

# Freehold Australian Property Fund

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## PRODUCT DISCLOSURE STATEMENT

ARSN: 169 952 738

5 December 2019

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## Notice

### Issue of product disclosure statement

This product disclosure statement (PDS) is dated 5 December 2019. The issuer of this PDS and Units in the Freehold Australian Property Fund ARSN 169 952 738 (Fund) is Responsible Entity Partners Limited (REP, Responsible Entity, RE, we, us). The Responsible Entity holds an AFS Licence (licence no. 304542).

The Responsible Entity has appointed Freehold Investment Management (Freehold or Investment Manager) as the investment manager of the Fund. The Investment Manager holds an AFS Licence (licence no. 339008). The Responsible Entity has appointed Mainstream Fund Services Pty Ltd (Mainstream) to provide custody and administration services for the Fund.

Throughout the PDS certain defined terms are used. Defined terms appear in the glossary in Section 10 of this PDS.

### No performance guarantee

Neither the Responsible Entity, Mainstream, the Investment Manager nor their associates or directors guarantee the performance or success of the investment Offer, the repayment of capital or any particular rate of capital or income return.

Mainstream is not the issuer of this PDS and has not prepared this PDS. It makes no representation and takes no responsibility for the accuracy or truth of any statement or omission from any part of this PDS.

### Electronic PDS

An electronic version of this PDS appears at [www.freeholdim.com.au](http://www.freeholdim.com.au). If you have received this PDS electronically, then we will give you a paper copy free of charge, on request. Please telephone the Responsible Entity on +613 9097 2800.

### Investment warning

This PDS provides information for investors to decide if they wish to invest in the Fund and should be read in its entirety. The assumptions underlying the financial information if included and the risk factors that could affect the financial performance of the Fund should be examined.

Responsible Entity Partners Limited is not authorised to give any personal financial product advice. This PDS contains important information, however it does not take into account your investment objectives, financial situation or particular needs. Accordingly, before you invest, you should read this PDS (and any supplementary PDS and website updates) carefully and in its entirety, and, if you consider it necessary or appropriate, obtain independent financial and taxation advice about whether an investment in the Fund is suitable for you.

### Information

No one is authorised to provide any information or to make any representation in connection with the Offer, which is not contained in this PDS. No such information or representation may be relied on as having been authorised by us.

### Availability of Offer

The Offer under this PDS is available to persons receiving the PDS within Australia and in New Zealand pursuant to the *Mutual Recognition of Securities Offerings*. This PDS does not constitute and should not be construed as an offer, invitation or recommendation by the Responsible Entity to apply for Units in any state, country, or jurisdiction where such offer, invitation or recommendation may not be lawfully made.

### Our website

Where this PDS indicates certain information is available on the Investment Manager or Responsible Entity's website, we recommend you view that information before making a decision whether to invest. In addition, information contained in this PDS may change from time to time. If the change will be materially adverse to the Offer and the Offer is still open, then in accordance with the Corporations Act, we will issue a supplementary PDS. However, if the change will not be materially adverse to the Offer, then a



supplementary PDS will not be issued. Updated information will be available from the Responsible Entity's and / or the Investment Manager's website ([www.sargon.com.au](http://www.sargon.com.au) and [www.freeholdim.com.au](http://www.freeholdim.com.au)) and upon request we will provide you with a paper copy of any updated information free of charge.

### **Risks**

There are risks associated with investing in the Fund. See Section 4 of this PDS for more information.

### **Glossary and photographs**

Throughout this PDS, certain defined terms are used. Terms are defined in the Glossary in Section 10 of this PDS (if necessary).

### **Warning statement for New Zealand investors**

- (a) This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conducts Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- (b) This offer and the content of this PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) sets out how the offer must be made.
- (c) There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- (e) Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand ([www.fma.govt.nz](http://www.fma.govt.nz)). The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- (h) The offer may involve a currency exchange risk.
- (i) The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- (j) If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.\*
- (k) The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

\* Redemptions and distributions of income will only be paid, in Australian dollars, to Australian bank accounts.



## Directory

<b>Responsible Entity</b>	<b>Responsible Entity Partners Limited (ACN 119 757 596)</b>
<b>Registered office</b>	Level 9, 287 Collins Street  Melbourne VIC 3000 Telephone: +613 9097 2800 Email: <a href="mailto:contact@sargon.com.au">contact@sargon.com.au</a> Web: <a href="http://www.sargon.com">www.sargon.com</a>
<b>Investment Manager</b>	<b>Freehold Investment Management Limited (ACN 099 959 958)</b> Level 8, 25 Bligh Street Sydney NSW 2000 Telephone: +612 9228 1400 Email: <a href="mailto:enquiries@freeholdim.com.au">enquiries@freeholdim.com.au</a> Web: <a href="http://www.freeholdim.com.au">www.freeholdim.com.au</a>
<b>Administrator and Custodian</b>	<b>Mainstream Fund Services Pty Ltd (ABN 81 118 902 891)</b> 51-57 Pitt Street Sydney NSW 2000 Telephone: 1300 133 451 or +612 8259 8888 Facsimile: +612 9251 3525 Email: <a href="mailto:registry@mainstreamgroup.com">registry@mainstreamgroup.com</a>
<b>Unit Registry – Freehold</b>	1300 133 451 International: +61 2 8259 8888 8:30am-5:30pm (AEST/AEDT), Monday to Friday Email: <a href="mailto:registry@mainstreamgroup.com">registry@mainstreamgroup.com</a> Fax: +61 2 9251 3525  <b>Unit Registry – Freehold</b> GPO Box 4968, Sydney, NSW 2000



## 1 Investment Overview

	Summary	Section
<b>Fund</b>	The Freehold Australian Property Fund ARSN 169 952 738, a managed investment scheme registered with ASIC.	3
<b>Investment strategy</b>	The Fund invests directly into an actively managed portfolio of Property Securities and Infrastructure Securities where the majority of assets derive a high proportion of earnings from rental, recurring sources or mature/contracted income.	3.2
<b>Responsible Entity</b>	Responsible Entity Partners Limited ACN 119 757 596, AFS Licence no. 304542.	5.1
<b>Investment Manager</b>	Freehold Investment Management Limited ACN 099 959 958, AFS Licence no. 339008.	5.3
<b>Investment objective</b>	Outperform the Fund Benchmark on a rolling 3 year basis.	3.1
<b>Borrowing policy</b>	The Fund does not borrow directly. The Fund will however have 'look-through gearing' because it invests in securities which are geared.	3.9
<b>Fund Benchmark</b>	The Australian Property Customised Index which comprises the following, combined on a 50/50 basis: A-REITs and Listed Infrastructure Customised Index and the Unlisted Property and Infrastructure Customised Index. As at the date of this PDS, this benchmark is provided by Atchison Consultants to be used to measure the performance of the Fund for reporting purposes. The benchmark provider may change from time to time.	3.2
<b>Performance Fee Benchmark</b>	The A-REITs and Listed Infrastructure Customised Index prepared by Atchison Consultants. This benchmark is used to calculate the performance fee (if any). It is different to the Fund Benchmark because the performance fee is payable only in respect of the performance of the Fund excluding Unlisted Assets and cash allocated for investment in Unlisted Assets.	6.3(b)
<b>Performance</b>	The Responsible Entity will report to Investors on the performance of the Fund at the end of each quarter. For details about the Fund's performance go to <a href="http://www.freeholdim.com.au">www.freeholdim.com.au</a> .	3.7
<b>Investment risks</b>	Like all investments, an investment in the Fund is subject to risk. The Investment Manager will attempt to manage and mitigate risks, however not all risks can be eliminated and some risks are outside the control of the Investment Manager. If risks eventuate, then it can have a negative impact on distributions and the value of your investment.	4
<b>Applications</b>	Applications can be made weekly, and must be received by 5.00 pm (Sydney time) on the second last Business Day of each week in Sydney. Your Units will be issued based on the Unit price calculated on the last Business Day of each week.	8
<b>Further units</b>	You can also acquire further Units at any time by completing an Application Form and sending it by post, fax or email to the Unit Registry contact details listed in the Directory, with your payment by direct deposit. The amount you pay for your Units will be based on the next Unit price calculated after receipt of your further application.	8.4
<b>Minimum application amounts</b>	Initial applications: \$10,000 Subsequent additional applications: \$2,000	8.1 and 8.4
<b>Minimum balance</b>	\$5,000 at any time	11.2
<b>Withdrawals</b>	When the Fund is liquid, you may decrease your investment in the Fund by redeeming some or all of your Units. The minimum withdrawal is \$1,000 per request. If the Responsible Entity receives withdrawals requests which, if accepted, would mean Net Withdrawals for the quarter exceed 5% of the Fund's NAV, then the Responsible Entity may accept or reject the	8.6



Summary		Section
	withdrawal request at its discretion. To make a withdrawal, complete a withdrawal request form available at <a href="http://www.freeholdim.com.au">www.freeholdim.com.au</a> and send it by post, fax or email to the Unit Registry contact details listed in the Directory. In addition, the Responsible Entity intends to offer a Periodic Liquidity Event within three months of 15 December 2019 and every five years thereafter to provide Investors with an opportunity to withdraw some or all of their investment in the Fund. The Responsible Entity will endeavour to satisfy all withdrawal requests made in response to a Periodic Liquidity Event. However, if the number of withdrawal applications the Responsible Entity receives during a Periodic Liquidity Event is greater than 50% of the number of Units on issue, then the Responsible Entity will cause the Fund to be wound up.	
<b>Liquidity</b>	The Fund is currently liquid, but the nature of the Fund's investments means it may not always be liquid. Details of the circumstances in which the Fund will be considered non-liquid are set out in section 3.10. When the Fund is not liquid, your ability to withdraw from the Fund will be restricted in accordance with the Corporations Act and the Fund's constitution.	3.10, 4(g) and 8.6
<b>Unit pricing</b>	Unit prices are generally calculated weekly and will vary as the market value of the assets held by the Fund rises or falls.	3.6
<b>Distributions</b>	Distributions will be made quarterly. You may reinvest your distribution and be issued additional Units.	3.7
<b>Management fees</b>	The Responsible Entity charges ongoing management fees of 0.165% - 1.015% per annum (inclusive of GST) of the net asset value of the Fund. The actual management fee charged will be determined having regard to the asset allocation of the Fund as described in Section 6.3.	6
<b>Other costs</b>	The Responsible Entity is also entitled to recover other costs of operating the Fund such as fund establishment costs, audit fees, legal and accounting advice. These are estimated at 0.05% per annum (inclusive of GST). There may also be indirect costs associated with your investment. These are estimated at 0.45% per annum (inclusive of GST).	6
<b>Performance-related Fee</b>	Pursuant to an Investment Management Agreement, the Investment Manager is entitled to be paid a performance-related fee of 16.5% (inclusive of GST) on any outperformance of the Fund excluding any allocation to Unlisted Assets and cash allocated for investment in Unlisted Assets in excess of the Performance Fee Benchmark subject to meeting a "high-water mark".	6
<b>Buy/Sell Spread</b>	0.25% / 0.25%	3.6
<b>Entry/Exit Fees</b>	Nil	6
<b>Indirect Investors</b>	If you invest in the Fund via a Portfolio Service (such as a master fund, wrap account or investor directed portfolio service), different terms may apply to your investment. You should read the disclosure document for that Portfolio Service together with this PDS prior to investing. You should read the important information in this PDS about 'Indirect Investors' before making a decision.	3.11, 6.3, 8.2 and 8.6(e)



## 2 ASIC Disclosure Principles and Benchmarks

ASIC Regulatory Guide 46: Unlisted property schemes: Improving disclosure for retail investors (RG 46) sets out eight disclosure principles and six disclosure benchmarks that unlisted property funds, such as the Fund, must include in the PDS to assist investors to analyse and understand the risks associated with investing in these types of funds and decide whether such investments are suitable for them.

RG46 only applies to funds that have, or are likely to have at least 50% of its non-cash assets invested in real property and/or unlisted property schemes. The Fund will not invest directly in real property and is targeting to invest between 0% and 80% in unlisted property funds, with a target allocation to unlisted property schemes of 50%. There may therefore be occasions when the Fund holds more than 50% of its non-cash assets in unlisted property funds.

The following table shows the ASIC disclosure principles and where such information is set out in the PDS:

Disclosure Principle	Section
Gearing ratio	3.9(b)
Interest cover ratio	3.9(c)
Scheme borrowing	3.9(a)
Portfolio diversification	3.2 and 3.12
Related party transactions	5.6
Distributions practices	3.7
Withdrawal arrangements	3.10, 4(g) and 8.6
NTA	3.9(d)

The following table shows the ASIC benchmarks as applied to the Fund and where such information is set out in the PDS:

Benchmark		Section
Gearing policy	The Fund does not meet the benchmark.  The Fund will not borrow directly and therefore the Responsible Entity does not have a gearing policy that relates to the Fund. However, the securities in which the Fund invests may be geared. Because the make-up of the Fund's investment portfolio will change from time to time, the gearing ratio of the Fund will also change from time to time.	3.9(a)
Interest cover policy	The Fund does not meet the benchmark.  As the Fund does not borrow, the Responsible Entity does not maintain a written policy that governs the level of interest cover for the Fund.	3.9(c)
Interest capitalisation	The Fund meets the benchmark.  As the Fund does not borrow, there is no interest expense and therefore the interest expense of the Fund is not capitalised.	3.9(a)
Valuation policy	The Fund meets the benchmark.  The Responsible Entity maintains and complies with a written valuation policy with respect to valuing the assets of the Fund.	3.6

Benchmark		Section
Related party transactions	The Fund meets the benchmark. The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.	5.6
Distribution practices	The Fund meets the benchmark. The Fund will only pay distributions from its cash operations available for distribution.	3.7

Updates to the information required under the ASIC disclosure principles, from time to time, will be available at [www.freeholdim.com.au](http://www.freeholdim.com.au).



## 3 About the Fund

### 3.1 INVESTMENT OBJECTIVE

The objective of the Fund is to provide investors with exposure to a diversified portfolio of Property Securities and Infrastructure Securities. These securities will derive a high proportion of earnings from rental, recurring sources or mature/contracted income and have capital growth potential with a medium level of liquidity.

The Investment Manager aims to outperform the Fund Benchmark on a rolling three year basis.

### 3.2 INVESTMENT STRATEGY

The Fund's investment strategy is to combine investments in Listed Assets with positions in Unlisted Assets consisting primarily of property and infrastructure funds or companies that are either managed by external managers or by Freehold.

