



NORTHROCK OPPORTUNITY FUND

ARANA HILLS

Issuer: Investify Pty Ltd
ABN 33 656 263 124
AFSL 540543



IMPORTANT NOTICE

This Information Memorandum (**IM**) is dated 22 May 2024. It has been prepared and issued by Investify Pty Ltd ABN 33 656 263 124 AFSL 540 543 (**Trustee, we, us, our**) as trustee of the Northrock Opportunity Fund – Arana Hills (**Fund**). This IM relates to an offer (**Offer**) of units in the Fund (**Units**). The purpose of this IM is to provide information to prospective investors in the Fund (**Investors, you, your**) to assist you in deciding whether to invest in the Fund. The Offer may only be accepted by Wholesale Clients.

The Fund is a managed investment scheme structured as a unit trust. It is not (nor is it obliged to be) registered with ASIC.

Units issued under this IM will be issued by the Trustee on the terms and conditions set out in the Constitution and in this IM. The Trustee is not obliged to accept applications for Units and reserves absolute discretion to refuse any application for Units.

GENERAL INFORMATION ONLY

This IM contains general information only and is not a prospectus or a product disclosure statement. This IM outlines matters pertaining to the investment the Fund proposes to make and such matters do not constitute a comprehensive statement of the costs, benefits, risks and other characteristics of the Fund. It has been prepared without taking into account the investment objectives, financial situation or needs of any Investor.

This IM does not purport to contain all the information that may be required to evaluate a possible investment in the Fund. The Trustee makes no warranties or representations regarding the timeliness, quality, accuracy, or completeness of the information in this IM. Notwithstanding the disclosures contained within this IM, Investors are strongly encouraged to conduct their own due diligence and satisfy themselves in all respects with reference to financial, legal, technical, environmental, taxation, accounting and all other aspects of the offer prior to subscribing to the Offer. Investors must rely on their own representatives and advisers as to legal, tax and related matters concerning an investment into and holding Units in the Fund.

To the maximum extent permitted by law, the Trustee and each member of the Northrock group, and their associates, related parties, directors, officers, employees, advisors (including financial, accounting and legal advisors), agents or representatives disclaim all and any liability for any loss or damage that may be suffered by any person relying upon any information contained in this document or otherwise arising out of the use of all or part of, or any omission, inadequacy or inaccuracy in, the information presented in this IM. Investments in the Fund are governed by the Constitution, this IM, the Application Form and other documents referred to within them (each as amended, varied, updated, supplemented or replaced from time to time), and nothing in this IM limits or qualifies the powers and discretions conferred upon the Trustee under those documents.

FORWARD-LOOKING STATEMENTS

This IM contains forward-looking statements that are identified by words such as “believe”, “intend”, “estimate”, “expect”, “anticipate”, “predict”, “target”, “outlook”, “guidance”, “forecast” and other words of similar meaning that involve risks and uncertainties. All forward-looking statements, including those regarding the Fund’s financial position and investment strategy, are subject to factors that could cause the performance of the Fund to differ materially from that expressed or anticipated in these statements. The forward-looking statements in this IM are based on numerous assumptions regarding the Fund’s present and future operations and investment strategies and the markets in which the Fund operates, and not all of these assumptions are referred to in this IM. These forward-looking statements are current and were made only at the date of this IM having been based on current expectations and beliefs, and involve risks, contingencies, uncertainties and other factors that are beyond the control of the Trustee, which may cause actual outcomes to be materially different. There is no assurance that such statements, estimates or projections will be realised or will apply in the future and therefore they should not be relied upon as indicative of future matters. Assumptions underlying such statements involve judgments about events that may be difficult to accurately predict. Therefore, such forward-looking statements included in this IM may prove to be inaccurate and should not be relied upon as indicative of future matters.

No information contained in this IM constitutes a prediction or forecast as to the performance of any investments. Any historical information contained in this document is provided by way of illustration only, past performance is not a guide to future performance and actual performance may differ materially. Assumptions upon which financial illustrations are based may differ from actual circumstances.

NO PERFORMANCE GUARANTEE

Neither the Trustee nor its associates or directors guarantee the future success of the Fund, the repayment of capital or any particular rate of capital or income return. Investment products are subject to investment risk, including income opportunity cost and/or the possible loss of capital invested. Past performance is not a reliable indicator of future outcomes.

None of the Trustee or any of its related bodies are obliged to provide any liquidity or secondary market support for dealing in Units.

In considering the investment objective contained in this IM, prospective Investors should bear in mind that there can be no assurance that the Fund will achieve its investment objective, that the investment objective will be met or that the Fund will be able to implement its investment strategy and investment approach.

RISK

An investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Further information in relation to the risks associated with an investment in the Fund is contained in Section 5 of this IM.

CONFIDENTIALITY

Information contained in this IM is confidential proprietary information to the Trustee and may not be copied, reproduced or redistributed, directly or indirectly, in whole or in part, to any person in any manner without the prior written consent of the Trustee. Use of any information in this IM for a purpose other than assessing the making of an investment in the Fund is not permitted.

No person is authorised to give any information or to make any representation about the Fund and the offer of Units which is not contained in this IM without the prior written consent of the Trustee. Any such information given to an Investor or prospective Investor must not be relied upon as having been authorised by the Trustee or any other party mentioned in this IM.

GOVERNING DOCUMENTS

Investments in the Fund are governed by the Constitution and nothing in this IM limits or qualifies the powers and discretions conferred upon the Trustee under the Constitution. Prospective Investors should refer to the complete set of governing transaction documents for the Fund (including the Constitution, this IM and the Application Form) prior to making an investment in the Fund.

To the extent that there is an inconsistency between this IM and the Constitution of the Fund, the Constitution prevails.

UPDATED INFORMATION

The information contained in this IM is up-to-date at the time of preparation, and some of the information may change from time to time. The Trustee may change this IM from time to time without notice and does not have any obligation to update the contents of this IM.

JURISDICTION

This IM does not constitute an offer, invitation or solicitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, invitation or solicitation. The distribution of this IM outside Australia may be restricted by the laws of other jurisdictions where it is distributed and therefore persons who come into possession of this IM should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws. The offer to subscribe for Units in the Fund is subject to the terms and conditions of this IM. In particular, this IM does not constitute an offer to sell, or the solicitation of an offer to buy, the Units in the United States. The Units have not been, and will not, be registered under the United States (US) Securities Act of 1933 (Securities Act) or under the securities laws of any State or other jurisdiction of the US and may not be offered, sold, delivered or transferred in the US or to, or for the account of, any "US Person" (as defined in Regulations under the Securities Act). None of this IM, the Application for Units or other material relating to the Units may be distributed in the US.

