that Investors may suffer a loss of capital.</p> <p>None of the Trustee, Manager or Administrator, or their officers, employees, related parties, associates, consultants, advisers and agents, or any other person, guarantees the performance or success of the Fund, the repayment of capital invested in the Fund by an Investor or any particular rate of return on investments in the Fund.</p> <p>There can be no assurance that the Fund will achieve results that are comparable to the track record of the Trustee or the Manager, or that the Fund's investment objectives will be achieved.</p>
Distributions risk	<p>As a result of the inherent risk in any property investment there is no guarantee that the Fund will pay distributions on terms set out in this PPM or at all.</p>
Fund borrowings risk	<p>If there is a debt facility, the Fund will be subject to the terms and conditions of any debt facility, including key covenants. If the Fund has drawn down on the facility, a fall in the value of the Portfolio or the net income from the Portfolio could result in a breach of a borrowing covenant under the debt facility.</p> <p>If there is a default under the debt facility, the financier may enforce its security against the assets of the Fund. The borrowings of the Fund will be</p>

Risk	Description
	<p>on a limited recourse basis, meaning recourse extends only to the assets and uncalled Commitments of the Fund.</p> <p>The Fund will be subject to the terms and conditions of the debt facility, including key covenants. Breaches of these covenants or any other default of terms may enable the financier to enforce its rights against the Fund or the Portfolio or both.</p> <p>To the extent that the financier takes action to recover any amounts owed to it (such as interest and principal payment obligations), the financier's interest would ranking in priority to the interests of Unitholders and will have a first claim over the assets of the Fund in a winding-up scenario.</p>
Refinancing and debt funding risks	<p>If there is a debt facility, and that facility requires refinancing, there is no certainty that debt funding to replace the debt facility will be obtained or will be obtained on comparable terms. In that event, the Fund may need to obtain finance on unfavourable terms or raise further equity from new Investors.</p> <p>There is also a risk that the Fund may not be able to obtain debt funding at all. The failure to do so may have an adverse impact on the ability of the Fund to execute the investment strategy of the Fund or to achieve the target IRR.</p>
Liquidity risk	<p>An investment in the Fund should be viewed as a long-term investment and should be considered illiquid. No Unitholder has the right to redeem their Units or withdraw their Units, however this does not restrict an Investor's right to sell the Units (but the Trustee may, in certain circumstances, refuse to register any transfer of Units as described in Section 4.7 (<i>Redemptions and transfers</i>) of this PPM).</p>
Taxation and stamp duty risk	<p>The effect of taxation on Investors is complex and the summary in Section 8 (<i>Taxation information</i>) of this PPM is general in nature. Investors should seek professional taxation advice specific to their own circumstances.</p> <p>Taxation and stamp duty considerations taken into account by the Manager in preparing this PPM are based on relevant legislation, regulations, court decisions and rulings and pronouncements of relevant taxation and revenue authorities now in effect, all of which are subject to change or differing interpretations. Investors should note that any changes could have retroactive application so as to result in taxation and stamp duty consequences different from those taken into account by the Manager. The Manager has not sought any ruling from relevant taxation or revenue authorities with respect to these considerations and there can be no assurance that relevant taxation or revenue authorities will not assert, or that a court will not sustain, a contrary position.</p>
Legal risk	<p>The Fund may, in the ordinary course of business, be involved in possible litigation and disputes; for example, disputes with Homeowners and any legal claims or third-party claims.</p> <p>A material or costly dispute or litigation may affect the value of the assets, the income of the Fund or the ability of the Manager to achieve the investment strategy of the Fund. The cost of any potential or actual litigation is borne by the Fund's assets.</p>

8 Taxation information

Australian tax laws are complex and subject to change. The Investors must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund. This includes any change in the taxation implications arising during the term of their investment.

The following is a general outline of certain expected Australian income tax implications for Australian resident Unitholders who hold their units on capital account and certain other matters, based on the Australian tax law at the date of this PPM. The following does not purport to be a complete analysis of the Australian tax consequences for prospective investors. This outline cannot be relied on and each prospective Australian resident Unitholder should obtain its own independent tax and legal advice on any implications that may arise from investing in the Fund.

