

Gallery Securities

Diversified Property Fund Information Memorandum

Date Issued 19 January 2021

Securities

Trustee

Gallery Securities Pty Ltd
ABN 21 617 053 826 | AFSL No. 506347
Level 54, 111 Eagle Street Brisbane QLD 4000
Phone: +61 7 3077 7230
www.gallerysecurities.com.au

Investment Manager

Gallery Securities Investment Management Pty Ltd
ABN 19 644 051 927
Authorised representative (No. 001 284 144) of
Gallery Securities Pty Ltd
ABN 21 617 053 826 | AFSL No. 506347



Important Information

This is the Information Memorandum (“**IM**”) for Units in the **Gallery Securities Diversified Property Fund** (referred to as the “**Fund**”) and was issued on 27 November 2020. This IM has been issued by Gallery Securities Pty Ltd (ABN 21 617 053 826, AFSL No. 506347) in its capacity as Trustee of the Fund (the “**Trustee**”). The Investment Manager of the Fund is Gallery Securities Investment Management Pty Ltd (ABN 19 644 051 927) and is referred to throughout this IM as the “**Investment Manager**”. The Investment Manager is an authorised representative (No. 001 284 144) of Gallery Securities Pty Ltd. The Administrator of the Fund is Unity Fund Services and is referred to throughout this IM as the “**Administrator**”.

The Fund is an unregistered managed investment scheme under the Australian Corporations Act 2001 (Cth) (“**Corporations Act**”). This IM has not been, will not be and is not required to be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). It does not constitute a product disclosure statement, prospectus, or other disclosure document within the meaning of the Corporations Act.

This IM is prepared for your general information only. It is not intended to be a recommendation by the Trustee, the Investment Manager or any associate, employee, agent or officer of the Trustee, the Administrator, or any other person to invest in the Fund. This IM does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this IM. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs and you may want to seek professional advice before making an investment decision. A glossary of important terms used in this IM can be found in the Section 14 “**Glossary of Important Terms**”.

This IM does not constitute an offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended (“**US Securities Act**”). The Units in the Fund have not been, and will not be, registered under the US Securities Act or the laws of any State, and the Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended. The Fund may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

None of the Trustee, the Investment Manager, the Administrator or their respective employees, agents or officers:

(i) makes any representation or warranty as to, or takes responsibility for, the accuracy, reliability or completeness of the information contained in this IM; or

(ii) guarantees the success, repayment of capital or any rate of return on income or capital or investment performance of the Fund. Past performance is not an indication of future performance. The target return on any investment may be affected by assumptions or by unknown risks. The results of any investment may differ materially from the results anticipated.

Nothing contained in this IM nor any other related information made to prospective investors is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or the future.

Units are offered and issued by the Trustee subject to the “trust deed constituting and governing the Fund (“**Constitution**”),” and on the terms and conditions described in this IM. You should read this IM because you will become bound by it if you become a Unitholder of the Fund. The offer made in this IM (“**Offer**”) is available only to persons receiving this IM in Australia (electronically or otherwise) who are Wholesale Clients.

The Offer made in this IM is made on the basis that the Units are or will be marketed, and made available to Wholesale Clients only.

If you received this IM electronically, a paper copy will be provided free upon request. Please email Gallery Securities on info@gallerysecurities.com.au for a copy.

This IM should be read together with the Constitution. A copy of the Constitution is available from the Investment Manager by emailing info@gallerysecurities.com.au for a copy.

Certain information in this IM relating to the Fund is subject to change. Where considered appropriate by the Trustee, you will be notified in writing of any changes. Copies of any updated information may be obtained:

- by calling the Trustee on **+61 7 3077 7230**
- by calling the Investment Manager on **+61 7 3077 7230**.

A paper copy of any updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the IM are expressed exclusive of GST. All amounts are in Australian dollars unless otherwise specified and all references to legislation are to Australian law unless otherwise specified.

Letter from Gallery Securities

Dear Investors,

We invite you to invest in the Gallery Securities Diversified Property Fund – a highly unique and well placed fund combining the investment expertise and long-standing company leadership skills of Gallery Securities and the wider Gallery Group of companies, founded in 2011.

Our team appreciate and understand our investors need to develop trust in an investment team prior to committing capital. They do this by observing a positive track record of the investment team, alignment of interest by way of co-investment, transparency, integrity and a strong investment governance framework to mitigate risk to investors.

We are proud of our proven track record, delivering positive returns across all of our recent developments. Our team co-invest in the developments and investments we undertake to ensure a strong alignment of interest with our investors, noting we share both risk and reward. We report openly, with integrity and are independently audited. We also place tremendous value in our world class independent investment committee to provide oversight, additional depth, and experience.

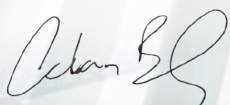
We have designed the Fund with the aim of providing eligible investors with access to the potentially high levels of capital growth available from our carefully selected pipeline of real estate developments (residential land sub-division, multi-story residential developments, mixed use developments) and also access to a semi-annual income distribution via our Co-Living residential build-to-rent portfolio (targeting 6% per annum two years after the Initial Close Date).

Our proposed asset base has been curated over many years by the Gallery Group of companies 'land-banking' investments.

The Fund will be offered as a closed ended vehicle, with the aim of providing access to liquidity at the end of the Term. This structure is designed with limited liquidity to provide sufficient flexibility to the Investment Manager to structure investments in opportunities as they become available.

We hope you find this opportunity as exciting and potentially as rewarding as we do, and we welcome you as an investor in the Fund.

Yours sincerely,



Adam Barclay
Chief Executive Officer



Mark Dimou
Chief Investment Officer



Graham Cox
Head of Funds Management

Gallery Securities Pty Ltd

ABN 21 617 053 826 | AFSL No. 506347

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CONTENTS

| | | |
|----|--|-----|
| 01 | Fund at a Glance | 9 |
| 02 | About the Trustee | 15 |
| 03 | About the Investment Manager | 21 |
| 04 | Fund Administration and Compliance | 27 |
| 05 | About the Fund Investments | 31 |
| 06 | Managing Risk | 37 |
| 07 | Investing in the Fund | 41 |
| 08 | Keeping Track of Your Investment | 46 |
| 09 | Fees and Other Costs | 48 |
| 10 | Taxation | 50 |
| 11 | Other Important Information | 54 |
| 12 | Committed 'Seed' Investments | 60 |
| 13 | Investments under Due Diligence (Pipeline) | 78 |
| 14 | Glossary of Important Terms | 100 |
| 15 | Application Form | 103 |



01

Fund at a glance

01 Fund at a glance

The following information is presented as a summary of various key terms of the Offer and is qualified in its entirety by reference to the "Constitution and application form ("**Fund Documents**"). A copy of the Constitution will be provided to each prospective investor upon request. In the event of a conflict between the terms of this summary and the Fund documents, the Fund documents will prevail.

| | |
|---|--|
| Name of Fund | Gallery Securities Diversified Property Fund |
| Investment Manager | Gallery Securities Investment Management Pty Ltd (CAR No. 001 284 144) |
| Trustee | Gallery Securities Pty Ltd (AFSL No. 506347) |
| IMPORTANT DATES | |
| Offer | From 27 November 2020 until 31 March 2021 |
| Initial Close Date | The Investment Manager may elect to process applications and commence making Fund investments from 31 January 2021 (" Initial Close Date "). |
| FUND STRUCTURE | |
| Structure | <p>The Fund is an illiquid and unlisted Australian, unregistered closed ended unit trust, which will hold the portfolio of Properties through one or more Sub Trusts.</p> <p>The Fund is open to Wholesale Clients only and will provide investors an opportunity to access returns from a diversified portfolio of Australian property development assets, developed directly by the Fund and the broader Gallery Group of companies.</p> <p>Capital will be provided by way of equity and debt by the Fund to the Sub Trusts or other related entities.</p> |
| Classes of Units | The Fund will issue one class of Unit, issued initially on a partly paid basis. The application price of a Unit is \$1.00 within the initial offer period specified above. |
| INVESTING IN THE FUND | |
| Minimum Initial Investment (AUD) | \$10 million. The Trustee may (at its absolute discretion) accept a lower amount. Investors must provide evidence of their status as a Wholesale Client. |
| Term of Fund | <p>Fixed term of 7 years (from the Initial Close Date) with a target end date of 31 January 2027 ("Term").</p> <p>The Trustee may extend the Term of the Fund by up to 2 further periods of 1 year each (the second year extension is subject to Unitholder approval via ordinary resolution) subject to commercial analysis of current and expected future Australian property market conditions, and where the Trustee determines an extension to be in the best interests of Unitholders.</p> |
| Applications | <p>Applications, together with all supporting documentation and cleared funds, must be received by the Administrator. If any part of the application process is outstanding, the Trustee reserves the right not to issue Units to the relevant applicant.</p> <p>Units will be issued initially on a partly paid basis, as follows:</p> <ul style="list-style-type: none">• 30% of the fully paid up amount being payable in cash on application• Subsequent payments will be by way of capital calls made by the Trustee to Unitholders, on advice by the Investment Manager. <p>The Trustee may accept or reject applications in its sole discretion. Refer section 15 of this IM for more details.</p> |
| Minimum fund size | The Fund will not proceed (and application monies will be returned) if the total applications received under this offer are less than \$100 million. The Trustee may (in its absolute discretion) proceed at a lesser amount. |

01 Fund at a glance

FUND INVESTMENTS

Investment objective and strategy

The fund has a target return of between **8%-10%** per annum (post fees & expenses and before tax).

The Fund aims to achieve this target return by investing in a diversified range of Australian residential land subdivision projects and property developments (including house and land packages), mixed-use developments, multi-storey developments and by developing a residential 'Co-Living' portfolio ("**Co-Living**") with a targeted annual and sustainable yield, paid semi-annually to investors of approximately **6%** with the added potential for capital appreciation.

Please refer to Section 12 and 13 of this IM for the Fund's Committed 'Seed' Investments and Investments under due diligence (future pipeline).

OPERATIONAL MATTERS

Distribution policy

Distributions are intended to be paid semi-annually out of the proceeds of net rental income (Co-Living portfolio) see section 12 of this IM), profits from developments and from the sales of Properties, if any, received from underlying investments of the Fund.

Distributions will be made at the discretion of the Trustee. Distributions are unlikely to be paid during the two years following the Initial Close Date.

Withdrawals

The Fund is not expected to be liquid and withdrawal requests are generally not permitted during the Term.

The Trustee may offer limited withdrawal rights during the Term of the Fund, for example where the sale of a Property makes liquid funds available.

Borrowing policy

The Fund may make borrowings in accordance with the borrowing policy of the Fund, which is summarised in the 'About the Fund Investments – Borrowing Policy' ("**Borrowing policy**") section of this IM.

Right of first refusal

If an investor wishes to sell their Units, they must offer all existing investors and the Trustee a first right to purchase the relevant Units.

Risks

An investment in the Fund is subject to risks, which are summarised in the 'Managing Risk' section of this IM.

The key risks specific to the Fund are:

- Liquidity risk
 - Residential property risk
 - Jurisdictional economic risk
-

Reporting and investor enquiries/ complaints

Unitholders are provided with the following reports in relation to the Fund:

- Half yearly commentary (including details about recent transactions and development progress)
- Annual Report
- Transaction Reports
- Distribution Statements
- Tax Statements

See section 8 for more information as to the issue frequency of each of the above.

The Trustee seeks to resolve any investor complaints within 14 days of receiving formal correspondence with regards to the same.

No representation can be or is deemed to be made as to the future performance of the Fund. There can be no assurance that the Fund will achieve its investment objectives.

Targeted returns presented above may not be achieved. Investors may not get back the full value of their investment and in certain circumstances investors could lose all of their investment. As with most investments, the value of this investment could go down as well as up. The past performance of any previous property developments or investments is not necessarily a guide to future performance of the Fund.

01 Fund at a glance

FEES AND OTHER COSTS

The fees and other costs of the Fund are further described in the 'Fees and other costs' section of this IM. Such fees and costs will impact the returns received by Unitholders in the Fund.

| | |
|----------------------------|--|
| Base management fee | <p>1.25% of committed capital in the Fund for the first 12 months following the Initial Close Date, payable to the Investment Manager quarterly in advance.</p> <p>Following the anniversary of the first 12 months following the Initial Close Date, the base management fee shall be calculated by the gross asset value, payable to the Investment Manager quarterly in advance.</p> |
| Performance Fee | <p>20% performance fee, subject to the Hurdle Return.</p> <p>A description of the Performance fee is set out under the 'Fees and other costs – Performance Fee' ("Performance fee") section of this IM.</p> |
| Hurdle Return | <p>IRR of 9% per annum.</p> |
| Acquisition fee | <p>1% of the Total Acquisition Cost of the Properties acquired.</p> |
| Disposal fee | <p>1% of the Total Disposal Cost of the Properties disposed. The fee is payable in relation to any disposal, including the disposal of Properties or interests in a Sub Trusts that holds the Property portfolio.</p> |
| Trustee Fee | <p>0.025% per annum calculated on the Average GAV, payable semi-annually in advance, subject to a minimum fee of \$300,000 per annum. Please refer section 'Trustee fees and expenses' on page 36 for further information.</p> |
| Expenses | <p>The Investment Manager (and its related parties) are entitled to be reimbursed from the Fund or the relevant Sub-Trust (or deduct from rental or sales proceeds) in respect of a range of costs as part of the Fund's expenses in connection with the establishment of the Fund, investment, operation and management of the Property portfolio or the acquisition,</p> <p>disposal or maintenance of any investment of the Property portfolio which include, but are not limited to, in-house administration costs, legal fees and audit fees.</p> <p>On average, during the Term of the Fund expenses incurred by the Investment Manager (and its related parties) in operating the Fund and Sub Trusts are estimated to be 0.20% per annum of the GAV (excluding direct property management and transaction related costs).</p> <p>Fund establishment costs to be reimbursed to the Investment Manager shall be capped at 1% of Committed Capital or \$300,000, whichever is the higher.</p> <p>See "Related Party Transactions" for further fee and cost information.</p> |

01 Fund at a glance

CONTACTS

Investment Manager

Gallery Securities Investment Management Pty Ltd

ABN: 19 644 051 927

Level 54, 111 Eagle Street

Brisbane QLD 4000 Australia

Ph: +61 7 3077 7230

Web: www.gallerysecurities.com.au

Administrator

Unity Fund Services Pty Ltd

ABN: 16 146 747 122

Level 16 Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000 Australia

Ph: +61 2 8277 0070

Web: www.unityfundservices.com.au

Trustee

Gallery Securities Pty Ltd

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GALLERY
Securities
INVESTMENT MANAGEMENT



UNITY
FUND SERVICES



GALLERY
Securities



NORTON ROSE FULBRIGHT



evolution
trustees



EY
Building a better
working world



02

About the Trustee

02 About the Trustee

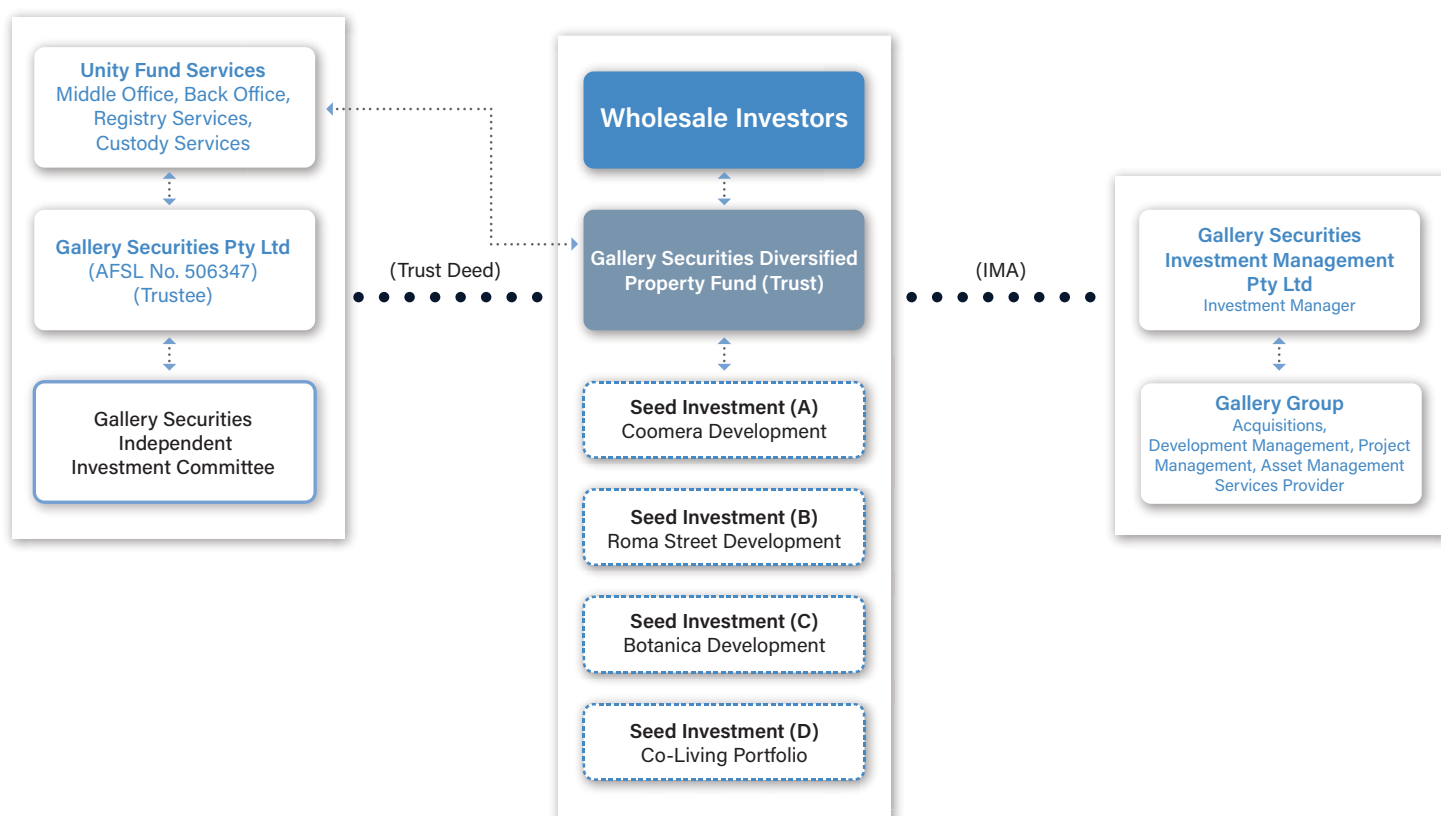
2.1 Gallery Securities Pty Ltd

Gallery Securities Pty Ltd ABN 21 617 053 826, AFSL No. 506347 is the Fund's trustee and issuer of this IM.