GLOSSARY, IMAGES AND CURRENCY

Certain capitalised words and expressions used in this IM are defined in the Glossary. Photographs are not assets of the Fund unless otherwise indicated. Any diagrams, charts, graphs, tables and computer graphic imagery are illustrative only, may not be drawn to scale and may not accurately represent the final appearance of its subject matter. All dollar amounts are in Australian dollars, unless otherwise indicated.

TRUSTEE LIMITATION OF LIABILITY

In accordance with the Constitution of the Fund, the Trustee enters into transactions for and on behalf of the Fund in its capacity as trustee of the Fund only, and not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund. Any liability of the Trustee arising in connection with the Fund is limited to the extent to which the liability can actually be satisfied out of the assets of the Fund, except in certain circumstances in accordance with the Constitution (including to the extent such liability is not satisfied because there is a reduction of the Trustee's indemnification out of the assets of the Fund as a result of the Trustee's fraud, negligence or wilful default).

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SECTION 1

KEY FEATURES

KEY FEATURES

1. KEY FEATURES

The following table contains a summary only of the key features of an investment of the Fund. Before making an investment in the Fund, Investors should read the IM in its entirety.

| Feature | Description | Refer to Section |
|--|---|------------------|
| Key entities involved in the Fund | | |
| Trustee, issuer and lender | Investify Pty Ltd ABN 33 656 263 124 AFSL 540 543 | 2.1 |
| Sole director of the Trustee | Scott Northcott | 2.3.1 |
| Fund objective and strategy | | |
| Investment objective | The Trustee is seeking to deliver Investors a pre-tax return of 15% per annum on their investment money for the term of the Fund, net of fees and costs (but excluding tax) while preserving Investor capital. ¹ | |
| Investment strategy | <p>The Trustee will use the equity raised under the Offer to lend to its related body corporate, the Borrower, for the purposes of:</p> <ul style="list-style-type: none"> • acquiring the Property and then developing the project will also require additional construction debt funding; • to pay the costs of the Offer; and • to pay management fees to the Trustee and the costs of operating the Fund. | |
| Anticipated investment time frame | <p>24 months. The Trustee expects the Borrower to repay the Loan within 24 months of its initial drawdown rather than at the end of the term of the Loan (36 months). The Trustee intends to commence winding up the Trust and redeeming all investments shortly after the repayment of the Loan.</p> <p>However, this anticipated investment time frame is subject to a number of factors, including the risks associated with delays in construction, and the Borrower repaying the Loan and interest earlier than its repayment date under the Loan Agreement.</p> | |
| Benefits and risks | | |
| Benefits | <p>The potential benefits of investing in the Fund include:</p> <ul style="list-style-type: none"> • participation in lending generally only available to banks and non-bank lenders; • an attractive target return; • an experienced Development Manager with a proven track record; • secured lending; and • solid Project feasibility. | |
| Risks | <p>The risks of investing in the Fund include (but are not limited to):</p> <ul style="list-style-type: none"> • related party risk; • counter-party credit risk; • security risk; • development and construction risk; and • concentration risk. | 5 |
| Loan details | | |
| Borrower | Arana Hills SPV Pty Ltd ATF Arana Hills SPV Trust ABN 88 228 202 703, an entity incorporated for the sole purpose of acquiring the Property and carrying out the Project. | 3.2 |

¹ Please note, this is an objective, not a forecast. No returns are guaranteed.

KEY FEATURES

| Feature | | Description | Refer to Section |
|---------------------|---|---|------------------|
| Key Terms | Facility Limit | \$7,500,000 | 3 |
| | Term | 36 months from the first draw down (Repayment Date). The Borrower may repay the Loan at any time, without incurring an early repayment fee. | |
| Key Terms | Interest rate | 15% per annum simple interest. Interest payments are not required to be made until the Repayment Date. | 3 |
| | Security | The Loan will initially be secured by a first-ranking mortgage over the Property, a general security agreement over all the present and after-acquired property of the Borrower, but this Security will be subordinated to any security granted to the Senior Lender once the Borrower obtains the Senior Finance to complete the construction and associated works. | |
| | LVR | The Borrower undertakes to the Trustee that the aggregate of the outstanding principal and all other moneys owing by it to the Trustee under the Loan Agreement will not at any time exceed 80% of GRV. | |
| Project details | | | |
| Project | Description | The acquisition of the Property, the subdivision of the Property into three lots and the construction on those lots of a: <ul style="list-style-type: none">commercial gym and associated parking;self-storage complex; anda series of industrial units. Development approval for the Project has not yet been lodged and so ultimately the Project may be different. | 4 |
| | Estimated cost to complete | \$21,825,000 | |
| | Estimated Project completion date | October 2026 | |
| | Estimated gross realisable value | \$27,550,000 | |
| Lease | The group has received a signed Intent to Lease the proposed gym at 139 Bunya Road Arana Hills, for an initial term of 15 years. The national franchise group is agreeing to take over the entirety of lot 1 incorporating the 2,000m ² gym building. The Agreement includes an annual rent increase clause. The agreed commencement date is 60 days from practical completion. | | |
| Property | Location | 139 Bunya Road, Arana Hills, QLD 4054 | 4.2 |
| | Purchase price | \$4,500,000 | |
| | Current Zoning | Industry – Light Industry | |
| Development Manager | Real Property Advice Pty Ltd ABN 65 619 825 482 | | 4.6 |

KEY FEATURES

| Feature | Description | Refer to Section |
|----------------------------------|---|------------------|
| Offer Details | | |
| Target capital raising | <p>\$7,500,000, with a minimum subscription amount of \$1,500,000.</p> <p>If the minimum subscription amount is not raised by the Offer Closing Date, then the Trustee will return all Application Money and any interest earned on Application Money (less any bank fees) to Investors.</p> <p>If applications are received in excess of the target equity raising, then each Investor's application will be scaled back proportionately.</p> | |
| Offer Closing Date | January 2025 unless altered by the trustee. | |
| Issue price | \$1.00 per Unit | |
| Minimum investment amount | \$100,000 or such other amount as the Trustee determines in its absolute discretion. | |
| Investment time frame | The Trustee intends to commence winding up the Trust and redeeming all investments by no later than 36 months after the first draw down under the Loan. However, this is subject to a number of factors, including the Borrower repaying the Loan and interest in accordance with the Loan Agreement. | 6.2 |
| Fund details | | |
| No withdrawals | <p>Investors should consider an investment in the Fund as illiquid. Investors may only withdraw their investment in the Fund pursuant to a withdrawal offer being made by the Trustee. The Trustee does not intend to make withdrawal offers until the Loan has been repaid (in part or in full). Although Investors may transfer their units to another Wholesale Client (with the consent of the Trustee), there is no secondary market for Units.</p> <p>The Trustee may, in its absolute discretion, compulsorily redeem all or a portion of Units held by an Investor. Any such redemption will occur at the prevailing unit price which is based on the Fund's NAV.</p> | |
| Distributions | <p>The Trustee does not intend to make any distributions of income or capital (if any) until the Loan has been repaid (in part or in full).</p> <p>If the Loan and all outstanding interest is repaid by the Borrower on the Repayment Date (or earlier), then the Trustee intends to make all distributions of income shortly thereafter and redeem all Investor's Units in the Fund as part of winding up the Fund. If the Borrower repays the Loan in part before the Repayment Date, then the Trustee may distribute the money received and may redeem part of an Investor's capital.</p> | 8.1 |
| Fees and other costs | The Trustee is entitled to be reimbursed for the costs of establishing the Fund (estimated to be \$50,000) and the ongoing costs of operating of the Fund, as well as a loan establishment fee of 2% of the Facility Limit (\$150,000 assuming the target subscription is reached) and an ongoing management fee of 2% per annum of the Fund's Net Asset Value (\$150,000 per annum assuming the target subscription is reached). These fees are payable to the Trustee by the Borrower pursuant to the Loan Agreement. | 7 |
| Contacts details | <p>All inquiries about the Fund should be directed to the Trustee:</p> <p>By email: invest@northrock.com.au</p> <p>By phone: 1300 667 789</p> <p>By mail: GPO Box 888, Brisbane, QLD, 4001</p> | |