The Fund's benchmark asset allocation and ranges are:

Allocation	Target	Range
Listed Assets	50%	20-100%
- <i>AREITS 35%</i>		
- <i>Listed Infrastructure Securities</i>	15%	
Unlisted Assets	50%	0-80%
Cash	0%	0-20%

The investment criteria applicable to Listed Assets generally require the following:

- Minimum of 90% of income from property rental, recurring sources or contracted/mature infrastructure income.
- Minimum of 75% of assets located in Australia.
- There will be a maximum of 15% of the Listed Assets held that do not meet these investment criteria.
- There may be periods when the asset allocation may be different from those ranges disclosed above but it is the intention to return to these ranges within as short a time as is reasonable to meet the Fund's investment objective.
- The Fund's target allocation to Unlisted Assets is further divided as follows:
  - 70% Core – these are investments in funds or companies which have established income producing property and have lower levels of gearing. Unlisted infrastructure will also be included under this definition.
  - 20% Value Add – these are investments in funds or companies where the majority of the income is generated from established property assets which are producing regular income streams, but there is an opportunity to add value by refurbishment, re-positioning and/or re-letting and/or development of partially undeveloped sites.
  - 10% Development – these are investments in funds or companies which are undertaking development projects which will generally be higher risk and return, and are often geared more highly. They may take the full range of property development risk, including zoning, permit, construction, leasing, interest rate, valuation.
- Note these targets are indicative only and are intended to provide some guidance in respect of construction of the Fund. They are not binding on the Investment Manager or Responsible Entity. Consideration is also given to sector, geography, gearing and liquidity in portfolio construction.

It is a key strategy of the Fund to invest in a combination of Internally Managed and Externally Managed unlisted funds. Internally Managed funds are funds which are either managed by the Investment Manager (or parties related to the Investment Manager), or they are other funds from which the Investment Manager derives fees. It is not anticipated investments in Internally Managed funds will comprise more than 50% of the Fund's allocation to Unlisted Assets at any one time. For example, assuming Unlisted Assets comprised 50% of the



Fund's portfolio, investments in Internally Managed funds would comprise 25% (that is, 50% x 50%) of the Fund's assets. Furthermore, to the extent the Fund invests in Internally Managed funds, the Responsible Entity will only charge a management fee of 0.165% of the value of the investment in Internally Managed funds.

The Investment Manager will waive any fees payable in respect of the Fund's investments in Internally Managed funds. Subject to the requirements of the Corporations Act or any other applicable law, the Investment Manager may receive fees in respect of services provided to Internally Managed funds, such as if it acts as the trustee or investment manager of those funds, noting that such fees may be higher than the fees which are waived.

### 3.3 ENVIRONMENTAL AND ETHICAL CONSIDERATIONS

Whilst the Investment Manager intends to conduct its affairs in an ethical and sound manner, the Fund's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations in the selection, retention or realisation of an investment of the Fund.

### 3.4 SIGNIFICANT FEATURES

The Fund combines Australian Real Estate Investment Trusts (A-REITs), Listed Infrastructure, unlisted Property Securities and unlisted Infrastructure Securities into a portfolio designed to generate income with growth characteristics.

The Fund is expected to derive a high proportion of its income from property rental and recurring sources from A-REITs/unlisted property and mature/contracted income from Listed/unlisted Infrastructure.

While primarily a core strategy, the Fund has some level of diversification across the risk spectrum to provide limited exposure to potentially higher returning assets.

The Fund will typically hold a concentrated portfolio of 12-20 Listed Assets at any one time, which reflects Freehold's approach as a high conviction manager. That is, the Fund is not constrained by the Fund Benchmark in that it will not attempt to 'track' the Fund Benchmark and adjust its holdings accordingly.

The Fund currently has two classes of units in issue. The constitution permits the Responsible Entity to issue different classes of units. If the Responsible Entity intends to issue further classes of units after the date of this PDS, then further disclosure will be made to all current and prospective Investors.

### 3.5 SIGNIFICANT BENEFITS

Investment in the Fund offers the following significant benefits:

- (a) Access to a professional investment manager to identify and manage the Fund's investments.
- (b) A fee structure aligned with investors because it incorporates a significant performance-based component for the allocation to Listed Assets and a lower fee for Unlisted Assets to reduce the duplication of the Investment Manager's fees for underlying funds.
- (c) Exposure to diversified portfolio of listed and unlisted securities.
- (d) Freehold expects a number of the Fund's investments will be only available to wholesale or sophisticated investors, and therefore the Fund allows investors exposure to investment opportunities that individual investors may not have access to on their own, in particular institutional grade property funds.
- (e) Potential returns through capital appreciation and income distributions.

### 3.6 UNIT PRICING

Generally, listed investments are valued at their most recent closing price. Unlisted assets are valued at the most recent Unit price available from the manager of the underlying fund.

Unit prices are calculated on the last Business Day of each week by:

- (a) Calculating the gross value of the Fund's assets and deducting the value of the Fund's liabilities to determine the net asset value of the Fund.
- (b) For the issue Unit price, dividing the net asset value of the Fund by the number of Units on issue and adjusting for the buy spread.



- (c) For the withdrawal Unit price, dividing the net asset value of the Fund by the number of Units on issue and adjusting for the sell spread.

The value of the Fund's assets and liabilities is calculated by the Administrator in accordance with the Fund's Constitution and unit pricing policy. You can obtain a copy of our unit pricing policy from us free of charge on request.

The Buy/Sell Spread is the difference between the amount paid to acquire a Unit (application price) and the price that would be received if the Investor were to redeem their investment on the same day (redemption price). This spread covers our estimate of the costs of buying or selling investments when your application is accepted or your Units are redeemed. The Buy spread for Units is currently 0.25% and the Sell spread for Units is currently 0.25%, although we are permitted to change that if we believe it is not reflective of the costs indicated above. For example, at the same point in time, investments that you hold at a value of \$10,000 can be redeemed at a value of \$9,975.00. The spread is retained by the Fund.

The purpose of the buy and sell spreads is to ensure that those investors transacting in the Fund's Units at a given time bear the Fund's costs of buying and selling assets as a result of their transaction.

### 3.7 DISTRIBUTIONS

The Fund is expected to earn income from dividends, distributions from other property trusts, interest, foreign income, other Australian income, realised capital gains and tax preferred income from its investments. Income after fees and expenses (except for capital gains) will generally be distributed each quarter. Net taxable capital gains will be distributed at least once a year. The Fund intends to distribute 100% of its taxable profits each year.

Distributions are calculated in cents per Unit and will be paid to investors based on the number of Units held at the end of the distribution period. Distributions will normally be determined at the end of March, June, September and December each year and paid within 10 Business Days of the end of each distribution period.

Once a distribution is made, the Unit price usually falls by a similar amount to the amount of distributable income paid in respect of each Unit because the total value of the Fund has been reduced as a result of the distribution. If you invest just before a distribution is made (or at any time during a distribution period), then you may receive some of your investment immediately back as income. This is because the Unit price at which the Units are issued to you may include income of the Fund that has not been distributed. From a taxation perspective, you will have converted part of your capital investment into income which is assessable to taxation. Similarly, if you withdraw your investment immediately before a distribution is made, then part of the Unit price at which the Units are redeemed may comprise income of the Fund. If you are subject to Australian capital gains tax provisions, the full redemption price will be used to determine whether you have made any capital gain thus possibly converting the income to a capital gain.

We suggest you seek the advice of your taxation advisor or financial planner in respect of this issue.

Distributions can either be paid directly to your nominated Australian bank account or reinvested in the Fund by completing the relevant section of the Application Form or for existing Investors by advising us in writing, including by faxing or emailing a signed request, to the Unit Registry contact details listed in the Directory.

Where no election is made, distributions will be reinvested as additional Units in the Fund. Where distributions are reinvested, you will receive your distribution for the period and new Units will be issued to you at the Unit price calculated immediately after the distribution. No buy spread will be added to the Unit price in respect of any reinvestment of distributions. The Responsible Entity may at its discretion cancel or suspend the distribution reinvestment program at any time in which case all distributions will be paid in cash.

### 3.8 SUITABILITY

The Fund is suited to Investors with an investment horizon of five years or more. It will suit Investors that want exposure to 'pure' property and infrastructure listed/unlisted securities that derive a high proportion of earnings from rental, recurring sources and mature/contracted income. While we expect the Fund to be "liquid", the investment profile of the Fund means the Fund is not as liquid as other forms of investment. More detail about the liquidity of the Fund is contained in Section 3.10 and 8.6.

### 3.9 BORROWING

- (a) Borrowing policy



A fund's borrowing policy is an important factor to consider because repayment of borrowings ranks ahead of investors' interests in the fund and payment of interest on borrowings must be funded prior to any distributions being made to investors.

The Fund will not borrow and therefore the Responsible Entity does not have a borrowing policy with respect to the Fund.

(b) Gearing ratio

The gearing ratio indicates the extent to which a fund's assets are funded by borrowings. It gives an indication of the potential risks a fund faces in terms of its level of borrowings due to, for example, an increase in interest rates or a reduction in asset values.

The gearing ratio is calculated as follows:

$$\text{Gearing ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}}$$

The Fund's gearing ratio is nil because the Fund has no direct borrowings.

However, the Fund will be exposed to indirect gearing because the assets in which the Fund will invest may be geared. This is referred to as gearing on a "look-through" basis. For example, an investment of \$100 of the Fund's assets in an unlisted property fund which is geared to 50%, means the \$100 the Fund invests has been used to support another \$100 of debt and then \$200 (\$100 invested plus \$100 of debt) can be invested to acquire an asset within the underlying fund. The look-through gearing of that particular investment of the Fund is therefore 50%.

The Investment Manager is unable to accurately calculate the Fund's look-through gearing ratio on a daily basis because the Fund will hold a number of investments which may change over time and whose individual gearing ratio or level of borrowings may also change. However, the Investment Manager will undertake a reasonable estimate of the Fund's look-through gearing ratio each quarter based on the information available to it. The Responsible Entity will mitigate the risks associated with being unable to accurately calculate the Fund's look-through gearing ratio on a daily basis by ensuring the Investment Manager—

- monitors look-through gearing on a quarterly basis
- maintains a diverse portfolio of assets, as described in section 3.2, and
- does not make investments which it anticipates would mean its estimate of the 'look through' gearing ratio of the Fund would exceed 50% based on its most recent monitoring.

(c) Interest cover ratio

The interest cover ratio gives an indication of a fund's ability to meet interest payments from earnings. The lower the interest cover ratio, the higher the risk that a fund will not be able to meet its interest payments.

The interest cover ratio is calculated as follows:

$$\text{Interest Cover} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

As the Fund does not borrow and has no interest liability and therefore no interest cover ratio, the Responsible Entity does not have a written policy that governs the level of interest cover in the Fund.

(d) Net Tangible Assets

The Fund's net tangible assets (NTA) shows the value of the Fund's NTA on a per Unit basis. This amount can be used as an approximate measure of what an Investor could expect to receive per Unit held (before selling costs). NTA is calculated as follows:

$$\text{NTA} = \frac{\text{Net assets} - \text{intangible assets} +/- \text{other adjustments}}{\text{Number of Units on issue}}$$

The NTA will generally be calculated on the last Business Day of each week (see Section 3.6).

### 3.10 LIQUIDITY

The Responsible Entity intends to provide Investors with the opportunity to withdraw some or all of their investment through the means set out in this section. Any redemptions will be completed at the Unit Price last calculated immediately prior to the redemption (see Section 3.6):

#### (a) Regular redemption opportunities

The Fund is currently liquid and so the Responsible Entity expects to be able to satisfy withdrawal requests on a weekly basis, and in any event, within 10 Business Days of receipt of a request. The Responsible Entity intends to limit Net Withdrawals of all Investors collectively to 5% of the Fund's NAV per quarter. If the Responsible Entity receives withdrawal requests which, if accepted, would mean Net Withdrawals for the quarter exceed 5% of the Fund's NAV, then the Responsible Entity may accept or reject the withdrawal request at its discretion. Any withdrawal requests in excess of 5% of the Fund's NAV for the quarter which are accepted will be accepted on a pro-rata basis among the Investors requesting to withdraw. If the withdrawal requests are not accepted, then the request will be carried forward and processed at the next withdrawal opportunity. Withdrawal requests that have been carried forward will be processed in the order in which they are received and will be processed using the first redemption price determined after the carried forward requests have been accepted by the Responsible Entity.

It is anticipated withdrawal requests will be satisfied from cash reserves of the Fund or, if necessary, selling positions in Listed Assets. However, because the Fund will hold Unlisted Assets, if withdrawal requests are received that cannot be satisfied from cash or Listed Assets, then the Responsible Entity will need to realise investments in Unlisted Assets. To realise these assets for their market value is likely to take longer than 10 Business Days which is why the Constitution allows the Responsible Entity up to 365 days to determine whether it will give effect to a withdrawal request which the Responsible Entity must then satisfy within 21 days.

#### (b) Periodic Liquidity Event

The Responsible Entity also intends to offer Investors the opportunity to withdraw their investment in the Fund via a Periodic Liquidity Event. Periodic Liquidity Events will occur every five years, with the first Periodic Liquidity Event set to occur within three months of 15 December 2019.

At each Periodic Liquidity Event, the Responsible Entity will invite Investors to apply to withdraw some or all of their investment in the Fund. This Responsible Entity will provide Investors with a written notice that includes information about how Investors may withdraw some or all of their investment in the Fund, together with a withdrawal request form. The notice will also indicate the value of assets which will be made available to satisfy investor requests to withdrawal. The assets made available will comprise all the liquid assets of the Fund which can be realised within the period required under the Act and the Constitution. The number of withdrawal applications the Responsible Entity receives during a Periodic Liquidity Event will determine how the withdrawal requests will be satisfied. If withdrawal requests are received that cannot be satisfied from cash or Listed Assets, then the Responsible Entity will need to realise investments in Unlisted Assets.

If the number of withdrawal applications the Responsible Entity receives in response to a Periodic Liquidity Event is greater than 50% of the number of Units on issue, then the Responsible Entity will cause the Fund to be wound up. The Responsible Entity will facilitate an orderly sale of the Fund's assets and distribute the proceeds to Investors, which may take up to three years from the date on which the Responsible Entity must commence the process to wind up the Fund.

While the Responsible Entity expects Investors to be able to redeem their investment from time to time using either mechanism referred to above (regular redemptions or Periodic Liquidity Event), there may be circumstances in which redemptions might be suspended or not possible at all. Investors should refer Section 8.6 for further details. Risks associated with the liquidity of the Fund are explained in Section (g)

### 3.11 INDIRECT INVESTORS

You may invest in the Fund indirectly through a Portfolio Service. You may rely on and are authorised to use the information in this PDS to direct the operator of the Portfolio Service to invest in the Fund on your behalf.

If you invest through a Portfolio Service, then you do not become a unitholder in the Fund, and accordingly you do not acquire the rights of a direct investor. These are acquired by the operator of the Portfolio Service who will hold the investment on your behalf. The operator of the Portfolio Service can exercise, or decline to exercise the rights they have as a unitholder on your behalf according to the arrangements governing the

Portfolio Service. If you invest in the Fund through a Portfolio Service, then you should note that some information in this PDS may be relevant only for direct Investors.

As an Indirect Investor, you should read the disclosure document for that Portfolio Service together with this PDS prior to investing. The disclosure document for the Portfolio Service will contain important information that outlines their requirements in relation to who may invest, minimum balances, additional investments, processing applications and any other terms or conditions which they apply. The Responsible Entity has authorised the use of this PDS for the purpose of disclosure to direct Investors as well as Indirect Investors. Investors who access, or wish to access the Fund through a Portfolio Service may rely on this PDS.