8.1 Taxation of the Fund

The Fund is a unit trust established in Australia. Subject to meeting certain eligibility requirements (including the composition of the Investors of the Fund), the Fund may elect into the Attribution Managed Investment Trust (**AMIT**) regime. As at the date of this PPM, the Fund does not qualify for treatment as an AMIT and is considered unlikely that the Fund will be eligible to elect to be an AMIT.

Irrespective of whether the Fund qualifies as an AMIT, the Fund should be taxed on a 'flow-through' basis. That is, the Trustee should not be subject to tax in respect of the net income of the Fund. Instead, the net income of the Fund will be taxed in the hands of the Unitholders.

8.2 Taxation of Unitholders on Fund income

Where the Fund qualifies and elects to be an AMIT, the taxable income of the Fund will flow through to Unitholders based on the amount and character of taxable income which the Trustee 'attributes' to the Unitholder, rather than being necessarily based on the share of the trust income to which the Unitholder is presently entitled and therefore distributed.

Amounts attributed from the Fund will retain their particular character or source in the hands of the Unitholders (refer below for the Australian tax treatment of the discharge of Security Interests by the Fund). The Trustee will make such an attribution on a fair and reasonable basis.

It is important to note that a Unitholder will be assessed on all taxable income of the Fund that is attributed to the Unitholder, even where the Fund accumulates this income or the Unitholder does not otherwise receive this income. In the event that the amount distributed to a Unitholder is lower than the taxable income that is attributed to that Unitholder, an upward tax cost base adjustment will arise for the Unitholder. In the event the amount distributed to a Unitholder exceeds the taxable income attributed to the Unitholder, such excess (the 'non-assessable amount') will reduce the cost base of a Unitholder's units. To the extent that distributions of non-assessable amounts in respect of a unit exceed the cost base of that unit, the excess will be taxable to the Unitholder as a capital gain.

In the event that the Fund does not qualify as an AMIT, each Unitholder of the Fund will be made presently entitled to a share of the net income of the Fund at the end of an income year. The Unitholders will be required to include, in their assessable income, their proportionate share of the net income of the Fund. Distributions from the Fund which are attributable to a particular character or from a particular source should retain that character or source in the hands of the Unitholders.

Taxation of the Security Interests

The realisation of the Security Interests should give rise to ordinary income (and not capital gains) and distributions will retain that character in the hands of the Unitholders. This is irrespective of whether the Fund qualifies as an AMIT or whether the rules for the taxation of financial arrangements (**TOFA**) in Division 230 apply.

8.3 Disposal of Units by the Unitholder

Upon disposal of its Units in the Fund, a Unitholder who holds its Units on capital account will realise a capital gain if the capital proceeds received on disposal exceed the cost base of the Units held in the Fund. Alternatively, the Unitholder will make a capital loss if the capital proceeds received on disposal are less than the reduced cost base of the Units held in the Fund. Provided that the unit has been held for 12 months, eligible Unitholders in the Fund can apply the capital gains tax (**CGT**) discount to any capital gain derived by the Fund. The CGT discount percentage is currently 33.33% for superannuation funds and 50% for individuals and trusts. Companies cannot access the CGT discount.

8.4 Statements

Following the end of each year, assuming the Fund qualifies as an AMIT, the Trustee will issue a tax statement to Unitholders including the amount and character of any taxable income in the hands of the relevant Unitholder.

8.5 ABN/TFN withholding

The Fund is required to withhold an amount of investment income in relation to any Investor that has not provided us with their tax file number (**TFN**) unless an exemption applies. The rate of withholding is the highest marginal tax rate plus the Medicare Levy. This amounts to a withholding rate as at the date of this PPM of 47%.

As an alternative to the provision of a TFN, an Investor may provide a copy of their Australian Business Number (**ABN**) if their investment in the Fund is made in the course of carrying on their business.

There are a number of exemptions from the ABN/TFN withholding regime. For example, ABN/TFN withholding does not apply in respect of Investors that are:

- (a) non-residents; or
- (b) entities that are not required to lodge tax returns.

This is not a complete list of the exemptions available. Where an Investor seeks to rely on an exemption, that Investor will need to provide the Trustee with sufficient information that demonstrates that the relevant exemption applies.

8.6 Stamp duty

Subject to the comments below regarding Victoria, the acquisition of Units (by issue, transfer or otherwise) in the Fund should not give rise to duty.