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SECTION 2

KEY ENTITIES INVOLVED
IN THE FUND

KEY ENTITIES INVOLVED IN THE FUND

2. KEY ENTITIES INVOLVED IN THE FUND

2.1 THE NORTHROCK GROUP

The Trustee, Borrower and Development Manager are all members of the Northrock group of companies.

The Northrock group began its evolution in 2017. It is owned and controlled by Scott Northcott, who is the sole director and controller of the Trustee, the Borrower and the Northrock Investments is part of the broader Northrock group.

2.2 TRUSTEE

The Trustee, Investify Pty Ltd ABN 33 656 263 124, was incorporated in 2021 and holds Australian Financial Services Licence number 540543.

Since its inception the Trustee has methodically gone about recruiting specialist investment professionals to assist in its operation.

Pursuant to a corporate restructure of the Northrock group's business, the Trustee's related body corporate, Investify Securities Ltd ACN 673 569 983, has made an application for its own AFSL. Once (or if) that AFSL is granted, the Trustee intends to retire as the trustee of the Fund and appoint Investify Securities Ltd in its place.

2.3 THE TRUSTEE'S KEY PERSONNEL

2.3.1 Scott Northcott – Sole Director

The sole director of the Trustee is Scott Northcott, an experienced property developer who holds qualifications in real estate, financial planning and mortgage broking. Having produced advanced research in real estate land cycles, he is also an active property investor. He has been involved in hundreds of high value deals, from corporate contracts and development acquisitions to individual property transactions. Scott's has considerable management capabilities, having overseen a range of property activities including property advisory, acquisition and development management. Scott has experience in property acquisition and investor communications in Australia the United States. Scott holds a Diploma in Financial Planning, a Certificate IV in Finance and Mortgage Broking, he is a Licenced Real Estate Agent, Queensland and a Qualified Property Investment Advisor.

2.3.2 Michael Daley – Manager

Michael has been responsible for property assets valued at over \$1b during his 23-year career in real estate. As a specialist asset manager, Michael's strengths lay in managing risk, increasing income and maximising portfolio value.

Michael has managed, leased and sold industrial and office assets for listed and unlisted Australian, Singaporean and US property funds. The majority of these properties were located along the eastern seaboard of Queensland including Gold Coast, Brisbane, Sunshine Coast, Gladstone, Townsville and Cairns.

He is a licensed real estate agent and holds a Bachelor of Urban Development (Property Economics) and a Bachelor of IT (Software Engineering and Data Communication).

2.3.3 Jason Walvin – Manager

Jason brings a unique mix of business and project management. Jason's background in business management and accounting provides financial and business management across the group. Jason's professional career has spanned almost 30 years of management and senior management roles having worked in small boutique business through to large multinationals such as Brightpoint Australia working on major project with Telstra & Vodafone, Integra Communications & Enitiative.

Jason holds qualification in property with a Diploma in Property, having studied a Bachelor of Business – Accountancy and currently undertaking an MBA.

Scott, Michael and Jason are all directors of Investify Securities Limited, which the Trustee intends to take over the Fund as trustee if it receives its AFSL.

2.4 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

The primary purpose of the Fund is to lend the money it raises to the Borrower, which is a related party of the Trustee and part of the Northrock group. The Borrower has engaged the Development Manager to deliver the Project to the Borrower and the Development Manager is also a related party of the Trustee and part of the Northrock group.

Members of the Northrock group, including its employees, family and associated affiliates, may invest in the Fund on the same terms as other Investors in the Fund.

Under the Constitution, the Trustee may appoint any of its related entities to provide services and to perform functions in relation to the Fund, including acting as its delegate. The Trustee may also enter into financial or other transactions with related entities in relation to the assets of the Fund and may sell assets or purchase assets from a related entity.



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SECTION 3

LOAN DETAILS

LOAN DETAILS

3. LOAN DETAILS

3.1 KEY TERMS

| | |
|--|---|
| Borrower | Arana Hills SPV Pty Ltd ATF Arana Hills SPV Trust |
| Type of loan | Specialised debt facility |
| Facility Limit | \$7,500,000 |
| Interest rate | 15% per annum, simple interest |
| Interest payment dates | Interest is payable by a balloon repayment on the Repayment Date. |
| Anticipated investment time frame | 24 months. The Trustee expects the Borrower to repay the Loan within 24 months of its initial drawdown rather than at the end of the term of the Loan (36 months). The Trustee intends to commence winding up the Trust and redeeming all investments shortly after the repayment of the Loan. However, this anticipated investment time frame is subject to a number of factors, including the risks associated with delays in construction, and the Borrower repaying the Loan and interest earlier than its repayment date under the Loan Agreement. |
| Purpose | The Borrower may only use the lent funds to: (a) acquire the Property; (b) pay the costs of undertaking the Project; and (c) pay the costs of the Offer and the ongoing management costs of the Fund. |
| Security | The Loan will initially be secured by a first-ranking mortgage over the Property, a general security agreement over all the present and after-acquired property of the Borrower, but this security pool will be subordinated to any security granted to the Senior Lender once the Borrower obtains the Senior Finance. |
| LVR | The Borrower undertakes to the Trustee that the aggregate of the outstanding principal and all other moneys owing by it to the Trustee under the Loan Agreement will not at any time exceed 80% of GRV. |

3.2 ABOUT THE BORROWER

Arana Hills SPV Pty Ltd ATF Arana Hills SPV Trust was incorporated for the sole purpose of acquiring the Property and carrying out the Project. Scott Northcott is the sole director of the trustee of the Borrower and his family trust is the sole owner of the shares and units in the Borrower. The Borrower was incorporated in 2024 and holds \$120.00 in equity and assets, and is the option-holder for the Property.