Gallery Securities' responsibilities and obligations as the Fund's trustee are governed by the Constitution, the Corporations Act 2001 (Cth) and the general trust law.

Gallery Securities has appointed Gallery Securities Investment Management to act as the investment manager of the Fund and Unity Fund Services to act as the administrator of the Fund. Evolution Trustees Limited ("**Evolution**") has been engaged to provide governance, policy and process support to ensure the highest level of investment management, governance and compliance is established and maintained.

GALLERY SECURITIES DIVERSIFIED PROPERTY FUND STRUCTURE DIAGRAM



NOTE:

The above diagram is for illustrative purposes only and does not provide details in relation to tax and interposed vehicle structuring of Fund investments (i.e. sub-trusts, SPVs etc.) and the co-investment vehicle Gallery Group (or its subsidiaries) would use or any potential parallel vehicles. The Seed Investments listed in this diagram are examples only and investors should refer to Section 12 of the IM for confirmation of Seed Investments.

02 About the Trustee

2.2 Independent Investment Committee

Gallery Securities believes in strong and transparent investment governance. An independent investment committee ("**Investment Committee**") has been formed, comprising world class investment and property professionals appointed by the Gallery Securities board. The Investment Committee will be responsible for independent oversight with respect to Fund investments and shall report to the Trustee.

INDEPENDENT INVESTMENT COMMITTEE MEMBERS



DR. MICHAEL DREW INVESTMENT COMMITTEE MEMBER (INDEPENDENT CHAIRMAN)

Michael serves as a trustee director and member of the investment committee of QSuper, is a member of the Investment Advisory Board of the Petroleum Fund of Timor-Leste and, a Trustee and Member of the Finance, Audit, and Risk Committee of Mary Aikenhead Ministries.

Michael is a consulting financial economist specialising in the areas of investment governance, asset allocation, pension plan design, and outcome-oriented investing. He is currently the Managing Partner of MGD Private and a Professor of Finance at Griffith University. He has held previous academic appointments at the Australian National University and QUT, and senior industry appointments with J.B. Were & Son, Myer Family Company, Ord Minnett, QSuper, QIC, and Wilson HTM.

Michael was awarded the inaugural Financial Services Institute of Australasia (FINSIA) Pinnacle Award in the category of Most Outstanding Thought Leader. Michael is an active company director holding a range of non-executive appointments and is a Fellow of the Australian Institute of Company Directors and the Governance Institute of Australia and is a Life Member of FINSIA.



ROBERT CARTER INVESTMENT COMMITTEE MEMBER

Rob is a former senior executive at QIC Limited (a Brisbane, Australia based global funds manager). During his 23 years with QIC, Rob held various positions in funds management and property operations including the Head of Property Funds Management and Managing Director, Global Real Estate, which during his tenure grew to a \$9 billion global property investment portfolio. Rob was supported by an in-house management team of around 170 professionals in disciplines such as funds management, development, property management, leasing, asset management, finance and accounting. He was integral in the establishment of QIC's global property funds management platform. Rob is currently a Principle at Evolution Private, a boutique property investment and advisory company.

02 About the Trustee

INDEPENDENT INVESTMENT COMMITTEE MEMBERS (CONT'D)



JOANNE DAWSON
INVESTMENT COMMITTEE MEMBER

Joanne is currently a Non-Executive Director and Chair of the Investment Committee of Vision Super and a Non-Executive Director of Bank First Ltd and Templeton Global Growth Fund Ltd. Her previous roles include Chair of EL&C Baillieu Ltd, and Non-Executive Director of Catholic Church Insurance Ltd and CCI Asset Management Ltd.



PHILIP GARLING
INVESTMENT COMMITTEE MEMBER

Philip serves as Independent Non-Executive Director of ASX listed property investment management company, Charter Hall (ASX: CHC), Chairman of Energy Queensland Ltd and Non-Executive Director of Downer EDI Limited (ASX: DOW), amongst several other board roles.

Philip has over 35 years' experience in property and infrastructure, development, operations and asset and investment management. His executive career included nine years as Global Head of Infrastructure at AMP Capital Investors and 22 years at Lend Lease Corporation, including five years as CEO of Lend Lease Capital Services.

Philip holds a Bachelor of Building from the University of NSW and has completed the Advanced Management Program at the Australian Institute of Management and the Advanced Diploma at the Australian Institute of Company Directors. He is a Fellow of the Australian Institute of Company Directors, Australian Institute of Building and Institution of Engineers, Australia.



MICHAEL COX
INVESTMENT COMMITTEE MEMBER

Michael is Executive Director of Business Strategy - Real Estate investments, developments and assets with the Public Investment Fund "PIF" (the sovereign wealth fund of Saudi Arabia which is among the largest sovereign wealth funds in the world with total estimated assets of US\$382 billion).

Michael leads a large investment team to drive over US\$5 Billion worth of investment strategies for real estate assets in the Kingdom, including a portfolio of residential, hotels and retail aimed at the entertainment industry to support the Government's 2030 vision.

Michael has over two decades of funds management, sovereign wealth fund, property development and property investment industry experience spread across multiple assets classes & geographic regions. He has been associated with global top tier developers, investors and contractors such as Dubai Holding, ALDAR (UAE), Portman Holding (Shanghai), Samsung (Philippines), and UE Group (Singapore).



03

About the Investment Manager

03 About the Investment Manager

3.1 Gallery Securities Investment Management

Gallery Securities Investment Management Pty Ltd (the **"Investment Manager"**) is an Australian company and is a specialist Australian property fund manager.

The Investment Manager is appointed as an authorised representative (No. 001 284 144) of Gallery Securities Pty Ltd (ABN 21 617 053 826, AFSL No. 506347) (**"Gallery Securities"**). Information in relation to Gallery Securities is set out at the end of this section. The Investment Manager is a related related body corporate of Gallery Securities. The Investment Manager is supported by a number of experienced professionals (employed by the Investment Manager, the Administrator and or with the Trustee or their associated companies) with experience in the investment management and property investment sectors.

The key individuals involved in managing and advising the Fund and its investments are listed below.



ADAM BARCLAY
CHIEF EXECUTIVE OFFICER

Adam is the founder and Chief Executive Officer of the Gallery Group. Adam has over 20 years' experience in property development and property investing. Adam founded the Gallery Group in 2011 and has built the business to become a highly successful, vertically integrated property development and investment management group, employing a large team of property and investment professionals throughout Sydney, Melbourne, and Brisbane.

Adam has been instrumental in acquiring a property development pipeline in excess of \$300mil. Prior to founding the Gallery Group, Adam was Managing Director of a national real estate group. Adam is a Director of Gallery Securities and member of the Gallery Securities Investment Committee.



MARK DIMOU
CHIEF INVESTMENT OFFICER

Mark is highly experienced in all aspects of property related finance (debt and equity), investment management and property development acquired at ASX listed Group – Sunland (ASX: SDG) where he was integral in delivering a \$4 billion development pipeline and instrumental in the exponential increase of Sunland's market capitalisation during his tenure with the Group.

Prior to leading finance, investments and development at Sunland, Mark was a Consultant at PwC in Private Client Services – Audit. Mark is General Manager for the Gallery Group and is a Director of Gallery Securities. He is a Chartered Accountant (CAANZ) with extensive international experience spanning strategy, finance, debt financing, accounting, product management, business development, and industry systems.



GRAHAM COX

EXECUTIVE DIRECTOR, HEAD OF FUNDS MANAGEMENT

Graham is a Director of Gallery Securities Investment Management and Head of Funds Management for Gallery Securities. Graham has over 15 years' experience working in private equity, digital infrastructure, commercial and residential property development and funds management (wholesale) and has owned and operated successful related businesses throughout Australia, Asia, and the Middle East.

Graham has been responsible for raising and investing capital for several wholesale investment funds and has developed strong relationships with superannuation funds, pension funds, sovereign wealth funds, institutions, wealth managers and family office investors.



GRAEME MACLAREN

RESPONSIBLE MANAGER

Graeme is an experienced Australia financial service licence responsible manager, company director and executive with over thirty years' experience in banking and financial services. Graeme has held numerous senior positions within the Commonwealth Bank of Australia involving audit, property investment, finance, operations and compliance. He currently acts as an independent director and executive director for a number of companies and as an external member on a number of compliance committees. Graeme's qualifications include a Bachelor of Business, Postgraduate Diploma in Banking Management and a Masters of Business Administration from Macquarie Graduate School of Management.

Graeme is a member of the Australian Society of Certified Practising Accountants, Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia.



ROBERT CARTER

RESPONSIBLE MANAGER

Rob is a former senior executive at QIC Limited (a Brisbane, Australia based global funds manager). During his 23 years with QIC, Rob held various positions in funds management and property operations including the Head of Property Funds Management and Managing Director, Global Real Estate, which during his tenure grew to a \$9 billion global property investment portfolio. Rob was supported by an in-house management team of around 170 professionals in disciplines such as funds management, development, property management, leasing, asset management, finance and accounting. He was integral in the establishment of QIC's global property funds management platform. Rob is currently a Principle at Evolution Private, a boutique property investment and advisory company.

3.2 Gallery Group of Companies

The Gallery Group of companies is a diversified and vertically integrated Australian property firm which was established in 2011 (Gallery). Headquartered in Sanctuary Cove, Queensland with offices in Brisbane, Sydney and Melbourne. The group employs several hundred staff and contractors throughout Queensland, New South Wales and Victoria.

With more than a decade of achievements and progression, Gallery is focused on the development of residential land, housing, investment funds, investment property ownership and management including asset management.

Gallery's comprehensive customer and client base illustrates the high standard of their work and includes state and local governments, financial institutions, civil construction companies, hundreds of trades and suppliers, retail builders, and residential property developers.

Gallery's clients and partners are integrated into their processes and benefit from their streamlined corporate performance and accountability procedures. As a privately owned and operated group of companies, Gallery ensures their structures, policies and practices have been carefully executed by the Executive and Leadership teams to ensure that operations are incorporated across all business units throughout the organisation.

With foundations in technology and strategic footholds in multiple markets, the Gallery group of companies is positioned for upward growth with strong operational platforms that solidify their competitive advantage to deliver the best possible outcomes for their clients and investors.

This is reinforced by a strong balance sheet, profitable core businesses and an experienced team of devoted employees that deliver certainty of outcomes to their clients and investors throughout the life of all developments and investments.

GALLERY
Homes

GALLERY
Developments

GALLERY
Projects

GALLERY
Asset Management

GALLERY
Luxury

GALLERY
Securities

GALLERY
Securities
INVESTMENT MANAGEMENT

03 About the Investment Manager

3.3 Our Track Record

Gallery Securities appreciates the 'hierarchy of needs' that our Wholesale Clients expect from professional investment managers, including selecting investment managers with a strong track record of producing solid, risk adjusted returns.

Our team accepts that there is no greater privilege than to assist our investors reach their individual investment goals, by managing their capital to generate strong, long-term, risk adjusted returns via our carefully selected development and investment opportunities.

Our team has worked hard to ensure that our results speak for themselves when it comes to maximising financial returns for our investors. We remain humble, yet proud of our achievements and continue to grow by strengthening our governance, policies, and processes to mitigate known and unforeseen risk.

Below is an example of our most recent completed developments and the actual underlining returns we have delivered.

| DEVELOPMENT/ INVESTMENT | Year | Gallery Equity | Description | Actual IRR* |
|----------------------------|---------|-------------------|------------------|-------------|
| Harvest | Current | 20% | Land Subdivision | 58% |
| Bayside | Current | 35% | Land Subdivision | 34% |
| Pinnacle | Current | 30% | Land Subdivision | 25% |
| Contempo | FY20 | 35% | Land Subdivision | 18% |
| The Paddock | FY19 | 35% | Land Subdivision | 15% |
| Contempo Residences | FY19 | Confidential (JV) | Land Subdivision | 15% |

IRR

58 %

HARVEST

BALD HILLS

34 %

BAYSIDE

MORETON BAY

25 %

PINNACLE

HOLMVIEW

18 %

CONTEMPO

BELLMERE

15 %

THE PADDOCK

STOCKLEIGH

15 %

CONTEMPO

RESIDENCES

* Past performance should not be relied on as an indicator of future performance. The IRR returns indicated are not representative of fund returns and are not a forecast nor a substitute for an investors own assessment as to an investment in the fund. (The assets shown will not be held by the Fund.)



04

Fund Administration and Compliance

04 Fund Administration and Compliance

4.1 About the Administrator

The Trustee has appointed Unity Fund Services, ("**Unity**" or the "**Administrator**") to act as administrator for the Fund.

The Trustee will enter into an administration agreement with the Administrator, which governs the services that will be provided by the Administrator to the Fund.

The Administrator has not been involved in the preparation of this IM and takes no responsibility for its contents. The Administrator and its affiliates are responsible for the general administration of the Fund that includes Unitholder applications, back office, middle office, fund accounting, keeping the register of Unitholders, arranging for the issue and redemption (if applicable) of Units and calculation of asset valuations and fees. The Administrator may also provide custodial services, if required by the Trustee.

The Administrator and its affiliates are entitled to be indemnified by the Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, gross negligence or wilful default on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties.

The Administrator and its affiliates are a service provider to the Fund and have no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator is not responsible for and accepts no responsibility or liability for any losses suffered by the Fund as a result of any investment decision.

None of the Administrator, any of its affiliates or any of its related bodies corporate, guarantees in any way the performance of the Fund, repayment of capital from the Fund, any particular return from, or any increase in, the value of the Fund.

The Administrator and its affiliates are not responsible for any failure by the Fund or the Investment Manager to adhere to the investment objective, policy, investment restrictions, any borrowing restrictions or operating guidelines.

The Investment Manager may at any time, in consultation with the Trustee, select any other administrator to serve as administrator to the Fund.

4.2 Fund Governance and Compliance

The Trustee, together with the Investment Manager has engaged Evolution Trustees Limited ("**Evolution**") to provide specialist services to assist implement a world class governance, risk, compliance and operational framework to meet its AFSL obligations, trustee obligations and general legal obligations.

Evolution's world class Compliance Advisory team includes the following professionals who will be engaged to establish and monitor and maintain the Fund's ongoing compliance requirements.

04 Fund Administration and Compliance

4.3 Fund and Governance and Compliance Team



RUPERT SMOKER
CHIEF EXECUTIVE OFFICER

Rupert founded Evolution Trustees in 2016 and built it to be a market leading trustee and fiduciary service provider across the property, renewable energy, debt, infrastructure and financial asset sectors. Prior to this Rupert led the operational elements of the corporate trustee business within The Trust Company before it was acquired in 2013. Rupert was then the Head of Responsible Entity Services at Perpetual Limited. Rupert started his career in a variety of legal roles with ASIC.