In Victoria, the Fund may be a landholder if it has entered into arrangements to participate in the capital growth of a Property which has a value of \$1,000,000 or more. However, provided that an Investor does not, together with associated parties or parties acting under substantially one arrangement, acquire an interest of 20% or more in the Fund, no duty liability should arise. Alternatively, no duty liability arises if Units are issued on a pro rata basis such that the interests of the Unitholders in the Fund remain unchanged before and after the issue of Units.

8.7 Land tax

No land tax implications should arise for any Unitholders.

9 Fees and other costs

9.1 Fees and other costs summary

Fees and other costs in connection with the Fund are set out in this section.

(a) Trustee's fees

The Trustee's fees are the greater of:

- (i) \$2,500*; and
- (ii) a tiered fee in accordance with the following scale:
 - (A) where the gross value of Fund assets is \$150 million or less, 0.06% per annum of the gross value of Fund assets;
 - (B) for that portion of the Fund assets (if any) greater than \$150 million but equal to or less than \$300 million, 0.05% per annum of the gross value of that portion of the Fund assets; and
 - (C) for that portion of the Fund assets (if any) greater than \$300 million, 0.04% per annum of the gross value of that portion of the Fund assets

per calendar month, calculated and payable in arrears.

** Subject to an annual increase of 3.5% on the anniversary of the execution date of the Fund's Trust Deed.*

(b) Trustee's break fee

Where SILC is the Trustee and ceases to be the Trustee (except where it voluntarily retires as Trustee) before the second anniversary of the commencement of the Trust, SILC is entitled to a fee equal to 65% of the balance of the Trustee's Fee that would be payable for the period between the date of cessation as Trustee and the second anniversary of the commencement of the Trust. A replacement or subsequent Trustee is not entitled to this fee.

The Trustee may increase its fees to the amounts set out in the Trust Deed after given prior reasonable notice to Investors.

The Trustee will pay all expenses of the Fund from the assets of the Fund.

(c) Management fee

The Fund will pay the Manager an annual management fee each 6 months payable in advance, commencing on the First Closing Date and ending on the date of the final distribution on winding up of the Fund.

During the first 3 years after the First Closing Date, the management fee will not exceed 0.5% p.a. of the Fund's total Commitments. For the purposes of this calculation, the total Commitments will be adjusted to reflect any new Commitments accepted prior to the calculation date, however, the management fee will be calculated as if the new Commitments were received on or before the First Closing Date.

After the first three years from the First Closing Date, management fee will be adjusted so that, from after that period until the date of final distribution on winding up of the Fund, the

management fee will not exceed 0.5% p.a. of the market value of the total capital invested in investments of the Fund.

The Manager has the sole discretion to waive or defer management fees in line with its not-for-profit objective.

Any management fees paid in advance that are in excess of the maximum amounts described above will be returned or rebated to the Fund annually. Further, any deficiency in the management fees received in advance will be paid on or after the end of each year.

(d) **Establishment costs**

Under the Trust Deed, the Fund may pay (or reimburse the Trustee or the Manager or an associate of either of them) the expenses reasonably incurred in establishing the Fund up to the lower of 1.5% of the aggregate of all Commitments received by the Trustee prior to the Final Closing Date and \$5,000,000 (**Establishment Costs Reimbursement Amount**). Any costs above this maximum amount will be borne by the Manager from its own resources.

Where the establishment costs are incurred in whole or in part by an associate of the Manager (**Funder**):

- (i) notwithstanding that under the power conferred on the Trustee the calculation of the Establishment Costs Reimbursement Amount occurs on, or with effect on, the Final Closing Date, the Funder is deemed to have made on the date the first Units are issued after the First Closing Date, and the Trustee is deemed to have accepted on the First Issue Date, an application for Units in the amount of the Establishment Costs Reimbursement Amount (or any such lesser amount as the Funder may agree) that is actually incurred by the Funder (**Reimbursed Amount**), provided however that the Trustee may require the Funder to enter into a commitment and subscription deed (or an application form) in respect of the application in a form and manner acceptable to the Trustee;
- (ii) the amount of the Commitment in respect of the application for Units is the Reimbursed Amount; and
- (iii) the Commitment is deemed to have been fully paid, and Units will be taken to be issued, at the time of the deemed acceptance of the deemed application described in paragraph (i) above, and the uncalled Commitment is (to the extent relevant) subject to certain adjustments to the 'Paid Up Capital' of the Funder as set out in the Trust Deed. Units issued to the Funder will be of the same class as Units issued on the First Closing Date.