3.3 THE LOAN AGREEMENT

The Loan Agreement sets out the terms on which the Trustee will lend money up to the Facility Limit to the Borrower and the rights and obligations of the parties to that agreement.

The Loan Agreement also includes key matters such as the conditions precedent and conditions subsequent to the Borrower drawing down the Loan, undertakings by the Borrower, representations and warranties by the Borrower and the terms of the operation of the Borrower including the interest entitlements under the Loan Agreement, and other matters relating to the payment of funds by the Borrower.

Key conditions precedent that must be met before the Borrower is able to draw down against the Loan include:

- the grant of the Security;
- receipt of draft terms from a Senior Lender to provide a construction debt facility to the Borrower satisfactory to the Borrower and the Trustee; and
- confirmation as to the status of the development approvals required to be able to carry out the Project to the satisfaction of the Trustee.

The Borrower must not, without the Trustee's prior written consent:

- create any liability by way of further financial indebtedness other than the Senior Finance;
- create any mortgage, charge or other security interest affecting or relating to the Project (other than in relation to the Senior Finance);
- issue or redeem new shares or other securities in the Borrower, or
- amend the development management agreement with Real Property Advice in a manner which materially impacts the Fund.



4

SECTION 4

THE PROJECT
AND THE PROPERTY

THE PROJECT AND THE PROPERTY

4. THE PROJECT AND THE PROPERTY

4.1 THE PROJECT

The Borrower intends to acquire the Property and construct mixed use commercial buildings on three newly subdivided lots comprising:

- Commercial gym and associated parking
- Self-storage complex
- Industrial units

4.2 THE PROPERTY

The Borrower's related entity has entered into an option to purchase the property located as at 139 Bunya Road, Arana Hills, QLD 4054 (**Property**).

Currently a 1.71 hectare parcel of land with an 84.4 metre road frontage and 165.7 metre depth, the Development Manager anticipates that it will be subdivided into three titles. The subdivided lots, each with different use characteristics. A driveway along the eastern boundary enables access to the three respective sites each with their own uniquely designed entrance and dedicated vehicle parking. The site has a relatively level gradient at its frontage and rises towards its rear boundary and is of a regular almost rectangular shape. The Development Manager's investigations have not at this point identified any environmental issues with the site that they believe require material remediation. Figure 1 outlines

the site in the context of its surrounding neighbourhood of both residential and light industrial land uses.

Among other local landmarks are the Brookside shopping centre, Arana Hills Plaza and the Grovely train station – part of the Brisbane TransLink metropolitan train network. Grovely Station is some 11 stops from Brisbane Central with a 26-minute journey time. The property is considered to be a key catchment corridor for the northwestern districts of Brisbane and is located on a Secondary Active Transport Network – an important traffic distributor. Bunya Road is also designated as a Council District Collector Road feeding into a sub arterial at each end.

The site is currently improved with a small number of ancillary light-construction sheds and an ageing residential dwelling which is not heritage listed. These improvements will be demolished and cleared as part of the Project works and are not anticipated to be an obstacle to development.

With a Light Industry zoning, the proposed uses are all noted as 'accepted development – subject to requirements' – the Council's expected development use which does not therefore require public notification. Rather, a conventional development application is submitted to the Council with the proposed development's plans and specifications for approval. The Light Industrial zone contemplates a range of low impact and low intensity industrial and business uses among which are included low impact industry, research



Figure 1 – Aerial view of undeveloped site

THE PROJECT AND THE PROPERTY



Figure 2 – Currently proposed project

and technology industry and warehouse. Non-industrial uses supporting industrial activities and their employees are also expected development categories.

The Property is limited to a 15-metre maximum height restriction, which the proposed development falls within. While the site is not materially affected by any Council environmental area overlay or conditions, there is a drainage easement which has been incorporated into the design.

The schematic in Figure 2 outlines the currently identified uses showing their respective configurations.

4.3 THE AREA

The Property is located in the northwestern Brisbane suburb of Arana Hills. The Property is situated in the City of Moreton Bay which has a population of circa 480,000 and a land area of more than 2,000 square kilometres, it is the third largest local government in Australia by population and fifth fastest growing. Over the next 20 years, the City anticipates an additional 200,000 people to take up residence. Moreton Bay received its City designation in 2023, having previously been a Regional Council.

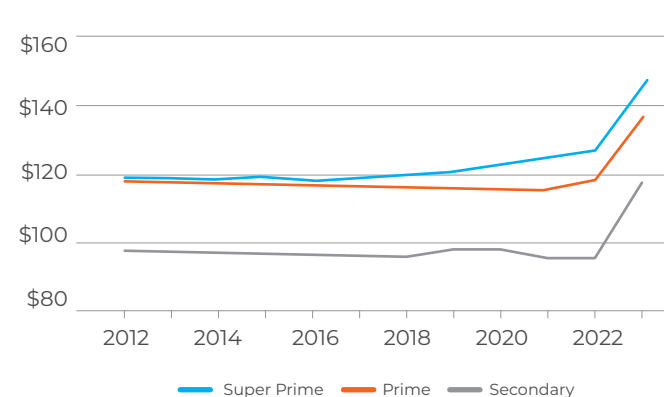
Arana Hills itself had a population of 6,971 at the 2021 census with a median age of 37. It hosts an average of 2 vehicles per household and has a significantly higher proportion of tertiary educated citizens than both Queensland and Australia. It also has a materially higher proportion of participants in the labour force than both Queensland and

Australia. Its proportion of technicians and trade workers is slightly higher than the equivalent for Australia.

4.4 DEVELOPMENT PROPOSITION

The Project seeks to leverage off a property market that has seen an excess of demand over supply, driving up rents in industrial-related property over the course of the last three years. The chart below represents the shape of the rental curve in industrial properties in Brisbane over the past 10 years. The Property would fall into the secondary category compared to the prime and super prime sites developed by international conglomerates often with gross realisable values in the multiple tens or hundreds of millions of dollars.

Brisbane Average Rent by Asset Grade



CBRE Research Q3CY23

THE PROJECT AND THE PROPERTY

4.5 DEVELOPMENT OBJECTIVE AND STRATEGY

The Development Manager has developed a detailed project development plan. The plan, which is 'Code assessable', is consistent with the scope of the town planning approvals within the local area. The Development Manager has met with the local council and integrated its feedback into the draft Development Application. The Development Manager expects to lodge a Development Application with City of Moreton Bay Council by the end of June 2024, with an expectation that the Development Application will be approved by end of October 2024.

As part of the Development Application process, it is expected that these assets will be on separate titles. As the Development Manager continues to refine the Project, it is possible that the proposed development may materially change, where the Development Manager believes there is a better economic outcome.

The improvements provide for a diversified range of uses, effectively spreading demand across three occupancy types, each with different economic and investment drivers.