## 4 Risks

All investments carry risk. Different strategies can carry different levels of risk, depending on the assets that make up that strategy. Assets with the highest long-term returns may also carry the highest level of risk. Not all risks can be known or predicted at the outset. The value of investments and the level of returns will vary. Future returns may differ from past returns. Returns are not guaranteed and you may lose some of your money.

Some of the key or significant risks that may impact the value of your investment in the Fund are outlined below. These represent the key risks of investing in the Fund. It is not possible to list all investment risks and this section is therefore not intended to be exhaustive. You need to consider the level of risk that you are comfortable with, taking into account factors such as your age, your investment time frame, other assets and investments you have, and your overall tolerance for risk.

- (a) **Market risk**—The price of investments may fluctuate for a variety of reasons including changes in economic conditions, market sentiment, government regulations, political events, natural disasters and changes in technology. The effect on the value of each underlying investment will vary and cannot be predicted with certainty.
- (b) **Investment Manager risk**—An important issue that you must consider is the competency of the Investment Manager. An investment in the Fund is an indication that you believe the Investment Manager is capable of making decisions that are in the best interests of the Fund. There is a risk the Investment Manager may fail to perform, or perform poorly which may impact the value of the Fund and therefore your investment. Additionally, there is a risk the Investment Manager may cease to manage the Fund at a future time and may be replaced. If this occurs, then we would seek to replace Freehold with another appropriately qualified investment manager.
- (c) **Property risk**—While the Fund does not invest directly in property or infrastructure, it will invest in listed and unlisted securities which hold property and infrastructure assets, the value of which is impacted by matters which affect the value of the underlying asset. For example, the value of Property Securities in which the Fund is invested may be impacted by the general quality of the underlying property, its geographic location, the ability of the property to attract and retain tenants and the attractiveness of property as an investment class generally.
- (d) **Infrastructure investing risks**—An investment in infrastructure assets is affected by many factors which can also affect a variety of asset classes. However, the nature of infrastructure assets means some factors may affect infrastructure assets more acutely than other asset classes. For example:
  - Infrastructure investments may include significant debt. Therefore, movements in interest rates can affect their value.
  - Where infrastructure assets are to be constructed. There is a risk construction might not be completed on time (and therefore delay forecast cash flows) or cost more to complete than anticipated.
  - The expected usage of the asset when complete might not meet forecasts.
  - Change in government regulation can affect the value of assets, positively or adversely.
- (e) **Specific investment risk**—Individual securities in which the Fund invests are subject to market risks which may affect the valuation of the underlying security. Individual securities will be managed by other investment managers over which we have no day-to-day control. For example, the ability of a manager of a particular security to manage its borrowings, secure and retain tenants or to manage rental levels achieved at the property may have an impact on the value of the security and therefore the value of the Fund while that particular security remains an investment of the Fund. We mitigate this risk by carefully researching investments prior to investing on behalf of the Fund and continually monitoring the performance of the Fund's investments.
- (f) **Borrowing risk**—While the Fund will not borrow, the underlying investments of the Fund may have borrowings. Any borrowings undertaken by the underlying investments of the Fund will increase the level of risk. Borrowing can increase the potential for capital gains, as well as losses. If the gearing levels of underlying investments are too high, then the manager of the underlying investment may be unable to service its borrowings. If this happens, then distributions the Fund receives from that investment may be reduced or suspended and the lender may enforce its security over the relevant assets of the underlying fund. This may include the lender exercising its power to sell assets, which may lead to the assets of the

underlying fund being sold for a lower price than would have been obtained had they been sold voluntarily in the ordinary course of business and this will reduce the capital value of the Fund's investment.

Because the Fund is relying on the skills of the manager of the underlying fund to manage its borrowing risk, the Investment Manager does not have day-to-day control over this risk. The Investment Manager mitigates this risk by conducting extensive due diligence on the manager and the underlying investment to ensure appropriate levels of borrowing and to ensure they have appropriate experience and skill in managing the underlying fund, including any borrowings.

- (g) **Liquidity/withdrawal risk**— The Fund is currently 'liquid' as that term is defined in the Corporations Act. However, the nature of the Fund's assets means that should a large number of Investors seek to withdraw from the Fund, and there is insufficient cash and Listed Assets which can be realised to meet withdrawal requests, then it is likely the Responsible Entity will need to sell Unlisted Assets to meet the requests which may take up to 365 days (being the period of time the Constitution permits the Responsible Entity to determine whether it will give effect to a withdrawal request) which the Responsible Entity must then satisfy within 21 days. If it is necessary for the Fund to dispose of Listed Assets and Unlisted Assets to meet withdrawal requests, there is a risk the Fund may not be able to realise sufficient assets in a timely manner or at an optimal sale price. This may affect the Responsible Entity's ability to return capital to Investors and may reduce the NTA per Unit.

The Responsible Entity considers the Fund to be liquid because it believes it will be able to realise 80% of the Fund's assets for market value within 365 days. In forming this view, the Responsible Entity has made the following assumptions regarding its ability to realise the value of Unlisted Assets:

- i. If necessary, the Fund will be able to redeem its investment using any liquidity facility made available by the manager of the underlying fund within 365 days.
- ii. If no liquidity facility is made available within that time, the Responsible Entity will be able to negotiate a sale of the Fund's investment for market value by using its own network of property investors and fund managers to identify an investor which is prepared to acquire the Fund's investment at market value.
- iii. The market value of the assets is the price which can be achieved in the market place between a willing buyer and a willing seller. It may not necessarily be equal to the "net asset value" (NAV) published by the manager of the underlying fund. Typically, the market value may be between 1% and 5% below the published NAV in normal trading conditions, but in periods of market volatility the discount may be higher. For example, during the GFC discounts of up to 20% were experienced in some funds.

Notwithstanding the above, it is possible the Fund may cease to be liquid as defined in the Corporations Act. If for any reasons the Responsible Entity considers it cannot realise 80% of the Fund's assets for market value within 365 days, then the Fund will be non-liquid. For example, in periods of market volatility it may not be possible to realise Unlisted Assets in the way described above.

If the Fund is non-liquid, Investors will have no automatic right to withdraw. An Investor's only opportunity to withdraw from the Fund will be pursuant to withdrawal offers made by the Responsible Entity in accordance with the Constitution and the Corporations Act as set out in Section 8.6.

If the Fund is non-liquid, then the Responsible Entity intends to make withdrawal offers as set out in Section 8.6 to facilitate an orderly sale of the Fund's assets and distribute the proceeds to Investors. If it is decided that the Fund will be wound up, the Responsible Entity estimates this process may take up to three years from the time the Fund is declared non-liquid and may involve selling the underlying positions in the secondary market at a discount to published NAV to wind up the Fund. Where the Fund still holds Listed Assets, the Responsible Entity intends to continue to offer Net Withdrawals of up to 5% of the NAV of the Fund per quarter (although this may not always be possible for example, due to prolonged market volatility).

- (h) **Economic factors**—The returns on investments are affected by a range of economic factors including changes in interest rates, exchange rates, inflation, government policy (including monetary policy and other laws) and the general state of the domestic and international economies.
- (i) **Regulatory and legal risks**—The laws affecting managed funds may change in the future. In addition, changes to tax laws could impact your investment returns and/or individual tax circumstances.





- (j) **Currency risks**—Where the Fund makes an investment in a foreign currency and does not hedge the currency exposure, then the value of the Fund's investment is exposed to movements in the relevant exchange rate. Those movements can be positive or negative. Movements in exchange rates can be significant and volatile and are not necessarily related to the value of the underlying investment.
- (k) **Interest rate risks**—increases in interest rates can have a negative effect on the value of the Fund's investment in underlying funds which have borrowings.
- (l) **Concentration risk**—Diversification is a commonly used strategy to reduce investment risk. It works by spreading your investable capital across a number of different investments or asset classes, so matters which negatively affect one investment or a class of investments will not adversely affect your entire portfolio. An investment in the Fund offers exposure to the property and infrastructure asset classes. The Fund provides some diversification in that it offers exposure to a number of different securities within the property and infrastructure asset classes, however it does not offer diversification at an asset class level. Investors are encouraged to seek advice about reducing diversification risks by investing an appropriate amount of their available capital in the Fund.

We strongly recommend you consider the risk factors outlined above and obtain advice in relation to the risk associated with an investment in the Fund generally from a licensed financial advisor having regard to your own financial situation, investment objectives and needs.



## 5 MANAGEMENT OF THE FUND

### 5.1 THE RESPONSIBLE ENTITY

Responsible Entity Partners Limited is the responsible entity of the Fund and is responsible for operating the Fund. Our role is primarily to oversee management of your investments, monitor the work of your service providers, including the Investment Manager, Mainstream, and to support governance, risk and compliance requirements.

### 5.2 THE CONSTITUTION

The Constitution of the Fund is the primary document governing the relationship between the Investors in the Fund and the Responsible Entity. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

It includes broad powers for the Responsible Entity to carry out its duties and deal with the assets, including the right to fees and reimbursement of expenses, its right to issue different classes of units, details about how it must comply with Investment Instructions and in what circumstances it is not obliged to act. The Constitution also details the Responsible Entity'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 Responsible Entity is limited to the extent of the Fund's assets, except where there has been any fraud, negligence or breach of trust by the Responsible Entity.

The liability of Investors is limited under the Constitution to the value of their investment. However, the question of limited liability for investors of managed investment schemes has not been tested in a court of law.

All Investors are bound by the Constitution, and any amendments. A special resolution of Investors at a properly convened meeting is required to amend the Constitution, unless the change does not adversely affect the rights of Investors.

Upon request, you (or your financial adviser) can obtain a free copy of the Constitution.

### 5.3 THE INVESTMENT MANAGER

The Fund's Investment Manager is Freehold Investment Management Limited ACN 099 959 958 AFS Licence 339008 ("Freehold" or "Investment Manager"). Freehold is a specialist investment management company with key capabilities in the real estate and infrastructure sectors.

The Freehold team has a proven track record in Australian listed and unlisted real estate securities, listed and unlisted infrastructure securities, and direct real estate.

Freehold is an investor-focused organisation with an investment approach based on the following principles:

- Exploitation of inefficiencies: capitalising on information and research based advantages to identify opportunities.
- Research effort: bottom up fundamental analysis with a top down overlay.
- Exploitation of thematic trends – economic and demographic.

Further details about Freehold are available at [www.freeholdim.com.au](http://www.freeholdim.com.au).

The key team members at Freehold:

**Grant Atchison** is a founder of Freehold and is Managing Director. Prior to this he was a Senior Consultant with Atchison Consultants where his advisory and research experience included the global and domestic, listed and unlisted property sectors, as well as sustainable property. His strategy consulting work covered the establishment of new fund management businesses and products with both new and existing funds managers.

Prior to this Grant had over 10 years of direct property experience in project management, design and construction in the office, retail, industrial, residential, performing arts, education and infrastructure sectors. The first half of this period was with Lend Lease in Australia and the latter half with the AIM-listed property group ISG in the United Kingdom.

Grant has a Bachelor of Engineering (Civil) from RMIT University and a Masters of Business Administration from Warwick Business School in the United Kingdom. In 2009, he was awarded a scholarship to undertake the Certified Investment Management Analyst program and now holds the CIMA® designation.

**Grant MacKenzie** is a Senior Portfolio Manager and is co-lead real estate and infrastructure securities analyst, responsible for portfolio construction and member of the investment committee.

Grant's most recent experience was as Senior Investor Relations, Federation Centres (ASX: VCX) from 2013-2015. Prior to that Grant worked with Quadrant Real Estate Advisors from 2010-2012.

Grant has more than 10 years as a Portfolio Manager of the Australian Listed Real Estate Fund for Macquarie Group from 2000-2009 and prior to that as a Property Analyst with BBY Stockbroking, from 1998-2000.

**Simon Karlsson** is a Portfolio Manager and co-lead real estate and infrastructure securities analyst and a member of the Fund's investment committee.

Simon was a dealer with Macquarie Group during 2015 and prior to that was Assistant Portfolio Manager/Analyst with Perennial Real Estate Investments from 2008-2015. Simon had a prior role with Macquarie Group as Senior Associate— Banking and Property from 2006-2008.

#### 5.4 INVESTMENT MANAGEMENT AGREEMENT

The Investment Management Agreement details the formal arrangement between the Responsible Entity and the Investment Manager stipulating the terms under which the Investment Manager is authorised to act on behalf of the Fund to manage the Fund assets referred to in the agreement. The agreement establishes the extent to which the Investment Manager may act in a discretionary capacity to make investment decisions based on a prescribed strategy. The agreement contains the management and performance-related fees payable to the Investment Manager.

#### 5.5 MAINSTREAM—ADMINISTRATOR AND CUSTODIAN

The Responsible Entity has engaged Mainstream Fund Services Pty Ltd (Mainstream) to act as both the administrator and custodian of the Fund pursuant to an administration and custodian agreement.

Mainstream will be directed to hold assets in the Fund and to deal with these assets only as instructed by the Responsible Entity. Mainstream will only act in accordance with the terms of the agreement and has no liability (including for negligence or breach of trust) or responsibility to Investors of the Fund for any act or omission in accordance with proper instructions or otherwise, in accordance with the terms of the custodian agreement. The agreement may be terminated by either party issuing a termination notice in accordance with the agreement.

Mainstream has not authorised or prepared this PDS and is not its issuer and takes no responsibility for the accuracy of any representation made in any part of this PDS.

#### 5.6 RELATED PARTY TRANSACTIONS

We may from time to time face conflicts between our duties to the Fund as responsible entity, our duties to other funds we manage and our own interests. Additionally, conflicts may arise in the context of our appointment of the Investment Manager. Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties. We maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest. The policy is designed to ensure that any actual or potential conflicts of interest and related party transactions are identified and appropriately dealt with and are managed in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

We may from time to time enter into other transactions with related entities. All transactions will be effected on commercial arm's length terms, and in accordance with the Corporations Act. In particular, it is part of the investment strategy that some underlying funds will be funds established and operated by the Investment Manager.