(e) **Other costs and expenses of the Fund**

The Manager will pay its normal operating expenses, such as salaries, benefits, rentals, and overheads, out of its management fee.

The Fund will incur ongoing costs and expenses in operating the Fund.

The Trustee is entitled, under the Trust Deed, to be reimbursed for all costs and expenses that it may incur in the performance of its duties under the Trust Deed.

These costs and expenses include (but are not limited to) costs and expenses in connection with:

- (i) administration and other standard fund expenses, including costs and fees of or associated with the Trustee, custodians (if any), auditors, legal advisers, customer

identification checks under the AML/CTF Law, accounting subscription fees and valuations;

- (ii) preparation and compliance with CRS reporting obligations;
- (iii) any special purpose companies or structures established to hold the Fund's assets;
- (iv) taxes, fees, or other governmental charges;
- (v) dealing with making Commitments, issuing Units and maintaining the Unit register;
- (vi) the retirement and appointment of the Trustee and any custodian;
- (vii) the institution, prosecution, defence or compromise of any claim, investigation, dispute, court proceedings, arbitration or dispute resolution proceedings;
- (viii) convening and holding any meeting of Unitholders and implementing a resolution of such meeting;
- (ix) any actual or proposed investment (including in respect of any due diligence), acquisition, realisation, disposal, valuation, maintenance, alteration, improvement, enhancement, receipt, collection or distribution of any asset of the Fund;
- (x) borrowing, raising money or otherwise obtaining financial accommodation or granting a security interest;
- (xi) ongoing legal and regulatory compliance;
- (xii) costs of services provided by third party consultants and advisers, such as legal, tax, asset and real estate advisers, agents and brokers;
- (xiii) terminating and winding up of the Fund;
- (xiv) IAC expenses;
- (xv) fee and costs payable to any special purpose companies or in respect of any investment vehicles established, operated or managed by the Manager or its associates in relation to investments of the Fund in such companies or vehicles; and
- (xvi) services provided by a related body corporate or other associate of the Trustee in connection with the Trust, where if these fees and costs had been properly incurred by the Trustee they would be reimbursable out of the Fund's assets.

Where the Trustee is entitled to charge an additional fee for time spent on Fund operational matters, it will be at a rate of \$350 per hour or part thereof (increased by 3.5% per annum on each anniversary of the Fund)..

(f) **GST**

Unless otherwise stated, all fees and costs in this section and elsewhere in the PPM are shown exclusive of GST. Where applicable, the relevant service provider will charge to the Fund an amount on account of GST in addition to the relevant GST-exclusive fee / cost. Where the Fund is not entitled to an input tax credit or reduced input tax credit under the GST legislation for GST incurred in respect of the fees, costs and other expenses charged to the Fund, the net cost to the Fund of those expenses will be higher. For information in relation to the taxation implications of an investment in the Fund please see Section 8 (*Taxation information*) of this PPM.

10 Other information

10.1 Trust deed

The Fund's Trust Deed (in addition to the general law) sets out the terms and conditions under which the Fund operates, as well as many of the rights, liabilities, duties and obligations of Investors and the Trustee. Your rights, duties and obligations as a Unitholder will be governed by the Trust Deed and the general law relating to trusts. These rights include the right to attend Unitholder meetings, to make (but not expect satisfaction of) redemption requests, receive distributions, and participate in proceeds of the termination and winding up of the Fund.

Some key terms of the Trust Deed are described below, but it does not summarise all of the provisions. Other terms have been described elsewhere in this PPM, including in relation to the nature of an Investor's interest in the Fund's assets, Commitments, redemptions of Units, Unit pricing, transfers of Units, distributions and Trustee fees.

Investors should refer to the Trust Deed for the detail of the provisions. A potential Investor, and a Unitholder, may obtain a copy of the Trust Deed on request to the Trustee.

(a) **Classes of Units**

Subject to the approval of Unitholders by way of a special resolution, the Trustee may create and issue one or more different classes of Units with rights, obligations or restrictions differing from each other class of Unit, and may at any time consolidate, divide or re-classify Units, provided that any consolidation, division or re-classification must be undertaken for all Units in a Class and does not alter the aggregate beneficial interest in the Fund's assets held by an Investor or value of the relevant Investor's aggregate holding of Units.

