

Chateau Developments  
Real Property Development Trust No.1  
Information Memorandum

Development Manager:

Chateau Developments Pty Ltd  
ACN 674 879 700

Trustee and issuer:

Stone Leaf Capital Securities Limited  
ACN 667 580 734  
AFSL 549 617

## Important information

This Information Memorandum (**IM**) is dated 10 September 2024. This IM details the features, benefits, risks and general information about the offer of units (**Units**) in the Chateau Developments Real Property Development Trust No. 1 (**Trust**).

This document is not a disclosure document or product disclosure statement for the purposes of the Corporations Act and has not been, and is not required to be, lodged with ASIC. This IM has not been prepared to the same level of disclosure required for a product disclosure statement or prospectus.

### Trustee

This IM is issued by Stone Leaf Capital Securities Limited ACN 667 580 734 (**Trustee, 'we', 'us', 'our'**) in its capacity as trustee of the Trust. It does not guarantee the performance of an investment under this IM or the obligations of any other persons in connection with the Offer. To the extent permitted by law, the Trustee, its officers, employees and consultants accept no responsibility for the accuracy, reliability, or completeness of the information contained in this IM.

### Offer restrictions

It is the responsibility of prospective Investors to satisfy themselves as to full compliance with the relevant laws and regulations of any territory in connection with any application to participate in the Trust, including obtaining any requisite governmental or other consent and adhering to any other formality prescribed in such territory.

By receiving and viewing this IM, the recipient is warranting that they are legally entitled to do so and the securities laws of their relevant jurisdiction do not prohibit them from acquiring interests in the Trust. Further, the person receiving and viewing this IM from the Trustee warrants that, if they reside in Australia, they are a wholesale client as defined in section 761G of the Corporations Act.

### Capital and investment risk

An investment in the Trust is an investment in an unregistered managed investment scheme. An investment in the Trust is not a bank deposit, bank security, bank liability, and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

Neither the Trustee, its related bodies corporate nor any of their respective directors or officers, guarantee the repayment of capital from the Trust or the investment performance of the Trust. Investments in the Trust are not guaranteed or underwritten by the Trustee, its related bodies corporate or any of their respective directors or officers.

**In particular, some of the risks involved with an investment in the Trust are considered in section 5.**

### General information only

The information contained in this IM is general information only and does not take into account your individual objectives, financial situation or needs. You should review this IM in its entirety carefully and assess whether the information is appropriate for you and talk to a financial adviser before making an investment decision. All investors are advised to obtain independent legal and taxation advice in regard to an investment in the Trust.

We have included relevant information for the Offer in this IM which may not be all of the information you require to evaluate an investment in the Trust. We recommend you make your own enquiries to verify the information contained in this IM and to determine the suitability of an investment in the Trust according to your personal investment objectives, financial situation, and particular needs.

### Forward looking statements and estimates

Certain statements and estimates in this IM constitute forward-looking statements. Any forward-looking statements are subject to various risk factors that could cause the Trust's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors set out in section 5.

## No performance guarantees

There can be no assurance that the Trust will achieve results that are comparable to the track record of the Development Manager or its associates or that the Trust's investment objectives will be achieved.

An investment in the Trust is subject to investment risks which are described in Section 5 of this IM, including possible delays in repayment and loss of some or all of your income or capital invested.

Any past performance information disclosed in this IM is not a reliable indicator of future performance.

### Reliance on IM only

No person is authorised by the Trustee to give any information or to make any representation to you in connection with the Offer that is not contained in this IM. Any information or representation not contained in this IM cannot be relied upon as having been authorised by the Trustee.

The Offer may be withdrawn or amended at any time, and a new information memorandum may be issued from time to time. Furthermore, the Trustee may vary the terms of the Trust at any time by notice to prospective Investors. Units cannot be issued unless you apply using the Application Form accompanying this IM.

### Personal information

The Trustee may require further information from you from time to time to comply with the Trustee's obligations under the *Anti Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**), the *Foreign Account Tax Compliance Act (FATCA)* and the *Common Reporting Standard (CRS)*. By applying for Units under this IM, you undertake to provide the Trustee with all additional information and assistance reasonably required. Please read the privacy statement in section 7.12. By signing and returning the Application Form you consent to the matters outlined in that statement.

### Glossary, illustrations and currency

Defined terms and abbreviations used in this IM are explained in the Glossary in section 8. Any assets depicted in photographs in this IM are for indicative purposes only and are not assets of the Trust unless otherwise noted. Any discrepancies between total and sums and components in tables contained in this IM are due to rounding. All references in this IM to '\$' are references to Australian dollars unless stated otherwise.

### Confidentiality

This IM (and the information contained in it) is confidential. This IM is intended solely for the use of the person to whom it has been delivered (**Recipient**), for the purpose of evaluating a possible investment in Units in the Trust. It is not to be reproduced or distributed to any other person (other than professional advisers of the Recipient) without the Trustee's prior consent. Any disclosure to the advisers of the Recipients must be on a confidential basis for the purposes only of assessing the information contained in the IM as advisers to the Recipients. If requested by the Trustee in writing, Recipients must immediately return to the Trustee this IM and all other information subsequently provided unless a recipient has made a successful application for Units.

### Enquiries

If you have any questions or require assistance with completing the Application Form or additional copies of the IM, please contact the Development Manager on 0475 963 891 or [nik@chateauprojects.com.au](mailto:nik@chateauprojects.com.au).

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## 1 Investment overview

The following table summarises the key features of an investment in the Trust and provides section references for further information. You should read this IM in full to properly understand the Trust before making an investment.

Description	Summary	Refer to Section
<b>Key entities involved in the Trust</b>		
<b>Development Manager</b>	Chateau Developments Pty Ltd ACN 674 879 700	2.1
<b>Development SPV</b>	Chateau Development Trust No. 1 Chateau Project No.1 Pty Ltd ACN 680 512 074 ( <b>Development SPV Trustee</b> ) is trustee for the Development SPV	2.4
<b>Development Manager's and Development SPV Trustee's key personnel</b>	Nik Manion Jamie Gardner	2.3
<b>Trustee</b>	Stone Leaf Capital Securities Limited ACN 667 580 734	2.5
<b>Key features</b>		
<b>Legal structure</b>	The Trust is an unlisted, closed-ended managed investment scheme (unit trust).	7.1
<b>Inception date</b>	September 2024	
<b>Investment objective</b>	The investment objective of the Development Manager is to provide Investors in the Trust with a rate of return of 30% per annum (pre-tax, post fees) on their investment. Please note, this is an objective not a forecast. No returns are guaranteed.	3.1
<b>Investment strategy</b>	<p>The Trust intends to acquire non-voting redeemable preference units (<b>RPUs</b>) issued by a special purpose vehicle, Chateau Project No.1 Pty Ltd ACN 680 512 074 as trustee for the Chateau Development Trust No. 1 (<b>Development SPV</b>).</p> <p>The Development SPV Trustee intends to use the proceeds of the Trust's investment primarily to acquire a parcel of land which meets the Development Manager's investment criteria in section 4 (<b>Project Land</b>), develop that Project Land and then sell the developed product (<b>Project</b>).</p> <p>At the date of this IM, the Development Manager (through a related entity) has acquired a conditional put and call option over a development site at Station Street, Darra, Queensland (<b>Westlink at Darra</b>) that meets the investment criteria in section 4.</p> <p>More information about Westlink at Darra is contained in a document prepared by the Development Manager referred to as 'Development Information – Westlink at Darra' and you can obtain a copy of this document by contacting the Development Manager. If the Development Manager does not proceed with the Westlink at Darra, then it will continue to use the investment criteria in section</p>	4