## 6 FEES AND COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performances or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 6.1 FEES AND OTHER COSTS

This document 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 assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

All fees and costs are shown gross of income tax or contribution taxes (but including GST and any applicable stamp duty) and net of any applicable reduced input tax credits. We do not reduce fees by any income tax deduction we (or an interposed vehicle) may be able to claim

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
Establishment fee: <i>The fee to open your investment</i>	Nil	N/A
Contribution fee: <i>The fee on each amount contributed to your investment</i>	Nil	N/A
Withdrawal fee: <i>The fee on each amount you take out of your investment</i>	Nil	N/A
Exit fee: <i>The fee to close your investment</i>	Nil	N/A
<b>Management costs—the fees and costs of managing your investment</b>		
Management fee* The amount you pay will depend on the nature of the assets held within the Fund see section 6.3.	0.165% to 1.015% per annum (incl GST)*	Accrued daily, payable monthly in arrears



Type of fee or cost	Amount	How and when paid
Performance-related fee**	16.5% (incl GST) of the amount of the Fund's returns, excluding any allocation to Unlisted Assets (and also excluding cash allocated ready for investment in Unlisted Assets), in excess of both the Performance Fee Benchmark and high watermark, with the amount of the performance-related fee payable being calculated based on the lower of the two excess amounts achieved.	Accrued daily, payable to the Investment Manager 14 days after 30 June / 31 December if applicable
Expenses <sup>1</sup>	0.05% p.a.	These fees and costs are payable from the Fund's assets as incurred. Refer to the 'Additional explanation of fees and costs' section below.
Indirect costs <sup>2</sup>	0.45% p.a.	Calculated on REP's reasonable estimate of such costs and paid out of the Fund's assets or interposed vehicle's assets once the cost is incurred, and reflected in the Unit price.
<b>Service fees</b>		
Switching fee: <i>The fee for changing investment options</i>	Nil	N/A
<p><i>*Fees may be individually negotiated with wholesale clients or otherwise in accordance with ASIC policy. The Responsible Entity retains 0.165% of this fee and the balance is paid to the Investment Manager.</i></p> <p><i>**This fee is charged as an expense of the Fund pursuant to the Investment Management Agreement. If payable, the fee is paid 14 days after the final day in a performance-related fee calculation period determined by the Responsible Entity, which is usually once every six months on 30 June and 31 December. See below for details.</i></p> <p><i>1. Refer to the explanation of 'Expenses' in section 6.3(h)</i></p> <p><i>2. Refer to the explanation of 'Indirect Costs' in section 6.3(d)</i></p>		

## 6.2 EXAMPLE OF ANNUAL FEES AND COSTS

The following table gives an example of how the fees and costs for this Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with a contribution of \$5,000 during year	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>Plus</b> Management costs	1.13%	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$565.00 each year
<b>Equals</b> Cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from <b>\$565</b> *
		<b>What it costs you will depend on the fees you negotiate.</b>

*\*Additional fees may apply*

*Please note: the actual cost of the Fund will depend on the asset allocation of the Fund at any point in time (see section 3.2 Investment Strategy). The above is just an example and has been prepared assuming a 50/50 allocation between Listed and Unlisted Assets which is consistent with the strategic allocation described in section 3.2 Investment Strategy. We have also assumed that the additional \$5,000 was contributed at the end of the year and that management costs are calculated using the \$50,000 balance only. In practice, your investment balance will vary, as will related management costs. Also note that a performance-related fee may apply in some circumstances. This example does not take into account the buy-sell spread (see Section (i)). For example, for every \$5,000 you contribute you could be charged \$12.50 as a buy-sell spread.*





*Management Costs consist of the management fee and expense recoveries (representing the actual expenses charged to the Fund) and indirect costs. The actual expenses recovered may increase or decrease over time. See section 6.3 below for further information regarding management costs.*

### 6.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

#### (a) Management fee

This is the fee paid by the Fund to the Responsible Entity for managing the Fund and forms part of management costs. The Responsible Entity must pay the Investment Manager from this amount. The fee will be charged at the close of business on the last Business Day each month. The management fee will be charged having regard to the nature of the assets held within the Fund as set out in the table below.

Asset type	Explanation	Benchmark Weighting	Fee (% of NAV)*	Fee**
Unlisted – Internally Managed	Unlisted funds which are managed by Freehold or a related party of Freehold, plus cash allocated for investment in this asset type.	25%	Nil	Nil
Unlisted – Externally Managed	Unlisted funds which are managed by parties not related to Freehold, plus cash allocated for investment in this asset type.	25%	0.165	0.041
Listed Assets	Any listed securities, plus cash allocated for investment in this asset type.	50%	0.850	0.425
Responsible entity, administration and custody fee	Charged on all assets in addition to the fees stated above.		0.165	0.165

The fees quoted above are inclusive of the net effect of Goods and Services Tax (GST), (i.e. includes GST net of input tax credits and any available reduced input tax credits).

\*\* Estimate fee charged to the Fund expressed as a percentage of NAV assuming benchmark weightings are maintained.

***The total fee that would be payable based on the benchmark allocation among the asset classes above would be 0.63%.***

#### (b) Performance-related fee

Pursuant to the terms of an Investment Management Agreement, the Investment Manager may be entitled to receive a performance-related fee should the Fund's performance (excluding the Unlisted Assets and cash allocated for investment in Unlisted Assets) exceed a certain level. To the extent this fee is earned, it will be paid to the Investment Manager out of the assets of the Fund as an administration cost of the Fund. No performance-related fee is payable in respect of any investments in Unlisted Assets. The underlying manager of the relevant Unlisted Asset (which may be the Investment Manager or an entity related to the Investment Manager) may be paid a performance-related fee in its capacity as trustee or manager of the relevant Unlisted Asset. The terms of the Investment Management Agreement are disclosed in section 5.4. References to the performance of the Fund in this section insofar as it relates to the calculation of the performance-related fee is a reference to the performance of the Fund excluding any allocation to Unlisted Assets (and also excluding cash which is allocated ready for investment in Unlisted Assets).

The performance-related fee is only payable when, during the relevant calculation period, movements in the Fund's NAV per Unit outperforms the Performance Fee Benchmark during the relevant period AND the Fund maintains or increases any earlier outperformance over the Performance Fee Benchmark. That is, the performance exceeds the prior high watermark.

The amount of the performance-related fee payable is determined by multiplying the unit price at the commencement of the calculation period by the lower of the two excess amounts (i.e., the amount of performance in excess of the Performance Fee Benchmark or the high watermark) by the performance-related fee rate (16.5% inclusive of GST) multiplied by the number of Units on issue at the beginning of the period to provide the performance-related fee payable. The fee is payable 14 days after the final day in a performance-related fee calculation period. The Responsible Entity will calculate and accrue the performance-related fee daily and has the discretion to pay any accrued performance-related fee to the Investment Manager at any time, but it anticipates paying it once every six months on 30 June and 31 December.

The calculation of the performance-related fee has been structured to:



- (i) Maintain a high watermark so that the Performance-related Fee is payable only if prior outperformance over the Performance Fee Benchmark is maintained or exceeded.
- (ii) Adjust the high watermark each time a Unit price is struck to take into account capital movements within the Fund. Capital movements include market benchmark movements, applications, redemptions and distributions.
- (iii) Adjust the high watermark and Performance Fee Benchmark to account for changes in the asset allocation of the Fund between Listed Assets and Unlisted Assets. This is because the performance-related fee is paid in respect of the performance of the Fund excluding Unlisted Assets.

The Performance Fee Benchmark for the Fund is the A-REITs and Listed Infrastructure Customised Index prepared by TAG Asset Consulting Group Pty Ltd ACN 097 703 047 (trading as Atchison Consultants), an entity related to a director of the Investment Manager. The Performance Fee Benchmark is derived from the S&P/ASX 300 A-REIT Accumulation Index and a subset of the S&P/ASX 200 Index infrastructure sub industries, as defined by the Global Industry Classification Standard (GICS), combined on a 70/30 basis.

The table below includes an example of how the performance-related fee would be calculated in three scenarios which occur as consecutive calculation periods.

#### Example 1

**Assumptions:**

*The allocation of the Fund to Listed Assets (as a percentage of the Fund's total assets) remains constant throughout the period.*

*The NAV per unit for Listed Assets is \$1.00 with 10 million units on issue at the beginning of the calculation period.*

*The performance of the Listed Assets is + 10% during the calculation period.*

*The Performance Fee Benchmark is + 8% during the calculation period.*

*The Fund has outperformed the Benchmark (+2%) and there is no previous underperformance or prior high water mark level of cumulative performance i.e., the high water mark is zero.*

***The performance-related fee would be calculated as follows:***

$$\begin{aligned} & \$1 \times 10 \text{ million} \times (2\% - 0\%) \times 16.5\% \\ & = \$33,000 \end{aligned}$$

#### Example 2

**Assumptions:**

*The allocation of the Fund to Listed Assets (as a percentage of the Fund's total assets) remains constant throughout the period.*

*The NAV per unit for Listed Assets is \$1.00 with 10 million units on issue at the beginning of the calculation period.*

*The high watermark set in the prior periods is 2% outperformance.*

*The performance of the Listed Assets is + 11% during the calculation period.*

*The Performance Fee Benchmark is + 8% during the calculation period.*

*The Fund has outperformed the Performance Fee Benchmark (+3%) but in the earlier calculation period the Fund performance had achieved a high water mark performance equivalent to +2% over the Performance Fee Benchmark.*

***Because during the period the excess performance over the high water mark (1%) is lower than the excess performance over the benchmark (3%), the performance-related fee would be calculated as follows:***

$$\begin{aligned} & \$1 \times 10 \text{ million} \times (3\% - 2\%) \times 16.5\% \\ & = \$16,500 \end{aligned}$$

### Example 3

**Assumptions:**

*The allocation of the Fund to Listed Assets (as a percentage of the Fund's total assets) remains constant throughout the period.*

*The NAV per unit for Listed Assets is \$1.00 with 10 million units on issue at the beginning of the calculation period.*

*The high watermark set in the prior periods is 3% outperformance.*

*The performance of the Listed Assets is minus 3% (ie negative) during the calculation period.*

*The Performance Fee Benchmark is minus 7% during the calculation period.*

*The Fund has outperformed the Performance Fee Benchmark by +4%.*

***Because during the period the excess performance over the previous high water mark is lower (+1%) than the excess performance over the benchmark (+4%), the performance-related fee would be calculated as follows:***

$$\begin{aligned} & \$1 \times 10 \text{ million} \times (4\% - 3\%) \times 16.5\% \\ & = \$16,500 \end{aligned}$$

For the financial year ended 30 June 2019 no performance-related fees were paid, and for the year ending 30 June 2020 we do not expect any performance-related fees to be payable. This expectation relates primarily to the current level of the high water mark and Fund performance and is not an indication that the Responsible Entity does not expect performance-related fees to be payable in future years.

#### (c) Adviser fees

The Fund does not pay adviser fees. If you consult a financial adviser, then you may pay additional fees to your adviser pursuant to your arrangement with them. If your adviser provides personal advice for your circumstances, then the statement of advice provided to you by your adviser should include details of the fees charged by your adviser.

#### (d) Indirect costs

Indirect costs are any amount that have reduced or will reduce (whether directly or indirectly) the return on the Fund, or reduce the amount or value of the income of or property attributable to an interposed vehicle in or through which the property attributable to the Fund is invested, and that are not charged as a fee.

Indirect costs are disclosed as part of management costs.

The estimated component of the Fund's indirect costs referred to in section 6.1 is based on the pro-rata ongoing management fees of the current unlisted property fund exposures and is calculated on REP's reasonable estimate of such costs and paid out of the Fund's assets or interposed vehicle's assets once the cost is incurred, and reflected in the Unit price.

The indirect costs have been calculated with reference to the relevant costs incurred for the financial year ending 30 June 2017.

The indirect cost figure shown in section 6.1 (0.45% pa of the value of your units in the Fund) is based on costs incurred for the financial year ending 30 June 2017. The actual amount you will be charged in subsequent financial years is not currently known and could be different.

**Warning:** the indirect costs information included is based on information available as at the date of issue of the PDS. You should refer to our website for any updates which are not materially adverse from time to time.

#### (e) Transactional and operational costs

Transactional costs are those incurred when investors apply for or withdraw from a product or when transactions occur to manage the product's investment strategy, and include brokerage, a buy-sell spread (see section 6.3(i) below), settlement costs, clearing costs and stamp duty. Implicit transaction costs are calculated by reference to the price at which a fund asset is acquired or disposed of and the asset's true value.

Whether incurred directly or through an interposed vehicle, transactional costs are not indirect costs and therefore do not form part of management costs.

The buy-sell spread is applied to the unit price on each transaction and reflects the estimated transactional costs incurred in the buying and selling of the product's assets to meet investor flows. It is charged to recover transaction costs on a sale and purchase of assets of the entity, and only relates to transaction costs incurred by the trustee (i.e. not in interposed vehicles). Buy-sell spread costs do not have to be disclosed as an investment fee or indirect cost.

An estimate of total transactional costs for the current financial year based on the financial year ending 30 June 2017 is 0.75%. For example, on a balance of \$50,000, we expect the total transactional costs for the current financial year to be \$375.

Where there is a buy-sell spread: Of these total costs, we reasonably estimate that 0.25% are recovered through the buy-sell spread, which is determined by the current levels of buy sell spread, asset turnover and relatively regular applications. 0% of the spread is paid to the product issuer. Therefore, the net transactional costs for the current financial year are estimated to be 0.50%

Please note that these costs are an additional cost to you.

#### **(f) Changes to fees and costs**

We reserve the right to change fees and other costs, subject to any limitations under the Constitution and applicable law. We will give you 30 days' notice prior to increasing any fees. We will consider during and towards the end of each financial year whether the fee and cost amounts require updating to more accurately reflect estimated fees and costs (including indirect costs) in future years, including where new information has come to light in relation to fees and costs. If we consider that the updated fees and costs information is not materially adverse, we will post an update on our website, otherwise we will issue a supplementary or replacement PDS in accordance with the Corporations Act.

#### **(g) Waiver or deferral of fees**

The management fee we charge as set out in Section (a)) is currently less than the maximum permitted under the Constitution (i.e., we waive part of this fee). The Constitution allows a maximum management fee of up to 2.00% per annum (excluding GST) of the net asset value of the Fund.

Additionally, the Constitution entitles the Responsible Entity to receive a performance fee subject to the Fund's performance exceeding a certain level. However, while there is a performance-related fee payable to the Investment Manager, the Responsible Entity has elected to waive its right to its performance fee in its entirety as is permitted under the Constitution. Investors should note the Investment Manager may be paid a performance-related fee (as described in section (b) under the Investment Management Agreement.

#### **(h) Expenses**

The Constitution of the Fund allows for the operating expenses, including, but not limited to expenses such as fund establishment, audit, taxation, accounting, and legal advice to be paid directly from the Fund. The Responsible Entity estimates these to average 0.05% per annum of the Fund's net asset value.

We may also recover abnormal expenses (such as costs of Investor meetings and the cost of implementing changes to the Constitution) from the Fund. Whilst it is not possible to estimate such expenses with certainty, we anticipate the events which may give rise to such expense will rarely occur. In circumstances where such events do occur, we may decide not to recover these abnormal expenses from the Fund.

We are entitled to recover the costs of establishing the Fund including the costs of preparing this PDS from the Fund's assets. These costs have been fixed at \$99,750 (inclusive of GST) and are being amortised on a straight-line basis over the first five years of the operation of the Fund.

#### **(i) Buy-sell spread**

The Buy/Sell Spread is the difference between the amount paid to acquire a Unit (application price) and the price that would be received if the Investor were to redeem their investment on the same day (redemption price). This spread covers our estimate of the costs of buying or selling investments when your application is accepted or your Units are redeemed. The Buy spread for Units is currently 0.25% and the Sell spread for Units is currently 0.25% although we are permitted to change that if we believe it is not reflective of the costs indicated above. For example, at the same point in time, investments that you hold at a value of \$10,000 can be redeemed at a value of \$9,975.00. The spread is retained by the Fund.