Rupert holds Bachelors degrees in Law and Commerce, holds a Graduate Diploma in Applied Finance, is a Fellow of FINSIA and a registered legal practitioner of the Supreme Court of NSW.



BEN NORMAN
CHIEF OPERATING OFFICER

Ben is a qualified Chartered Accountant, with over 16 years of professional and industry experience. Prior to joining Evolution Trustees, Ben was a Director in Ernst & Young's Transaction Advisory Services division, where he spent over 9 years working on numerous due diligence and restructuring engagements with clients in all industry sectors.

Other roles Ben previously held include as Chief Operating Officer of a boutique funds manager, Group Accountant within the ASX listed Hastings Diversified Utilities Fund and a Senior Accountant focusing on taxation and advisory services with an accounting firm that later merged with PwC.



LÉA MANEL
SENIOR COMPLIANCE MANAGER

Léa is the senior compliance manager and she oversees the Compliance and Advisory division of Evolution Trustees.

Prior to joining Evolution, she worked several years in Luxembourg for HSBC, EFA Private Equity and BNP Paribas where she held positions on the money markets dealing desk and in fund compliance. She has deep experience with European fund structures, both in UCITS funds (SICAV, and FCP) and alternative investment funds (SIF, SICAR, and SOPARFI), and in working across multiple jurisdictions.

Léa speaks five languages and she holds a Master's degree in Finance which she obtained in the European University Centre in Nancy, France.

04 Fund Administration and Compliance

4.4 Environmental, Social and Governance ('ESG') Integration

ESG philosophy and guiding principles

Gallery Securities recognises its duty to behave responsibly in its business activities by making sound investment decisions that are fully cognisant of a responsible investment approach to ESG principles. Gallery Securities has established a contemporary ESG policy and will become a signatory to the UN-supported Principles for Responsible Investment (PRI) upon the Fund's Initial Close Date.



As a professional investment manager, Gallery Securities believes in being able to play its part in encouraging our team and external consultants and advisors to adopt sound ESG practices and policies that lead to not only better performing investments (that deliver value to its investors) but also align investors in the Fund with the broader objectives of society.

A lack of focus on ESG principles may have the potential to have a direct substantial impact on an investment's ability to create or preserve economic value, as well as environmental and social value for itself, stakeholders and the wider community.

Gallery Securities approach to ESG

Companies that do not effectively manage ESG issues that relate to their businesses could experience underperformance and, hence, have a higher probability of default or stress under their loan and debt obligations and agreements.

ESG risks have the potential to materially impact the cashflows and the risk assessment of a company over the term of the lending facility and, are therefore assessed as part of the investment process.

ESG factors are considered throughout the stages of the investment process in sourcing and originating investments up to and including investment approval and execution.

ESG assessment

Each investment is assessed on a case by case basis with oversight from the Investment Committee, with discounts for material ESG issues/factors identified and, in some cases, investments are excluded because of the ESG risks.

Environmental: Gallery Securities and the Investment Manager review environmental issues and assess whether the issue is likely to have an impact on their ability to generate strong risk-adjusted returns in accordance with the Fund's objectives, in the future.

Where a material environmental issue, in the opinion of the Investment Manager, is likely to impact returns, this will lead to either a repricing of the risk, a reduced investment allocation or declining the transaction.

Some examples of environmental factors that may be considered in this process are:

- Climate change;
- Water supply;
- Energy use; and
- Pollution.

Social: Gallery Securities and the Investment Manager review social issues and assess whether the issue is likely to have an impact on an investments ability to generate returns in accordance with the Fund's objectives, in the future. Where Gallery Securities and the Investment Manager judge that a material social issue is likely to impact returns, this will lead to either a repricing of the risk, a reduced investment allocation or declining the transaction.

Examples of social factors that may be considered in this process are:

- Human rights;
- Supply chains;
- Health and safety;
- Indigenous rights; and
- Predatory lending practices.

Governance: An evaluation of Gallery Securities and the Investment Manager's governance structure is also an integral part of the ESG assessment. Gallery Securities and the Investment Manager review governance issues and assess whether the issue presents a risk to their ability to generate returns in accordance with the Fund's objectives, in the future. Where Gallery Securities and the Investment Manager judge that a material governance issue is likely to impact forecast returns, this will lead to either a repricing of the risk, a reduced investment allocation or declining the transaction.

Examples of governance factors that may be considered in this process are:

- Investment Committee independence;
- Remuneration and incentives alignment;
- Bribery and corruption; and
- ESG information.



05

About the Fund investments

05 About the Fund investments

5.1 Fund Structure

The Fund is an unlisted, unregistered, closed ended Australian unit trust focusing on investing in real property. It is expected the Fund will make medium to long term investments via one or more Sub Trusts, which in turn will hold direct real property assets.

Capital will be provided to the Sub Trusts by way of equity (subscriptions for units) or by way of debt from the Fund to the Sub Trusts or other related vehicles or entities as advised by our external professional advisors. The Investment Manager will act as Trustee of the Sub Trusts.

The Fund is not registered as a managed investment scheme under the Corporations Act, and there is no requirement for a product disclosure statement as would be required under a retail fund offering.

On this basis, you may only invest in the Fund if you are a Wholesale Client.

5.2 The Opportunity

The Fund has been formed to provide investors with exposure to a diversified portfolio of Australian real estate assets and aims to deliver a unique combination of positive returns and annual passive income yields from the Fund's Co-Living property portfolio.

The Investment Manager aims to achieve a target return of **8%-10%** per annum over the Term of the Fund for Unitholders through a pipeline of 'Seed developments' in combination with a portfolio of Co-Living property assets. The Investment Manager's targeted return is informed by the following considerations:

- Investors are able to access several real estate developments (Section 12 Committed 'Seed' Investments of this IM) that have been 'land banked', supported by obtaining the required planning approvals over several years and are now ready for development.
- Developing the Co-Living portfolio to achieve in excess of a **6%** average gross rental yield (post fees and expenses and before tax) once fully stabilised, to provide a sustainable **6%** per annum net distribution to Unitholder's.
- The Australian government's recent introduction of the national First Home Loan Deposit, Home Builder and Home Super Saver Schemes have triggered an increase in demand for house and land packages, as experienced by Gallery in the first quarter of the 2021 Financial Year.
- Ability to offer Wholesale Clients the opportunity to diversify away from Australian core and core plus real estate assets that are now at risk of reduced valuations and reduced rental yields due to the COVID-19 pandemic, specifically in the commercial and retail property sectors.

No representation can be or is deemed to be made as to the future performance of the Fund. There can be no assurance that the Fund will achieve its investment objectives. Targeted returns presented above may not be achieved. Investors may not get back the full value of their investment and in certain circumstances investors could lose all of their investment.

As with most investments, the value of this investment could go down as well as up. The past performance of any previous property developments or investments is not necessarily a guide to future performance of the Fund.

05 About the Fund Investments

Summary of Fund Committed 'Seed' Investments

| PROJECT | Co-Living QLD | Co-Living VIC | Courtney Drive | Bayes Road | Roma Street |
|--|--|--|-----------------------|----------------------|-------------------------------------|
| Project Number | Co-Living Buy and Hold (Build-to-rent) | Co-Living Buy and Hold (Build-to-rent) | Courtney Drive | Logan Reserve | Roma River Views |
| Project Size | 150 Houses | 150 Houses | 197 Lots | 80 Lots | 32 Apartments - 8,932 GFA |
| Construction Period | May 2021 to Jul 2022 | Jul 2021 to Jan 2023 | Mar 2021 to Feb 2023 | Jul 2021 to Aug 2022 | Jun 2022 to Feb 2024 |
| Development Period | Jan 2021 to July 2024 | Jan 2021 to Mar 2025 | Nov 2015 to July 2024 | Oct 2018 to Jan 2023 | Sep 2017 to Jul 2024 |
| Type | Co-Living Residential | Co-Living Residential | Land Subdivision | Land Subdivision | Residential Multi-Storey Apartments |
| REVENUE | | | | | |
| GROSS REVENUE - Project Value | 176,697,467 | 176,697,467 | 70,379,000 | 18,727,000 | 75,214,000 |
| Less Sales Commission | (1,943,672) | (1,943,672) | (1,548,338) | (411,994) | (1,998,260) |
| Less Selling Costs | - | - | (1,826,638) | (517,594) | (2,600,862) |
| NET SALES REVENUE | 174,753,795 | 174,753,795 | 67,004,024 | 17,797,412 | 70,614,878 |
| Rental Income | 25,659,965 | 25,659,965 | - | - | - |
| Less Leasing Costs | (2,539,424) | (2,539,424) | - | - | - |
| NET RENTAL INCOME | 23,120,541 | 23,120,541 | - | - | - |
| Less GST paid Revenue | (16,063,406) | (16,063,406) | (5,070,158) | (1,243,364) | (6,292,182) |
| TOTAL PROJECT REVENUE (After GST paid) | 181,810,930 | 181,810,930 | 61,933,866 | 16,554,048 | 64,322,696 |
| COSTS | | | | | |
| Land and Acquisitions Costs | 55,981,525 | 55,869,000 | 21,283,725 | 5,464,450 | 6,325,525 |
| Consultants / Professional Fees | - | - | 2,113,837 | 532,907 | 3,355,000 |
| Development Management Fees | 2,468,840 | 2,610,418 | 611,061 | 282,587 | 1,029,078 |
| Construction (Incl. Contingency) | 64,140,682 | 70,554,720 | 21,514,946 | 4,751,415 | 39,684,445 |
| Statutory Fees | - | - | 584,775 | 208,728 | 463,000 |
| Infrastructure Charges | - | - | 5,488,000 | 2,379,712 | 761,200 |
| Land Holding Costs | 3,018,129 | 3,806,798 | 230,250 | 17,660 | 206,800 |
| Interest Expense | 26,904,606 | 30,451,261 | 2,117,202 | 817,062 | 5,522,634 |
| TOTAL PROJECT COSTS | 152,513,782 | 163,292,197 | 53,943,796 | 14,454,521 | 57,347,682 |
| Less GST reclaimed | (11,552,341) | (12,220,003) | (2,541,238) | (620,203) | (4,531,331) |
| TOTAL PROJECT COSTS (After GST reclaimed) | 140,961,441 | 151,072,194 | 51,402,558 | 13,834,318 | 52,816,351 |
| PERFORMANCE INDICATORS | | | | | |
| Gross Development Profit | 40,849,489 | 30,738,736 | 10,531,308 | 2,719,730 | 11,506,345 |
| Development Margin | 28.98% | 20.35% | 20.49% | 19.66% | 21.79% |
| Peak Debt Exposure | 118,401,892 | 128,248,179 | 28,537,040 | 10,481,049 | 52,887,712 |
| Date of Peak Debt Exposure | Jul-22 | Jan-23 | Aug-21 | Aug-21 | Feb-24 |
| INTERNAL RATE OF RETURN (IRR) | 17.43% | 14.47% | 28.35% | 27.91% | 21.32% |
| YIELD | 8.50% | 8.10% | | | |

Important assumptions and terms

- Development Profit in the above table is defined as total revenue less total cost including interest paid and received
- Distributions will be paid semi-annually (in accordance with section 75 of this IM) and comprise passive rental income derived from the Fund's Co-Living portfolio and development profit derived from the completion of the Fund's real estate developments
- Development Margin noted as a percentage (%) in the above table is defined as profit divided by total costs (excl. selling costs)
- Net Present Value ("NPV") is defined as the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corporate tax
- Internal Rate of Return as defined in the above table is the discount rate where the NPV above equals Zero. This calculation may differ from the method used to calculate the Fund's internal rate of return (IRR)
- Weighted Average Cost of Capital ("WACC") is defined as the rate that the Investment Manager is expected to pay to finance its assets
- Annual Yield on Cost is calculated by the Current Net Rental Income divided by Total Costs (before GST reclaimed, holding costs and before Interest expense)

05 About the Fund investments

5.3 Investment Objectives

The objective of the Fund is to deliver investors a targeted net return of between **8%-10%** per annum (post fees and expenses and before tax), including targeting a sustainable dividend yield of approximately **6%** per annum (post fees and expenses and before tax). Distributions are expected to be paid to Unitholders semi-annually once the Co-Living portfolio is fully stabilised after the 2 year establishment period.

The Investment Manager aims to invest prudently and reduce overall risk of the potential volatility of the net return to Unitholders by having an investment approach which:

- Results in a diversified portfolio of residential property developments and developing a large build-to-rent portfolio across Australia (Co-Living) and avoiding having any significant portfolio concentration in any one city or region in Australia
- Expedites the pipeline of committed seed investments being introduced to the Fund
- Enjoys the benefit of oversight from the Trustee's strong and experienced independent Investment Committee

5.4 Investment Strategy

The investment strategy of the Fund lies in adding value to a property, either by turning empty land into useable space (e.g. by obtaining necessary approvals, selling house and land packages, building residential apartments or other mixed use real estate assets) or repurposing existing land/buildings to make it more productive and valuable.

The Fund has an attractive pipeline of 'seed investment' development projects with appropriate risk profiles. The Fund will also invest in Co-Living (build-to-rent) residential housing throughout Australia to capitalise on the increasing demand for this sector of the residential housing market.

Our team holds the belief that by holding a balance of value add and opportunistic investments (absolute return), together with our Co-Living portfolio (yield producing), we can offer a highly unique investment product to our investors.

The Fund allows investors to access an asset class that is otherwise inaccessible without a large capital outlay for land purchase, development applications, planning and construction and experienced personnel. The Fund has a diversified portfolio of projects in different types of property and/or different geographical locations to limit concentration risk.

All property investments made by the Fund will be subject to extensive research and due diligence by the Investment Manager's experienced transaction team, and assessed on several factors, including:

Marco Environment

- Potential for economic growth, over the medium and long term
- Population growth of the region and city to support strong valuations
- Financing arrangements and project scale
- Configuration of project (residential land subdivision, house and land, apartments, commercial, mixed-use, Co-Living)

Local Market

- Supply and demand dynamics of the suburb
- Favourable municipal planning arrangements
- Convenience of transportation and infrastructure (or developing over the short term)
- Reputation of suburb in local markets

Project Specific

- Project target return (Development Margin hurdle of greater than 20%)
- Total project size (including portfolio builds) is based on the opportunity, with a target range of \$10 million to \$500 million
- Timing and duration of the project, shall be within 2-4 years, based on the complexity and nature of the project

Projects/Investments to be sourced

- Residential land subdivision, house and land, townhouses, multi-story apartments, mixed-use, Co-Living residential.
- Residential zoned vacant land with/without town planning approval
- Residential zoned broad acre vacant land with/without town planning approval
- Small to medium residential construction
- Commercial and/or mixed-use buildings
- Co-Living residential sites

05 About the Fund investments

5.5 Investment Guidelines

The Investment Manager will manage the Fund in accordance with investment guidelines. These guidelines aim to achieve a high level of diversification within the target asset class. The investment guidelines are summarised as follows:

- The Fund shall invest in and execute the seed investments as a priority over other opportunities that the Investment Manager shall seek to acquire due to the seed investments' profile and readiness for development
- Once the Fund has commenced development of seed investments (as outlined in Section 12 of this IM), it may proceed to execute on developments that are currently under due diligence (refer Section 13 of this IM) as at the date of this IM being issued, or future developments that are acquired.
- The Fund may only invest in property assets, which are generally residential, residential mixed-use, Co-Living (build-to-rent), land sub-divisions, multi-storey development (which includes residential and commercial), or as approved by the Trustee and in alignment with the objectives of the Fund.
- No more than **25%** of the Fund's gross asset value can be invested in any single development

5.6 Borrowing Policy

The Fund is likely to borrow from regulated financial institutions, on acceptable financing terms (such as the cost, price and terms of borrowings), to partially fund acquisitions of investment opportunities and enhance net returns for Unitholders. The borrowing policy of the Fund is summarised as follows:

- The target Loan to Value Ratio ("**LVR**") of the Fund's investment portfolio will be 50%. The maximum LVR will be 70% at time of drawdown on any debt facility
- Borrowing will occur only at Sub Trust level and, with the approval of the Trustee, at the Fund level
- The Sub Trusts, or the Fund (as the case may be) may borrow on a combination of fixed and variable interest rates

- Borrowings will be on a non-recourse basis to Unitholders
- Securities, such as mortgages, may be granted over Fund or Sub Trust assets in favour of lenders.

5.7 Valuation Policy

A full independent valuation means an independent valuation of assets by an external valuer representing no less than 75% of total assets as measured by the original acquisition cost of the assets.

The remaining assets not valued by a full independent valuation, if any, will be valued at the most recent independent valuation, or, if no such independent valuation is available, at acquisition cost (including transaction costs).

A full independent valuation is conducted in the following circumstances:

- Annually to calculate the gross asset value;
- As outlined in the Constitution; and
- Upon the Investment Manager ceasing to act as manager of the Fund for whatever reason or upon listing of the Fund, to determine the fair market value of assets at the relevant time.