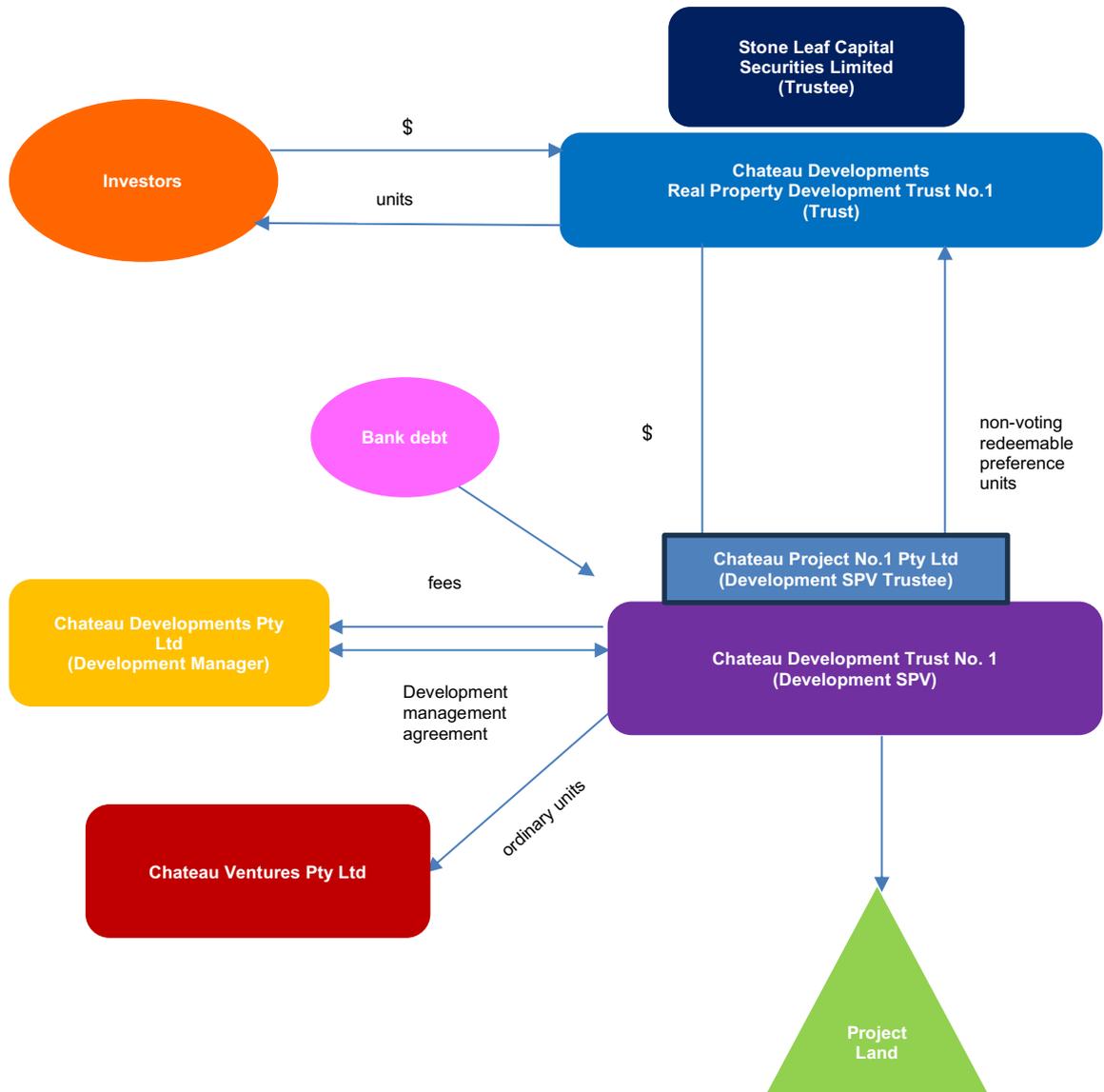
Description	Summary	Refer to Section
	4 to seek to select another Project for the Development SPV to undertake.	
<b>Target capital raising</b>	The Trustee is seeking to raise \$7 million through the issue of Units. Oversubscriptions may be accepted at the discretion of the Trustee.	
<b>Sunset date</b>	If the Development Manager has not completed successful due diligence on a Project by the date which is six months from the Closing Date, then the Trustee will redeem all Units then on issue.	
<b>Suggested investment timeframe</b>	18-24 months from the acquisition of Project Land by the Development SPV. However, a number of factors could impact on the investment term including delays in the development and sale of a Project. It is also possible that Units in the Trust could be redeemed by the Trustee earlier than this timeframe if, for example, the Development SPV redeems the RPUs.	3.2
<b>Risks</b>	<p>The Trust proposes to invest in redeemable preference units issued by the Development SPV which intends to use that investment to undertake property development. An investment in the Trust is therefore exposed to risks including:</p> <ul style="list-style-type: none"> <li>• deployment risk;</li> <li>• property development risk;</li> <li>• planning approval risk;</li> <li>• construction risk;</li> <li>• liquidity risk;</li> <li>• investment risk;</li> <li>• borrowing risk;</li> <li>• concentration risk; and</li> <li>• property market risk.</li> </ul>	4
<b>Distribution policy</b>	Investors should not anticipate a return of capital (partial or full) or income distributions until the conclusion of the Trust: that is, once a Project has been completed by the Development SPV and the developed property sold and settled with a return made to the Trust. Returns are not guaranteed.	7.6
<b>No withdrawals</b>	<p>The Trust will be illiquid, and we do not intend to make any withdrawal offers until either a Project has been completed and the developed property sold and settled with a return made to the Trust, or if the Development SPV redeems the RPUs earlier than anticipated due to a re-finance of a Project allowing it to make returns early. You should treat your investment as illiquid. Although you may transfer your Units to another Wholesale Client with the approval of the Trustee, there is no secondary market for Units and so no guarantee you will be able to do so.</p> <p>The Trust may be wound up at any time by notice to Investors. The Trustee may also compulsorily redeem Units at the prevailing redemption price at any time.</p>	7.5

Description	Summary	Refer to Section
<b>Trust borrowings</b>	The Trust does not intend to borrow. However, the Development SPV intends to obtain bank debt to assist with the development of a Project.	
<b>How much do you need to invest and transact?</b>		
<b>Issue Price</b>	The Issue Price for all Units issued until the Closing Date will be \$1.00 per Unit, to be paid up to an initial price of \$0.80 per Unit.	7.4(a)
<b>Further calls</b>	Further calls on the Issue Price may be made by the Trustee at any time. The Trustee must provide no less than 10 Business Days' notice of any further calls.	7.4(b)
<b>Units to be issued</b>	Up to 7 million (subject to the acceptance of oversubscriptions)	
<b>Minimum initial investment</b>	100,000 Units paid up to \$80,000	7.3
<b>How to invest</b>	To invest, complete the Application Form accompanying this IM.	9
<b>What fees will you pay?</b>		
<b>Costs of investing</b>	The costs of investing will include the following (all excluding GST): <ul style="list-style-type: none"> <li>Trustee management fee – \$5,500 per month paid monthly in arrears.</li> <li>Expense recoveries — the Trustee may recover all expenses relating to the Trust.</li> </ul>	6
<b>Additional information</b>		
<b>Who may invest?</b>	The Offer is open to Wholesale Clients only.	7.1
<b>Cooling-off</b>	As the Trust is illiquid, there are no cooling off rights that apply to an investment in the Trust.	
<b>Reporting to investors</b>	You will receive: <ol style="list-style-type: none"> <li>confirmation of your investment;</li> <li>an annual taxation summary; and</li> <li>distribution statements each time a distribution is made.</li> </ol>	7.8
<b>Tax</b>	Investing in the Trust may have taxation consequences for you. We recommend you seek professional tax advice before investing in the Trust.	
<b>Contact details</b>	Chateau Developments T: 0475 963 891 E: nik@chateauprojects.com.au	

## 2 The investment structure and the key entities involved

### 2.1 Investment structure

The investment structure of the Trust is as follows:



### 2.2 The Development Manager

#### (a) Role

Chateau Developments will be engaged by the Development SPV Trustee to provide development management services to the Development SPV. In its role, the Development Manager has been engaged to, among other things:

- (i) identify potential Projects for acquisition;
- (ii) undertake feasibility of potential Projects;
- (iii) once a Project has been identified, acquire the right for the Development SPV to acquire the Project Land;
- (iv) apply for, or manage planning permit applications;

- (v) finalise the development drawings and complete documentation;
  - (vi) arrange any debt facility and related documentation for the Development SPV;
  - (vii) appoint the contractors for the civil and construction works for the Project;
  - (viii) manage the development program;
  - (ix) undertake the sales and marketing campaign management; and
  - (x) settle the sold development and facilitate tenants in the leased units.
- (b) About

Chateau Developments is dedicated to delivering exceptional results through a blend of extensive industry experience and a strategic approach to development management. Its team leverages diverse expertise and backgrounds to ensure each project is managed with precision, efficiency, and a commitment to quality.