Each Class does not have segregated assets and liabilities, and does not constitute a separate trust.

(b) **Security over Units**

A Unitholder may not create any encumbrance or other security interest over a Unit without the consent of the Trustee.

(c) **Trustee's role, obligations and rights**

The Trustee's duties and obligations to Investors are imposed, and functions and powers conferred, by the Trust Deed, the Corporations Act (where relevant) and general law.

Examples of the Trustee's powers include acquiring and disposing of the Fund's assets, entering into agreements, operating accounts, and raising money.

Under the Trust Deed, the Trustee has (among other things) a broad power of investment, an entitlement to be paid the specified fees out of the Fund's assets, a right to pay out of the Fund's assets fees and costs incurred by the Trustee in the performance of its duties (including payment of the fees and costs of the Manager under the Investment Management Agreement, and other Fund expenses such as in connection with custody, administration, valuation and dealing of Fund assets), and (subject to limitations operating by law) a right to be indemnified out of the Fund's assets for any fees or costs incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

(d) **Trustee's indemnity and limitation of liability**

The Trustee, as the trustee of the Fund, has to the fullest extent permitted by law, a right to be indemnified out of the Fund's assets for any cost, expense liability incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

To the fullest extent permitted by law, the Trustee is not liable in contract, tort or otherwise to any future trustee, any Unitholder or any other person.

(e) **Liability of Unitholders**

The liability of a Unitholder is limited to its uncalled Commitment, subject to the liability associated with a Unitholder's particular Unit holding (such as the obligation to pay Commitment Calls) or the clawback of distributions described in Section 4.6 (*Clawback of distributions*) of this PPM.

(f) **Trustee's retirement and removal**

The Trustee may retire as trustee of the Fund effective on the appointment of a replacement trustee, by giving notice to the Unitholders.

The Trustee must retire as trustee of the Fund when required by law or directed to retire by a special resolution provided that Unitholders holding in aggregate at least 50% of all Units on issue vote (in person or by proxy) on the resolution and provided that the Trustee must not retire until a replacement trustee is appointed.

(g) **Termination of the Fund**

The term of the Fund and the extension of the fixed term of the Fund is described in Section 3.5 (*Term of the Fund, Investment Period and exit strategy*) of this PPM.

In addition, the Unitholders may at any time terminate the Fund by special resolution provided that Unitholders holding in aggregate at least 75% of all Units on issue vote (in person or by proxy) on the resolution.

(h) **Amending the Trust Deed**

Where the Fund makes an election to be an AMIT, the Trustee may amend the Trust Deed without the approval of Unitholders if, in the reasonable opinion of the Trustee, the amendment:

- (i) is necessary or advisable to comply with the law;
- (ii) is necessary or advisable to avoid:
 - (A) the Fund or the Trustee being subject to taxation; or
 - (B) any other material adverse effect on the Fund or the Fund assets;
- (iii) is necessary to correct a manifest error, or is otherwise of a formal, technical or administrative nature;
- (iv) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision; or
- (v) in any other case, is not materially prejudicial to the interests of Unitholders as a whole.

In other circumstances (where the Fund makes an election to be an AMIT), the approval of Unitholders by special resolution is required to amend the Trust Deed.

Where the Fund has not made an election to be an AMIT, the Trust Deed:

- (i) may be amended by the Trustee in any way if the amendment would not have an adverse effect on any Unitholder; and
- (ii) must be amended by the Trustee in any way if the amendment is approved by a special resolution of Unitholders, provided that any amendment that would adversely affect a Unitholder's rights or obligations under the Trust Deed must also be approved by that Unitholder.

10.2 Investment Management Agreement

The Trustee and Manager have entered into an investment management agreement (**IMA**). Under the terms of the IMA:

- (a) the Trustee appoints the Manager to promote and distribute the Fund, source investments for the Fund and manage the investments of the Fund;
- (b) the Trustee agrees with the Manager to manage the Fund in accordance with relevant laws and the terms of the Trust Deed;
- (c) the Manager agrees to provide regular reporting to the Trustee and be subject to the regular monitoring of the Trustee. The Manager also agrees to provide proper instructions for the making of investments in the Fund;
- (d) the fees and expenses payable to the Manager and Trustee are specified; and
- (e) terms are set out for the termination of the IMA including where either party has breached the IMA or becomes insolvent, or on notice after the minimum appointment period for the Trustee has been satisfied.