All external valuers shall follow the principles of market value and in accordance with the Code of Professional Practice established by the Australian Property Institute.



06

Managing Risk

06 Managing Risk

Investment in any fund generally carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each asset class, whether it is cash, fixed interest, shares, Australian property, or international property has associated investment risks and the return achieved by each will vary accordingly.

Before investing in the Fund you should consider your attitude towards the following and other potential risks. The risks outlined below are not exhaustive. It is in the Trustee's opinion that the following are "Key Risks" of investing in the Fund:

KEY RISKS

6.1 Fund Risks

The Fund could terminate earlier than seven years, the fees and expenses could change, the Trustee could be replaced as trustee or the management or staff employed by the Manager could change. One should also consider the risk that investing in the Fund may generate different returns than investing individually in a property because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other Investors.

6.2 Liquidity

Investors will generally have no right to withdraw their investment during the Term of the Fund. Units are not expected to be regularly monetised due to the illiquid nature of property investment. Whilst the Investment Manager will endeavour to assist investors who may request to transfer their Units (see the section entitled 'Investing in the Fund – Making a withdrawal'), there is no guarantee that the requested Units will be successfully transferred or monetised (redemption).

Investors should understand that real estate property investment by its nature is an illiquid asset class and the time it takes to sell some or all of the properties in the portfolio once it has been decided to sell the asset(s) within the Fund, can be affected by the Australian property and other influencing market conditions.

6.3 Financing

The Fund, where deemed appropriate and in the interests of the Unitholders, will seek to borrow from external reputable lenders, on appropriate financing terms, to help finance its Property portfolio, to enhance the potential for increases in distributions and capital gains. However, borrowing also enhances the potential for reductions in distributions and/or capital losses in the event that property values fall, or property income reduces. In this respect, borrowing has the potential to magnify returns but also losses.

Some or all of the interest on borrowings (where done externally) may be calculated on floating interest rates which may have an adverse impact on returns in the event interest rates rise. Lenders may also have a first charge over some or all of the Fund's Property assets. In a scenario where the Fund was unable to pay any interest or principal repayments as and when they fall due, the affected lender(s) may be entitled to sell such assets to realise their security.

6.4 Returns

No representation can be or is deemed to be made as to the future performance of the Fund. There can be no assurance that the Fund will achieve its investment objectives. Targeted returns presented in this document may not be achieved. Investors may not get back the full value of their investment and in certain circumstances investors could lose all of their investment. As with most investments, the value of this investment could go down as well as up. The past performance of any previous property developments or investments is not necessarily a guide to future performance of the Fund.

6.5 Valuations

The Administrator's valuation will be predominantly based on an independent valuer's opinion which may be based on comparable property and observable market data. Property assets can sometimes be difficult to value, due to the unavailability of suitable information for determining the current value of investments. As such, the Fund's independent valuations are subject to uncertainty versus the value that may be realised when the Fund's Property investments are divested.

6.6 Fees Payable

The Fund may also incur obligations to pay the fees of the Administrator, the Investment Manager, legal counsel, auditors, directors and other operating and general fees and expenses. These expenses may be payable regardless of whether the Fund makes a profit. For further information, please see the section "Fees and Other Costs". Fees and expenses may fluctuate throughout the Fund's life.

6.7 Personnel

The Fund's performance is largely dependent on the continuation of the Investment Manager's appointment and service and skills of its officers and employees. In this respect, the Fund also carries personnel risk as key people who have significant expertise and experience and are significant to the management of the Fund become unable or unavailable to perform their role.

06 Managing Risk

6.8 Economy and market conditions

There is a risk that changes in the economy and market conditions may affect asset returns and values, which in turn, may result in reduced distributions and may decrease the value of each Unit.

The overall investment performance of the Fund may be affected by changing economic or market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

6.9 Diversification

Generally, the more diversified a portfolio, the lower the impact that an adverse event affecting one property or lease will have on the income or capital value of an investment.

As the Fund will invest in a geographically concentrated area and therefore is not diversified by property location.

6.10 Joint venture and Fund investments

Where the Fund acquires less than 100% of a Property, there is a risk that in connection with the disposal of that interest potential purchasers may apply a discount as a result of not being able to control the relevant property assets. Also, the relevant investment terms may include pre-emptive rights and other restrictions which may impede the sale process. The Trustee and Investment Manager will take these matters into account when concluding the suitability of an investment.

6.11 Litigation

In the ordinary course of operations, the Fund may be involved in disputes and possible litigation. It is possible that a material or costly dispute or litigation could affect the value of the assets or expected income of the Fund.

6.12 Due Diligence

There is a risk that material items that could affect the performance of individual investments are not identified during the investment analysis process and that these risks are not mitigated by the Investment Manager.

6.13 Residential Property Risks

These risks relate to investing in residential property whether directly or indirectly:

Residential property value:

Australian residential property values can increase or decrease. Many factors including economic, political, availability of credit and taxation, can affect the Australian residential property market and consequently the individual developments, land subdivisions, Co-Living and general residential properties that the Fund is invested in. The value of Units would be adversely affected by a downturn in the Australian residential property market, in terms of capital value and/or a decline of residential rental yields.

Property development risks:

Properties may be subject to development. Development properties are subject to additional risks associated with the timing, completion and cost of the development. For example, completion of delivery of the developments may be delayed (including due to unforeseen circumstances, contractor default and weather), costs associated with the development may be more than anticipated or counterparties involved in the development may default. Any of these circumstances may have an adverse financial impact on the Fund.

Planning Risk

It may be more difficult than anticipated, or even impossible, to obtain the requisite government or regulatory approvals and permits for the development and this may increase costs and cause delays to the development. In addition, a requirement of a government or local authorities (including relating to environmental, archaeological, planning or servicing issues) may result in a reduced yield or delay in the property development which may impact on the ability of the property development project to generate a profit.

Rental income from Co-Living portfolio (build-to-rent):

The Fund's income and overall annual yield returns (excluding absolute returns on property develops and property disposal) are dependent upon finding suitable tenants for the properties and the tenants paying rent in accordance with their lease agreement. There is a risk that the rental income achievable declines and/or suitable tenants are unable to be found and/or existing tenants may default on the terms of their lease agreement, all of which could result in a reduction in the net assets and/or income available for distribution for the Fund.

Capital expenditure:

There is a risk that capital expenditure could exceed expectations, resulting in increased funding costs and therefore lower distributions from the Co-Living portfolio.

Legal, Regulatory and Tax:

Changes in any law (including tax laws), regulation or government policy in Australia could have an impact on the Fund's performance. For example, the laws in Australia relating to stamp duty, GST and the taxation of rental income and capital gains for property funds such as the Fund are subject to change. The approach of the Australian Taxation Office to the application of tax laws is also subject to change.

Disasters & Insurance:

Disasters such as natural disasters and terrorist attacks may damage residential properties. It may not be possible to insure all the Properties against some of these events. The performance of the Fund may be adversely affected where losses are incurred due to uninsurable risks or under-insured risks. Further, any failure by an insurer or re-insurer may adversely affect the ability to make claims under an insurance policy. This could materially impact the net assets and/or profit available for distribution of the Fund.

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a clear blue sky with some light clouds. A large, semi-transparent number '07' is overlaid on the right side of the image, partially covering the buildings.

07

Investing in the Fund

07 Investing in the Fund

7.1 Investing in the Fund

Only Wholesale Clients can apply for Units.

Applications, together with all supporting documentation and cleared funds must be received by the Administrator. If any part of the application process is outstanding at this time, the Trustee reserves the right not to issue Units to the relevant applicant.

Units will be initially issued on partly paid basis, on the following basis:

- 30% of the fully paid up amount being payable in cash on application
- Remainder at Call, based on advice from the Investment Manager and as notified by the Trustee and Administrator.

The Trustee may accept or reject applications in its sole discretion.

7.2 Making an Application

To invest, please complete and sign the application form as directed by the Trustee. This will be via a digital form. Login details will be provided to each prospective investor upon request.

Please note the application will not be accepted until cleared funds are received. Cash and cheque will not be accepted.

The minimum initial investment in the Fund is \$10 million subject to the Trustee agreeing to accept a lower amount, in its discretion.

Under the Anti-Money Laundering and Counter- Terrorism Financing Act 2006 (Cth) and the intergovernmental agreement signed with the Australian Government in relation to the U.S. Foreign Account Tax Compliance Act (FATCA) and the Organisation of Economic Co-operation and Development's CRS Multilateral Competent Authority Agreement, applications made without providing all the information and supporting identification documentation requested on the application form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

Gallery Securities reserves the right to refuse any application without giving a reason. If for any reason Gallery Securities or the Administrator refuses or is unable to process your application to invest in the Fund, the Administrator will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

7.3 Valuation of the Fund and application price of Units

The value of the assets of the Fund and Unit prices are generally determined annually in accordance with the valuation policy described in the Constitution and maintained by the Trustee.

The application price of a Unit is \$1.00 from the Offer open date until the Initial Close Date. Following the Initial Close Date, the value of a Unit is derived from the NAV of each Unit, adjusted for accrued fees (including performance fees), costs and expenses. The NAV of the Fund is based on the value of the gross assets of the Fund less its liabilities.

7.4 Capital calls

The Trustee may make a Call on all or part of any Uncalled Commitments by giving not less than 10 Business Days' written notice to each Unitholder (note, the written notice may be provided by the Trustee or Administrator). The partly paid nature of the Units is designed to minimise risk for Unitholders (as a Call for Commitments will generally only be required in order to acquire additional Property) and to provide a flexible capital solution for the Fund. Generally, the Trustee will make a Call on all or part of any Uncalled Commitments to all Unitholders on an equal basis unless otherwise approved and agreed between the Trustee and the Investment Manager."

Payment of Commitments must be received in cleared funds on or before the due date for payment specified by the Call.

07 Investing in the Fund

7.5 Generally no Withdrawal rights

As the Fund invests in illiquid investments (real property), investors will generally not have the right to withdraw their money from the Fund.

The Trustee may offer limited withdrawal rights during the term of the Fund, for example where the sale of a Property makes liquid funds available.

If an investor wishes to sell their Units, they must offer all existing investors and the Trustee a first right to purchase the relevant Units.

7.6 Withdrawal Price

Where withdrawals are permitted, the withdrawal price of a Unit will be based on the NAV of the Fund divided by the number of Units on issue less an amount determined by the Trustee in consultation with Investment Manager on account of estimated transaction costs.

The amount a Unitholder will receive on the withdrawal of their Units will be the withdrawal price, less any withdrawal charge which is applicable.

7.7 Semi-annual Distributions

Distributions are intended to be paid by the Fund semi-annually as at 30 June and 31 December (each a "**Distribution Date**") and in respect of the 6 month period prior to the relevant Distribution Date. The first distribution is targeted to be made on or around 30 June 2022. A Unitholder's share of any distributable income is generally based on the number of Units held by the Unitholder at the end of the Distribution Period.

Generally, the income entitlements of Unitholders of the Fund will be distributed within 30 days after the date they are determined, although the distribution at the end of a Financial Year (i.e. 30 June) may take longer (for example, if there is a delay in completing an audit). Under the Constitution, the Trustee has 3 months after any Distribution Date to make any distributions.

All distributions will be directly credited to your nominated bank account. Distribution reinvestment is not permitted in the Fund. If valid account details are not provided, this could cause delays in payment of distributions.

A summary of key tax implications is set out in the "Taxation" section of this IM.

07 Investing in the Fund

7.8 Appointment of Authorised Nominee to Operate Account

Unitholders may elect to appoint an authorised nominee to operate their account. If you wish to appoint an authorised nominee, then the relevant sections in the application form will need to be completed, including the name and signature of the authorised nominee, the signature of the Unitholder and the date. Only Unitholders can appoint authorised nominees.

If the Trustee determines that the circumstances require, the Trustee may cancel an appointment by giving the Unitholder 14 days' notice in writing. If an appointment is cancelled, the Trustee will not be obliged to act on the instructions of the authorised nominee. If the instructions are varied, the Trustee will act only in accordance with the varied instructions. By completing and lodging the relevant sections on authorised nominees in the application form you release, discharge and agree to indemnify the Trustee from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Trustee acting on the instructions of your authorised nominee.

You also agree that any instructions of your authorised nominee to the Trustee, which are followed by the Trustee, shall be a complete satisfaction of the obligations of the Trustee, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority. You agree that if the authorised nominee's instructions are followed by the Trustee, you and any person claiming through or under you shall have no claim against the Trustee.

7.9 Powers of an Authorised Nominee

An authorised nominee can, among other things:

- apply for additional investment Units;
- request that distribution instructions be altered;
- change bank account details; and
- enquire as to the status of your investment and obtain copies of statements.

If a company is appointed as an authorised nominee, the powers will extend to any director and authorised officer of the company. If a partnership is appointed as an authorised nominee, the powers will extend to all partners.

7.10 Classes of Units

As of the date of this IM, there will be one class of Units in the Fund.

The Trustee may in its absolute discretion, issue new classes of Units at any time. Different classes of Units may have different terms and rights attached such as different fees and investment amounts.



08

Keeping track of
your Investment

08 Keeping track of your Investment

8.1 Reports

Regular, simple to read reports are provided to Unitholders. These reports comprise:

- Half yearly commentary including details about recent Property transactions, development progress, new acquisitions, planning approval updates, tenancy rates and established yields.
- Annual Report including financial statements and auditor's report will be made available by email or on a secure website notified to investors in due course.
- Transaction Reports confirming all additional investments, withdrawals, and payments (issued following transactions and on request).
- Distribution Statements - issued in line with distribution frequency, notifying you of the value of your investment, income from investments and confirming payment to your nominated account.
- Tax Statements issued annually, providing Unitholders with taxation information including a detailed summary of the components of any distributions.

You can contact the Trustee for updated information on performance, Unit prices, fund size and other general information about the Fund or contact the Investment Manager any time.

8.2 Enquiries and Complaints

Gallery Securities seeks to resolve complaints over the management of the Fund to the satisfaction of Unitholders. If a Unitholder wishes to lodge a formal complaint, please email, our Compliance team via **compliance@gallerysecurities.com.au** or call **+ 61 7 3077 7230:**

Gallery Securities will seek to resolve any complaint and will respond within 14 days of receiving the letter.



09

Fees and Other Costs

09 Fees and Other Costs

9.1 Base Management Fee

The base management fee payable to the Investment Manager is 1.25% per annum calculated on the gross asset value ("GAV") of the Fund, payable to the Investment Manager quarterly in advance.

For GAV calculation purposes, the Investment Manager will procure a full independent valuation at least every 12-month period. During the first 12 months following the Initial Close Date, the base management fee will be calculated on the total Commitment Capital in the Fund.

9.2 Performance Fee

The Investment Manager is entitled to a fee based on the overall performance of the Fund. The Performance fee is payable at the end of each Financial Year, if eligible.

The Performance Fee is calculated as follows:
The fee will be equal to 20% of the excess (if any) of the Fund's returns above the 9% per annum hurdle rate (the "Hurdle Rate"), and paid annually in arrears.

The performance fee is subject to a High Water Mark ("High Water Mark") which is designed to ensure that no performance fee is payable until any past underperformances have been recouped.

9.3 Acquisition Fee

The Investment Manager will charge 1% of the total acquisition costs of the Properties acquired ("Total Acquisition Cost"). This fee is only payable once the relevant transaction is finalised and is not payable if the relevant transaction is cancelled.

The Acquisition Fee is not payable on assets that are already held by the wider Gallery Group of companies or related entities prior to the Fund's Initial Close Date.

9.4 Disposal Fee

The Investment Manager will charge 1% of the sale price of the Properties disposed, inclusive of transaction costs ("Total Disposal Cost"). The fee is payable in relation to any disposal, including disposal of Properties, units in the Fund or interests in any Sub Trust that holds the Property portfolio. For the avoidance of doubt, this fee is only payable once the relevant transaction is finalised and is not payable if the relevant transaction is cancelled.

9.5 Other Fees & Expenses

The Investment Manager (and its related parties) are entitled to be reimbursed from the Fund or the relevant Sub-Trust (or deduct from rental or sales proceeds) in respect of a range of costs as part of the Fund's expenses in connection with the establishment of the Fund, investment, operation and management of the Property portfolio or the acquisition,

disposal or maintenance of any investment of the Property portfolio which include, but are not limited to, in-house administration costs, legal fees and audit fees.

On average, during the Term of the Fund expenses incurred by the Investment Manager (and its related parties) in operating the Fund and Sub Trusts are estimated to be 0.20% per annum of the GAV (excluding direct property management and transaction related costs).

Fund establishment costs to be reimbursed to the Investment Manager shall be capped at 1% of Committed Capital or \$300,000, whichever is the higher.