Its leadership team brings robust backgrounds in construction, project management, and finance. Collectively, it has overseen the successful completion of projects valued at over \$3 billion. This experience includes a range of residential and industrial projects, demonstrating its capacity to handle various development types effectively.

Its approach integrates hands-on project management with a strategic overview, applying a comprehensive framework that emphasizes planning, risk management, and operational efficiency. This methodology allows it to navigate the complexities of modern developments with agility and foresight. It continually reviews and refines its practices to ensure they meet industry standards and address potential risks proactively.

It is committed to maintaining high standards of quality and operational efficiency. Its track record reflects its dedication to achieving superior results, supported by documented outcomes and independent evaluations of its projects.

Chateau Developments' goal is to consistently deliver high-quality projects by adhering to rigorous standards and best practices. Its strategic focus and commitment to excellence underpin every project it undertakes, ensuring successful outcomes and client satisfaction.

## 2.3 The Development Manager's key personnel

- (a) Jamie Gardner, Director

Jamie Gardner leverages over a decade of expertise in the construction and real estate industry to steer high-impact development projects.

With a background that includes hands-on experience on site and a five-year tenure as a project manager, Jamie brings a robust understanding of both the technical and managerial aspects of construction. This experience, combined with a successful track record in real estate sales at Accelerate Property Consulting, enables Jamie Gardner to effectively lead Chateau Developments in delivering exceptional development outcomes. Jamie Gardner is skilled in negotiating favourable contracts and optimizing project execution, ensuring value and success.

(b) Nikolas Manion, Director

Nikolas (Nik) Manion has a wealth of expertise and a distinguished track record in construction and contract management.

With over six years at Multiplex as a senior contract administrator, Nik played a pivotal role in the delivery of major projects, including the \$750 million 1 William Street Cbus Tower in Brisbane and the \$850 million Jewel development on the Gold Coast. His extensive experience encompasses managing high-value subcontractor trades, risk management, cost control, and project audits. Nik has also overseen significant government projects such as the \$350 million Centre of National Resilience.

Nik is also a director of Marshall Contracts Management ACN 654 142 471, where he specializes in commercial and contract management, offering his deep knowledge in risk and opportunities management, procurement, and dispute resolution. His strategic insights and meticulous approach make him a key asset in driving successful outcomes for Chateau Developments. His hands-on experience in the residential property space during his schooling and university years laid a solid groundwork for his subsequent career.

## 2.4 About the Development SPV

Chateau Development Trust No. 1 (**Development SPV**) is a special purpose vehicle incorporated to undertake a Project. The trustee of the Development SPV is Chateau Project No.1 Pty Ltd, whose directors and controllers are Nik Manion and Jamie Gardner. Its ordinary unitholder is Chateau Ventures Pty Ltd ACN 674 878 589, which is controlled by interests associated with Nik Manion and Jamie Gardner. The Development SPV has \$2.00 in capital consisting of two \$1 units issued to Chateau Ventures Pty Ltd ACN 674 878 589.

## 2.5 About the Trustee

The trustee of the Trust, Stone Leaf Capital Securities Limited (**Trustee**) is an independent Australian funds management business that focuses on providing trustee and other services associated with funds management. The Trustee, pursuant to the Corporations Act, is licensed to provide financial services, including to act as the trustee for unregistered managed investment schemes like the Trust.

The Trustee's team has substantial industry experience across a wide range of underlying asset classes, including fixed income, real estate, equities, private equity and fund management. The Trustee is responsible for the day-to-day operation of the Trust in accordance with its AFS licence, the Constitution, the Corporations Act and general trust law. It is responsible, for example, for unit pricing and investor reporting. The Trustee may delegate its duties to agents and other service providers.

As trustee for the Trust and as the holder of an AFS licence, the Trustee must among other things, act honestly, efficiently and fairly.

### 3 The Trust's proposed investment in the Development SPV

#### 3.1 Investment objective

The objective of the Development Manager is to provide the Trust with:

- (a) a return of contributed capital (via redemption of the RPU's); plus
- (b) an amount which represents a rate of return to Investors on their investment in the Trust (before tax, but net of Trust fees and expenses) (**Trust ROR**) of 30% p.a. from the date of settlement of the Project Land by the Development SPV until the redemption of the Units.

The remaining net income of the Development SPV (if any) will be distributed to the Development SPV's ordinary unitholder.

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

#### 3.2 Proposed term of an investment

Our expectation is the investment term will be 18-24 months from the date of acquisition of Project Land by the Development SPV.

However, it is possible that the term of an investment in the Trust could extend beyond our estimate due to factors beyond our control including delays in construction and a downturn in the property market.

It is also possible that the Trust could be finalised in less than 18-24 months from the date of acquisition of Project Land by the Development SPV. Factors that could result in a shorter investment timeframe than anticipated include if the Development Manager delivers a Project ahead of schedule, coupled with a successful sales campaign, or if the Development SPV obtains sufficient funds to redeem the Trust's investment and make a distribution through either a refinance of the Project Land or the sale of all or part of the Project Land.

#### 3.3 Contribution by the Trust

The Trust's contribution of investment monies to the Development SPV through the acquisition of RPU's will be used for the development of a Project. It may be used by the Development SPV to, for example, settle the acquisition of a Project Land, obtain the necessary approvals to undertake the Project, develop the infrastructure necessary to complete the Project and then sell the Project.

Application of funds raised	Target Capital Raise
Chateau Developments Real Property Development Trust No.1 – Capital	\$7,000,000
Reserve for ongoing Trust operating costs and Trustee management fees	\$193,000
<b>Capital invested in RPU's by the Trust</b>	<b>\$6,807,000</b>

### 3.4 Updates

The Development Manager will provide progress reports to the Trustee quarterly once a Project has been identified, and these reports will be passed on to Investors by the Trustee. These updates will contain information about the progress of the development, including meeting key milestones.

### 3.5 The Trust's investment in RPUs

The proposed terms of the RPUs to be acquired by the Trust and issued by the Development SPV Trustee are as follows:

Question	Answer
<b>What type of unit is being offered to the Trust?</b>	The offer made by the Development SPV Trustee is for non-voting redeemable preference units. The price of each unit is \$1.00 but partly paid in the same manner and subject to the same calls as the Trust's partly paid Units. The RPUs rank in priority to ordinary units of the Development SPV for certain distributions (see below) and on winding up.
<b>When will the Trust receive distributions or a return of capital?</b>	Neither distributions nor capital returns are guaranteed and there is a risk to the Trust of capital loss. If any returns are received by the Trust, then the Trustee does not anticipate receiving those returns until the completion and sale of a Project. Returns will depend on the successful completion of a Project.
<b>What distributions is the Trust entitled to receive?</b>	The Trust is entitled to receive a distribution of an amount which represents a Trust ROR to Investors of 30% p.a. from the date of settlement of the Project Land by the Development SPV until the redemption of the Units in priority to the ordinary unitholder ( <b>Hurdle Amount</b> ).  The Development SPV does not guarantee any particular rate of return or the return of capital.
<b>What is the dividend policy for ordinary unitholders?</b>	Distributions will only be paid to ordinary unitholders after the payment of any Hurdle Amount to the holder of RPUs.
<b>Can the RPUs be converted into ordinary units?</b>	RPUs are not convertible into ordinary units.
<b>Can the RPUs be redeemed?</b>	The Development SPV Trustee may redeem the RPUs at any time during the life of the Development SPV for any reason. If the Development Manager has not completed successful due diligence on a Project by the date which is six months from the Closing Date, then the Development SPV Trustee must redeem all RPUs then on issue. Any redemption of RPUs must occur at the prevailing redemption price.
<b>Can the Terms of Issue be altered?</b>	Subject to complying with all applicable laws, the Development SPV Trustee may, without the consent of the holders of RPUs, amend or add to the terms of issue of RPUs if, in the opinion of the Development SPV Trustee, the amendment or addition is:  (a) of a formal, minor or technical nature;  (b) to correct a manifest error;