Under the IMA, and subject to the Trustee's limitation of liability set out in the IMA, the Trustee indemnifies the Manager against any liabilities reasonably incurred by the Manager arising out of, or in connection with the Manager or any of its officers or agents properly acting under the IMA or on account of any bona fide investment decision made by the Manager or its officers or agents, except to the extent that any liability is caused by:

- (a) any gross negligence, fraud, default or dishonesty of the Manager or any of its officers, employees or supervised agents;
- (b) the Manager's material breach of the IMA; or
- (c) any act or omission of the Manager or any of its officers, employees or agents that causes the Trustee to be liable to Unitholders for which the Trustee has no right of indemnity from the Fund.

10.3 Related party investments and transactions

Related parties of the Trustee and Manager, including employees, family, friends and associated affiliates, may invest in the Fund.

The Trustee and Manager may appoint any of their related entities to provide services and to perform functions in relation to the Fund, including acting as their delegate. These arrangements will be based on arm's length commercial terms.

The Trustee may be paid a fee for work performed in connection with the Fund in its personal capacity and not in its capacity as the responsible entity or trustee of the Fund. The Trustee may retain these fees for its own purposes and is not required to account for them to the Fund or to Unitholders.

In the course of managing the Fund, the Trustee and Manager may have conflicts in respect of their duties in relation to the Fund, related funds and their own respective interests. The Trustee and Manager have policies and procedures in place to manage these appropriately.

The Trustee and Manager may not engage in transactions with a related body corporate of the Trustee or Manager respectively, unless otherwise approved by the IAC.

10.4 Privacy information statement

The Trustee and the Manager may collect personal information from Investors as part of the application process or during the administration of the Fund.

The Trustee and the Manager use this information to establish and manage that investment for you. If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest in the Fund.

Under the *Privacy Act 1988* (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date.

The Trustee and the Manager may disclose Investors' personal information to external service providers engaged to supply administration, financial or other services, and anyone that Investors have authorised (including an Investor's custodian or financial adviser) or if required by law. The Manager is obliged, under the Investment Management Agreement, to adhere to the Trustee's privacy policy.

Under various laws and regulatory requirements, the Trustee may have to pass on certain information to other organisations, such as the Australian Taxation Office or the Australian Transaction Reports and Analysis Centre (or 'AUSTRAC').

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with anti-money laundering and counter terrorism financing laws or in connection with the holding of application moneys.

The Trustee may also use your information to provide you with details of future investment offers made by it or the Manager. You will be able to opt out of receiving notification of these offers.

The Trustee's privacy policy is available from the Trustee. The Manager's privacy policy is available from the Manager.

10.5 Further information from Investors

As a part of making a Commitment to the Fund, Investors will be required to provide customer identification materials to enable the Trustee's compliance with anti-money laundering and counter terrorism financing legislation. In addition to the customer identification material and documents required to be sent with an Investor's completed Application Form, the Trustee may require further information or documentation from an Investor at any time in order to satisfy its obligations under anti-money laundering and counter terrorism financing legislation.

10.6 Eligible Investors

Only Wholesale Clients may make a Commitment to the Fund. The Manager or Trustee may request information from an Investor to determine to its own satisfaction that the Investor is a Wholesale Client.

Investors agree to make Commitments on terms set out in the Trust Deed and this PPM.

10.7 Consents

Each of the Manager, the Administrator, BDO Australia (accounting and auditor adviser), Hall & Wilcox (legal advisers) and Clayton Utz (tax advisers):

- (a) has made no statement included in this PPM or on which a statement made in this PPM is based, other than the details about it, and the other sentences in this PPM that refer to it;
- (b) has consented to those statements being included in this PPM in the form and context in which they appear and has not withdrawn this consent before the date of this PPM;
- (c) specifically disclaims responsibility for, and liability to any person in the event of, any omission from, or any false or misleading statement included in, any other part of this PPM; and
- (d) has not authorised or caused the issue of any part of this PPM.

10.8 Electronic instructions

Investors can provide instructions on their account and investment to the Trustee by email, subject to the Trustee's discretion to require original documentation.