9.6 Trustee Fees & Expenses

The Trustee will be paid a trustee fee for its services in respect of the Fund.

The trustee fee payable is the higher of 0.025% per annum of the GAV of the Fund and \$300,000. This fee is payable quarterly and in advance.

The Trustee is also entitled to be reimbursed for expenses incurred in the proper performance of its duties in relation to the Fund.

9.7 Further information regarding fees and other costs

Transaction and other costs

Unless otherwise expressly stated, all government taxes such as Stamp Duty and GST will be deducted from the Fund as appropriate. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund. Unless otherwise stated, all fees quoted in this IM are expressed exclusive of GST.

Abnormal expenses

In addition to the management costs, the Trustee may additionally recover abnormal expenses (such as the costs of Unitholders meetings, legal advice/proceedings and other irregular expenses).

The Constitution does not place any limit on the amount of the abnormal expenses that can be paid from the Fund, provided that they are incurred in the proper performance of the Trustee's duties.

Apportionment of fees and costs

In circumstances where the Trustee issues different classes of Units in the Fund, the fees and costs will generally be apportioned by the Trustee across all Unit classes (on a pro-rata basis, having regard to the value of the assets in the Fund).

However, fees and expenses which are directly referable to a particular class of Units will be charged to Unitholders in that particular class of Units.



10

Taxation

10 Taxation

The taxation information provided below is a brief summary of the Australian income taxation considerations relevant to Unitholders who are resident Australian taxpayers and hold their units in the Fund on capital account (such as individuals or complying superannuation funds). This summary does not apply where investors are not residents of Australia for income tax purposes or where any gain in respect of the disposal of units would be regarded as ordinary income or otherwise taxed on revenue account.

This summary is intended to reflect the current law and practice of Australia at the date of this information memorandum. The law and practice of Australia may change in the future.

Investing in the Fund is likely to have tax consequences which can be complex and particular to each Unitholder's circumstances. It is recommended that all investors seek professional taxation advice prior to investing in the Fund as this summary is necessarily general in nature.

This summary is based on the Australian income tax law, and the interpretation of the Australian Taxation Office ("ATO"), as at the date of this Information Memorandum. However, it is noted that income tax laws and the ATO's interpretation can change at any time, which may have adverse taxation consequences for Unitholders concerned.

Each Unitholder must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund and any changes in those taxation implications during the term of their investment. It is recommended that Unitholders obtain their own independent taxation advice before investing in the Fund.

10.1 Taxation of the Fund

There are a number of regimes that apply to funds, such as Division 6, Division 6C, the Managed Investment Trust ("MIT") rules, and the Attribution Managed Investment Trust ("AMIT") rules. It is expected that the Fund will meet the MIT definition and will elect for the AMIT rules to apply.

If the Fund meets the AMIT definition it will be treated as a flow through entity if Unitholders are attributed the determined member components and advised of this in the AMIT member annual statement ("AMMA").

In the event that the Fund does not qualify as an AMIT, it will be treated as a flow through entity under Division 6 if Unitholders are presently entitled to the net income of the trust and advised of this in a distribution statement. If the Fund is a Division 6C Trust, it will be taxed as a company (this is not expected to be the case).

Where the AMIT rules apply, the Fund will make an election to treat each eligible class of Units on issue as a separate trust for income tax purposes, e.g. the hedged and unhedged classes. Accordingly, taxable income should be calculated separately for each class of Units based on the income, losses and expenses attributable to the investments of that class of Units.

10.2 Income Tax Treatment of the Investors

Provided that the Fund is subject to the AMIT rules and treated as a flow-through vehicle (refer above), Unitholders will be assessed on the taxable income derived by the Fund relating to the relevant class of units, based on their proportionate share of the annual income of the class. The Fund's Unitholders will be required to include their share of taxable income in their tax return.

Under the AMIT rules, a unitholder's tax cost base in their Units is increased where taxable income is "attributed" to them (inclusive of the non-assessable component of a discount capital gain). The tax cost base is decreased where cash distribution entitlements are made to a unitholder in respect of their Units (whether these are income or capital amounts).

In addition, reductions are made in respect of certain tax offsets (such as the franking credit tax offset and foreign income tax offset). Where a Unitholder's tax cost base is reduced below zero, a taxable capital gain will be made. Unitholders will be advised of the net cost base adjustment amount in their AMMA statement.

10.3 Investment Returns to the Fund

The Fund is expected to receive interest income and also receive distributions of income from one or more Sub Trusts. This income should be rental income derived by the Sub Trusts and also gains on the sale of real property assets by the Sub Trusts.

Finally, the Fund's taxable income should be determined after having taken into account any tax deductible expenditure incurred by the Fund.

10 Taxation

10.4 Australian Tax Treatment of Disposal of assets by the Fund

The Fund and the Sub Trusts intend to make an election to treat gains and losses on the sale of eligible assets as capital gains and losses (the “MIT CGT election”). This election will continue to apply for all years where the Funds qualify as a Managed Investment Trust (“MIT”).

By making the election, the gains and losses from certain eligible assets will be taxed under the capital gains tax (“CGT”) regime. Eligible assets include units in unit trusts, and land or interests in land, and options over these assets.

It is expected that gains on the sale of units in the Sub Trusts and direct properties will be on capital account. These gains will flow to the Unitholders of the Fund.

10.5 Losses

Where the Fund is in a net capital loss or tax loss position in any income year, these losses are quarantined at the level of the Fund or Sub Trusts and may not be passed on to investors.

However, the Fund may be able to utilise those losses to reduce its capital gains (in the case of carried forward capital losses) or taxable income (in the case of carried forward tax losses) in subsequent income years. Note however that the ability to use tax losses requires certain conditions to be satisfied.

10.6 Disposal of Units

Where a Unit in the Fund is redeemed or cancelled an Investor will receive a return of any available capital in respect of that Unit (with the Unitholder separately being entitled to a distribution of any income). A capital loss would arise where the capital received (if any) by a Unitholder is less than the cost base of their Unit.

To the extent that a Unitholder sells or transfers their Units to a third-party a capital gain or loss may arise. A capital gain may occur where the proceeds on disposal exceed the cost base of the Units. A loss may occur where the proceeds are less than the reduced cost base of the Units. An Australian resident Individual Unitholder is expected to be eligible to reduce the assessable gain by 50% as Units are likely to be held for a period of 12 months or more.

The cost base of Units should be maintained by Unitholders. In this regard, the cost base of Units should be the cost of acquiring the Units (including brokerage costs and upfront fee) adjusted for any increases or decreases required under the AMIT rules (refer above).

10.7 Annual Reporting

The Fund and Sub Trusts will be required to provide distribution information (including tax components) to the ATO on an annual basis by lodging the Annual Investment Income Report (“AIIR”).

The Fund will also seek to provide AMMA's to Unitholders in accordance with the ATO's guidelines for AMITs. The tax distribution statement will reconcile the cash distribution with the taxable distribution for the income year and identify the various trust components included in the distribution. The Fund's Administrator will be responsible for the compiling and distribution of all annual reports and statements.

10.8 Tax File Number and Australian Business Number Requirements

As the Fund will be an Investment Body, the Fund will be required to obtain a Tax File Number (“TFN”) or Australian Business Number (“ABN”) in certain cases from its investors. It is not compulsory for a Fund's Investor to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from investors will result in the Fund being required to withhold at the top marginal rate with respect to distributions to the Investor (which may be creditable in their tax return).

10.9 Goods and Services Tax (GST)

The acquisition and disposal of units in the Fund by the Fund's investors will not be subject to GST. However, GST may apply to fees charged to the investors by the Fund, the Trustee, or the Investment Manager. All fees are quoted exclusive of GST.

10 Taxation

10.10 Foreign Tax Reporting Requirements

Australia has enacted laws and entered into international agreements that require the automatic exchange of information with:

- the United States (“**US**”) under a system known as the Foreign Account Tax Compliance Act (“**FATCA**”). This is for US citizens and tax residents.
- other countries under the Common Reporting Standard (“**CRS**”). The CRS applies to all foreign tax residents.

The Fund is required to collect certain information about investors (including tax residency and taxpayer identification number) in order to provide it to the ATO.

Where the Fund's investors do not provide appropriate information to the Fund, the Fund may also be required to report those accounts to the ATO. The ATO may pass this information on to tax authorities in other jurisdictions who are subject to the above laws.

10.11 Withholding Tax

Withholding tax will be deducted or withheld from distributions to non-residents.

10.12 Foreign Account Tax Compliance Act (“**FATCA**”)

In April 2014, the Australian Government signed an intergovernmental agreement (“**IGA**”) with the US, which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S. in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the ATO. The ATO may then pass that information onto the U.S. Internal Revenue Service.

In order to comply with the FATCA obligations, the Investment Manager or the Trustee may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, Unitholders may not be compensated for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

11.13 Common Reporting Standards (“**CRS**”)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia.

Since 1 July 2017, Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, the Investment Manager or Trustee may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

11

Other Important Information

11 Other Important Information

11.1 Cooling Off Period

No cooling off period applies to Units offered under this IM.

11.2 Unitholder's Liability

The Constitution for the Fund provides that unless there is a separate agreement with a Unitholder, no Unitholder can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. Therefore, it is expected that Unitholders will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested and so it is not possible to give an absolute assurance that a Unitholder's liability will be limited in all circumstances.

In general, the liability of a Unitholder is limited to the amount (if any) which remains unpaid in relation to their subscription for Units and certain amounts in respect of tax.

11.3 Non-listing of Units

The Units of the Fund are not listed on any stock exchange and no application will be made to list the Units of the Fund on any stock exchange. The Investment Manager may determine in its discretion to facilitate a listing of the Fund on an appropriate securities exchange during the Term of the Fund subject to the approval of Unitholders under and in accordance with the terms of the Constitution.

11.4 Termination of the Fund

The Fund has a fixed term of 7 years (from the Initial Close Date) with a target end date of 31 January 2027.

The Trustee may extend the Term of the Fund by up to 2 further periods of 1 year each (the second year extension is subject to Unitholder approval via ordinary resolution) subject to commercial analysis of current and expected future Australian property market conditions, and where the Trustee determines an extension to be in the best interests of Unitholders.

The Trustee may resolve at any time to terminate, liquidate and wind up the Fund in accordance with the Fund's Constitution. The Fund may otherwise terminate if required by law. A notice will be provided to Unitholders advising of the Fund's termination. Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Unitholders according to the number of Units they hold in the Fund.

The Investment Manager shall implement an exit strategy at or prior to the termination of the Fund, at the direction of the Trustee, which may involve:

- direct disposal of the Properties (individually or on an aggregated basis);
- sale of interests in the Fund or Sub Trusts;
- or listing of the Fund on an appropriate securities exchange.

11.5 Our Legal Relationship with You

You will receive Units when you invest in the Fund. Subject to the rights, obligations and liabilities of the relevant Unit class class, each Unit represents an equal proportionate beneficial interest in the assets of the Fund as a whole subject to liabilities, but does not give you an interest in any particular assets or Property of the Fund. In this regard, the Trustee may determine that it is appropriate to issue Units of different classes and may determine that specific assets of the Fund should be directly referable to particular classes of Units.

Gallery Securities' responsibilities and obligations, as the Trustee of the Fund, are governed by the Constitution of the Fund as well as general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on the Trustee, as the Trustee, and Unitholders. Some of the provisions of the Constitution are discussed elsewhere in this IM. Other provisions relate to a Unitholder's rights under the Constitution, and include:

- a Unitholder's right to share in any Fund income, and how it is calculated;
- what you are entitled to receive if the Fund is wound up;
- the nature of the Units - identical rights attach to all Units within a class; and
- a Unitholder's rights to attend and vote at meetings.

There are also provisions governing the Trustee's powers and duties, including:

- how Unit prices are calculated, the maximum amount of fees that can be charged;
- when the Constitution can be amended - generally the Constitution can only be amended by deed, although the Trustee will generally only do so where it reasonably believes that the changes will not adversely affect Unitholders' rights or if the amendments are approved at a meeting of Unitholders. The Investment Manager's approval is also required to the extent any proposed amendment may adversely affect the rights or interest of the Investment Manager or its related bodies corporate;
- when Gallery Securities can retire as the Trustee of the Fund - when permitted by law;
- when Gallery Securities can be removed as the Trustee of the Fund - which is when required by law;

11 Other Important Information

The investment management agreement between the Trustee and the Investment Manager governs the management of the fund (IMA). The IM contains provisions dealing with:

- broad powers of the Investment Manager to invest, borrow money and generally manage the Fund;
- the termination of the Investment Manager in certain cases involving default by the Investment Manager (unless the IMA is required by law to be terminated, the Investment Manager may only be removed in these circumstances if its removal and the appointment of its replacement has been approved by an extraordinary resolution of Unitholders); and
- The Trustees' ability to vote on a resolution of Unitholders of a Sub Trust to remove the Investment Manager as trustee and manager of the Sub Trust in the default scenarios set out in the IMA.

The Constitution also deals with the Trustee's liabilities in relation to the Fund and when it can be reimbursed out of the Fund's assets, for example:

- the Trustee is not liable for acting in reliance and good faith on professional advice;
- the Trustee is not liable for any loss unless it fails to act in good faith or acts negligently; and
- the Trustee can be reimbursed for any liabilities it incurs in connection with the proper performance of its powers and duties in respect of the Fund.

Copies of the Constitution are available, free of charge, on request from Gallery Securities.

11.6 Investment Manager Consents

The Investment Manager has given, and at the date of this IM has not withdrawn, its written consent:

- to be named in this IM as the Investment Manager of the Fund; and
- to the inclusion of the statements made about it, the Fund and to the statistical information attributed to it in the form and context in which this information appears.

None of the Investment Manager nor their employees or officers accept any responsibility arising in any way for errors or omissions from this IM, other than in relation to the statements for which they have provided consent.

11.7 Indemnification of the Trustee

Under the terms of the Constitution, the Trustee is entitled to be indemnified out of the assets of the Fund for any liability incurred by the Trustee by reason of the Trustee acting as Trustee of the Fund, to the extent permitted by law, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Trustee. The Trustee may retain and pay out any monies in its hands all sums necessary to affect such an indemnity. The Trustee will not, however, be entitled to be indemnified in relation to any such liability to the extent to which the Trustees' right of indemnity out of the assets of the Fund is reduced by reason of the Trustees' gross negligence, fraud or dishonesty.

11.8 Indemnification of the Investment Manager

Under the terms of the IMA, the Trustee, in its capacity as Trustee of the Fund, indemnifies and agrees to hold harmless the Investment Manager against any loss or liabilities reasonably incurred by the Investment Manager, and any direct costs, charges and expenses incurred by the Investment Manager by reason of the Investment Manager performing its duties and obligations under the IMA. The Investment Manager will not be entitled to be indemnified in relation to any such loss, liability, cost, charge or expense to the extent to which it is caused by the Investment Manager's gross negligence, fraud or dishonesty.

11 Other Important Information

11.9 Privacy Statement

When you provide instructions to the Trustee and/ or its related bodies corporate, the Trustees will be collecting personal information about you. You must ensure that all personal information which you provide to the Trustee is true and correct in every detail, and should your personal details change it is your responsibility to ensure that you promptly advise the Trustee of the changes in writing. 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 the Trustees and its delegates will not be able to administer and/or manage your investment.

The information that you provide may be disclosed to certain organisations, including but not limited to:

- the ATO, AUSTRAC and/or other government or regulatory bodies;
- your financial adviser or adviser dealer group, their service providers and/or any joint holder of an investment;
- organisations involved in providing, administering and/ or managing the Fund, the administrator, custodian, auditors, or those that provide mailing or printing services; and
- those where you have consented to the disclosure and/ or as required by law.

The Trustee may from time to time provide you with direct marketing and/or educational material about products and services the Trustee believes may be of interest to you. Should you not wish to receive this information from the Trustee (including by email or electronic communication), you have the right to “opt out” by advising the Trustee by telephoning +61 7 3077 7230, or alternatively by contacting the Trustee via email at privacy@gallerysecurities.com.au

Subject to some exceptions allowed by law, you can ask for access to your personal information. The Trustee will give you reasons if you are denied access to this information. The Trustee Privacy Statement outlines how you can request to access and seek the correction of your personal information.

The Trustee Privacy Statement is available at www.gallerysecurities.com.au and can be obtained by contacting the Trustee on +61 7 3077 7230, or alternatively by contacting the Trustee via email at privacy@gallerysecurities.com.au.

The Trustee Privacy Statement contains information about how you can make a complaint if you believe the Trustee has breached your privacy and about how the Trustee will deal with your complaint.

You should refer to the Trustee Privacy Statement for more detail about the personal information the the Trustee collects and how the Trustee collects, uses, and discloses your personal information.