The purpose of the buy and sell spreads is to ensure that those investors transacting in the Fund's Units at a given time bear the Fund's costs of buying and selling assets as a result of their transaction.

**(j) Indirect Investors**

If you invest via a Portfolio Service, then you must also refer to the fees and costs payable for the Portfolio Service through which you invest. The Portfolio Service operator will be the registered holder of Units and may charge you fees that are different or in addition to the Fund's fees detailed in this section. You should refer to the offer document for the relevant Portfolio Service for more information.

**(k) Differential fees**

We may negotiate different fee arrangements, such as fee rebates, waivers or reductions, for wholesale clients, or as otherwise allowed under ASIC class order relief. Such differential fee arrangements are generally by individual negotiation with us.

**(l) Goods and services tax**

The fees and costs are GST inclusive amounts, net of any expected reduced input tax credits. If, for any reason, the Fund is not eligible to receive an input tax credit from the ATO for expenses incurred, the additional GST cost will be incurred by the Fund.

**(m) Taxes**

See "How managed investment schemes are taxed" at section 7 below for more details.



## 7 HOW MANAGED INVESTMENT SCHEMES ARE TAXED

Investing in a managed fund is likely to have tax consequences, which in general will occur on an annual basis even if you do not change your investment. The Fund will typically distribute all its taxable income each year so the Fund is not required to pay tax. As a member you will be assessed for your share of any tax on any income and capital gains generated by the Fund. In normal circumstances, you should expect that some income and/or capital gains will be generated each year. The Fund will not pay tax on behalf of members of the Fund. We strongly advise you to seek professional tax advice before making a decision to invest.

### 7.1 GENERAL

The taxation information provided in this PDS is of a general nature and should not be relied upon by Investors as specific taxation advice. This section provides an overview and does not cover all issues that may affect the tax treatment of an investment in the Fund by an Investor. Further, this section only relates to Investors who will hold their investments in the Fund on capital account and not on trading or revenue account.

If you are uncertain as to your tax position or require further information in respect to the general tax concepts discussed below, you should obtain independent professional taxation advice. This taxation summary is based on the Australian income tax and GST law as at the date of issue of this PDS.

### 7.2 TAXATION OF THE FUND

The Fund is an unlisted unit trust. Generally, for Australian income tax purposes, trusts are treated as flow through vehicles. This means that the Fund will not be subject to income tax, though Withholding Tax may apply, on any income that it distributes to its Australian resident Investors. Instead, any income tax liability on the distributions will rest with the Investors.

In some circumstances the Fund could be classified as a Corporate Unit Trust under Division 6B or a Public Trading Trust under Division 6C of the Income Tax Assessment Act 1936 and be taxed as a company. Inasmuch as this is a low possibility, these classifications could apply, and Investors should not assume that or rely on the Fund being able to 'flow through' income to Investors mirroring the original income components received by the Trust.

At the end of each financial year, if the Fund does not distribute all its net income (or the liability to pay tax on the net income) to Investors, the Fund may be liable to pay income tax on the undistributed net income. We do not anticipate that this situation will arise and it is the Responsible Entity's intention to distribute all income at the end of each financial year.

### 7.3 TIMING OF INCOME

Distributions are assessable to Investors in the financial year that the entitlement to the distribution arises, whether or not they have been received. For example June distributions must be included as taxable income for the financial year ending in that June, even though you may receive your distribution in July or later.

### 7.4 TAX PREFERRED DISTRIBUTIONS

At times you may receive cash distributions from the Fund that exceed your share of the net income of the Fund. These excess distributions are tax preferred distributions, and may consist of tax-deferred, tax-free, tax-exempt and return of capital components, and may arise due to different accounting and taxation treatments of certain income and expense items of the Fund.

If you receive a tax-preferred amount, you may be required to reduce the capital gains tax cost base of your Units by this amount. Where the cost base adjustable tax-preferred distribution amount exceeds the capital gains tax cost base of your Units, a capital gain may arise. You may be entitled to claim the general capital gains tax discount on such a capital gain. For details, please see 'Capital Gains Tax' below.

You should wait until you receive your tax statement for the Fund each year before completing your tax return. The tax statement will provide you with full details of the income paid to you during the year and will be sent within four months of the end of the financial year.

## **7.5 CAPITAL GAINS TAX**

When the Fund (or an investment within the Fund's portfolio) makes a capital gain on the sale of an investment it has held for at least 12 months, it may be eligible for the general capital gains tax discount when calculating the Fund's taxable capital gains (based on current taxation legislation).

Where this capital gain is distributed to you, you will have to gross up this amount and reduce it by applying any current or prior year capital losses to arrive at your total current year capital gain position. Depending on your personal circumstances, you may be eligible to apply the general CGT discount percentage (50% for individuals or trusts and 33 1/3% for complying superannuation entities) to your total current year capital gains to arrive at your net (taxable) capital gain.

Similarly, if you sell or redeem your Units for an amount that is more than their tax cost base, and have held the investment for greater than 12 months, you may be able to apply the relevant discount percentage to reduce your capital gain.

It should be noted Investors that are companies are not entitled to the general capital gains tax discount.

## **7.6 TAXATION OF DISTRIBUTION REINVESTMENT**

If you receive your distributions in the form of additional Units in the Fund, you must still include the taxable portion of the distribution in your assessable income. Details will be included in the tax statement you receive from us after the end of each financial year.

## **7.7 FOREIGN INCOME**

Your distribution may comprise foreign sourced income, which will need to be included in your assessable income, along with your share of any foreign tax paid by the Fund in respect of that income.

Australian residents should be aware a credit might be allowed against their Australian primary tax liability for foreign tax paid on foreign sourced income (including interest, dividends and capital gains) up to \$1,000 or the amount of the Australian tax payable in respect of that foreign income. There is no ability to carry forward unused foreign tax offsets into future years.

## **7.8 OTHER INVESTORS**

Non-residents, those who invest via corporate structures, and those who hold their investment on revenue account should seek professional advice in relation to the taxation treatment of their investment.

## **7.9 QUOTATION OF TFN OR ABN**

Under the Pay As You Go system, the Fund may be required to withhold tax from distributions if you do not quote a Tax File Number (TFN) or claim an exemption. Where you invest in Units as part of carrying on a business, you may quote your Australian Business Number (ABN) instead.

## **7.10 GOODS AND SERVICES TAX (GST)**

The Fund will incur GST and will claim Reduced Input Tax Credits where available. Investors will not incur GST in respect to their investment as no GST is payable on the acquisition of Units or on other transactions between the Fund and the Investor. As further explanation, there is no requirement for GST to be imposed on the distributions paid to Investors, the receipt of interest, dividends, other income or proceeds from disposals of investments by the Fund.

## **7.11 INDIRECT INVESTORS**

The taxation information in this PDS does not consider the treatment of Indirect Investors. Indirect Investors should consult their tax adviser in relation to investing through an IDPS.

## 8 APPLICATIONS AND WITHDRAWALS

### 8.1 HOW TO INVEST – DIRECT INVESTORS

Direct investors should complete the application form accompanying this PDS and return it to the Responsible Entity with their initial investment. Initial investments must be a minimum of \$10,000. Payments must be made by way of electronic funds transfer payable as directed on the Application Form.

### 8.2 HOW TO INVEST – INDIRECT INVESTORS

Investors can make investments indirectly through a Portfolio Service by directing the operator of the Portfolio Service to acquire units in the Fund on their behalf. Indirect investors do not become unitholders in the Fund, and accordingly they do not acquire the same rights of direct investors. Those rights are instead acquired by the operator of the Portfolio Service.

The operator of the Portfolio Service can exercise or decline to exercise the rights they have as unitholder on the investor's behalf according to the arrangements governing the Portfolio Service.

### 8.3 ISSUE OF UNITS

Where Application Forms and investment funds are received before 5.00pm AEST on the second last Business Day of a week, Investors are issued Units based on the valuation of assets at the close of business on the last Business Day of that week. Applications and investment amounts received after 5.00pm AEST on the second last Business Day of a week are taken to be received on the next Business Day and will be processed the following week.

### 8.4 MAKING ADDITIONAL INVESTMENTS

Direct Investors can make additional investments at any time provided the application is \$2,000 or more.

Indirect Investors should read the disclosure document for that Portfolio Service which will contain important information that outlines their requirements in relation to additional investments.

### 8.5 COOLING-OFF PERIOD

While the Fund is liquid, a 14 day cooling-off period applies during which you may change your mind about your application for units and request the return of your money in writing, including by faxing or emailing a signed request, to the Unit Registry contact details listed in the Directory. Generally, the cooling-off period runs for 14 days from the earlier of the time your application is confirmed or the end of the fifth Business Day after your Units are issued. The amount refunded to you may be less than your investment amount due to market movements, adjusted for expenses, applicable taxes and transaction costs incurred between the date of the application and the date of withdrawal.

Cooling-off rights may not apply to Investors who invest through a Portfolio Service. Indirect Investors should contact the operator of the Portfolio Service through which they invest to determine whether any cooling-off rights apply to their investment.

### 8.6 WITHDRAWAL

#### (a) Withdrawal requests

Investors can decrease their investment in the Fund by redeeming some or all of their Units. The minimum withdrawal is \$1,000 per request. The Responsible Entity may, at its discretion, increase the size of any withdrawal request if it would otherwise mean that after being satisfied the investor's remaining holding would be less than \$5,000.

To make a withdrawal, Investors must complete a withdrawal request form and send it to us. Withdrawal requests must be sent to the Responsible Entity in writing, by post, fax or email to the Unit Registry contact details listed in the Directory, and be received prior to 5pm on the second last Business Day of the relevant week. Withdrawal requests received after this time will be deemed to have been received in the following week.



If the Responsible Entity receives withdrawals requests which, if accepted, would mean Net Withdrawals for the quarter exceed 5% of the Fund's NAV, then the Responsible Entity may accept or reject the withdrawal request at its discretion (see Section 3.10).

In addition, Investors will be provided with an opportunity to withdraw some or all of their investment in the Fund through the offer of a Periodic Liquidity Event. Within three months of 15 December 2019 and each subsequent five year anniversary, the Responsible Entity will write to Investors inviting them to withdraw some or all of the investment in the Fund. The Responsible Entity will provide Investors with a written notice that includes information about how Investors may withdraw some or all of their investment in the Fund, together with a withdrawal request form. The notice will also indicate the value of assets which will be made available to satisfy investor requests to withdrawal. The assets made available will comprise all the liquid assets of the Fund which can be realised within the period required under the Act and the Constitution. If the number of withdrawal applications the Responsible Entity receives during a Periodic Liquidity Event is greater than 50% of the number of Units on issue, then the Responsible Entity will cause the Fund to be wound up.

The withdrawal price will be determined on the last Business Day before payment, not the date an Investor submits its withdrawal request.

(b) Fund liquidity

The Fund is considered liquid under the Corporations Act if 'liquid assets' account for at least 80% of the value of Fund property. 'Liquid assets' include Listed Assets and any other Fund property the Responsible Entity reasonably considers can be realised for its market value within the timeframe specified in the Constitution for satisfying withdrawal requests (365 days) when the Fund is liquid.

We believe that provided normal market conditions prevail we will, if necessary, be able to realise at least 80% of the Fund's investments for market value within 365 days, and we therefore consider the Fund to be liquid as defined in the Corporations Act.

While we aim to meet withdrawal requests on a weekly basis up to a maximum Net Withdrawal of 5% of the Fund's NAV per quarter, and in any event, within 10 Business Days of receipt of a request, due to the liquidity characteristics of the Fund's Unlisted Assets, under the Fund's Constitution we may take up to 365 days to determine whether we are able to satisfy a withdrawal request while the Fund is liquid (withdrawal requests must then be satisfied within 21 days of being accepted).

The Investment Manager has a documented liquidity policy which it uses to manage the liquidity of the Fund. One of the keys to maintaining the liquidity of the Fund is managing the asset allocation between Listed and Unlisted Assets. For example, if the Fund receives withdrawal requests and cash and liquid assets are used to meet the withdrawal request, then the Investment Manager may consider it necessary to take steps to realise some Unlisted Assets to re-balance the portfolio.

While there is no formal secondary market for Unlisted Assets, in those circumstances the Investment Manager will do so by either—

- (i) utilising any liquidity facility offered by the manager of the Unlisted Asset, or
- (ii) selling the Fund's investment on the secondary market using its own network of asset managers and property investment professionals.

If it is necessary to undertake this process in order to satisfy a withdrawal request, then it is likely to take longer than 10 Business Days (and may take up to 365 days). Once the Responsible Entity has determined to give effect to a withdrawal request, it must then satisfy the request within 21 days.

Under the Fund's liquidity policy, the Investment Manager constantly monitors and adjusts the asset allocation of the portfolio to ensure that to the extent possible, any sales of Unlisted Assets can occur in an orderly manner and are not needed to satisfy withdrawal requests.

The Constitution of the Fund also contains specific provisions that provide us with powers in relation to withdrawals. The specific provisions in the Constitution are summarised below.

Provision	Explanation
Conditions	Where we reasonably consider it in the best interests of Investors to do so, we may impose conditions on the redemption of Units by Investors, including, for example, imposing restrictions on the maximum number of Units or maximum proportion of the unitholding that an Investor or Investors collectively may withdraw.

Provision	Explanation
Payment of withdrawals by transfer of assets	We may (at our election) transfer assets to an Investor (subject to obtaining the written consent of the Investor prior to the transfer) rather than pay cash in satisfaction of all or part of a redemption request. The value of the assets must be the same value as the amount of your withdrawal, less any transfer costs if applicable.

(c) Suspension of withdrawals

The Responsible Entity may consider suspending withdrawals from the Fund in various circumstances where it reasonably believe that it cannot accurately determine the Unit price of the Fund (for example, because trading in a particular security is suspended), or we generally consider that it is in the best interests of Investors to do so.

The Responsible Entity may consider it is not in the best interests and suspend withdrawals in the following circumstances:

Where the Responsible Entity receives withdrawal requests which would require the realisation of a significant portion of the Fund's assets and to do so would place an unfair burden on the remaining Investors in the Fund (excluding during a Periodic Liquidity Event).

- (i) Where satisfying the withdrawal requests would require a material departure from the Fund's investment strategy.
- (ii) Following the lifting of any suspension, we will determine the Unit price which applies to all outstanding withdrawal requests and any requests to withdraw received during the suspension period.

(d) When the Fund is non-liquid

When the Fund is non-liquid, you have no automatic right to withdraw from the Fund. The Responsible Entity may determine the Fund is no longer liquid if it reasonably believes the Fund no longer satisfies the definition of "liquid" in the Corporations Act.