In respect of electronic instructions, the Trustee will not accept an instruction unless it is accompanied by the scanned signature(s) of the Investor(s) or as otherwise determined by the Trustee.

The Trustee (and its related parties, officers, employees, consultants, advisers and agents) will not be responsible for any loss or delay that results from a transmission not being received by the Trustee and will only process electronic instructions received in full and signed by authorised signatories of the Investor.

Only instructions received from an Investor or a person authorised by the Investor will be accepted by the Trustee. Investors must comply with any security or verification procedures required by the Trustee from time to time.

The Trustee and its related parties, officers, employees, consultants, advisers and agents will assume that any instruction received in respect of an Investor's investment has been authorised by the Investor, and the Trustee and its related parties, officers, employees, consultants, advisers and agents will not investigate or confirm that authority (unless the Trustee is actually aware that the instruction was not authorised).

The Trustee may refuse to act on any instruction until the validity of the instructions have been confirmed, and the Trustee (and its related parties, officers, employees, consultants, advisers and agents) will not have any liability to the Investor or any other person for any consequences resulting from not acting on the instruction.

If an Investor chooses to provide electronic instructions, the Investor releases the Trustee and its related parties, officers, employees, consultants, advisers and agents from any claims and indemnifies those parties against all costs, expenses, losses, liabilities or claims arising from any

payment or action those parties make based on instructions (even if not genuine) that any of those parties receive and which they reasonably believe are genuine, including as a result of gross negligence or wilful default by any of those parties.

Each Investor also agrees that neither the Investor, nor anyone claiming through the Investor, has any claim against the Trustee and its related parties, officers, employees, consultants, advisers and agents in relation to acting on instructions received (authorised by the Investor or otherwise).

Investors should be aware that there is a risk that fraudulent requests can be made by someone who has access to an Investor's account information.

The Trustee may vary the conditions of service of any communications at any time by providing notice, either in writing, by email or other electronic communication.

10.9 Anti-money laundering law

The Trustee is required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and related laws (**AML/CTF Law**).

As a part of making an application for Units, Investors will be required to provide customer identification materials to enable the Trustee's compliance with AML/CTF Law. In addition to the customer identification material and documents required to be sent with an Investor's Application Form, the Trustee may require further information or documentation from an Investor at any time during the period of their investment in the Fund in order to satisfy its obligations under AML/CTF Law.

For example, the Trustee may need to identify:

- (a) an Investor prior to subscribing for units in the Fund. The Trustee will not issue units until all relevant information has been received and an Investor's identity has been satisfactorily verified; and
- (b) anyone acting on behalf of an Investor, including a power of attorney.

In some circumstances, the Trustee may need to re-verify this information.

By applying to invest in the Fund, Investors also acknowledge that the Trustee may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause the Trustee to commit or participate in an offence under, any AML/CTF Law, and the Trustee will incur no liability to Investors if it does so.

10.10 Tax file number (TFN) and Australian business number (ABN)

Australian tax resident Investors may provide their TFN or TFN exemption on the Application Form. It is not compulsory for a TFN or exemption to be provided, however you must declare your primary tax residence and the Trustee may be required to deduct tax from any distribution payable to you at the highest marginal tax rate plus the Medicare levy (and any other levies applicable, from time to time). The collection of TFNs is authorised, and their use is strictly regulated by tax and privacy laws.

10.11 Common reporting standards (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Trustee will be a 'Reporting

Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain Investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

10.12 Investor Meetings

- (a) Under the Trust Deed, the Trustee may elect to call a meeting of all Investors or Investors who hold a particular class of Units. In the latter case, only Investors who hold those Units are entitled to attend and vote at the meeting.
- (b) In respect of a meeting of all Investors, Investors with at least 67% of the votes that may be cast on the resolution can request the Trustee to call and arrange such a meeting.

10.13 Investor inquiries

If an Investor has any questions or complaints, the Investor should contact the Trustee in writing. The Trustee will acknowledge an Investor's query or complaint in writing within 5 Business Days. The Trustee will then give proper consideration to the complaint and advise the Investor of the outcome within 30 days after acknowledgment of the complaint. However, complex complaints may take longer to resolve. In these cases, the Trustee will regularly update you on the progress and likely timeframe for resolution. The Trustee's contact details may be found in Section 12 (*Directory*) of this PPM.