11.10 Information on underlying investments

Information regarding the underlying investments of the Fund will be provided on request, to the extent the Trustee is satisfied that such information is required to enable the Unitholder to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

12

Committed 'Seed' Investments

BOTANICA, Logan Reserve

THE VALLEY, Upper Coomera

266 ROMA ST, Brisbane

CO-LIVING Portfolio

13

Investments Under Due Diligence (Pipeline)

SALTUS, Hope Island

240-270 ROMA ST, Brisbane

BAYSIDE, Moreton Bay

NAIA, Mermaid Beach

HIGH ST ARMADALE, Victoria



12

Committed 'Seed' Investments

12 Committed 'Seed' Investments Summary

Early investors in the Fund will potentially benefit from the Committed 'Seed' Investments that has been secured by Gallery Securities and the wider Gallery Group of companies over several years. This section of the IM provides greater detail and transparency on each investment that will be developed by the Investment Manager.



BOTANICA

LOGAN RESERVE



80 LOTS | Shovel Ready

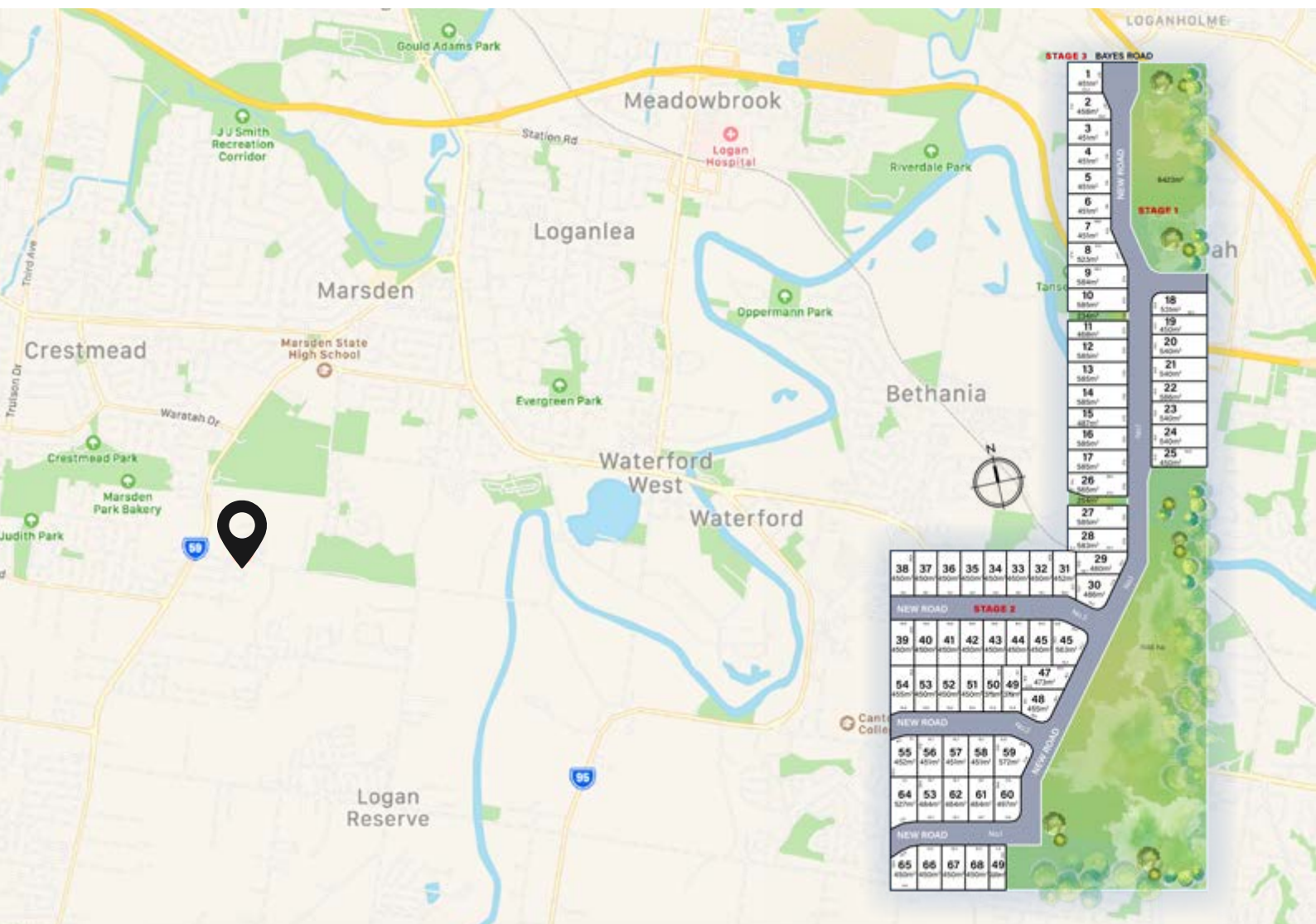
Botanica is Gallery Group's latest residential development composed of 80 residential lots ranging from 300m² to over 580m² in the growing suburb of Logan Reserve in the Logan region.

Logan Reserve is a growing suburb with planned developments and community facilities on their way. Residents in the area have access to a contemporary lifestyle mixed with the area's superb natural environment. Living at Logan Reserve means strategic proximity to Logan's booming economy, opportunities in Brisbane and access to the Gold Coast lifestyle. In terms of retail and commercial, Botanica is only a couple of minutes from the Logan Central Plaza and Marsden Park Shopping Centre. There are fantastic parks within walking distance and houses are beautifully designed. Living in Botanica estate promises to deliver on quality amenities and local conveniences.

12 Overview: BOTANICA, LOGAN RESERVE

BOTANICA LOGAN RESERVE

| | |
|---------------------|---|
| LOCATION | Botanica, Logan Reserve, Queensland, 4133 |
| NUMBER OF DWELLINGS | 80 Lots |
| STATUS | Shovel Ready |
| Form of Development | <i>Residential land sub-division</i> |
| Development Type | <i>Residential</i> |
| Investment Thesis | <i>Value-add by land sub-division</i> |
| Project Value | <i>\$18,727,000</i> |



12 Points of Interest: BOTANICA, LOGAN RESERVE

BOTANICA
LOGAN RESERVE

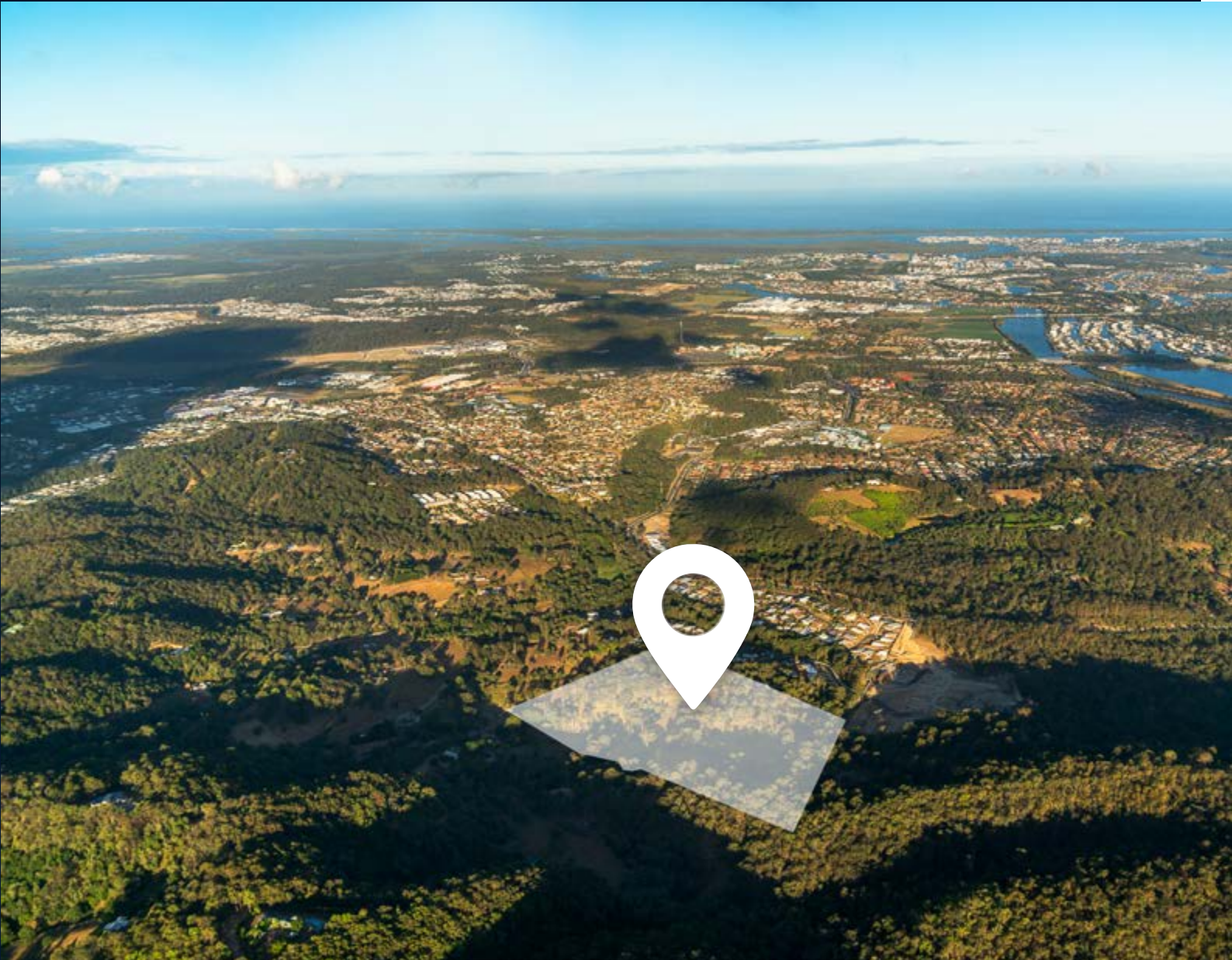


LOCATION

Distance from Logan Reserve

| | |
|---------------------------|-----------------|
| Brisbane CBD | 38 Minute Drive |
| Birsbane Airport | 36 Minute Drive |
| Gold Coast | 53 Minute Drive |
| Logan | 17 Minute Drive |
| Logan Central Plaza | 10 Minute Drive |
| Hyperdome Shopping Centre | 21 Minute Drive |
| Waterford Plaza | 9 Minute Drive |
| M1 | 15 Minute Drive |

THE
VALLEY
UPPER COOMERA



197 LOTS | Obtaining Approvals

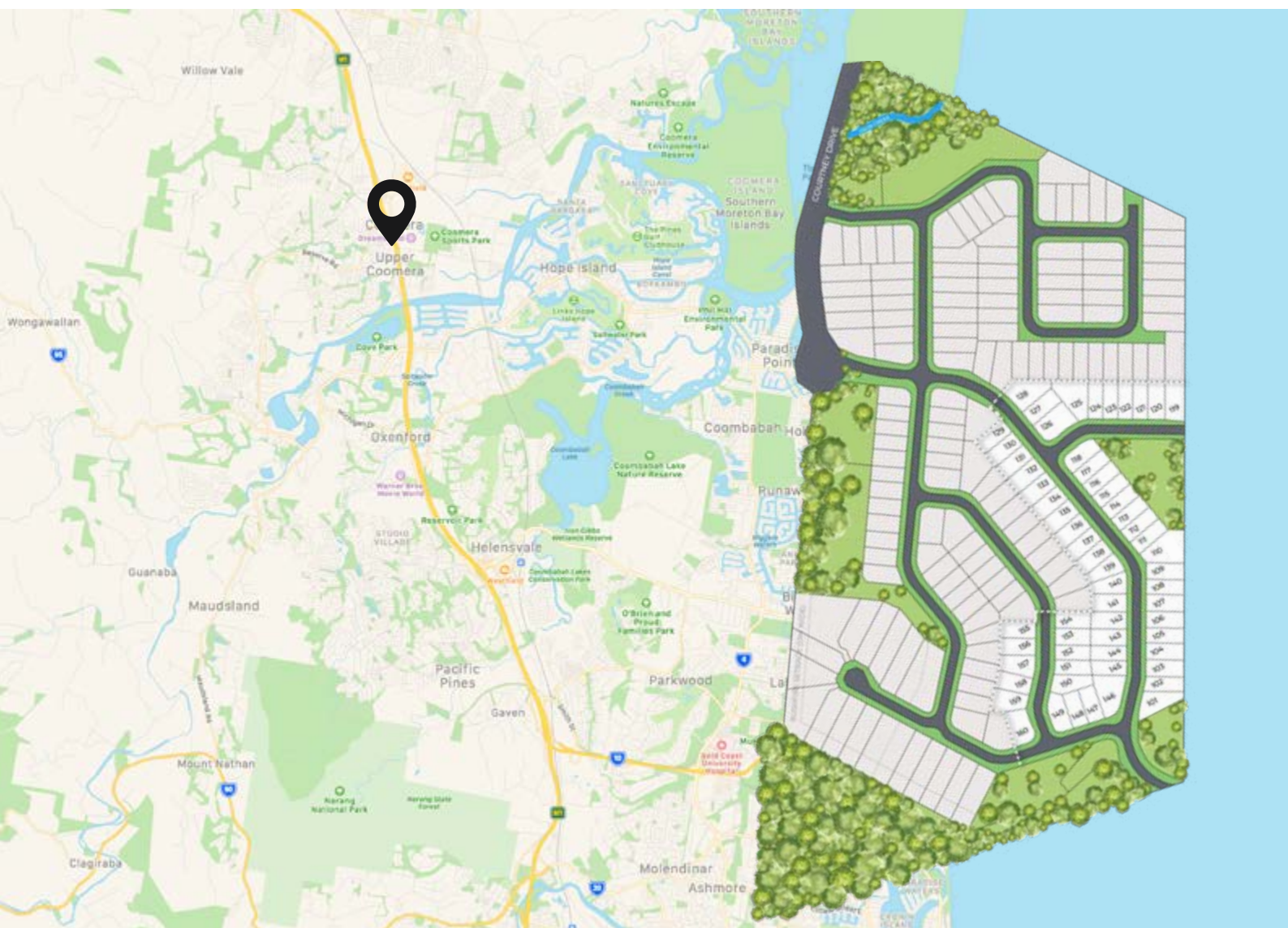
The Valley, consisting of 197 lots in the vibrant suburb of Upper Coomera offers a lifestyle that suits the entire family. Either for investment or residency, Upper Coomera is one of the most sought out after property markets in South East Queensland. Choose from a wide selection of properties ranging from 300m² to 1700m².

The coastal life of the Gold Coast to the South and the Brisbane skyline to the north. The Valley is only 9 minutes away by car to Australia's biggest theme park, Dreamworld. In addition, Warner Bros. Movie World, SeaWorld, WhiteWater World and Wet N' Wild - all no more than 14 minutes away from The Valley.

Local amenities and award-winning learning institutions right out your front door.

12 Overview: THE VALLEY, UPPER COOMERA

| | |
|---------------------|---|
| LOCATION | Willamette Court, Upper Coomera, Queensland, 4209 |
| NUMBER OF DWELLINGS | 197 Lots |
| STATUS | Obtaining Approvals |
| Form of Development | <i>Residential land sub-division</i> |
| Development Type | <i>Residential</i> |
| Investment Thesis | <i>Value-add via land sub-division</i> |
| Project Value | \$70,379,000 |



12 Points of Interest: THE VALLEY, UPPER COOMERA

THE
VALLEY
UPPER COOMERA



1. Dreamworld
2. Coomera Train Station
3. Westfield Coomera
4. Coomera TAFE
5. Coomera River
6. M1 Highway
7. Train Line
8. Gold Coast City Marina
9. Coomera Anglican College
10. Saint Stephens College
11. Coles
12. Upper Coomera State School
13. South Stradbroke Island
14. Assisi Catholic College
15. ALDI
16. Woolworths
17. Coomera Springs State School

LOCATION

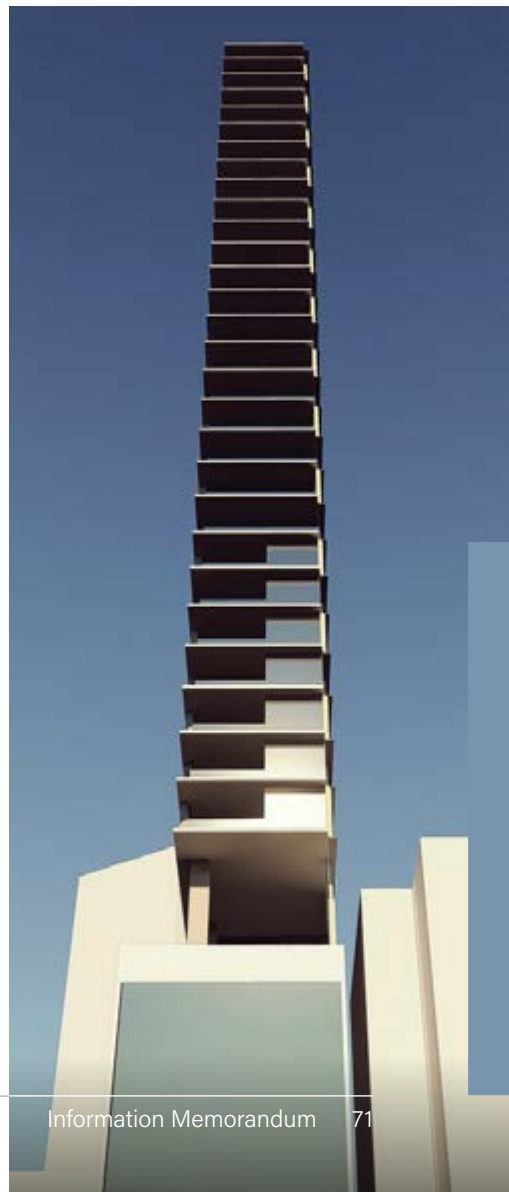
Distance from Upper Coomera

| | |
|-----------------------|-----------------|
| Brisbane City | 45 Minute Drive |
| Mt Tamborine | 27 Minute Drive |
| Coomera Westfield | 10 Minute Drive |
| Pimpama Junction | 17 Minute Drive |
| Dream World | 10 Minute Drive |
| Movie World | 12 Minute Drive |
| Coomera Train Station | 11 Minute Drive |
| M1 Motorway | 9 Minute Drive |

266 ROMASTREET
BRISBANE



266 ROMA STREET
BRISBANE





Brisbane CBD Multi-storey Residential Development | Obtaining Approvals

266 Roma Street currently has planning approval for 32 boutique full floor and half floor apartments beautifully designed over 31 floors and will be critical in transforming the western precinct of Roma Street, Brisbane.