When the Fund is non-liquid, withdrawals from the Fund are only permitted if we make a withdrawal offer in accordance with the Corporations Act. We are not obliged to make such an offer, however if we do, then you are only able to withdraw your investment in accordance with the terms of the offer made to you. In this situation, details of how to withdraw your Units, including any minimum or maximum withdrawal amount, will be contained in the withdrawal offer.

Where we determine the Fund is non-liquid but we consider that it is still in the best interests of Investors as whole to allow withdrawals, then we intend to make withdrawal offers on a quarterly basis for 5% of the NAV of the Fund. If Investors representing more than 5% of the Fund NAV wish to withdraw, then acceptance requests will be pro-rated. The unmet portion will not be carried forward to the next quarter. Therefore in order to subsequently withdraw this unmet portion, an Investor must respond to a future withdrawal offer.

For example, if a withdrawal offer was made for \$2,500,000 and withdrawal requests received in response to that offer totalled \$3,000,000, then an Investor who wanted to withdraw \$200,000 (for example) would be permitted to withdraw \$166,667 (being  $\$200,000 \times \$2.5m/\$3.0m$ ).

If the Fund is non-liquid, then the Responsible Entity still intends to offer a Periodic Liquidity Event which will constitute a withdrawal offer made in accordance with the Act. If the number of withdrawal applications the Responsible Entity receives in response to a Periodic Liquidity Event is greater than 50% of the number of Units on issue, then the Responsible Entity will cause the Fund to be wound up.

(e) Indirect Investors

Provisions which relate to withdrawals from the Fund will apply to the operator of the Portfolio Service and not the Indirect Investor. Indirect Investors should read the disclosure document for that Portfolio Service which will contain important information that outlines their requirements in relation to redemptions.

## 8.7 FAXED OR EMAILED INSTRUCTIONS

If you have invested directly in the Fund and wish to fax or email your instructions to us, please be aware that fraudulent or other unauthorised fax or email instructions can be made by persons with access to your account name and a copy of your authorised signatures. Accordingly, you agree to release and indemnify us against all



claims and demands arising as a result of our acting on what appeared to us to be your faxed or emailed instructions.

## 9 ADDITIONAL INFORMATION

### 9.1 CONSENTS

Where required by law, each of the parties named in the PDS have given their written consent to be named in this PDS in the form and context in which each is named and no party named has withdrawn its consent prior to the date of the PDS.

### 9.2 DISCLOSURE OF INTERESTS

No expert or any firm in which any expert is a partner has any interest in the offer under the PDS and no amounts have been paid or agreed to be paid (other than normal fees) to any expert or any firm in which they are a partner for services rendered by the expert or the firm in connection with the offer under this PDS.

Directors and employees of both the Responsible Entity and the Investment Manager may from time to time hold units in the Fund. As at the date of this PDS, directors and employees of the Investment Manager do hold units in the Fund and some of the Fund's investments.

### 9.3 REPORTING

The Responsible Entity intends to report to you on at least an annual basis. Our reporting will comprise the following—

- a confirmation on receipt of an Application Form
- an investment confirmation upon issuing Units
- annual income distribution detailing your investment and distributions paid to you
- periodic performance update reports, and
- an annual tax statement detailing information required for inclusion in your annual income tax return.

Annual and half-year financial reports will be made available at [www.freeholdim.com.au](http://www.freeholdim.com.au). They will not be sent to you unless requested.

An Indirect Investor will not receive statements, tax information or other information directly from us. Indirect Investors should receive equivalent information from the operator of the Portfolio Service through which they invest.

### 9.4 COMPLIANCE PLAN

The Compliance Plan outlines the principles and procedures which the Responsible Entity will invoke to ensure that it complies in all respects with the provisions of the Corporations Act, ASIC policy and the Constitution.

The Compliance Plan has been lodged with ASIC. The Compliance Plan deals with an extensive range of issues in relation to the operation of the Fund. The Compliance Plan also focuses on the systems in place to ensure competent management of the Fund. Procedures for a wide variety of functions, including accounting, valuation and administration of the Fund are prescribed.

### 9.5 CONTINUOUS DISCLOSURE

Where the Fund is a disclosing entity and subject to the regular financial reporting and continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by publishing all relevant material on the Investment Manager's website at [www.freeholdim.com.au](http://www.freeholdim.com.au). A paper copy of this material will be available from the Responsible Entity free of charge upon request and within 5 days of REP receiving the request. Copies of documents lodged with ASIC in relation to the Fund can be obtained from or inspected at ASIC.

### 9.6 COMPLAINTS HANDLING

We have established procedures for dealing with enquiries and complaints. If you have invested indirectly through a Portfolio Service, you should contact the operator of that service.





If you have invested directly and you have an enquiry or complaint, you can contact our Complaints Officer by either:

- calling +613 9097 2800;
- writing to our Complaints Officer at Responsible Entity Partners, Level 9, 287 Collins Street Melbourne, Victoria, 3000;
- faxing your enquiry or complaint to +612 9251 3525; or
- emailing [complaints@sargon.com.au](mailto:complaints@sargon.com.au).

If you make a complaint to us, we will acknowledge receipt of the complaint and take steps to address the complaint. We will also provide you with a final response within 45 days in accordance with our obligations.

If your complaint is not addressed within 45 days from the date it was received, or you are not satisfied with our response, you may refer your complaint to the Australian Financial Complaints Authority ("ACFA") of which we are a member and which is an independent entity.

The ACFA contact details:

Mail: GPO Box 3 Melbourne, VIC 3001

Telephone: 1800 931 678

Website: [www.acfa.org.au](http://www.acfa.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

## 9.7 **PRIVACY**

When you provide information to REP or its delegates, REP and its delegates may be collecting personal information about you. This information is needed to facilitate, administer and manage your investment, and to comply with Australian taxation laws and other laws and regulations. Otherwise, your application may not be processed or REP and its delegates may not be able to administer or manage your account.

The information you provide may be disclosed to certain organisations, including:

- the ATO, AUSTRAC and other government or regulatory bodies;
- your financial adviser or adviser dealer group, their service providers and any joint holder of an investment;
- those providing, administering or managing a fund, including the Investment Manager, Administrator, Custodian, auditors or mailing or printing services; and
- those where you have consented to the disclosure or as required by law.

The organisations to which REP discloses your information may be situated in Australia or offshore though it is not practicable to list all of the countries in which such recipients are likely to be located.

REP or the Investment Manager may from time to time provide you with information about products and services that may be of interest to you. Should you not wish to receive this information (including by mail or electronic communication) you have the right to 'opt out' by advising the Administrator (telephone: 1300 133 451 or +61 2 8259 8888, email: [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)).

Subject to some exceptions allowed by law, you can ask for access to your personal information. REP will give you reasons if REP denies you access to this information. REPs Privacy Policy outlines how you can request access and seek the correction of your personal information. REPs Privacy Policy is available at [www.sargon.com/privacy](http://www.sargon.com/privacy).

You should refer to REPs Privacy Policy for more details about the personal information that REP collects and how REP collects, uses and discloses your personal information.

## 9.8 ANTI-MONEY LAUNDERING

We are required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML legislation). Under the AML legislation, we are required to adopt a thorough identification and verification process to verify your identity prior to accepting an Application from you.

Where you invest through a financial adviser, they may request and collect the verification materials we require. If you invest with us directly, then we will collect the information. The information we require is set out below (although we may request additional information from time to time, if we consider it is appropriate to do so).

Under the legislation we are required to identify:

- (i) An investor (including all investor types noted on the application form) prior to purchasing Units in the Fund. We will not issue Units until all relevant information has been received and your identity has been satisfactorily verified.
- (ii) An investor's estate. If an investor dies whilst they are the owner of Units in the Fund, then we will need to identify their legal personal representative prior to redeeming Units or transferring ownership.
- (iii) Anyone acting on the investor's behalf, including a power of attorney.

In some cases we may be required to re-verify information previously provided.

If a potential Investor does not provide such information or delays in doing so, then we may refuse to accept an application for Units or may suspend payment of withdrawal proceeds.

By subscribing, you consent to the disclosure by us of any information about you to regulators and other parties upon request, in connection with money laundering and similar matters, in any jurisdiction.

## 9.9 FATCA AND CRS

Australian legislation relating to the automatic exchange of financial account information between jurisdictions has been passed. This legislation 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 Fund is a reporting Australian financial institution under the inter-governmental agreement entered into between the Australian and US governments in relation to FATCA effective from 1 July 2014. The Fund is also a reporting Australian financial institution under the CRS, which will apply from 1 July 2017. Accordingly, the Fund will 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 Fund 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.

How could FATCA and CRS affect you?

By applying for units in the Fund, 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 we have in compliance with our obligations under FATCA and CRS;
- (iv) consent to us disclosing any information we have 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 Fund 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 Fund is subject to withholding tax or penalties, we may seek to recover such amount from you.

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.



## 10 Glossary

**Administrator, Custodian and Mainstream** — Mainstream Fund Services Pty Ltd ABN 81 118 902 891

**Applicant** — A person who has completed and lodged with us an Application Form included in or accompanied by this PDS and has paid the Application Money for Units.

**Application Form** — An application made by an Applicant on a duly completed application form included in or accompanied by this PDS.

**Application Money** — The money paid by an Applicant for Units.

**A-REITS** — listed investments in Australian Real Estate Investment Trusts.

**ASIC** — The Australian Securities and Investments Commission.

**ASX** — The Australian Securities Exchange.

**Atchison Consultants** — TAG Asset Consulting Group Pty Ltd ACN 097 703 047 (trading as Atchison Consultants).

**Business Day** — A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.

**Compliance Plan** — The compliance plan for the Fund.

**Constitution** — The document establishing the Fund and governing the relationship between the Responsible Entity and the Investors.

**Corporations Act** — The Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.

**EBITDA** — Earnings before interest, tax depreciation and amortisation.

**Externally Managed** — a fund which is managed by an entity independent of the Investment Manager.

**Fund** — Freehold Australian Property Fund ARSN 169 952 738.

**Fund Benchmark** — the Fund's reporting benchmark, which is the Australian Property Customised Index. This benchmark combines the A-REITs and Listed Infrastructure Customised Index and the Unlisted Property Infrastructure Customised Index on a 50/50 basis. As at the date of this PDS, the Fund's reporting benchmark is provided by Atchison Consultants.

**IDPS** — Investor Directed Portfolio Service.

**Infrastructure Securities** — investments in listed or unlisted infrastructure assets whether structured as managed investment schemes or companies, and may include fixed interest or debt-like securities.

**Indirect Investor** — a person who has acquired Units via a Portfolio Service.

**Internally Managed** — a fund which is managed by the Investment Manager (or an entity related to the Investment Manager) or any other fund in respect of which the Investment Manager derives fees, including those which are not managed or issued by the Investment Manager or an entity related to the Investment Manager.

**Investment Manager** — Freehold Investment Management Limited ACN 099 959 958.

**Investor** — A person who has acquired Units.

**Listed Infrastructure** — An Infrastructure Security listed on the ASX or another recognised exchange.

**Listed Assets** — a security which is listed on the ASX of another recognised exchange.

**NAV** — Net asset value.

**Net Withdrawal** — means total withdrawals less total Application Money.



**Offer** — The offer under this PDS to acquire Units.

**PDS** — This PDS or any supplementary or replacement PDS or other disclosure document as defined in the Corporations Act, issued by Responsible Entity Partners Limited in respect of the Fund.

**Performance Fee Benchmark** — the Fund's performance-related fee benchmark is the A-REITs and Listed Infrastructure Customised Index prepared by Atchison Consultants. This benchmark is used to calculate the performance-related fee (if any) which is payable only in respect of the performance of Fund excluding Unlisted Assets and also excluding cash allocated ready for investment in Unlisted Assets.

**Periodic Liquidity Event** — Subject to the Fund being liquid, the offer to Investors by the Responsible Entity inviting all Investors to make a withdrawal request for some or all of their Units, to take place within three months of 15 December 2019 and then within three months of each subsequent five year anniversary of that date or such other time as the Responsible Entity determines.

**Portfolio** — The Fund's interests in listed and unlisted Property Securities and Infrastructure Securities. Details of these investments are provided in Section 3.2.

**Property Securities** — investments in A-REITS and unlisted managed investment schemes or companies, and may include fixed interest or debt-like securities.

**Portfolio Service** — a master fund, wrap account or IDPS. Investors who apply via a Portfolio Service will be Indirect Investors.

**Responsible Entity, REP, we and us** — Responsible Entity Partners Limited ACN 119 757 596 or any other person who is appointed for the time being as the responsible entity of the Fund.

**Unlisted Asset** — an investment which is not listed on any recognised exchange.

**Unit** — Any one of the individual parts into which the beneficial interests in the Fund are divided, as provided for in the Constitution.

## 11 How to Invest

Before completing the Application Form you should read this PDS carefully.

Please pay particular attention to all of the risk factors in Section 4 of this PDS. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional adviser before deciding whether to invest in the Fund.

For an application to be considered, you must return your Application Form and pay the Application Money. You can pay the Application Money by returning the Application Form with a note that the Application Money has been transferred by electronic funds transfer.

You are requested to provide your Tax File Number (TFN), Australian Business Number (ABN) or exemption code to ensure tax is not deducted at the top marginal tax rate from the distributions paid.

The Responsible Entity has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, the Responsible Entity will notify you in writing and arrange for return of the relevant Application Monies to you.

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of the PDS. A brief summary of the Constitution is included at Section 5.2 of this PDS.

### 11.1 CORRECT NAME

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Responsible Entity. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title shown below.

The Application Form should be signed by the Applicant. If a joint holding, all Applicants should sign. If signed by the Applicant's attorney, a certified copy of the power of attorney must be attached to the Application Form. If executed by a company, the form must be executed in accordance with the Applicant's constitution and the Corporations Act.

Type of investor	Correct form
<b>Individual</b> Use given names in full, not initials	✓ Peter Robert Smith ✗ <del>P.R. Smith</del>
<b>Company</b> Use full company name, not abbreviations	Smith Building Services Pty Ltd <del>SBS P/L</del> <del>Smith Building Services</del>
<b>Minor (under 18 years of age)</b> Use the name of the responsible adult with the minor in brackets, not just the name of the minor.	Jane Elizabeth Smith <Jane Elizabeth Smith Jnr> <del>Jane Elizabeth Smith Jnr</del>
<b>Funds</b> Use the name of the trustee with the name of the Fund in brackets, not just the name of the Fund	Peter Robert Smith <Smith Family Fund> <del>Smith Family Fund</del>
<b>Superannuation Funds</b> Use the name of the trustee with the name of the fund in brackets, not just the superannuation fund	Jane Elizabeth Smith <Smith Superannuation Fund> <del>Smith Superannuation Fund</del>
<b>Partnerships</b> Use the name of the partners and not the name of the firm or business	Peter Robert Smith and John Smith <Smith Brothers> <del>Smith Brothers</del>

### 11.2 MINIMUM INVESTMENT

The minimum initial investment is \$10,000 and thereafter in multiples of \$2,000. Investors must maintain a minimum balance of \$5,000.