As at the date of this IM it is expected that the site will be developed as three lots on three separate titles:

Lot-1 - Gym

The construction of a commercial single level gym is a prospect of securing a higher price for the asset on sale. The construction of a commercial single level gym is proposed on the newly created Lot 1, one level of some 103 undercroft car parking spaces situated underneath the premises supplemented with a further 49 on-grade spaces near the road frontage. The floor area for the gym is approximately 2,000 square metres. It will be completed with a 'warm shell' meaning the services such as plumbing and electrical are supplied and ready for the operator to install its own brand-specific fit out. The Development Manager has secured a national branded Gym group to occupy this space with an initial lease term of 15-years. The benefit of the longer tenor is the relative security of income for an extended term enabling the prospect of securing a higher price for the asset on sale.

Lot 2 – Self-storage Facility

The new Lot 2 is proposed to seek approval for a multi-level self-storage facility. The facility will extend to four levels of 3,000 square metres each and will include an office component. It is proposed that the Fund does not conduct the construction of the facility but rather sells the curated land to an operator for that purpose once Development Approval is secured.

Lot 3 – Industrial Units (Work Stores)

Fourteen industrial work stores are proposed to be constructed on the newly created Lot 3. Each work store will accommodate a footprint of approximately 100 square metres with ten of the fourteen also proposed to have a 50 square metre mezzanine level. The work stores will be configured in a galley style with 42 carparks centred between the two banks of stores.

4.6 DEVELOPMENT MANAGER

4.6.1 About the Development Manager

The Borrower has appointed Real Property Advice Pty Ltd as Development Manager for the Project. The Development Manager will arrange for the construction works of the Project to be conducted by engaging all necessary trades, services, professions and construction materials and personnel. It will engage with the City of Moreton Bay Council for the necessary development and building approvals. It will cause to have the necessary professional services engaged including valuation, quantity surveying, building certification and design. It will also arrange and manage the financial accommodation (debt facility) to assist with the costs associated with the delivery of the proposed works.

Real Property Advice is a real estate investment and property development group whose key personnel have over 20 years' experience each in their respective fields. Real Property Advice provides innovative opportunities to its clients and partners. Real Property Advice's market success is based on the solutions they bring to a wide range of industry sectors, using leading edge information, advice and strategies.

Their team has a significant and verifiable track record in the end-to-end development of projects in the \$5m to \$70m range.

Having been involved in the development, design and construction as individual tasks or as a collective endeavour since 2013, Real Property Advice is well placed to provide the key development management services to the Borrower.

4.6.2 The Development Manager's Key Personnel

4.6.2.1 Craig Pratt

Craig is a highly experienced professional in the property industry, boasting an impressive track record spanning two decades. His expertise encompasses development, sales, and property management across south-east Queensland. During his tenure, he held an ownership stake in a renowned real estate agency in inner Brisbane. In addition to his extensive industry experience, Craig holds a master's degree in project management with a specialisation in Property Development and holds a current real estate agent's licence. His aptitude in this field was recognized when the property business he co-owned received the prestigious BRW/Price Waterhouse Award for Australia's Fastest Growing Private Company.

Craig is a chartered accountant and progressed into corporate banking and treasury before transitioning into real estate. This experience provided Craig with a strong grounding in financial analysis, feasibility assessment, cost of capital modelling, comprehension of legal documentation for projects and high-level negotiation.

THE PROJECT AND THE PROPERTY

4.6.2.2 John Demnar

With over 20 years in the construction and development industries John is a well-rounded property professional. Starting from the ground up as an apprentice carpenter, John has delivered projects both on site and in management positions in the office. Over his career he has personally delivered more than \$650 million worth of projects across QLD and NSW and most notably, several State and National award-winning projects during his 12-year career at The

Rohrig Group. A solution focused leader and proactive delivery specialist, John has built a strong reputation in the local construction market with industry professionals and specialist subcontractors in order to help deliver great projects and take them from concept through to completion. This unique skillset and depth of experience helps de-risk projects and drive better value through the process. John is focused on partnering with key clients to deliver projects and focus on a pipeline of development opportunities of his own.

4.6.3 Real Property Advice's Historic Timeline



THE PROJECT AND THE PROPERTY

Real Property Advice has four projects currently under management including:

- 35 light industrial work stores and 12 large self-storage units at Yarrabilba, one of Queensland's priority development areas, with a completion cost of \$17m.
- An 8-lot residential land subdivision in Bellbowrie, Brisbane with a development cost of \$3.6m.
- 38 light industrial work stores at Hillcrest in the city of Logan, approximately 21 kilometres south of the Brisbane CBD with a development cost of \$16.5m.
- 48 light industrial work stores at Lisarow, central coast NSW, with a development cost of \$15.5m

4.7 DEVELOPMENT PROCESS

Early design works have commenced. The Development Manager will submit the planning application to Council and work through any issues to allow for a Council approval. Thereafter the Development Manager will complete the detailed design to allow for a tendering of the construction contract with appropriately qualified builders. The Development Manager may elect to complete early works prior to the appointment of a builder including demolition works. The Development Manager will also arrange Senior Finance. After Practical Completion, titles to the newly created buildings can be issued and settlements with purchasers can occur. This is the trigger for the distribution back to investors.

Public liability insurance has been included in the development feasibility.

4.8 PROPOSED DEVELOPMENT TIMEFRAME

Please note, the following timeframes are estimates only and are liable to change.

| Milestone | Target completion date |
|-----------------------------|------------------------|
| Acquisition of the property | August 2024 |
| Development approval | October 2024 |
| Detail design | October 2024 |
| Demolition & other works | March 2025 |
| Construction completion | June 2026 |

An aerial photograph of an industrial area with several large buildings featuring corrugated metal roofs. A large, white, semi-transparent number '5' is overlaid on the right side of the image.

5

SECTION 5

RISKS

RISKS

5. RISKS

A non-exhaustive summary of investment risks captured in the following table, excludes many conventional investment property risks such as acts of God or natural, humanitarian or biological disasters. Each risk is matched to a note, rationale, mitigant, or explainer.