	<p>(c) made to comply with any applicable law; or</p> <p>(d) not likely to be or become materially prejudicial to the holders of RPUs.</p> <p>In any other circumstance, the terms of issue of the RPUs may only be altered if the alteration is approved by special resolution of the holder of the RPUs (i.e., the Trustee).</p>
<p><b>What are the voting rights attached to RPUs?</b></p>	<p>RPUs do not confer on their holder any right to vote at general meetings except on a proposal that affects the rights conferred upon the holder of RPUs.</p>
<p><b>What other rights and liabilities attach to the RPUs?</b></p>	<p>On the winding up of the Development SPV, RPUs confer on their holders the right to a return of capital in proportion to the amount of the total issue price paid or credited as being paid in priority to holders of ordinary units.</p> <p>RPUs do not confer on their holders the right to participate in the distribution of surplus assets or net income on the winding up of the Development SPV.</p>

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## 4 Project criteria

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### 4.1 Introduction

The Development Manager will use the following investment criteria to select a Project for investment:

### 4.2 Project property sub-sector

Small to medium format industrial, service industry and office building formats have matured significantly over the past decade. Developers have and continue to respond to the expectation of modernisation of real property offerings with increased transaction activity in the owner-operator and SME sectors.

All sub-sectors of the industrial sector are benefitting from tailwinds including growth of the online retail market requiring micro distribution channels, technological advancements meaning businesses require less physical space, and changing supply chain practices with a more suburban or localised presence particularly post-Covid 19. The demand for space external to CBD locations has grown post-Covid 19 with an increase in work-from-home arrangements and decentralisation. These factors combine to create strong supply-demand metrics, which positively affect both owner occupiers and market rental rates.

The Development Manager maintains a robust acquisition process designed to verify that acquisition opportunities align with the Trust's investment strategy and criteria which is primarily to acquire a parcel of land, develop a Project and provide returns to the Investors.

### 4.3 The general development process

The Development Manager will:

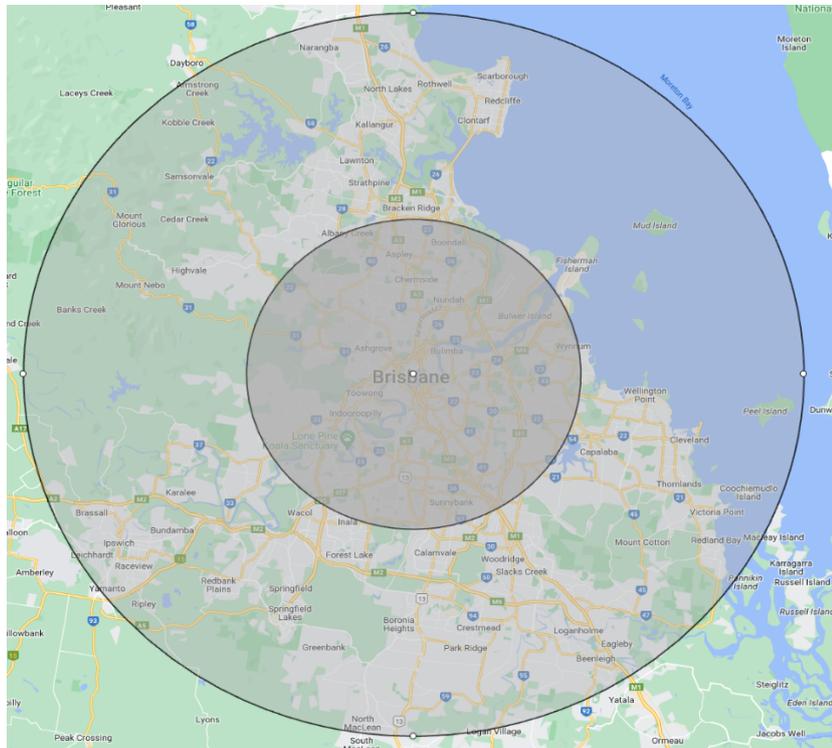
- (a) identify potential Projects for acquisition;
- (b) undertake feasibility of potential Projects;
- (c) once a Project has been identified, acquire the right for the Development SPV to acquire the Project Land;
- (d) apply for, or manage planning permit applications;
- (e) finalise the development drawings and complete documentation;
- (f) arrange any debt facility and related documentation for the Development SPV;
- (g) appoint the contractors for the civil and construction works for the Project;
- (h) project manage the development program;
- (i) undertake the sales and marketing campaign management; and
- (j) settle the development.

### 4.4 Development approvals

Projects that are code or impact assessable or industry investigation within the relevant Planning Scheme will be considered.

#### 4.5 Location

The map below shows two concentric circles: the inner is 15km radian from the Brisbane GPO and the outer is a 35km radian. The territory within the 20km band (outside 15 and inside 35) provides for significantly more vacant development land and more opportunity and is the primary location to target acquisitions. Opportunities within the 15km radian will also be equally considered.



#### 4.6 Marketing strategy

The Project's stock will be made available for sale or lease via licensed real estate agencies. The marketing campaign will consist of a variety of media channels including both direct and indirect marketing and site sign boards. Advertisements on digital platforms will feature the Project for the duration of the marketing period.

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## 5 Risks of investing in the Trust

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### 5.1 Investment risk generally

Before deciding whether to invest in the Trust, it is important that you understand the risks that can affect your investment. All investments are subject to risk, and investments may not perform as expected resulting in a loss of capital or income to investors. In particular, you should understand that:

- (a) different investment strategies carry different levels of risk depending on the assets that make up the strategy;
- (b) assets with the highest long-term returns may also carry the highest level of short-term risk;
- (c) the value of your investment may go up and down;
- (d) returns are not guaranteed;
- (e) you may lose money; and
- (f) previous returns on other projects associated with any of the Development Manager or key personnel of the Development Manager are not necessarily indicative of future performance.

You should give consideration to the risk factors in this section, as well as the other information contained in this IM before making a decision to invest in the Trust.

### 5.2 Trustee risk

The Trustee may elect to retire or may be replaced as the trustee of the Trust or the services of key personnel of the Trustee may become unavailable for any reason.

There is always a risk that the Trustee may fail to identify and adequately manage the investment risks in the Trust's assets and thus affect the ability to pay distributions or reduce the value of the Units.

Operational risks of the Trustee include the possibility of systems failure, regulatory requirements, documentation risk, fraud, legal risk and other unforeseen circumstances.

### 5.3 Legal, regulatory and compliance risk

Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Trust. Although unable to predict future policy changes, the Trustee intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.

The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities, including without limitation, ASIC, AUSTRAC, the Foreign Investment Review Board and the ACCC. There is a risk that the Trust may not comply at all times with its various obligations under government regulations, and this may result in the loss of authorisations of the AFSL held by the Trustee thereby preventing the continued operation of the Trust.

#### 5.4 Risk versus return

All investments are designed to make a return and are subject to risk. This means that, as well as making money, there is also a chance that you could lose money. You might also think of risk as the possibility that your investments do not achieve your financial objectives. As a general rule, the bigger the potential investment return, the higher the investment risk and the longer the suggested investment timeframe.

The investment strategy is targeting capital growth through development activities being undertaken by the Development SPV, therefore the risk to the Trust is that the Trust's assets will reduce in value and not increase.