### **11.3 IF YOU ARE APPLYING AS AN INDIVIDUAL**

The Application Form must be signed personally by you or your attorney(s). Joint applications must be signed by ALL applicants or their authorised attorney(s). Please also note the full names of the two joint applicants must appear with the second name appearing as applicant #2 on the form. Where there is only one applicant for this form, then just complete the applicant #1 field on the Application Form. Where the Application Form is signed by an attorney, the Application Form must be accompanied by a copy of the power of attorney and a declaration of non-revocation of the power of attorney by the attorney.

### **11.4 IF YOU ARE APPLYING AS A COMPANY**

Sign the Application Form in the manner required by the Corporations Act, which is for a director and secretary, two directors, or if the company has only one director, then just that director to sign the Application Form. There is no need for you to apply a company seal. If you are signing under a Power of Attorney, please provide a certified copy.

### **11.5 IF YOU ARE APPLYING AS A FUND (FAMILY OR UNIT FUND, SUPERANNUATION FUND)**

You need to apply in the name of the trustee and also note the full name of the Fund on the Application Form.

If the trustee is an individual, then the Application Form must be signed personally by the trustee or by its attorney.

If the trustee is a company then, you need to sign the Application Form in the manner required by the Corporations Act, which is for a director and secretary, two directors, or if the company has only one director, then just that director to sign the Application Form. There is no need for you to apply a company seal.

### **11.6 TAX FILE NUMBER**

You do not have to provide us with your Tax File Number (TFN). However, if you do not provide your TFN, then we may be required to deduct tax from any income paid to you at the top marginal tax rate. You may be eligible for an exemption to provide your TFN, in which case you will need to state the reason in the Application Form in the space provided.

### **11.7 ACCEPTANCE OF APPLICATION FORM**

Once you have signed and returned the Application Form, should we accept your Application Form, you are bound to become an Investor. We may decide whether to accept or reject any Application Form. Your application form may be rejected for any other reason.

### **11.8 LODGING THE APPLICATION FORM**

The Application Form should be mailed, faxed or emailed to the following addresses:

Mail to: Unit Registry – Freehold  
GPO Box 4968  
Sydney NSW 2000

Email: [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)

Fax: +61 2 9251 3525

Alternatively, you may send your Application Form to your dealer or adviser who will forward the application to us.

### **11.9 DISTRIBUTIONS**

Distributions of income will be paid to you by direct deposit into an account nominated by you. Please provide your account details in the Application Form. If you do not provide your account details for distributions, then your distribution will be reinvested and you will be issued with additional Units. We will continue to reinvest your distribution until you notify us in writing (by post, or by faxing or emailing a signed request, to the Unit Registry contact details listed in the Directory) that you do not wish for your distributions to be reinvested and you provide us with bank account details to enable us to deposit any future distributions you may be entitled to receive.



## 12 APPLICATION FORM

### Freehold Australian Property Fund—Application Form

This Application Form accompanies the Product Disclosure Statement ('PDS') for Freehold Australian Property Fund ARSN 169 952 738 dated 5 December 2019 issued by the responsible entity, Responsible Entity Partners Limited.

The PDS should be read in its entirety before making a decision to invest in the Fund. To invest in the Fund, complete this Application Form and send your initial application money to REP in accordance with the instructions contained in the Application Form, with the appropriate identification documentation as set out in the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Booklet.

Use this Application Form if you are an investor investing directly into the Fund. If you are investing via a Portfolio Service, contact the provider of the Portfolio Service for information about how to invest in the Fund.

Please note that:

- the offer made in this Application Form is only available to persons receiving the relevant PDS (electronically or otherwise) within Australia or New Zealand;
- you must be 18 years or over to invest in the Fund (however, adults can invest on behalf of minors by completing the Application Form in the adult's name on account for the minor); and
- REP and its related entities do not guarantee the performance of the Fund or a return of capital to investors.

### How to complete this form

Section 1	Investment details	<p>Please enter the initial investment amount. Initial investments must be a minimum of \$10,000.</p> <p>Please make an <b>electronic funds transfer (EFT)</b> to the Fund's applications account:</p> <p><b>Name:</b> Mainstream ACF Freehold Australian Property Fund – Application Account  <b>BSB:</b> 082-401  <b>Acct no:</b> 523-760-850</p> <p><b>Mail, fax or email your completed Application Form to:</b></p> <p>registry@mainstreamgroup.com</p> <p>+61 2 9251 3525          GPO Box 4968,          Sydney, NSW 2000</p>	
Section 2	General Information	<p>Select what type of Investor you are.</p> <p>Please provide the name and contact details for all applicants, including those of a company, partnership or trust (if applicable). The following is a guide to assist you in completing the investor details.</p>	
Section 2.1	An Individual, joint applicant or sole trader over 18 years of age.		
Examples of investor details	TFN/ ABN (OPTIONAL)	Who signs section 7	Identification Documentation
Gary Jones, Gary Jones and Sally Jones	Individual(s)	Individual(s)	<p>One of the following:</p> <p>Original certified copy of your current drivers' licence (State or Territory issued); OR</p> <p>Original certified copy of your Australian passport (can have expired within the past two years) along with proof of residential address; OR</p> <p>Original certified copy of your foreign passport (which must have a photograph and signature) along with proof of residential address.</p> <p>If you do not have any of the above, then please refer to the full list contained in section 7, and provide the relevant documents for REP to identify the individuals.</p>

<b>Section 2.2</b>	<b>Domestic Company</b>		
Examples of investor details	TFN/ ABN (OPTIONAL)	Who signs section 7	Identification Documentation
Jones & Co Pty Ltd	Company	Two Directors or Director and Secretary or Sole Director	Provide: Identification for the person(s) signing on behalf of the company MUST be provided as for INDIVIDUALS. Please refer to <b>section 7</b> , for further details of the relevant documents for REP to identify the company and the persons signing (i.e., as individuals).
<b>Section 2.3</b>	<b>Trust/Superannuation fund/Self-managed superannuation fund</b>		
Examples of investor details	TFN/ ABN (OPTIONAL)	Who signs section 7	Identification Documentation
Gary Jones and Sally Jones as trustees for the G Jones Superannuation Fund or Jones Family trust	Superannuation fund, Self-managed superannuation fund, Trust or Trustee	The Trustee(s)	Provide the following: An original certified copy of the Trust Deed (or extract) that shows the full name of the trust; the full business name (if any) of the trustee; the type of the trust; the country in which the trust was established; AND the beneficiaries or class of beneficiaries of the trust. Identification for the person(s) signing MUST be provided as for INDIVIDUALS above and be signed in accordance with the terms of the Trust Deed Is the Trustee a Company? If there is more than one director, at least 2 directors or a Director and Secretary to sign. For persons signing on behalf of the trustee company, ID must be provided for each director as for INDIVIDUALS above. Please refer to <b>section 7</b> , for further details of the relevant documents for REP to identify the trust and the trustee (i.e., as individuals or company).
<b>Section 2.4</b>	<b>Partnership</b>		
Examples of investor details	TFN/ ABN (OPTIONAL)	Who signs section 7	Identification Documentation
Jones & Jones trading as XYZ Business	The Partners	The Partners	Please refer to <b>section 7</b> and provide the relevant documents for REP to identify the partners (i.e., as individuals).
<b>Section 2.5</b>	<b>Association, Club or Co-operative</b>		
Examples of investor details	TFN/ ABN (OPTIONAL)	Who signs section 7	Identification Documentation
Linear Tennis Club	Incorporated Association/ Unincorporated Association/ Co-operative	Authorised representative(s) on behalf of the Association/ Co-operative	Please refer to <b>section 7</b> , and provide the relevant documents for REP to identify the association/club/co-operative and the authorised persons who sign on behalf of the association/club/co-operative (i.e., the secretary/president/chair etc must provide identification documents for individuals).
<b>Section 3</b>	<b>Contact details</b>		All correspondence will be sent to the address nominated. Please provide an email address.
<b>Section 4</b>	<b>Distribution payments and reinvestment instructions</b>		Please tick the appropriate box if you would like to have your income distributions reinvested or directly deposited into a bank, building society or credit union account. Please provide the details of the account where you wish to have your distributions deposited.
<b>Section 5</b>	<b>Account operating authority</b>		Joint account applications must be signed by all parties however withdrawals shall be permitted as authorised and indicated at section 5 on the Application Form.
<b>Section 6</b>	<b>Checklist and AML/CTF identification documentation</b>		Please review the checklist to assist you to ensure the application form is complete and that you have provided the correct identification documentation according to your investor type as set out in section 7. <b>All relevant documentation must be duly certified.</b>

		REP <b>cannot accept applications without these documents.</b>
<b>Section 7</b>	Investor(s) declaration and signature(s)	Please read the PDS and the Additional Information to the PDS thoroughly and then sign the Application Form. REP reserves the right to refuse an application for any reason. Applications will not be accepted unless signed by you personally. If it is signed by your attorney, a <b>certified copy</b> of the relevant power of attorney must be enclosed with your application. If Joint Investors are applying, all signatures are required.
<b>Section 8</b>	Adviser use only	Your adviser must complete this section which includes a declaration from the adviser acknowledging and confirming that the adviser has identified the investor(s) in accordance with the applicable AML/CTF Identification documentation. <i>Advisers/agents will need to contact REP on 03 9097 2800 to formalise the relationship (including AML/CTF obligations) with REP and obtain a Distribution Agreement for signing.</i>
<b>Section 9</b>		

This Application Form accompanies the Product Disclosure Statement dated 5 December 2019 for the Freehold Australian Property Fund ARSN 169 952 738 issued by Responsible Entity Partners Limited ABN 11 119 757 596 AFSL 304542.

**Please use BLOCK capital letters and tick (✓) boxes where applicable.**

Date application being made   /   /

**Please send the signed, completed application form to:**

Mail: GPO Box 4968, Sydney, NSW 2000      Email: [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)  
Fax: +61 2 9251 3525



## Section 1—Investment details

Enter the amount you want to invest in the Fund and include how you will provide the application money. The minimum initial investment is \$10,000.

If you are already an investor and are making a further investment you may also use this form.

☐ Electronic funds transfer (EFT)

Amount: \$   ,   ,

Name: Mainstream ACF Freehold Australian Property Fund –  
Application Account

Date of transfer:   /   /

BSB: 082-401

Reference used: \_\_\_\_\_

Acct no: 523-760-850

## Section 2—General

Name of investor(s) as you would like it to appear on the Fund's Register of Unitholders: \_\_\_\_\_

### Section 2.1—For individuals, joint investors or sole trader applicants

Complete this section and all other applicable sections between sections 3 - 7. Required identification documentation is listed in section 7.

#### Applicant 1

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Date of birth   /   /   Drivers Licence No.

Are you an Australian resident for tax purposes? (tick) ☐ Yes ☐ No

If no – state country of residence for tax purposes \_\_\_\_\_

TFN or Exemption Code \_\_\_\_\_

Reason for exemption (if applicable) \_\_\_\_\_

Business name (sole trader) \_\_\_\_\_

ABN \_\_\_\_\_

Principal place of business address (PO Box is not acceptable) \_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

#### Applicant 2 (if there is no Applicant 2, please cross out this section)

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_



Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Date of birth / Drivers Licence No.

Are you an Australian resident for tax purposes? (tick) ☐ Yes ☐ No

If no – state country of residence for tax purposes \_\_\_\_\_

TFN or Exemption Code \_\_\_\_\_

Reason for exemption (if applicable) \_\_\_\_\_

Business name (sole trader) \_\_\_\_\_

ABN \_\_\_\_\_

Principal place of business address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

## Section 2.2—Domestic company applicants

Complete this section and all other applicable sections between sections 3 - 7. Required identification documentation is listed in section 7. All directors and shareholders must provide their details in the section below. If there are more than two directors or shareholders attach additional page(s). In addition, each director or directors and company secretary signing the application form must provide the relevant verification requirements set out in section 7.

Full Company name (as registered with ASIC) \_\_\_\_\_

Business name (if any) \_\_\_\_\_

Registered office address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Principal place of business (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

ABN \_\_\_\_\_ TFN \_\_\_\_\_

Company type (tick): ☐ Proprietary OR ☐ Public

Licence details (e.g AFSL Number)

## Details of Directors

The details of all directors must be provided *for proprietary companies*. If there are more than two directors attach additional page(s).

### Director 1

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_



Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

## Director 2

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

## Section 2.3—Trust/Superannuation fund/Self-managed superannuation fund/ Business name of trust (if any)

Complete this section and all other applicable sections between sections 3 - 7. Required identification documentation is listed in section 7.

Full Name of Trust/Superannuation fund/Self-managed superannuation fund

\_\_\_\_\_

Business name of the Trust (if any) (i.e., the business name of the trustee in respect to the Trust, if there is one) \_\_\_\_\_

ABN \_\_\_\_\_ TFN \_\_\_\_\_

Type of Trust (select/tick):

☐ Individual(s) in trust for another person (where there is no formal Trust Deed). Proceed to "Details of the Trustee(s)" below

☐ Family trust

☐ Unit trust

☐ Self-managed superannuation fund

☐ Superannuation fund

☐ Other- please specify \_\_\_\_\_

Country in which Trust was established \_\_\_\_\_

## Details of Trustee(s)

All Trustees must provide their name and address (except trusts licensed and subject to Australian regulatory oversight e.g. Managed Investment Schemes and Superannuation Funds) in the section below. If there are more than three trustees attach additional page(s). In addition, each trustee signing the application form must complete the relevant verification requirements set out in section 7. Trusts licensed and subject to Australian regulatory oversight do not need to be verified (e.g. managed investment schemes and superannuation funds).

## Corporate Trustee

Company name \_\_\_\_\_



Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Trustee 1 (Individual)**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Trustee 2 (Individual)**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Trustee 3 (Individual)**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Details of Beneficiary(ies)**

Trusts licensed and subject to Australian regulatory oversight do not need to complete this section (e.g. Managed Investment Schemes and Superannuation Funds). You can either provide details of the names of the beneficiaries (if there are more than three beneficiaries attach additional page(s)) OR provide details about the class of beneficiaries, if the terms of the trust provide that beneficiaries are identifiable by reference to membership of a class.

**Beneficiary 1 (Individuals)**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

**Beneficiary 2 (Individuals)**

Title \_\_\_\_\_ Surname \_\_\_\_\_





Given name(s) \_\_\_\_\_

**Beneficiary 3 (Individuals)**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

OR Beneficiary Other (e.g. beneficiaries by membership of a class – details of the type of class)

\_\_\_\_\_

**Settlor of an unregulated trust**

If the applicant is a trust that is not a regulated trust, then please complete the following:

Trust description (e.g. family, unit, charitable): \_\_\_\_\_

☐ The material asset contribution to the trust by the settlor at the time the trust was established was less than \$10,000

☐ The settlor of the trust is deceased

☐ Neither of the above are correct—please provide the full name of the settlor of the trust:

\_\_\_\_\_

**Section 2.4—Partnership applicant**

Complete this section and all other applicable sections between sections 3 - 7. Required identification documentation is listed in section 7:

Full name of Partnership \_\_\_\_\_

Registered business name of Partnership (if any) \_\_\_\_\_

Registered business number of Partnership (if any) \_\_\_\_\_

Country in which Partnership was established \_\_\_\_\_

ABN \_\_\_\_\_ TFN \_\_\_\_\_

**Details of Partner(s)**

All partners must include their name and address in the section below. If there are more than three partners attach additional page(s). In addition, each partner signing the application form must complete relevant verification requirements set out in section 7.