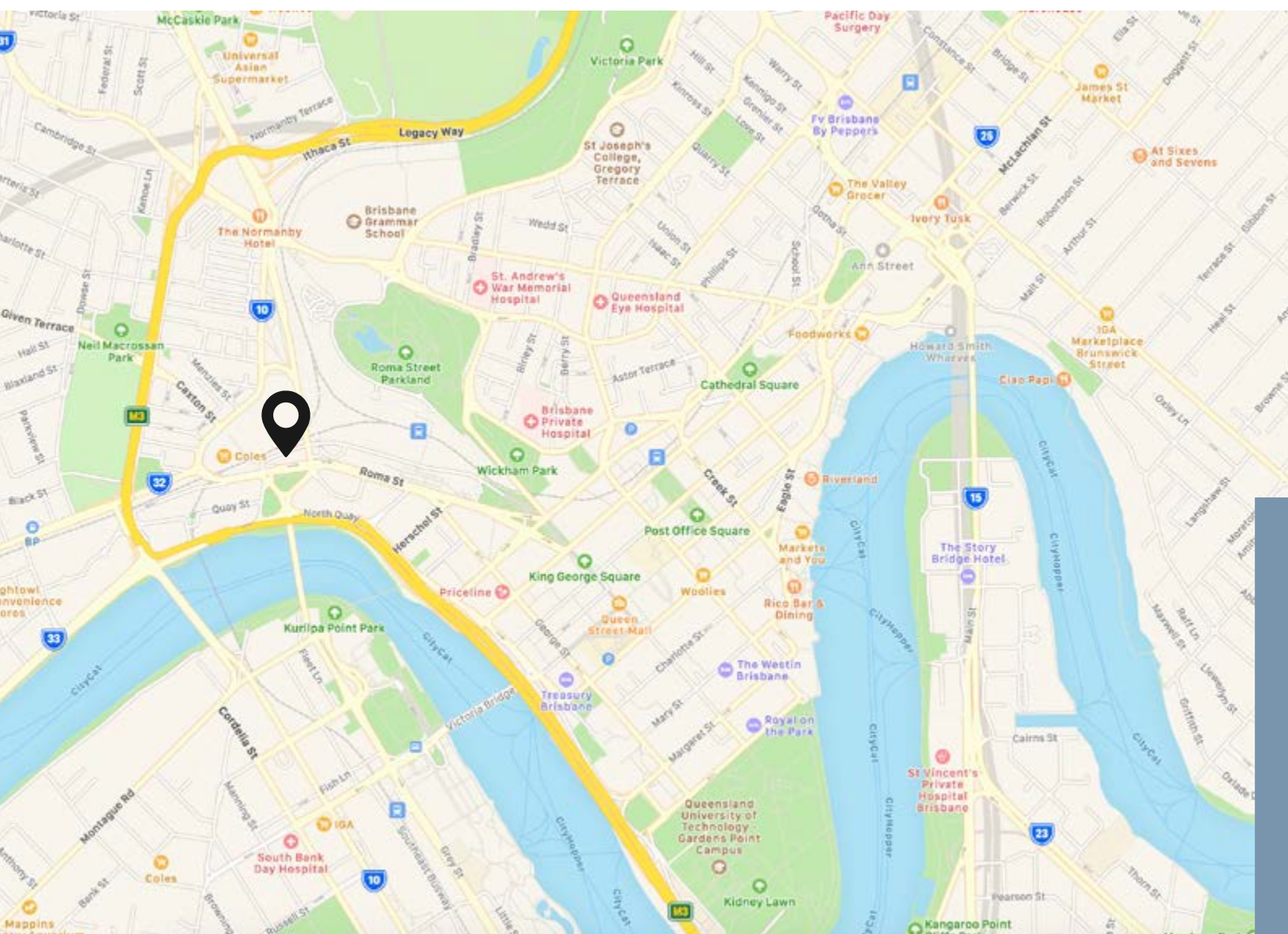
This development site is unique, as it falls within the 'Cross River Rail Delivery Authority' Priority Development Area (PDA), which as the precinct is transformed via mega projects such as the 'Brisbane Live' event stadium and the mooted Griffith University development, this western end of the Brisbane CBD will be transformed into a new social, commercial, retail, education and transport hot spot.

This development has successfully obtained development approval yet is currently seeking to increase the development area and increase the gross return to Unitholders. Please refer to Section 13 for more information.

12 Overview: ROMA STREET, BRISBANE

266 ROMA STREET BRISBANE

| | |
|---------------------|--|
| LOCATION | 266 Roma Street, Brisbane, Queensland, 4000 |
| NUMBER OF DWELLINGS | Multi-Storey Residential Tower (32 apartments) |
| STATUS | Obtaining Approvals |
| Form of Development | Multi-storey luxury residential development |
| Development Type | Residential full floor and half floor apartments |
| Investment Thesis | Value-add / opportunistic via obtaining stronger planning approvals and potential site amalgamations |
| Project Value | \$75,214,000 |



Co-Living PORTFOLIO



Co-Living Residential Housing Portfolio (300+ homes) | Portfolio Under Acquisition

A new global metropolitan housing trend is hitting Australia with full force and is set to cause sustained growth in an emerging property sector – Co-Living.

Recent research from Savills shows that Co-Living — purpose-built housing that mixes high quality rental rooms with sophisticated communal lifestyle spaces — is on the up, with investment into Co-Living predominately emerging into key cities across Sydney, Melbourne and Brisbane.

The Gallery Securities Co-Living portfolio build creates the opportunity for our investors to take a position within this sector at scale, via purpose-built Co-Living projects throughout Victoria and Queensland over the first 4 years of the Fund. Co-Living is a sub-class of the build-to-rent sector, with private ensuite accommodation and shared community spaces. Demand is fuelled by urbanisation, lack of housing affordability, and population growth. The Residents enjoy lower costs of living, flexible lease arrangements that suit their lifestyles and all-in rents that include furniture, utilities and Wi-Fi.

Co-living is a housing solution for solo renters who want a more affordable cost of living without the negative side effects of living alone. A Co-living home is constructed specifically catered to the way people live together in communal spaces without sacrificing privacy.

What is Co-Living?

Co-living addresses the concerns of solo renters that live in and around our cities globally with regards to quality and affordability. Hundreds of co-living solutions exist for inner city living, however nothing is currently servicing the suburban, city fringes with a suitable product.

What makes up a Co-living home?

Co-living is a fully compliant, multi room & en-suited dwelling that provides a variety of communal amenity spaces, including living, media, individual lockable pantries, individual bar fridges, internal and external storage and parking for majority of tenants on site.

From the road, a Co-living home looks identical to a standard suburban house that perfectly blends into the landscape, whereas the internal composition allows every square metre to be fully commercialised.

Is there a demand?

Flatmates, an REA owned and run company, holds the majority of market (approximately 40%) whether it be rooms for rent, or tenants looking for a room. Taking a macro view at supply vs demand, there are over approximately 14,000 people and couple in Australia currently looking for a room to rent.

Whereas, when looking for a room comparable to that of a Co-living home, there are only approximately 1500 rooms available. This means that for every 1 room available, there are approximately 10 people looking to rent.

Making the most of every square metre

Australia has the largest homes in the world, with a reducing number of people who reside inside them. For context, the average Australian home is 246m² with 2.3 people occupying the space. 246m² in Hong Kong could fit 22 homes accommodating 55 people.

Commercialising the square metre rate from a rental perspective is not feasible when looking at traditional investment property stock. When looking at the average rent of a 4 bedroom home as per the Department of Health & Human Services Rental Report, we see it costs \$420, whereas avg price of 2bed home is \$415. Therefore each extra bedroom is worth \$2.50 per week, on average.

Housing Affordability is decreasing

People living on their own spend on average 44.4% of their income on housing. The Australian benchmark that determines whether a tenant/owner is in a state of financial stress, is when housing costs exceed 30% of a household income. Projections indicate that lone households could increase by 1.2million by 2041.





13

Investments Under Due Diligence (Pipeline)

13 Investments Under Due Diligence (Pipeline) Summary

This section provides investors with an appreciation and assurance of the future pipeline of developments the Investment Manager is currently conducting due diligence on and the strength of our deal sourcing and originations team.

The developments represented in this section should be considered as a sample of the developments under due diligence by the Investment Manager and are not exhaustive. The team are reviewing new opportunities on a daily basis and considers our deal flow to be strong and of high quality.

“

Our ability to repeat our past performance lies in the strength of our entire vertically integrated property investment team

”

SALTUS

SALTUS





Hope Island Residential Development | 400 apartments across 3 stages

Situated in the exclusive northern Gold Coast suburb of Hope Island, Saltus offers a stunning waterfront location that connects directly to the beautiful Gold Coast waterways.

Hope Island is considered one of Australia's most sought after residential communities and only a short 45min drive to Brisbane. This unique multi-stage residential development will comprise 400 high end apartments once fully developed, occupies one of the last remaining premium waterfront sites in Hope Island, making it a rare and sought after location surrounded by award winning golf courses, resorts and all the amenities that come with Hope Island living.

13 Overview: SALTUS

SALTUS

LOCATION Hope Island
NUMBER OF DWELLINGS Mid-Rise Residential Towers

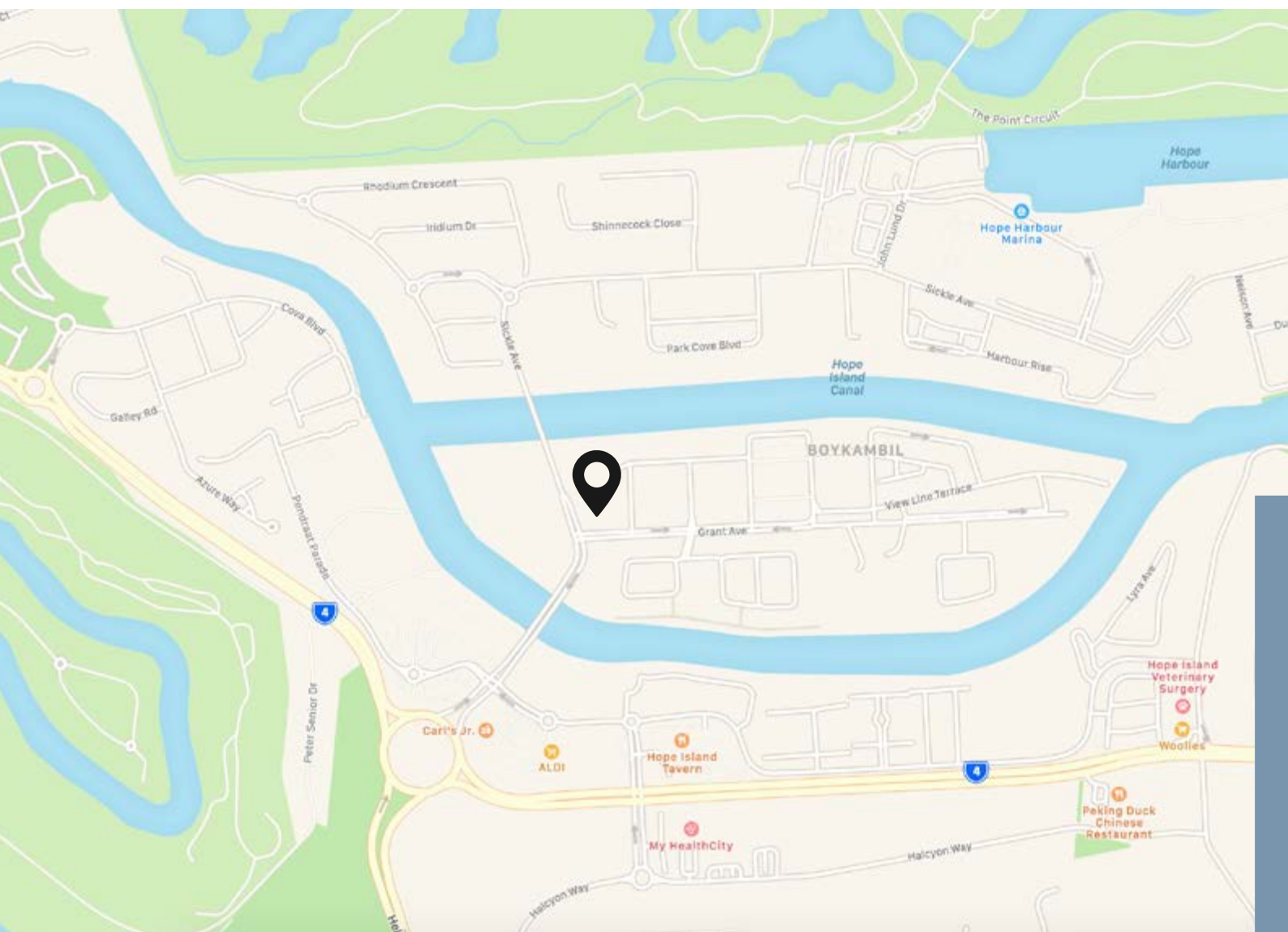
STATUS

Form of Development *Multi stage, mid-rise residential development*

Development Type *Mid-rise luxury residential*

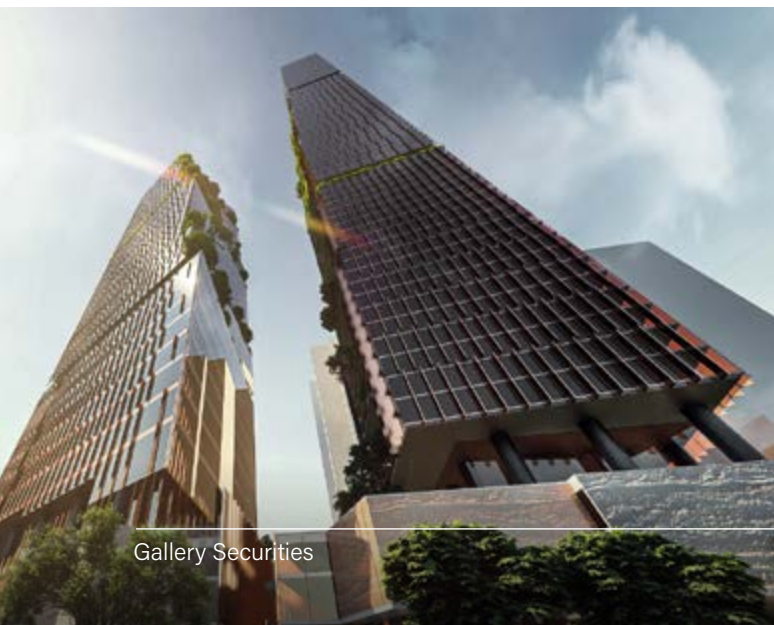
Investment Thesis *Value-add via highest and best use*

Project Value *\$179,826,000*



240-270

ROMASTREET
BRISBANE





240-270 ROMA STREET
BRISBANE



Brisbane CBD Integrated CBD Development

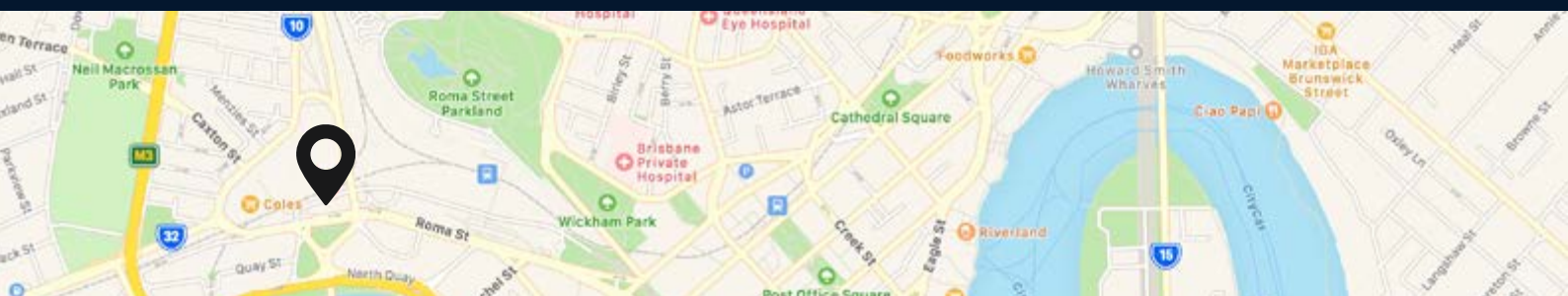
240-270 Roma Street currently consists of 3 land parcels, of which the Gallery Group of companies holds interests in 266 Roma Street. Strategy, planning, design and economic impact studies are currently underway in order to proceed with an amalgamation of the two adjacent properties, which would see this development unlock the connection between the world class Suncorp Stadium, the planned 'Brisbane Live' and further planned developments inside the 'Cross River Rail Delivery' precinct, along with opening up a new 'western gateway' to the Brisbane CBD and provide connectivity to the Brisbane river.