#### 5.5 Property investment risks

(a) Property development risk

The Trust's sole investment will be RPU's issued by the Development SPV. The Development SPV intends to undertake a property development which exposes it to a large number of risks associated with acquiring, holding, developing, constructing, financing and selling property.

(b) Planning approval risk

There is no assurance that the Development SPV's plans for a Project will be approved in any form. To gain approval, if that is possible, the Development SPV may have to make amendments to its original plans, incur unexpected consulting costs, pay additional planning fees, and enter into litigation. Planning regulations and the attitude of the planning authorities may change. Negative public and political opinion may adversely affect planning decisions. If these risks materialise, these factors would then impact the Trust's returns.

(c) Construction and development risk

There are specific risks associated with the construction and development activities which the Development SPV intends to undertake, including unforeseen increases in construction costs or other property development expenses which may result in cost overruns.

There is no guarantee that a Project will be completed, the amount allowed or assessed for development and construction costs will be sufficient or the completed development will be worth the value attributed to it prior to commencement and at other stages during the construction of a Project.

Delays in obtaining the necessary approvals, or changes to a Project in order to obtain the necessary approvals or disruptive weather events or delays in sourcing construction materials or suitable trades, may adversely affect a Project and consequently the performance of an investment in the Development SPV and the Trust.

(d) Concentration risk

The Trust's sole investment will be in units issued by the Development SPV. The performance of the Trust is therefore dependent upon the performance of the Development SPV. If the Development SPV performs poorly, there are no other investments of the Trust which might offset that performance.

The sole function of the Development SPV is to undertake a Project. Negative events affecting a Project or a downturn in property markets will therefore not be offset or minimised by the performance of other properties, property sectors or asset classes.

(e) Property market conditions

Changes in property market conditions including supply, demand and rental markets impact on the ongoing value of any property. There is no guarantee that the properties developed by the Development SPV will maintain their value or that the Development SPV will be able to sell them for a price at or higher than the acquisition and development costs or at all.

(f) Unforeseen capital expenditure

The need for unforeseen capital expenditure on a Project, and how this expenditure will be funded, may affect the level of returns to you.

(g) Interest rate risk

Increases in interest rates may impact the cost of any borrowings and the forecast outcomes of the Development SPV.

(h) Key person risk

The Development Manager, who has a team of qualified and experienced directors, is responsible for managing all aspects of the Development SPV. The loss of one of these directors has the potential to adversely affect the operations of the Development SPV and Project, which, in turn, could negatively affect the Trust.

(i) Marketing

The income from a Project is sourced from the sale of developed land. Any delays or unsold lots will result in a lower investment return for the Development SPV and consequently the Trust. As a Project has not been identified, pre-sales have not commenced, the market is untested and a slower than anticipated sales rate or lower than anticipated market values would result in lower investment returns or potentially capital loss.

(j) Settlement risk

The Project Land has not been acquired by the Development SPV. There is a risk that a vendor will not perform its obligations on sale or that the option is terminated.

(k) Uncontrollable events

Natural phenomena, like fire, flood and storms, may affect the properties and consequently the value of your investment in the Trust. Whilst the Development SPV may be able to insure the properties against some of these events, there are others (such as pandemics, war, strikes and terrorist attacks) for which insurance cannot be obtained. However unlikely, should any of these uninsured events occur then the Development SPV will need to make unbudgeted capital expenditure to preserve the value of a Project (including potentially to rebuild). The Development SPV may not be able to raise the capital to do this in which case the value of a Project and your investment in the Trust would greatly reduce.

## 5.6 Specific Trust risks

### (a) Deployment risk

There is a risk that the Development Manager may not be able to source a Project which meets its investment criteria. If this were to occur, then the Trust's ability to deploy the targeted fund raise would be reduced which would result in the Trustee not calling investor capital, or in some instances returning investor capital.

### (b) No operating history

At the date of this IM, the Trust has no operating history upon which Investors may base an evaluation of its likely performance. The success of the Trust's investment activities will depend almost entirely on the Development Manager's ability to carry out the proposed investment strategy successfully. While the Development Manager's personnel have previous experience in developing property, there can be no assurance that the Trust's investments will achieve any target return or will avoid a loss.

### (c) Liquidity

The Trust does not allow redemptions unless the Trustee makes a withdrawal offer and so your investment in the Trust is illiquid. While Units may be transferred (with the approval of the Trustee), there is no secondary market for Units in this Trust and so there is no guarantee that you will find a buyer for your Units. This means should your circumstances change after you make an investment in the Trust, there is no guarantee that you will be able to receive some or all of your investment back before the Trust is wound up.

### (d) Operational risk

Operational risk is the risk of loss or damage resulting from inadequate or failed internal processes, people and systems or from external events.

The Trustee or the Trust may experience losses, adverse regulatory consequences or reputational damage due to a variety of operational risks, including inadequate or failed internal or external processes, people or systems, fraud, errors by counterparties under outsourcing arrangements, inadequate business continuity planning and due to key person risk.

## 5.7 General Trust and investment risks

### (a) Market risk

A number of external factors such as changes in the economic, political, technical or social environment can have a significant influence on the market for a particular asset class. These influences may produce changes in the value of markets and the investments which comprise them, which are outside the influence of the Trustee or Development Manager. Such influences may also affect markets in different assets (e.g., equities versus property) in different ways.

(b) Compliance risk

If the Trustee fails to comply with the Constitution, it will likely have an adverse impact on you and the value of your investments. In particular, this may occur if ASIC take action to:

- (i) wind up the Trust; or
- (ii) remove Stone Leaf as the trustee.

(c) Inflation risk

Inflation risk refers to the risk an investor faces of losing the purchasing power of capital invested. Although the nominal value invested may remain, positive inflation will progressively reduce its value relative to what can be purchased by each dollar over time.

(d) Regulatory risk

There is a risk that changes to the regulatory environment for financial services, or the finance industry may, either directly or indirectly, affect the value of the investment in the Trust.

(e) Taxation risk

- (i) Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.
- (ii) Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Trust. You should consult your own taxation adviser to ascertain the tax implications of your investments. See section 7.9 for further information.

(f) Macroeconomic risk

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may have a negative impact on the Trust's performance and on the value of your investment.

(g) Cyber risk

Investors should be aware that while the Trustee has implemented technologies, processes, and practices designed to protect its networks, devices, programs and data (or Information Technology Systems) such Information Technology Systems may still be subjected to malicious attack, damage or unauthorised access. Such Information Technology Systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Trust.

In the event serious harm is a likely outcome of a breach of the Trustee's Information Technology Systems, the Trustee (as may be required) will notify the affected individuals and recommended steps that ought to be taken in response to the breach. The Trustee may also be required to notify any regulatory authority as required by law.

## 6 Fees and other costs

### 6.1 Ongoing fees and other costs

- (a) This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust assets as a whole.
- (b) You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Trust</b>		
<b>Establishment fee</b> <i>The fee to open your investment</i>	Nil	Not applicable
<b>Contribution fee</b> <i>The fee on each amount contributed to your investment, including your initial investment.</i>	Nil	Not applicable
<b>Withdrawal fee</b> <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
<b>Exit fee</b> <i>The fee to close your investment</i>	Nil	Not applicable
<b>Management costs</b>		
<b>Trustee fees</b>	<i>Ongoing management fee:</i> \$5,500 per month	The ongoing Trustee management fee: <ul style="list-style-type: none"> <li>is deducted from the assets of the Trust; and</li> <li>accrues daily and is payable to the Trustee monthly.</li> </ul>
<b>Operating expenses<sup>1</sup></b>	<i>Trust administration expenses:</i> \$15,000 per annum	Paid from the Assets of the Trust when incurred

1. The operating expenses of the Trust are estimates only, and may be higher or lower depending on the actual operating costs of the Trust. Please refer to Section 6.2(b) below for more information.