**Partner 1**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_



**Partner 2**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Partner 3**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Section—2.5 Association/Club/Co-operative**

Complete this section and all other applicable sections between sections 3 - 8. Required identification documentation is listed in section 7.

**Select type (tick):**

☐ Incorporated Association ☐ Unincorporated Associated ☐ Co-operative

Full name of Association/Club/Co-operative \_\_\_\_\_

Any identifying number (issue upon incorporation/registration) \_\_\_\_\_

Principal place of administration or registered office \_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

ABN \_\_\_\_\_ TFN \_\_\_\_\_

Details of Officer(s) (or equivalent Officers in each case) The Chairman, Secretary or Treasurer (or equivalent Officers in each case) must provide their name and address in the section below. In addition, at least 2 of the Chairman, Secretary or Treasurer must sign the application form and provide the required identification documentation for individuals, as listed in section 7.

**Chairman**

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_



Town/Suburb\_\_\_\_\_State\_\_\_\_\_Postcode\_\_\_\_\_

**Treasurer**

Title\_\_\_\_\_Surname\_\_\_\_\_

Given name(s) \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb\_\_\_\_\_State\_\_\_\_\_Postcode\_\_\_\_\_

**Section 2.6—Politically Exposed Person (PEP)**

Are any of the applicants/directors of the applicant or beneficial owner of the applicant a PEP?

☐ Yes—please provide details of the PEP's position:

\_\_\_\_\_

☐ No—Go to “Declaration”

Note: To comply with Anti-Money Laundering and Counter-Terrorism Financing laws, Australian Fiduciaries Limited requires you to disclose whether you are, or have an association with, a Politically Exposed Person (“PEP”). A PEP is an individual who holds a prominent public position or function in a government body or an international organisation in Australia or overseas, such as a Head of State, or Head of a Country or Government, or a Government Minister, or equivalent senior politician. A PEP can also be an immediate family member of a person referred to above, including spouse, de facto partner, child, and a child's spouse or a parent. A close associate of a PEP, i.e. any individual who is known to have joint beneficial ownership of a legal arrangement or entity is also considered to be a PEP. Where you identify as, or have an association with, a PEP, Australian Fiduciaries Limited may request additional information from you.

**Section 3—Foreign Account Tax Compliance ACT (FATCA)**

**3.1: Individual**

Are you a US citizen or resident for tax purposes?

Yes ☐ If yes, provide your US Taxpayer Identification Number (TIN):

No ☐ Go to Section 4

**3.2: Entities**

Cross [X] to select one of the following:

☐ Regulated super fund (self-managed superannuation fund, APRA regulated super fund, government super fund or pooled superannuation trust)

☐ US trust, company or partnership

US Taxpayer Identification Number (TIN):

Is the trust, company or partnership exempt for US tax purposes ? Yes ☐ No ☐

Once complete, go to Section 4



☐ Financial institution or trust with a trustee that is a financial institution

Global Intermediary Identification Number (GIIN), if applicable

If no GIIN is available, provide FATCA status

Once complete, go to Section 4

☐ Non-financial public company (companies that are not financial institutions) - go to Section 4

☐ Non-financial proprietary company - go to 2.2

☐ Partnership - go to 2.4

☐ Trust (including testamentary trust) - go to 2.3

☐ Charity - go to 2.5

☐ Government entity

☐ Registered co-operation - go to Section 2.5

☐ Association - go to Section 2.5

### 3.2.1

Are any of the partners, trust beneficiaries, trustees, beneficial owners of corporate trustees, settlors or beneficial owners US citizens or residents of the US for tax purposes?

Yes ☐ - Go to 2.3

No ☐ - Go to Section 4

### 3.2.2

Complete for each partner, beneficiary, trustee, beneficial owner of corporate trustees, settlor or beneficial owner. If required, provide additional details on a separate sheet.

US Person	US Person	US Person
Full given name(s)	Full given name(s)	Full given name(s)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Surname	Surname	Surname
<input type="text"/>	<input type="text"/>	<input type="text"/>
US TIN	US TIN	US TIN
<input type="text"/>	<input type="text"/>	<input type="text"/>
Residential address	Residential address	Residential address
(PO Box is NOT acceptable)	(PO Box is NOT acceptable)	(PO Box is NOT acceptable)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Suburb	Suburb	Suburb
State	State	State
<input type="text"/>	<input type="text"/>	<input type="text"/>
Postcode	Postcode	Postcode
Country	Country	Country
<input type="text"/>	<input type="text"/>	<input type="text"/>

## Section 4—Contact details



Preferred contact (name) \_\_\_\_\_

Address \_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

Mobile \_\_\_\_\_

Email \_\_\_\_\_

### Annual Report

The Annual Report for the Fund will be made available at our website: [www.freeholdim.com.au](http://www.freeholdim.com.au).  
Please indicate whether you would like to receive a printed copy of the Annual Report.

☐ Yes ☐ No

NB: Important information concerning all communication including Annual Report:

*By signing the application form you agree that all communication relating to your investment in the Fund will be sent to the email address above. Should you require a different arrangement, please contact the Investment Manager by phone on 02 9228 1400 or by email on [enquiries@freeholdim.com.au](mailto:enquiries@freeholdim.com.au)*

### Section 5—Distribution reinvestment instructions

Please indicate your instructions in relation to distributions (tick):

☐ Reinvest income in further units OR

☐ Pay to bank (if you choose this option, please complete section below)

Financial Institution \_\_\_\_\_

Account name \_\_\_\_\_

BSB  —  Account number

### Section 6—Account operating authority

Please indicate how you wish to operate your account, if you are applying as joint applicants (tick):

☐ Any one signatory to sign OR

☐ All signatories to sign

If you select 'any one signatory to sign', each of you (including any person you appoint as an authorised operator) will be able to transact on or otherwise operate your account independently of the others. Joint applications must be signed by all parties but withdrawals shall be permitted as authorised and indicated herein. You can change the account operating authority at any time by written request signed by all account holders.

If you do not select an option then REP will assume that 'any one signatory to sign' option will apply.

### Section 7—Your application checklist

To be a 'complete application' please ensure you have completed the following correctly (tick boxes):

☐ Have you provided full details at Section 1?



- ☐ Have you completed the relevant part of Section 2 that applies to you, according to the type of investor you are (e.g., company, trust etc)?
- ☐ Have you included your contact details at Section 4, including whether you want to receive a hard copy of the annual report?
- ☐ Have you completed Section 5 to confirm what you would like to do with your distributions (i.e., reinvest or pay to your account)?
- ☐ If you are a joint applicant, then have you completed Section 6?
- ☐ Have you read and understood the declarations in Section 8?
- ☐ Have you provided the correct original certified copies of acceptable identification documents?
- ☐ Have you signed the application form at page 14?

YOU MUST SEND REP the correct identification documentation, which depends on what type of entity you are. This includes the following

#### ACCEPTABLE IDENTIFICATION DOCUMENTS

##### INDIVIDUALS (*A sole trader must also provide an ABN*)

One of the following (tick box):

- ☐ Original certified copy of your current drivers licence (State or Territory issued); OR
- ☐ Original certified copy of your Australian passport (can have expired within the past two years) along with residential address proof; OR
- ☐ Original certified copy of your foreign passport (which must have a photograph and signature) along with residential address proof.

##### AUSTRALIAN COMPANIES

Provide (tick):

- ☐ ID for the person/s signing MUST be provided as for INDIVIDUALS above. If there is more than one director, at least 2 directors or a Director and Secretary to sign.

##### TRUSTS – Including Superannuation Funds and Super Funds with a Corporate Trustee

Provide (tick):

- ☐ An original certified copy of the Trust deed (or extract) that shows the full name of the trust; the full business name (if any) of the trustee; the type of the trust; the country in which the trust was established; AND the beneficiaries or class of beneficiaries of the trust, AND
- ☐ ID for the person/s signing MUST be provided as for INDIVIDUALS above and be signed in accordance with the terms of the Trust Deed
- ☐ Is the Trustee a Company? If there is more than one director, at least 2 directors or a Director and Secretary to sign. For persons signing, ID must be provided for each director as for INDIVIDUALS above.

*For Foreign Companies, Partnerships, Incorporated Associations, Unincorporated Associations and Registered Co-Operatives, please refer to the full AML/CTF list at [www.freeholdim.com.au](http://www.freeholdim.com.au)*

## Section 8—Investor(s) declaration and signature(s)

### General

1. I/We wish to invest in the Freehold Australian Property Fund (Fund) as described in the PDS dated 28 October 2019 and agree to be bound by the provisions of this Application Form and the Constitution (as amended) for the Fund.
2. I/We have received an electronic or paper copy of the relevant PDS for the Fund and have read and understood the PDS to which this Application Form relates.
3. I/We agree that future transactions in the Fund will be made on the terms of the then current PDS and that the declarations and acknowledgements made in this Application Form will also apply to all such future transactions.
4. I/We understand the risks associated with an investment in the Fund as they are outlined in the relevant PDS.
5. I/We understand REP reserves the right to reject any application or to allocate a lesser number of units than applied for.
6. I/We understand that the value of units in the Fund may rise or fall, from time to time.
7. I/We declare that all details in this Application Form are true and correct.
8. I/We declare that I/we have legal power to invest in the Fund.
9. I/We declare that by making this application, I/We will not contravene any law, regulation, authorisation or the relevant constitution or constituent documents of the investor.
10. I/We acknowledge that neither REP nor any other person guarantees the return of capital or the performance of the Fund.
11. I/We acknowledge that I/we have received the PDS for the Fund and this Application Form in Australia.
12. If joint investors are applying, the investors agree to hold the units as joint tenants. Both applicants are required to sign the Application Form and either investor is able to operate the account (unless specified in Section 5) and bind the other investor for future transactions, including additional deposits and withdrawals, including withdrawals by fax.
13. I/We authorise the use of this TFN or ABN to the investment for which I am/we are applying.
14. Note for corporate investors, this application must be signed either:
  - (a) under seal
  - (b) by two directors or a director and company secretary, or
  - (c) by the sole director/company secretary (where applicable).

The investor(s) confirms that they are officers of the company and that they have the authority to bind the company to the investment.

15. If they are the sole signatories signing on behalf of a company, the investor confirms that they are signing as sole director/secretary of the company.  
\* If not signing under seal, please state your title (e.g. Director, Company Secretary or Sole Director and Company Secretary).
16. If your application is signed under a Power of Attorney, (in which case, the attorney declares that he/she has not received notice of revocation of that power), please enclose a certified copy of the Power of Attorney (and authorised signatories) with your Application Form.

17. If investing as trustee on behalf of a Superannuation fund or trust, the investor confirms that they have the power and authority under the relevant trust deed to invest on behalf of the Superannuation fund or trust.

### Electronic instructions

In respect of electronic instructions (email, fax) relating to additional applications or withdrawal requests, or notifying REP of a change in details, you agree and acknowledge that REP:

- will not accept electronic instructions unless it is accompanied by the scanned or faxed signature(s) and/or company seal of the investor(s);
- are not responsible for any loss or delay that results from a transmission not being received by REP;
- will only process your electronic instructions if it is received in full and has been signed by authorised signatories;
- will not accept a receipt confirmation from the sender's facsimile machine or computer as evidence of receipt of the instructions;
- will not compensate you for any losses relating to electronic instructions, unless required by law; and
- do not take responsibility for any fraudulent or incorrectly completed electronic instructions. In the event of fraud you agree to release REP from, and indemnify REP against, all losses and liabilities whatsoever arising from REP acting in accordance with any instructions received electronically bearing your investment number and a signature purportedly yours or that of an authorised nominee.

### Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)

To comply with AML/CTF regulatory requirements REP will need to obtain identification information to establish your identity (and the identity of other persons associated with your account). REP may also do the following:

- require you to provide to REP or otherwise obtain, any additional information, documentation or other information;
- suspend, block or delay transactions on your account or refuse to make a payment or provide services to you. REP will incur no liability to you if it does so; and/or
- report any, or any proposed transaction or activity to any body authorised to accept such reports relating to AML/CTF or any other law.
- By making an application, you acknowledge and warrant to REP that:
- you have not knowingly done anything to put REP in breach of AML/CTF laws;
- you will notify REP if you become aware of anything that would put REP in breach of AML/CTF laws;
- if requested you will provide additional information and assistance and comply with all reasonable requests to facilitate REP's compliance with AML/CTF laws;
- you fail to provide REP with additional information and documentation requested of you, your application may be refused; any units you hold may be compulsorily withdrawn, and/or a withdrawal request by you may be delayed or refused by REP.





You warrant that REP will not be liable for any losses arising as a result of those circumstances and you are not aware and have no reason to suspect that:

- the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar illegal activities; and
- proceeds of investments made in connection with this product will fund illegal activities.

**Privacy**

I/We have read and understood REP's Privacy Policy which is available at [www.sargon.com](http://www.sargon.com) and consent to providing REP with personal information and for REP to collect, use, disclose and store personal information in accordance with its Privacy Policy.



## SIGNATURES

### Applicant 1/ Company signatory name and title/ Trustee

Select relevant box for the signatory (tick):

☐ Individual ☐ Director ☐ Company secretary ☐ Sole Director/Company Secretary ☐ Trustee

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Signature of Applicant 1/Company  
signatory/Trustee

Company Seal (If company  
or trust)

Date /

### Applicant 2/ Company signatory name and title/ Trustee

Select relevant box for the signatory (tick):

☐ Individual (joint applicant) ☐ Director ☐ Company secretary ☐ Trustee

Title \_\_\_\_\_ Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Signature of Applicant 1/Company  
signatory/Trustee

Date /

**Please send the signed, completed application form to:**

Unit Registry – Freehold Email: [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)  
GPO Box 4968, Sydney, NSW 2000 Fax: +61 2 9251 3525

### Section 9—Adviser use only

To enable REP to communicate with you, please provide your contact details:

Dealer group name \_\_\_\_\_

Adviser full name \_\_\_\_\_

Adviser email \_\_\_\_\_

Adviser phone number \_\_\_\_\_

Mobile \_\_\_\_\_

Dealer group/AFSL number

By signing this section, I acknowledge and confirm that I have identified the investor(s) in accordance with the AML/CTF obligations. Additionally, please send REP certified copies of identification documents along with the completed Application Form.

Advisers should contact REP on 03 90967 2800 to obtain a distribution agreement.

Adviser signature

Date

If this is your first application submitted to REP as an adviser, please also complete the following details:

Adviser company name \_\_\_\_\_

Residential address (PO Box is not acceptable) \_\_\_\_\_

\_\_\_\_\_

Town/Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

Email \_\_\_\_\_