Our planning currently consists of an integrated high-rise hotel and residential tower and a high-rise commercial tower, with pedestrian links over Roma Street which will provide open green space, assist with social and commercial connectivity and provide additional safety to the community.

The Investment Manager is currently progressing this integrated development with multiple stakeholders and is currently under due diligence. The development has an estimated value of \$800 million.

13 Points of Interest: ROMA STREET, BRISBANE

240-270 ROMA STREET
BRISBANE





The Investment Manager has engaged AEC as an advisor, who will undertake a full economic impact study of the development to highlight the 'value' in the project and identify key risks and recommendations.

This report will assist all stakeholders understand the potential of the planned integrated development and the positive impact it will have on the local and state economies.

BAYSIDE

MORETON BAY



45 LOTS | Obtaining Approvals

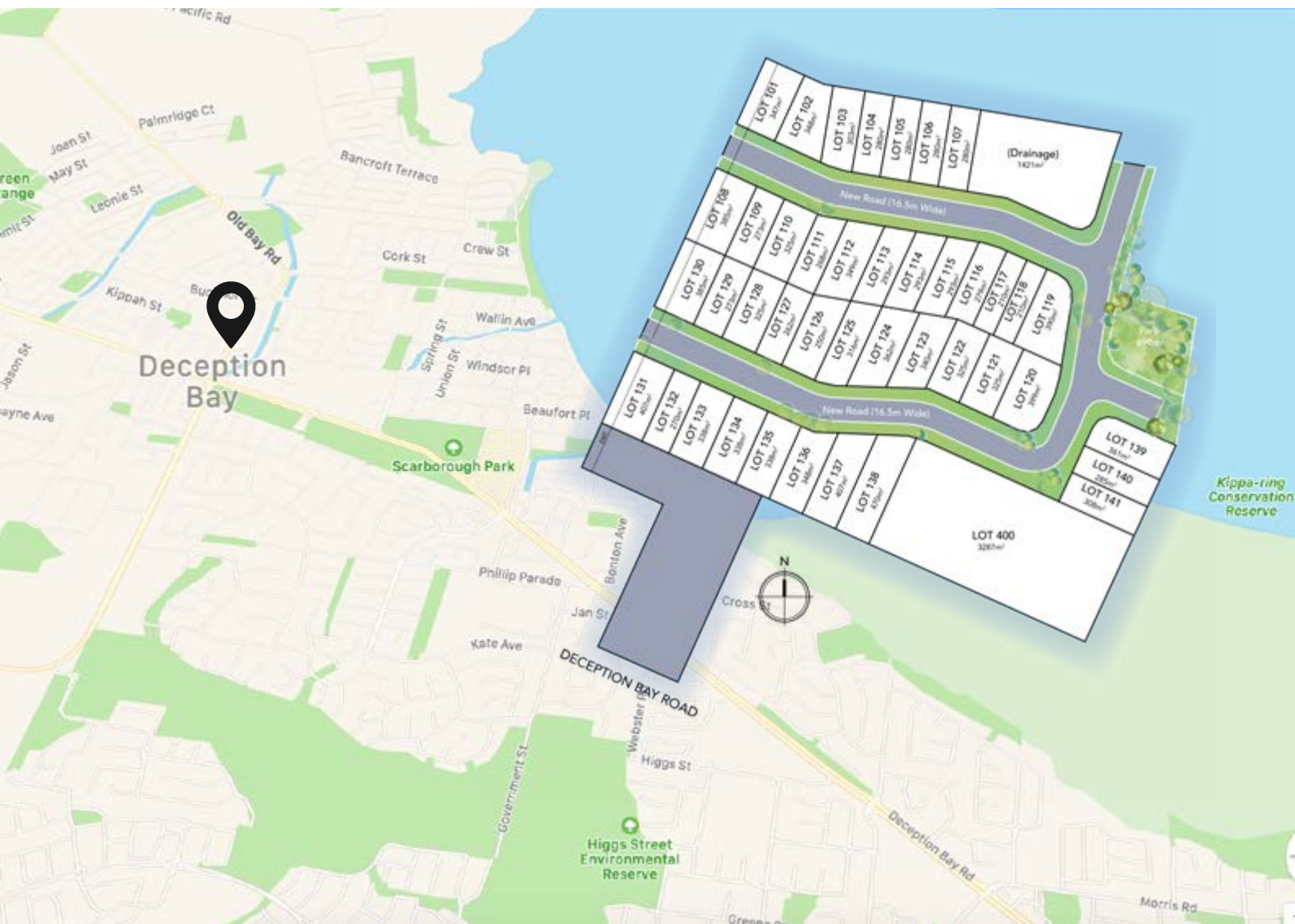
Situated in the coastal suburb of Deception Bay, Bayside offers a unique lifestyle for all. Comprising of 45 residential lots with exceptional standard inclusions sure to suit your lifestyle and budget. Your new home at Bayside awaits for you.

People describe living in Deception Bay as being located in a hidden gem. The area is surrounded by broad water on one side and a contemporary lifestyle on the other. Deception Bay is known for its quick and easy access to amenities and infrastructure in Narangba and North Lakes. Finding a home in Deception Bay allows resident to enjoy a beautiful breeze all year long with a spectacular view of the Moreton Bay. It's proximity to top destinations in SEQ include Brisbane CBD, The Mill and Sunshine Coast gives. This ideal location provides a hub for employment, education, leisure, healthcare and amenities.

13 Overview: BAYSIDE, MORETON BAY

BAYSIDE MORETON BAY

| | |
|---------------------|---|
| LOCATION | Plant Street, Deception Bay, Queensland, 4508 |
| NUMBER OF DWELLINGS | 45 Lots |
| STATUS | Obtaining Approvals |
| Form of Development | Residential land sub-division |
| Development Type | Residential |
| Investment Thesis | Value-add via planning approvals |
| Project Value | \$9,457,725 |



13 Points of Interest: BAYSIDE, MORETON BAY

BAYSIDE MORETON BAY



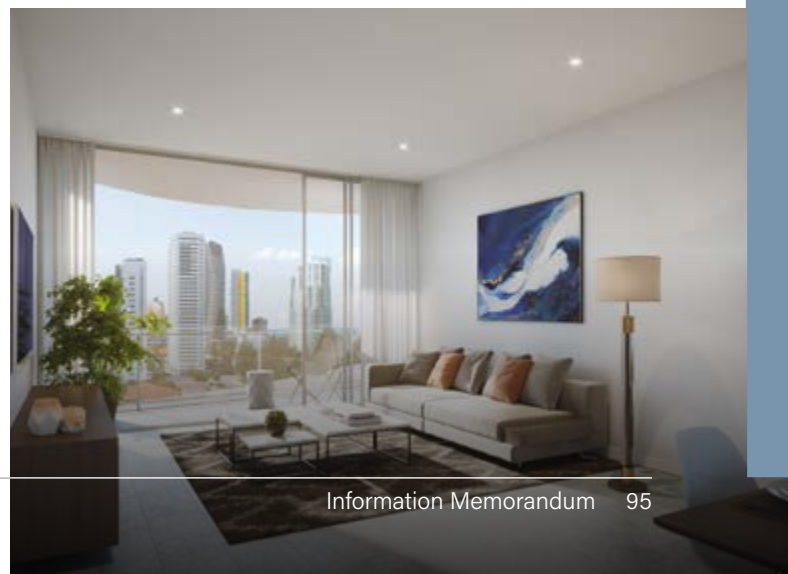
LOCATION

Distance from Moreton Bay

| | |
|----------------------------------|-----------------|
| Brisbane | 44 Minute Drive |
| Brisbane CBD | 47 Minute Drive |
| Brisbane Airport | 26 Minute Drive |
| Sunshine Coast | 55 Minute Drive |
| M1 Highway | 1 Minute Drive |
| Rothwell Central Shopping Centre | 8 Minute Drive |
| Westfield Northlakes | 10 Minute Drive |
| Mermaids by the Cafe | 5 Minute Drive |

N A I A

M E R M A I D B E A C H





Luxury Multi-storey Residential Development | 97 Luxury apartments

One of the first residential towers set to rise in one of the Gold Coast's most exclusive suburbs, will target owner-occupiers seeking luxurious yet affordable seaside apartment living in the laidback area. The spectacular \$88 million Naia is set to rise in the heart of a small residential enclave bordering Broadbeach and Mermaid Beach. Located only 400 metres from the beachfront and just a stroll to Pacific Fair Shopping Centre, light rail and The Star Gold Coast entertainment complex, Naia will be pitched at the city's burgeoning cohort of end-user apartment buyers.

The project has already attracted more than \$20 million in pre-sales commitments. Sustained strong interstate migration has meant the Gold Coast owner occupier market has been exceeding expectations.

NAIA is a luxury residential apartment building consisting of:

- 97 Units total
- 24 Levels (Levels Mezz-23 Apartments, Level 24 residents rooftop facilities & penthouse rooftops)
- A mix of 1, 2, & 3 bedroom luxury residences (including 2 x Penthouse apartments featuring room top entertaining deck with spa)
- 3 levels of secure basement car parking
- Ground floor lobby, visitor parking, bicycle parking
- Rooftop residents only facilities including swimming pool, gym, sauna and lounge/bar area
- Levels 1 - 10 standard finishes
- Levels 11-23 upgraded finishes



N A I A

Gallery Securities

CNR of Kooyong Road and
High Street Armadale, Victoria.



Luxury Multi-storey Residential and Retail Development | 27 Luxury apartments

This prestige development channels ageless style and elegance whilst it's outstanding location embraces Armadale's village-like community. Located only 7km from the Melbourne CBD, it will capitalise on the demand of 'local downsizers' and offers excellent connectivity to Melbourne and its surrounds, complemented by a vibrant café culture and position on the doorstep of Melbourne's best fashion and lifestyle retail destinations.

Following recent success of other neighbouring luxury residential developments, one selling \$20m million worth of property in the first weekend of sales, our Investment Management team has dedicated time and energy to researching the downsize market, in order to understand how we can deliver properties that meet buyer needs and compliment their lifestyles, whilst capitalising on strong absolute returns. This will result in providing customisable spaces, interchangeable fixtures and fittings, and a range of upgrades – giving residents the opportunity to create their own bespoke, luxury residences.

This research has been confirmed, with recent sales in neighbouring boutique luxury developments being made by local downsizers. The highest demand was for two and three-bedroom properties between the price brackets of \$2.5 - \$3.5 million.



14

Glossary of Important Terms

14 Glossary of Important Terms

ABN - Means Australian Business Number.

Administrator - Unity Fund Services Pty Ltd.

AFSL - Australian financial services licence.

AIIR - Means Annual Investment Income Report.

AMMA - Means AMIT member annual statement.

AMIT - Means Attribution Managed Investment Trust.

ASIC - Australian Securities and Investments Commission.

ATO - Means Australian Taxation Office.

Average GAV - Means the sum of the GAV at the start and end of the reference period, divided by two.

Average NAV - NAV means the sum of the NAV at the start and end of the reference period, divided by two.

BBSW - AUD Bank Bill Swap Rate as at 31 January 2021.

Business Day - Means a day other than a Saturday or a Sunday on which banks are open for general banking business in Queensland or if the administrator of the Fund primarily performs its administrative functions in respect of the Fund in a city other than Queensland, the city in which the administrator performs such functions.

Call - A written request from the Trustee to a Unitholder requiring the Unitholder to pay part or all of their Commitment.

CGT - Means Capital Gains Tax.

Commitment - The total amount which an applicant agrees to pay the Trustee to acquire Units if the application is accepted by the Trustee.

Constitution - The trust deed constituting and governing the Fund which sets out the rights, responsibilities and beneficial interest of both Unitholders and the Trustee (as applicable) in relation to the Fund.

Corporations Act - The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

CRS - Means Common Reporting Standard.

Distribution - The amount that is paid to Unitholders after the end of a distribution period. This generally includes any income and realised capital gains.

Financial Year - Means the period 1 July to 30 June of each calendar year.

Fund Documents - Means the Constitution and application form.

Gallery - Means the Gallery group of companies as defined in section 3.2 of this IM.

Gallery Securities - Gallery Securities Pty Ltd (otherwise referred to as the "Trustee" in this IM).

Gross Asset Value (GAV) - The gross asset value of the Properties, and any other assets, of the Fund or Sub Trusts. For the avoidance of doubt, the amount used for this purpose is not reduced on account of any borrowings.

GST - Goods and Services Tax, as defined by the Goods and Services Tax Act 1999 (Cth), as amended from time to time.

High Water Mark - This is a mechanism through which any prior period of underperformance relative to the Hurdle Rate results in a carried forward deficit, which is offset against any future period outperformance.

Hurdle Return - Means an IRR of 9% per annum.

IMA - The investment management agreement entered into by the Trustee and the Investment Manager.

IM - Means "Information Memorandum".

Initial Close Date - Takes the meaning provided to it in section 1 of this IM.

Investment Committee - Means the investment committee of the Fund as defined in section 3.2 of this IM.

Investment Manager - Gallery Securities Investment Management Pty Ltd."

IRR - Means internal rate of return, calculated on an annual basis.

MIT - Means Managed Investment Trust.

MIT CGT election - Takes the meaning provided to it in section 10.4 of this IM.

Net Asset Value (NAV) - The value of assets of the Fund (or a class of Units in the Fund) less the value of the liabilities of the Fund (or a class of Units in the Fund), as the context requires.

Offer - The offer made under this IM which is available only to persons receiving this IM in Australia (electronically or otherwise) who are Wholesale Clients.

Property - Each property asset comprising the portfolio of the Fund, which is intended to be held (directly or indirectly) by the Sub Trusts.

RITC - Reduced Input Tax Credit. Gallery Securities will apply for reduced input tax credits on behalf of the Fund, where applicable, to reduce the GST cost to the Fund.

Sub Trust - Each subsidiary trust of the fund that holds a Property/development or assets.

Term - Means the term of the Fund as defined in section 1 of this IM.

TFN - Means Tax File Number.

Total Acquisition Cost - Takes the meaning provided to it in section 9.3 of this IM.

Total Disposal Cost - Takes the meaning provided to it in section 9.4 of this IM.

Trustee - Gallery Securities Pty Ltd.

Uncalled Commitment - The Commitment of a Unitholder less any amount of the Commitment already paid.

Unit - A beneficial interest in the Fund.

Unitholder - Means a person whose application has been accepted by the Trustee and is the holder of a Unit.

Wholesale Client - A person or entity defined as such under section 761G of the Corporations Act 2001 (Cth).



15

Application Form

15 Application Form

APPLICATION INSTRUCTION AND FORMS



READ
THE IM

IM available from:
Gallery Securities
+61 7 3077 7230
invest@gallerysecurities.com.au



APPLY
ONLINE

The Trustee will provide you with a secure link to the Administrator's investor portal, upon request.



PAYMENT
DETAILS

The Administrator will advise you how to make payment once your application for Units has been approved by the Trustee.