### 6.2 Additional explanation of fees and costs

- (a) Management costs

Management costs include management fees paid to the Trustee under the Constitution and operating expenses. Management costs are deducted from the assets of the Trust.

The Trustee's ongoing management fees are \$5,500 per month payable monthly in arrears from the assets of the Trust.

(b) Operating expenses

In addition to receiving a management fee, the Trustee is entitled to be reimbursed for expenses and costs incurred in the proper management of the Trust (operating expenses). The operating expenses represent the operating expenses incurred in the operation of the Trust. The Trust's Constitution allows all properly incurred expenses to be recovered from the Trust and does not place any limit on the amount or types of expenses that can be recovered. These expenses include (but are not limited to):

- (i) statutory charges including taxes, land tax, other government fees and levies;
- (ii) additional costs associated with the administration or distribution of income;
- (iii) travel costs;
- (iv) legal fees and other out of pocket expenses directly related to the investigation of investment opportunities (whether or not those opportunities are pursued);
- (v) the acquisition, ownership, financing, hedging, or sale of its investments;
- (vi) market research or other consultant fees associated with proposed or consummated investments;
- (vii) fees to accountants and auditors and counsel;
- (viii) insurance and litigation expenses;
- (ix) expenses associated with the preparation and distribution of reports to Investors;
- (x) registry charges, accounting fees, legal fees, postage and handling, expert and consultant fees;
- (xi) all other costs, disbursements and outgoings incurred in connection with the management and administration of the assets and performance of the duties and functions of the Trustee under the Constitution; and
- (xii) all costs and expenses the Trustee incurs in relation to the preparation, due diligence, printing, promotion and distribution of this IM and any costs incurred in amending or replacing any the Constitution or any other aspect of the Trust.

Extraordinary expenses are expenses that are not normally incurred in the day-to-day operation of the Trust and are not necessarily incurred in any given year. They may include costs associated with holding Investor meetings, changing the Trust's Constitution or defending or pursuing legal proceedings. Extraordinary operating expenses are not included in the estimate of operating expenses described in this section and are not included in the management costs set out in the table in section 6.1.

The Trustee reserves the right to delay or waive payment of the above fees at its discretion.

(c) Fee entitlement

Notwithstanding anything else contained in this IM, the Trustee's entitlement to fees and expenses under the Constitution will be deducted from the assets of the Trust prior to distribution payments being made to Investors.

(d) GST and stamp duty

All fees stated in this IM exclude (if applicable) GST less any reduced input tax credits and stamp duty.

(e) Transaction costs

Transaction costs, such as government taxes, duties, levies, bank charges and account transaction charges, associated with the acquisition of assets from funds subscribed by Investors are paid from the Trust.

(f) Increases or alterations to the fees

The Trustee may vary the fees set out in the table in section 6.1 at any time in its absolute discretion and without your consent. If the variation is an increase in a fee or charge, the Trustee will give you 30 days' prior written notice.

(g) Appointment of authorised representative

Stone Leaf has appointed the Development Manager as its authorised representative. The appointment authorises the Development Manager to provide certain financial services in relation to the distribution of an investment in the Trust. The Development Manager must pay Stone Leaf an upfront fee of \$10,000 and an ongoing fee of \$3,500 per month for this authorisation. This fee must be paid to Stone Leaf by the Development Manager and is not paid from the assets of the Trust.

## 7 Investor information

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### 7.1 Trust legal structure

The Trust is a unit trust established by the Constitution. It is an Australian-domiciled, unlisted, unregistered managed investment scheme open for investment by Wholesale Clients only.

Under a managed investment scheme, investors' funds are pooled with those of other investors to facilitate larger scale investments. Investors hold units in the scheme which represent a proportional entitlement in the assets of the scheme based on the amount invested and the issue price of the units at the time of entry to the scheme. No unit confers an interest in a particular part of the scheme or in any particular asset. The unit price reflects the value of the assets in the scheme and may increase or decrease over time with the value of the underlying assets. When an investor redeems their investment, the units they hold in the scheme are redeemed by the trustee.

### 7.2 Who can invest?

To be eligible to invest in the Trust, Investors must be Wholesale Clients and must fall into at least one of the following categories:

- (a) Individuals (either singly or jointly) over 18 years of age;
- (b) Companies;
- (c) Trustees and trustee companies;
- (d) Partnerships; or
- (e) Superannuation funds (including self-managed superannuation funds).

### 7.3 Wholesale Clients

The Offer under this IM can only be accepted by Wholesale Clients. 'A Wholesale Client includes an Investor who:

- (a) invests \$500,000 or more in the Trust, or
- (b) if investing less than \$500,000:
  - (i) provides a certificate from a qualified accountant (substantially in a form provided by and available from the Trustee) that states that the Investor has (or controls) net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000 (or controls entities which meet this threshold); or
  - (ii) is a 'Professional Investor' as that term, is defined in the Corporations Act (including an AFS Licensee, a person who has or controls more than \$10 million or a person that is a listed entity or a related body corporate of a listed entity).

The Trustee may reject an application without providing a reason.

## 7.4 Issue, calls and transfers of Units

### (a) Issue of Units

All Units in the Trust issued pursuant to this first IM for the Trust will be issued at an Issue Price of \$1.00, which must be partly paid initially to \$0.80.

Investors will be issued with a number of Units determined by dividing the amount of the Application Money by that part of the Issue Price for a Unit which is to be paid on Application.

Once the target capital raising has been achieved, the Trust will be closed to new investment.

### (b) Further calls

While the Units are partly paid, the Trustee may at any time give Investors no less than 10 Business Days' notice of the amount of each further instalment (call) and the date it is due to be paid.

If an Investor does not pay any instalment due on a Unit on or by the day specified for payment, then interest is payable by the Investor on the sum due at the rate charged by the Commonwealth Bank on overdrafts in excess of \$100,000.00 and the Trustee may charge the Investor any costs it or the Trust incurs as a result of the failure to pay an instalment.

Ultimately, if an instalment remains unpaid, then the Units are liable to forfeiture, all rights in relation to them can be suspended and they can be disposed of by the Trustee in its discretion. All unpaid amounts plus any costs and expenses incurred in pursuing the unpaid amounts can be deducted by the Trustee from the proceeds of any sale of forfeited Units before any amount is returned to the holder.

### (c) Unit transfer

Investors may transfer Units in a Trust to any other person who is a Wholesale Client. However, the Trustee has the discretion to refuse transfers of Units without giving any reasons for this refusal.

To affect a transfer to another person, the following will be required:

- (i) a signed and completed standard unit transfer form (with duty paid, if applicable), and
- (ii) notification of the transferee's Investor name and number (or if a new Investor, an Application Form and the required identification for a new Investor).

Standard unit transfer forms are available by contacting the Trustee.

A transfer of Units may have tax implications and Investors should seek their own tax advice in this regard.

## 7.5 Redemptions

The Trust is illiquid. There is no secondary market for Units. Redemptions can only be made in response to a withdrawal offer made by the Trustee. The Trustee can only make withdrawal offers if there are sufficient liquid assets available for the Trustee to make such offers.

The Trust's Redemption Price is calculated by dividing the net asset value of the Trust less transaction costs (if any) by the total paid-up proportion of Units on issue in the Trust less, in the case of a partly paid Unit, the amount of the Issue Price which has not been paid.

The Trustee has the power to redeem Units at any time during the life of the Trust for any reason. Redemptions can only occur at the prevailing Redemption Price.

## 7.6 Distributions

A distribution is a payment of the Trust's taxable income and may include distributions from the Trust, realised net capital gains and other income. The components of the distribution will vary from period to period. Distributions from the Trust are not pro-rated for the duration of the investment during the tax year. They are paid to all Investors who are registered on the last day of the distribution period.

Cash distributions will only be paid to a bank, building society or credit union account in the name of the Investor. Investors will need to advise us in writing of any change to distribution nomination and account payment details. For a change to be reflected in the next distribution, such advice must be received by us no later than five Business Days prior to the distribution date.