11 Glossary

In this PPM the following terms have the following meanings unless the context otherwise requires:

Term	Meaning
ADI	authorised deposit taking institution.
AFSL	Australian financial services licence issued by ASIC under the Corporations Act.
Administrator	at the time of this Private Placement Memorandum, SILC Funds Administration Pty Ltd (ACN 628 993 386).
AMIT	Attribution managed investment trust.
AML/CTF Law	has the meaning given in Section 10.9 (<i>Anti-money laundering law</i>) of this PPM.
APRA	Australian Prudential Regulation Authority.
Application Form	the form for the application for Units under the Offer, the form of which (including via electronic means) is determined by the Trustee from time to time.
ASIC	Australian Securities and Investments Commission.
Bank Bill Rate	the average daily rate for 90 day bills displayed on or about 10.45am on that day on the BBSY page (or its successor page) of the Reuters monitor screen.
Business Day	a day that is not a Saturday, Sunday, bank holiday or public holiday in Melbourne and Sydney, Australia.
Commitment	the capital commitment made by an Investor to the Fund under the Application Form and on terms governed by the Trust Deed and this PPM.
Commitment Call	a call by the Trustee, in consultation with the Manager, to an Investor for part or all of the Investor's uncalled Commitments on terms governed by the Trust Deed.
Commitment Termination Date	has the same meaning as in the Trust Deed.
Corporations Act	<i>Corporations Act 2001</i> (Cth) and regulations and other subordinate legislation made pursuant to that Act.
Eligible Investor	a Recipient that is a Wholesale Client who accepts the conditions set out in the 'Important Notices' section of this PPM.
Equity Contribution	the contribution made by the Fund to the purchase price of the Property acquired by the Homeowner.
Final Closing Date	19 October 2024, which is the date that is 24 months after the First Closing Date.
First Closing Date	20 October 2022, which is the date on which the first Commitment was accepted by the Trustee.
Fund	HOPE Housing Investment Trust established by the Trust Deed.
GST	'GST' as defined in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

Term	Meaning
Homeowner	the person who acquires or proposes to acquire (as the case may be) a real estate asset forming part of or which will form part of (as the case may be) the Portfolio.
HOPE, Manager	HOPE Housing Fund Management Limited ACN 629 589 939.
Investment Management Agreement, IMA	the investment management agreement between the Trustee and the Manager dated on or around the date of this PPM.
Investment Period	has the meaning given in Section 3.5 (<i>Term of the Fund, Investment Period and exit strategy</i>) of this PPM.
Investor, you, your	a Unitholder, a prospective Unitholder or an applicant for a Unit under the Offer, as the context requires.
Investor Advisory Committee, IAC	the investor advisory committee established by the Trustee under the terms of the Trust Deed with functions and roles described in this PPM.
IRR	internal rate of return.
Issue Price	the price at which a Unit is issued.
Lending Partner	a financier with whom the Trustee and Manager has a commercial agreement to secure funding for Homeowners.
Net Asset Value, NAV	the total value of the Fund's assets less the total value of the Fund's liabilities, as determined under the Trust Deed.
NAV per Unit	NAV divided by the number of Units on issue in the Fund.
Offer	the offer to make an investment in the Fund subject to the terms of this PPM and the Trust Deed.
Paid Up Capital	has the same meaning as in the Trust Deed.
Portfolio	the portfolio of Security Interests.
Property, Properties	a residential property acquired, or to be acquired, by a Homeowner with the assistance of an Equity Contribution.
Private Placement Memorandum, PPM	this document.
Recipient	a person who receives this PPM.
Security Interest	a registered charge or registered mortgage, as the case may be, over a Property.
Trust Deed	the trust deed of the Fund dated 20 April 2022, as amended or replaced from time to time.
Trustee	the trustee of the Fund, being, at the time of this Private Placement Memorandum, Specialised Investment and Lending Corporation Ltd (ACN 149 520 918).
Unit	a unit in the Fund, with the rights, obligations and restrictions attaching to it as set out in the Trust Deed.
Unitholder	a person who holds a Unit.
Valuation Policy	the valuation policy of the Manager described in Section 6.5 (<i>Valuation methodology</i>) of this PPM.

Term	Meaning
Wholesale Client	has the same meaning as 'wholesale client' under the Corporations Act.

12 Directory

Trust

HOPE Housing Investment Trust

Trustee

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Manager

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