| Risk | Description | Risk mitigation/management |
|--|---|--|
| Related party risk | <p>The Fund and its investment involves a number of related party transactions.</p> <p>The risk with related party transactions is that they are not made on commercial arm's length terms or administered in the way they would be administered if they were made to unrelated third parties.</p> | <p>The proposed new trustee, Investify Securities Limited, has two directors that are independent of the Borrower. This means those directors will be able to make decisions about the Loan Agreement, including enforcement, when Scott Northcott is conflicted.</p> |
| Counter-party credit risk | <p>Like all investing activity, lending may lead to loss of capital. Specifically, credit investments are subject to the risk of an obligor's inability to meet principal and interest repayment obligations, which may be the result of market-risk related factors. Investments in 'higher yielding' credit opportunities necessarily involve a higher risk level and no minimum credit rating is required for the credit investments the Fund acquires. Investments into these higher yield credit assets may include a higher risk of bankruptcy, restructuring or other insolvency proceedings, each of which involve a number of significant risks and could involve substantial costs to the Fund. While the Trustee attempts to moderate these risks, there can be no assurance that the investment of the Fund's assets or any of the underlying investments will be successful.</p> | <p>The Trustee, Borrower and Development Manager are related parties and so the Trustee will be closely monitoring the Loan and the Project.</p> |
| Commercial property markets | <p>While long-term data series would not support a prolonged capital value downturn, the new paradigm brought about by the economic aftermath of the pandemic, the new higher interest rate environment and inflationary supply constraints brings uncertainties. The conclusion of the construction of the Project may coincide with a period of general economic or property market disruption which means the Borrower cannot sell the Property. This may result in a capital loss to Investors if the trustee is required to enforce its Security and liquidate the Property for less than the cost of acquiring the Property and undertaking the Project.</p> | <p>The proposed development timeframe is two years – a relatively short period of time in the context of real estate markets.</p> <p>While it may be suboptimal the Trustee reserves the right to delay the divestment of assets if it believes that the best interests of Investors would be served by waiting and divesting at a later time – although the approved period of delay is time-limited.</p> |
| Risks associated with lending secured by vacant land | <p>Where loans are made for development projects, there are particular risks associated with the acquisition of vacant land and properties that are not able to generate an income, particularly where a default occurs as there is no income being generated or able to be generated to assist in rectifying the default. This may have a negative impact on the performance and income of the Fund.</p> | <p>The Development Manager has undertaken a process to identify the opportunity and the Project timeline.</p> |
| Construction delays breach term certain for debt facility | <p>Depending on the tenor (duration) of any finance facility deployed into the Borrower, it is possible that the facility may mature and fall due prior to the Borrower's capacity to repay loan monies. Should this occur, sourcing an alternative facility may prove problematic. Further, should the facility be secured, pricing may reflect the additional risk. This risk is common to the ownership of any leveraged real estate.</p> | <p>The Development Manager will maintain close control of progress and would identify any maturity mismatches.</p> |

RISKS

| Risk | Description | Risk mitigation/management |
|-----------------------------------|--|--|
| Forecasting | <p>Where Loans or investment proceeds are used for development projects, the estimated costs of a development project and estimated realisation value for a development project are forecasts only. The costs may be more than estimated and the realisation value may be less than estimated, this may result in lower or no returns to Investors as a result of a default by a project developer.</p> <p>Furthermore, due to various risks and uncertainties, including those set out in this IM, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward- looking statements. Actual events are difficult to project and often depend on factors that are beyond the control of the Trustee, and their advisers.</p> | The cost estimates and income forecasts have been developed with the help of expert external parties and internal resources. There are contingencies in place for standard variations. |
| Planning | Where Loans or investment proceeds are used for development projects, it may be more difficult than anticipated, or even impossible, to obtain the requisite government or regulatory approvals and permits for a development project and this may increase costs and cause delays to a development project. In addition, a requirement of a government or semi-government department or authority (including relating to environmental, archaeological, planning or servicing issues) may result in a reduced yield or delay in the property development projects which may impact on the ability of the property development projects to generate a profit sufficient to pay interest and return capital. | Expert town planning advice has been sought and a pre-lodgement meeting has been completed with the relevant Council. |
| Contractor | Where Loans or investment proceeds are used for development projects, contractors and third parties engaged to perform works on a development project could become insolvent or default under their contracts which may lead to delays or impact on the viability of a development project. This may have a negative impact on the performance and income of the Fund. | The Development Manager has a process in place as part of tendering major works projects to seek copies of financial documents at the time of appointing the contractor. |
| Manager resources | Notwithstanding the development pipeline under the purview of the Development Manager, it remains at risk of corporate memory loss with a small number of key individuals responsible for an outsized portion of the responsibility for the delivery of the Project. | The Trustee is of the view that the Development Manager is currently a sufficiently well-equipped entity with resources available to deploy to the management of the development, including the intent to delegate some functions. |
| Settlement completion risk | As the Fund is not established, should minimum equity not be raised or a suitable debt facility not be secured, the Fund may not proceed. | Application monies would be returned to the Applicants. |
| Diversification | The Fund offers no geographical diversification, being exposed solely to the property and investment markets associated with northern metropolitan Brisbane. | |

RISKS

| Risk | Description | Risk mitigation/management |
|--|---|--|
| Risks associated with interest capitalisation | <p>The Trustee has agreed to a loan where interest payments on the loan are not payable until the Repayment Date.</p> <p>There is a risk that the proceeds that the Borrower achieves out of the sale of the Property may not be sufficient to repay the total Loan, which includes both principal and interest.</p> | The Trustee will monitor the Project's progress, through regular reports from the Development Manager. The Trustee has the right to take remedial action where it believes such steps are appropriate. |
| Taxation or other influencing regulation | Changes in Australian taxation law or other relevant legislation or regulation may affect the treatment of an investment, the holding or disposal of units or the treatment of distributions and the financial performance, financial position, cashflows, or distributions. | This risk is common to all similar unlisted property funds and is not within the control of the Development Manager. |
| Illiquidity | <p>Loan assets are not liquid assets and take time to market and divest in the normal course.</p> <p>Investors may seek to divest their own units in the Fund however there is no market operation for such an exchange and the investor will need to both take the responsibility of identifying the purchaser of those units individually and seek the approval of the Trustee that the proposed purchaser qualifies as both an Wholesale Client and complies with the requirements of the AML/CTF Act.</p> <p>Investors should consider an investment into the Fund as illiquid.</p> | The Project offers three different land uses, each with a different economic driver. |
| Construction or acquisition settlement delays | Delays to the construction program caused by any of weather events, Council disruption, labour or materials availability, construction defect rectification, design flaw or contractual disputes for example can result in delays in issuance of certificate of classification/occupation/completion and therefore prospectively to distributions to an Investor. | Some disruptive events are outside the control of the Development Manager however provisional cost contingencies are included in the feasibility to deploy if and when necessary and where appropriate, costs will be defrayed to responsible parties. |
| Insurance limitations | <p>While the Manager is obliged to arrange and has made accommodation in the feasibility budget for insurance for fire, flood and other conventional risks affecting the asset, should an event not be covered or not provide full coverage for loss, the Fund will be exposed to capital loss. Such an event may also increase premiums for that and other situations. It is noted that the Fund carries insurance cover for mechanical breakdown (air conditioning etc).</p> <p>A dispute over a loss claim can also be management intensive. Loss of income insurance may also not adequately compensate fully or for a full duration of loss. This risk is typical of real asset-based Funds and is not unique to this Fund.</p> <p>Also, there is no certainty that insurance will continue to be available or that premiums will not rise, and this may affect the forecast income.</p> | The period of coverage for which the Fund is responsible for an insured event is limited as the construction contractor assumes responsibility for such events from hand over of the site at the commencement of works until what is effectively practical completion. |
| Other | Investors should be aware that not all risks can be foreseen. It is therefore not possible for the Trustee to protect the value of the Fund's investments from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs. | The Trustee will deploy the resources available to it in an attempt to mitigate any unforeseen risks with a view to achieve the best outcome for Investors give the prevailing conditions. |

We strongly recommend that Investors obtain independent professional advice, including financial or taxation advice, before investing in the Fund.