## 7.7 Change of account details

Once invested in the Trust, Investors can change their details by notifying the Trustee by post or email.

The written request must include the Investor's:

- (a) account name;
- (b) account number;
- (c) authorised signature(s); and
- (d) the details which are being changed (for example, change of address, bank account details, distribution nomination, and financial adviser details).

If changing an address, it is necessary to provide both the old and new address.

If changing bank account details for redemptions or distributions, Investors will need to provide the Trustee with an original written request, rather than a photocopy or scanned version and any other information the Trustee requires from time to time.

## 7.8 Investor reporting

As an Investor in the Trust, you will receive the following communications:

- (a) Investment confirmation advice, indicating your initial investment in the Trust, together with details of Issue Price and number of Units issued (generally sent within five Business Days of the acceptance of the application).
- (b) A statement each time a distribution is made.
- (c) An annual taxation statement, detailing all relevant taxation information relating to distributions from the Trust required for Investor taxation returns (generally sent by the end of September each year). Included with the statement will be historical and current financial information of the Trust.

## 7.9 Taxation information

### (a) Tax File Number (TFN)

The Application Form provides for the notification by Investors of their TFN, TFN exemption or ABN. It is not compulsory to provide your TFN (or exemption) or ABN. However, tax will be required to be deducted from your income distribution, at the highest marginal tax rate, if we are not provided with this information.

### (b) Social Security

An investment in the Trust may have an effect on a social security benefit to which the Investor is entitled and it is recommended that professional advice be sought on the effect of investment on such benefit.

## 7.10 Overseas Investors

No action has been taken to register or qualify the Units or the offer of Units or otherwise permit a public offering of the Units, in any jurisdiction outside Australia. The Units have not been and will not be registered under the *United States Securities Act of 1933 (US Securities Act)* and may not be offered or sold in the United States (**US**) or to, or for the account or benefit of US persons except in transactions exempt from the registration requirements of the US Securities Act. The distribution of this IM in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this IM comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The IM does not constitute an offer of Units in any jurisdiction where, or to any person whom, it would be unlawful to issue this IM. Where this IM has been dispatched to any persons domiciled outside Australia and where that country's securities code and legislation require registration, this IM is provided for information purposes only. It is the responsibility of any overseas applicant to ensure compliance with all the laws of any country relevant to his or her application. The return of any duly completed Application Form will be taken by the Trustee to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

## 7.11 Automatic exchange of financial account information

### (a) Foreign Account Tax Compliance Act and Common Reporting Standard

Australian legislation relating to the automatic exchange of financial account information between jurisdictions gives effect to the United States of America Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**). These regimes cover the collection and reporting of information to tax authorities by financial institutions.

The Trust may be a reporting Australian financial institution under the inter-governmental agreement entered into between the Australian and US governments in relation to FATCA. The Trust may also be a reporting Australian financial institution under the CRS. Accordingly, the Trust may be required to comply with the registration, due diligence and reporting requirements of FATCA and CRS.

We may request that you provide certain information in order for the Trust to comply with its FATCA and CRS obligations. Depending on your status, for the purposes of FATCA and CRS, we may assess any information you provide to us and if required,

report information in relation to you and your unit holding to the Australian Taxation Office (**ATO**). The ATO will in turn share such information with the US Internal Revenue Service or tax authorities of jurisdictions that have signed a CRS Competent Authority Agreement on an annual basis.

(b) How could FATCA and CRS affect you?

By applying for units in the Trust, you:

- (i) agree to promptly provide us or our service providers with any information we may request from you from time to time;
- (ii) agree to promptly notify us of any change to the information you have previously provided to us or our service providers;
- (iii) consent to us disclosing any information the Trustee has in compliance with our obligations under FATCA and CRS;
- (iv) consent to us disclosing any information the Trustee has if your units are held by or for the benefit of, or controlled indirectly by, specified US person(s) (in the context of FATCA) or foreign tax resident(s) (in the context of CRS), including disclosing information to the ATO, which may in turn report that information to the US Internal Revenue Service or other foreign tax authority; and
- (v) waive any provision of domestic or foreign law that would, absent a waiver, prevent us from complying with our obligations under FATCA and CRS.

Failure to comply with our obligations under FATCA and CRS could result in the Trust being subject to a 30% US withholding tax on payments of US income or gross proceeds from the sale of particular US securities (in relation to FATCA only) and administrative penalties under Australian taxation law.

It is important to note that:

- (i) although we may take steps to manage the imposition of any withholding tax or penalties, no assurance can be given that this will be successful, and
  - (ii) if you fail to provide us with any information requested by us, and the Trust is subject to withholding tax or penalties, we may seek to recover such amount from you.
- (c) For further information in relation to how our due diligence and reporting obligations under FATCA and CRS may affect you, please consult your tax adviser.

## 7.12 Privacy

The Trustee takes all reasonable steps to protect your personal information. In addition to the collection of information pursuant to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (see Section 7.13 for more details), personal information is collected for the purpose of providing investment products to Investors and the Trustee will use your personal information for:

- (a) processing your Application for Units;
- (b) informing you or any potential investment opportunities in funds to be promoted and/or managed by us or any of our related entities (if you do not wish to receive this information, please contact the Trustee);

- (c) administering the Trust (including calculation of entitlements and distributions, and ownership and interests in Units); and
- (d) any purpose related to the above purposes.

If you provide incomplete or incorrect information, the Trustee may be unable to provide you with the product or service for which you are applying.

The Trustee may need to collect personal information about a third party from you as part of this application. If the Trustee do this, you agree you will advise that person that the Trustee have collected their information, and that in most cases they can access and seek correction of the information the Trustee hold about them.

Your personal information may be disclosed to related entities of ours and any organisation (such as an accountant or auditor) involved with the administration of the Trust for any of the above purposes.

The provision of the personal information requested is needed to allow your application to be processed. By completing the Application Form, you consent, for the purposes of the *Spam Act 2003* (Cth) to receiving commercial e-mails from the Trustee, related entities of ours or any other entity involved in the administration of the Trust.

In most cases you can gain access to and seek correction of your personal information. Should you wish to do so, or if you have any queries about your information, please contact the Trustee by email at [notices@stoneleafcapital.com.au](mailto:notices@stoneleafcapital.com.au).

You should also read the Trustee's privacy policy. The Trustee's privacy policy contains information about:

- (a) how you can access and seek correction of your personal information;
- (b) how you can complain about a breach of the privacy laws by us and how the Trustee will deal with a complaint; and
- (c) if the Trustee disclose personal information to overseas entities, and where practicable, which countries those recipients are located in.

The Trustee's privacy policy is available on request by email at [notices@stoneleafcapital.com.au](mailto:notices@stoneleafcapital.com.au)

### 7.13 **Anti-money laundering**

Under the AML/CTF Act, certain additional identification is required from Investors. The Trustee is obliged under this legislation to satisfy thorough Investor identification and verification requirements prior to accepting an application for Units in the Trust. The processing of applications may be delayed until any requested documentation is received in a satisfactory form and the identity of the applicant is verified.

The Trustee may use electronic or document-based verification processes. Where document-based verification processes are used, applicants who invest in the Trust must provide the Trustee with the relevant identification material, along with a completed Application Form. The Trustee may request additional information from applicants where the Trustee reasonably consider it necessary to satisfy the Trustee's obligations under the AML/CTF Act.

## 7.14 Material documents

The Trustee considers that certain documents are material to the operations of the Trust and may be relevant to you. A description of material documents, together with a summary of the more important details of each of these documents, is set out below.

### (a) Constitution

The Constitution establishes the Trust and governs your rights and obligations as an investor in the Trust. Investors are bound by the provisions of the Constitution. The Constitution and general trust law regulate the operation of the Trust and set out the rights and liabilities of Investors and of the Trustee's responsibilities and duties as the Trustee.