6

SECTION 6

ABOUT THE FUND

ABOUT THE FUND

6. ABOUT THE FUND

6.1 THE FUND'S LEGAL STRUCTURE

The Fund is a closed-ended unregistered managed investment scheme structured as a unit trust.

An investors' capital in a managed investment scheme is pooled with the invested capital of other investors to facilitate larger scale investments and to access investments potentially not otherwise available to an individual investor. Investors hold units in the scheme which represent a proportional entitlement in the assets of the scheme based on the amount invested and the application price of the units at the time of entry to the scheme. No unit confers an interest in a particular part of any pooled assets.

6.2 INVESTMENT TIMEFRAME

In order to repay the Loan, the Borrower will need to settle the sale of the Property once construction of the Project is completed. The Borrower anticipates that construction of the Project will be completed by [this date has to be prior to 24 months from first draw down and the time in months you say below it will take to sell following completion], but this timeframe could be extended by factors such as construction delays. If construction is completed within the estimated timeframe, then the Borrower will have approximately 12 months to sell the Property before the Repayment Date.

6.3 SOURCES AND APPLICATION OF FUNDS – FUND AND PROJECT

| The Fund | | |
|---|-----------------|--------------|
| Capital raised under the Offer | | \$7,500,000 |
| Loan to the Borrower | | \$7,500,000 |
| Use of the Loan by the Borrower | | |
| Fund establishment costs | | \$50,000 |
| Management fees | | \$300,000 |
| Loan establishment fee | | \$150,000 |
| Property purchase price | | \$4,500,000 |
| Property acquisition costs | | \$255,000 |
| Construction funding for the Project | balance of 7.5m | \$7,500,000 |
| Project funding | | |
| Construction funding for the Project received from the Fund | balance of 7.5m | |
| Senior Finance | \$15,000,000 | \$22,500,000 |
| Estimated cost to complete | | \$21,825,000 |
| | | |
| Estimate gross realisable value of the Property | | \$27,550,000 |
| <i>less</i> | | |
| Property purchase and acquisition costs | \$4,755,000 | |
| Estimated costs to complete | \$15,195,000 | |
| Borrowing costs | \$1,225,000 | |
| Contingency | \$650,000 | |
| Cost of Sales | \$830,000 | |
| Estimated development profit | | \$4,895,000 |

ABOUT THE FUND

Assumptions and qualifications:

1. The target equity raising under this IM is achieved.
2. Total development costs obtained from the borrower based on March 2024 estimates.
3. Borrower successfully obtains Development Approval.
4. Construction finance terms and conditions remain the similar to those used in the development model.
5. The fundamentals of the commercial property market remain steady.
6. No external market factors resulting in unforeseen delays.

The Fund will be entitled to the full 15% per annum interest on the amount raised, the Fund will charge the Borrower fees and charges that are payable to the Trustee. In addition to these defined fees and charges the Fund is entitled to recover any reasonable costs incurred in the general operation of the fund. This will provide the Fund sufficient funds to pay for the fees and expenses of the Fund for financial years FY25 and 26. Investors distributions will be based on 15% multiplied by the investor capital committed to the Fund. The rate is calculated on a daily basis in arrears and paid before the Fund's windup at the latest. The distribution payments for the financial year FY2026 will be totally dependent on the Arana Hills complying in full and on time with its obligations under the terms of the Loan Agreement. Calculation is exclusive of GST.

6.4 CONSTITUTION

The Trustee's relationship with Investors is governed by the Fund's Constitution. The Constitution of the Fund is the primary document governing the operation of the Fund and sets out the rights, liabilities, obligations and responsibilities of both Investors and the Trustee.

It includes broad powers for the Trustee to carry out its duties and deal with the assets of the Fund, including the right to fees and reimbursement of expenses. The Constitution also details the Trustee's entitlement to be indemnified out of the assets for all liabilities, costs, damages or expenses incurred in connection with its office, or in prosecuting or defending any action in respect of a provision of the Constitution. The liability of the Trustee is limited to the extent of the Fund's assets, except where there has been any fraud, negligence or breach of trust by the Trustee.

By making an application to acquire Units in the Fund, Investors agree to be bound by the Constitution. The Constitution may be amended by the Trustee if the change would not be materially adverse to members. Investors may obtain a copy of the Constitution by contacting the Trustee.



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SECTION 7

FEES AND EXPENSES

FEES AND EXPENSES

7. FEES AND EXPENSES

7.1 FEES

The following table sets out the fees and costs that may be charged to the Fund:

| Type of Fee | Detail |
|------------------------|--|
| Loan establishment fee | 2% of the Facility Limit must be paid by the Borrower to the Trustee (\$150,000 assuming the target subscription is reached). This fee can be paid by the Borrower from the proceeds of the Loan. This fee may be shared by the Trustee with other parties to pay for the cost of establishing the Loan or investment sourcing network, advertising, the Loan application assessment and approval process, instructing valuers and solicitors and advancing the underlying loan or investment. |
| Trustee fee | 2% per annum of the Fund's Net Asset Value (\$150,000 per annum assuming the target subscription is reached and there is no impairment to the Loan). The Borrower has agreed to pay to the Trustee an amount equivalent to two years of this fee from the proceeds of the Loan. |

7.2 EXPENSES

7.2.1 Expense recoveries

Charges or expenses incurred by the Trustee in the establishment and operation of the Fund must be paid by the Borrower. Expenses payable by the Fund are detailed in the Constitution and may include Fund establishment (estimated to be \$50,000), compliance, accounting, custodial, auditing, advertising, marketing, printing, planning, Fund development and administrative expenses.

7.2.2 Loan fees

The Trustee or its related entities may charge the Borrower fees for attending to dealings involving the Security during the term of the Loan, such as where it is necessary to produce a title to the Property for dealings or to arrange for a partial discharge of a mortgage.

The Trustee may charge the borrower fees and costs for dealing with managing underlying loans and investments in arrears or default. In addition, the Trustee may charge project management, development fees and costs and other similar charges, where it is required to undertake default management work-out programs for construction and development loans or investments.

7.3 WAIVER, DEFERRAL OR REBATE OF FEES

The Trustee may, in its absolute discretion, accept lower fees and expenses than it is entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Trustee may, in its absolute discretion, waive, negotiate or rebate their fees to an Investor.

7.4 GST

All fees and costs stated in this IM are exclusive of GST unless otherwise indicated.