The Constitution includes provisions which relate to:

- (i) the Trustee's powers, duties and obligations;
- (ii) the rights and obligations of Investors;
- (iii) the issue of Units and the procedure for the redemption of Units;
- (iv) the transfer and transmission of Units;
- (v) the valuation of the Trust's assets;
- (vi) fees payable to the Trustee;
- (vii) the Trustee's right to be indemnified by the Trust for expenses, losses and liabilities arising in its capacity as Trustee providing it has properly performed its duties;
- (viii) the winding up of the Trust;
- (ix) meetings of investors; and
- (x) the Trustee's limitation of liability.

The Trustee may amend the Constitution without Investor consent where it considers the change will not be materially prejudicial to Investors. Otherwise, the Constitution can only be amended where at least 75% of votes cast by Investors (at a meeting convened in accordance with the Constitution) vote in favour of the amendment.

## 7.15 Investors' liability

The Constitution seeks to limit the liability of Investors to the amount of their investment plus other moneys payable to the Trustee or the Trust pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in a manner discussed above.

## 7.16 Indemnity for the Trustee

To the extent permitted by law, the Trustee is indemnified out of the Trust against any claim, action, damage, loss, liability, cost, expense or payment which it incurs, or is liable for, provided that it does not arise from its own gross negligence, fraud or wilful misconduct.

**7.17 Related party transactions**

- (a) The Trustee may appoint related entities to provide services to the Trust if required. Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties. Where material transactions occur, unitholders should consider the capability and sustainability of those related party arrangements and the potential for conflicts of interest.
- (b) The Trustee has, and complies with, written policies with regard to related party transactions. The policies cover, amongst other things, the assessment and approval process for related party transactions as well as how the risk of any actual or perceived conflict of interest as a result of a related party transaction is managed.
- (c) The Trustee and related entities may also subscribe for, or acquire, units in the Trust on the same terms as other Investors.

**7.18 Declarations**

Stone Leaf Capital Securities Limited is solely responsible for the contents of this IM in its entirety. Each other party named in this IM, including CNM Legal:

- (a) has not made, nor has purported to make, any statement that is included in this IM and there is no statement in this IM which is based on any statement by them;
- (b) expressly disclaims and takes no responsibility for any part of this IM other than the references to its name; and
- (c) does not guarantee the repayment of capital or any particular rate of capital or income return.

## 8 Glossary

<b>AFS licence</b>	an Australian financial services licence issued by ASIC.
<b>AML/CTF Act</b>	the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
<b>Application Form</b>	the Application Form accompanying this IM.
<b>Application Money</b>	the money payable by an applicant on submitting the Application Form.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in Brisbane, Queensland.
<b>Closing Date</b>	the date the Trustee determines in its discretion as being the closing date for the first capital raising in relation to the Trust.
<b>Constitution</b>	the trust deed for the Trust dated 10 September 2024.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>CRS</b>	the Common Reporting Standard is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents to the Australian Taxation Office.
<b>Development Manager, Chateau Developments</b>	Chateau Developments Pty Ltd ACN 674 879 700
<b>Development SPV</b>	The Chateau Development Trust No. 1, established by a constitution dated 10 September 2024.
<b>Development SPV Trustee</b>	Chateau Project No.1 Pty Ltd ACN 680 512 074
<b>FATCA</b>	the <i>Foreign Account Tax Compliance Act</i> which is United States legislation aimed at improving compliance with US tax laws.
<b>IM</b>	this Information Memorandum.
<b>Investor</b>	a member of the Trust.
<b>Issue Price</b>	the price at which Units are issued.
<b>Offer</b>	the offer of Units made in this IM.
<b>Project</b>	the development of the Project Land into developed property.
<b>Project Land</b>	the land on which a Project will be developed.
<b>Recipient</b>	a person who receives this IM.

<b>Redemption Price</b>	the price at which Units are redeemed.
<b>ROR</b>	The target rate of return over the term of the Trust, pre-tax, post fees and expenses.
<b>RPUs</b>	non-voting redeemable preference units in the Development SPV.
<b>Trust</b>	Chateau Developments Real Property Development Trust No.1, established by the Constitution.
<b>Trustee, Stone Leaf (we, our or us)</b>	Stone Leaf Capital Securities Limited ACN 667 580 734.
<b>Unit</b>	a unit in the Trust.
<b>Wholesale Client</b>	has the meaning given in section 761G of the Corporations Act.
<b>you and your</b>	a person who subscribes for and is issued a Unit.

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## 9 How to invest

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### 9.1 Complete Application Form

Investors may apply for Units in the Trust by completing and returning the Application Form.

### 9.2 Customer identification requirements

All applications for Units must be accompanied by the appropriate AML/CTF information (**AML Forms**) and supporting documents required by the AML/CTF Act. The Trustee will supply you with AML Forms which are relevant to your investment entity.

In accordance with the AML/CTF Act, the Trustee is required to identify, and verify the identity of, Investors. In order to do this, the Trustee must collect certain information from Investors relating to their identity and the source of their funds. The Trustee must then verify this information by citing certain verifying documentation or undertaking electronic verification. If you do not provide the Trustee with this information when required, the Trustee may not be able to process your application.

### 9.3 Return completed Application Form and AML Forms

Applications to invest in the Trust can only be accepted if a completed Application Form and AML Forms are lodged with an accompanying electronic funds transfer for the amount of the investment (refer to section 9.5).

The completed Application Form and AML Forms must be completed and sent, along with your payment, to the Trustee in original form via email to:

notices@stoneleafcapital.com.au

or by post:

Stone Leaf Capital Securities Limited  
GPO Box 18  
Brisbane QLD 4001

Care should be taken to ensure you provide, on the Application Form, your:

- (a) residential address (or registered address in the case of a company or trustee Investor);  
and
- (b) tax file number (TFN) or Australian Business Number (ABN).

The Trustee will reject an application where a satisfactory address is not provided on the Application Form.

### 9.4 Payments

You can forward your Application Money by electronic transfer to the Trustee's nominated bank account on the Application Form. If you (or your agent) use electronic funds transfer, then you must notify the Trustee (refer to 'Identifying your Application Money' below). Payments are to be made in Australian dollars.

## 9.5 Identifying your Application Money

If you (or your agent) forward Application Money to the Trustee by electronic funds transfer, you will need to advise the Trustee prior to the processing cut-off time so that the Trustee can identify your money. If your money has not been receipted or identified by the Trustee's bank or the Trustee, then the Trustee cannot process your application.

Any money received by electronic funds transfer without being separately advised to the Trustee may be rejected and returned to the paying financial institution. Any fees charged by a financial institution, in relation to identifying or rejecting money, will be passed on to the Investor or deducted from the Application Money.

If a cheque or electronic deposit dishonours subsequent to Units being issued, those Units are deemed not to have been created.

## 9.6 Interest on application monies

Until Units are issued, Application Monies held by the Trustee will be held on trust. The account into which Application Money will be deposited will be established and kept for the purpose of depositing Application Monies. Any interest accrued on Application Monies in that account will be retained by the Trustee and form part of the assets of the Trust.

## 9.7 Allocation and allotment of Units

Allotment of Units will be made once an application has been accepted by the Trustee. The Trustee reserves the right to allot Units in full for any Application or to allot any lesser number and to decline any Application received.

Where the number of Units allotted is less than the number applied for, the surplus Application Monies will be returned within 14 days. Where no allotment is made, the amount tendered on application with the relevant Application Form will be returned in full within 14 days.

## 9.8 Foreign persons

By lodging an Application Form the applicant is taken to confirm that they are not a 'foreign person' within the meaning of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) or under the age of 18 at the time of the application. If the Applicant is a foreign person, they should complete the non-resident section of the Application Form. This may mean the application will be rejected, depending on the applicant's interest in the Trust and the application of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

**Development Manager**

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ACN 674 879 700  
Phone: 0475 963 891  
Email: [nik@chateauprojects.com.au](mailto:nik@chateauprojects.com.au)

**Trustee**

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Phone: +61 7 3367 8681  
Email: [notices@stoneleafcapital.com.au](mailto:notices@stoneleafcapital.com.au)

**Lawyers to the Offer**

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