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SECTION 8

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

8. ADDITIONAL INFORMATION

8.1 DISTRIBUTIONS

Under the Constitution, an Investor's distribution entitlement for each Unit is based on the number of units the Investor held on the last Business Day of the distribution period.

Distributions will only be paid to the bank account nominated by the Investor, which must be an Australian authorised deposit-taking institution. No distribution payments will be made to third parties or by cheque.

8.2 TAXATION

An investment in the Fund will have tax consequences. Investors should obtain their own tax advice.

8.3 PRIVACY

The Privacy Act 1988 (Privacy Act) governs the use of an individual's personal information gained by an organisation from dealings with the individual. The Australian Privacy Principles of the Privacy Act govern the way in which organisations should treat personal information.

The Trustee is committed to managing and only using personal information in ways that comply with the Privacy Act. As a result, the Trustee will apply the Australian Privacy Principles to all information you provide when you make an application to invest in the Fund.

The personal information is collected by the Trustee and will be disclosed within its organisation, and any other party it believes necessary to facilitate the operation and maintenance of the Fund.

In completing the application form to invest in the Fund, Applicants must provide the Trustee with certain personal information. The Trustee uses this information to establish and manage that investment for that Applicant in the context that the Applicant is, after acceptance of investment monies and issue of Units, an Investor.

If information requested in the application form is not provided, the application may not be accepted as the Trustee has regulatory responsibilities to assess applications and the source of capital in accordance with anti-money laundering/counter terrorism financing laws.

The Trustee may provide your personal information to service providers for purposes related to your investment, such as account administration and the production and mailing of distribution and transaction statements. The Trustee may also provide your personal information to Government or other entities if required by law. Personal information will be used to:

- assess an application
- service an applicant's needs as a Unit holder
- provide requested facilities and services
- provide investment reporting on the Fund
- carry out the appropriate administrative services for the Fund
- comply with any laws which the Trustee are required to comply with.

A copy of the Trustee's privacy policy is available at www.investify.com.au

8.4 ANTI-MONEY LAUNDERING / COUNTER TERRORISM FINANCING

Under Australian legislation, the Anti-Money Laundering and Counter- Terrorism Financing Act 2006 (Cth), certain additional identification is required from Applicants. The Trustee is obliged under this legislation to satisfy thorough identification and verification requirements before accepting an application for Units in the Fund. The processing of applications may be delayed until any requested documentation is received in a satisfactory form and the Applicant's identity is verified. This process is common to all such investments.

If an Applicant invests in the Fund through a financial adviser, then they may request and collect any verification materials from the Applicant. Applicants who invest in the Fund directly must provide the Trustee with the relevant identification material, along with a completed application form.

Additional information from Applicants may be requested where reasonably considered necessary to satisfy obligations under the AML/CTF Act.

8.5 REPORTING

Investors will receive:

- confirmation of all investments (and redemptions);
- a quarterly Fund update; and
- annual tax information necessary for the completion of Investor tax returns.

Investors may not disclose information contained in any report without the consent of the Trustee unless required by law.

ADDITIONAL INFORMATION

8.6 COMMON REPORTING STANDARD

Common Reporting Standards is the 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 investing 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 are required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number where applicable.

8.7 WHOLESALE OFFER ONLY

Investments in the Fund will only be accepted from Wholesale Clients receiving this IM in Australia.

Generally, an Investor is a Wholesale Client, being a 'wholesale client' for the purposes of the Corporations Act, where any one of the following applies:

- the Investor's investment is \$500,000 or more;
- the Investor provides an accountant's certificate stating that the Investor has net assets of at least \$2.5 million or has earned at least \$250,000 in each of the last two financial years;
- the Investor is a 'professional investor' (including those that hold an AFSL, are APRA regulated or have or control at least \$10 million worth of assets); or
- we are satisfied on reasonable grounds that the Investor has suitable previous experience in financial products, subject to certain conditions.

8.8 COMPLAINTS

The Trustee has a complaints handling process which deals with the reporting of complaints, maintaining a complaints register, and complaint remedies. Investors may request a copy of the complaints handling process from the Trustee.



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SECTION 9

HOW TO INVEST

HOW TO INVEST

9. HOW TO INVEST

Investors may **apply online**. You can send the completed Application Form and required identification documents to the registry by mail or email.

If you email your identification documents, the registry may request certified copies of the originals for our records and your account may not be opened until they have been received.



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SECTION 10

GLOSSARY

GLOSSARY

10. GLOSSARY

| | |
|-------------------------------|---|
| AFSL | Australian financial services licence |
| AML/CTF Act | Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) |
| Application Money | money paid by Investors to acquire Units in the Fund |
| Borrower | Arana Hills SPV Pty Ltd ATF Arana Hills SPV Trust ABN 88228202703 |
| Business day | any day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland |
| Constitution | the document establishing the Fund |
| CPI | Consumer Price Index |
| Development Manager | Real Property Advice Pty Ltd ABN 65 619 825 482 |
| Facility Limit | an amount of up to \$7,500,000 available to the Borrower under the Loan Agreement |
| Fund | the trust established pursuant to the Constitution and referred to as the 'Northrock Opportunity Fund Arana Hills' |
| GRV | Gross Realisable Value – the anticipated sum of all incoming dollars as a result of divestment of assets |
| Intent to Lease | The agreement dated the 24 April 2024 between WG Arana Hills Pty Ltd 669 282 937 and Wright Petrol Scio Pty Ltd ACN 670 125 809 or assignee |
| Loan | is a reference to the loan of up to the Facility Limit from the Trustee to the Borrower pursuant to the Loan Agreement |
| Loan Agreement | the loan agreement between the Trustee as lender and the Borrower |
| Loan Establishment Fee | a fee of 2% of the Facility Limit payable by the Borrower to the Trustee |
| Net Asset Value or NAV | the value of assets of the Fund less its liabilities |
| Northrock group | is a reference to the Trustee, the Borrower, the Development Manager and any other related bodies corporate or associates of those entities |
| Offer | the invitation to subscribe for in the Fund in the manner and under the conditions and circumstances as set out in this IM |
| Offer Closing Date | January 2025 unless altered by the trustee |
| Project | the acquisition of the Property, and the subsequent completion of development works on the Property as detailed in Section 4 of this IM |
| Property | 139 Bunya Road, Arana Hills, QLD 4054 |
| Repayment Date | means the date which is 36 months after the first draw down date |
| Security | means the security for the Loan granted to the Trustee by the Borrower |
| Senior Finance | means the loan from the Senior Lender to the Borrower for the purposes of constructing the Project |
| Senior Lender | an Australian bank or non-bank lender |
| Trustee, us, our | Investify Pty Ltd ABN 33 656 263 124 |
| Unit | a unit in the Fund |
| Wholesale Client | a person who is a wholesale client as defined in section 761G of the Corporations Act 2001 (Cth) |



NORTHROCK
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