



# Information Memorandum PE Capital P3 Fund

**Trustee**

One AR Pty Ltd  
ACN 602 601 776

**Manager**

PE Capital Funds Management Ltd  
ACN 605 157 248

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## NOTICE

This Information Memorandum (IM) is dated 24 May 2017 and is issued by One AR Pty Ltd ACN 602 601 776 (Trustee). The Trustee is the trustee of the PE Capital P3 Fund (Fund). The Trustee is an authorised representative (number 471702) of One Investment Administration Ltd ACN 072 899 060, AFS licence number 225064. The purpose of this IM is to provide information for prospective Investors to decide whether they wish to invest in the Fund.

The Trustee has appointed PE Capital Funds Management Ltd ACN 605 157 248 (Manager) as the investment manager of the Fund. The Manager is also an authorised representative (number 1245743) of One Investment Administration Ltd.

## NO PREVIOUS OFFERS

This IM represents the entire offer with respect to an investment in the Fund and supersedes any and all other offer documents or purported offer documents offering investment in the Fund. This includes but is not limited to any flyer or pre-IM marketing material that has been issued and refers to the Fund.

## NO DISCLOSURE REQUIRED

This IM is intended to provide potential Investors with information only and does not constitute a product disclosure statement or other disclosure document required by the Corporations Act 2001 (Cth). This IM has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body.

The Offer made under this IM is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). The Trustee will not issue Units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

## FOREIGN JURISDICTIONS

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than Australia or in circumstances in which such offer or solicitation is not authorised. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an offer to acquire units in the Fund.

In particular, this product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

## NO RESPONSIBILITY FOR CONTENTS OF DOCUMENT

To the maximum extent permitted by law, neither the Trustee nor the Manager, nor any of their associates, related parties, directors, officers, employees, advisors (including financial, accounting and legal advisors) or representatives make any recommendation in relation to the Fund, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

This IM does not purport to contain all the information that a prospective Investor may require in evaluating a possible investment in the Fund. This IM must be read in conjunction with the Fund's Constitution, a copy of which is available (free of charge) by contacting the Trustee on (02) 8277 0000. To the extent there are any inconsistencies between the Constitution and this IM, the Constitution will prevail.

## NOT REGULATED BY APRA

The Trustee is not authorised under the *Banking Act 1959* (Cth) (Banking Act) and is not supervised by the Australian Prudential Regulation Authority, nor are investments in the Fund covered by the deposit or protection provisions in section 13A of the Banking Act.

## FORWARD-LOOKING STATEMENTS

This IM contains forward-looking statements that are identified by words such as "believe", "intend", "estimate", "expect" and other words of similar meaning that involve risks and uncertainties. All forward-looking statements, including those regarding the Fund's financial position and investment strategy, are subject to factors that could cause the performance of the Fund to differ materially from that expressed or anticipated in these statements.

The forward-looking statements in this IM are based on numerous assumptions regarding the Fund's present and future operations and investment strategies and the markets in which the Fund operates. These forward-looking statements are current only at the date of this IM. There is no assurance that such statements, estimates or projections will be realised or will apply in the future.

## INDEPENDENT ADVICE RECOMMENDED

Prospective Investors are not to construe the contents of this IM as tax, legal or investment advice. The information provided in this IM is general in nature and does not take into account your personal objectives, financial situation or needs. It does not constitute tax, legal or investment advice and is not a recommendation to invest. An investment in the Fund is speculative and may not be appropriate for all investors. You should seek independent legal, investment and tax advice tailored to your own needs before deciding whether to invest in the Fund. You should rely on your own enquiries, in particular in obtaining your own legal, investment and tax advice in determining whether to invest in the Fund.

## NO GUARANTEE

An investment in the Fund is subject to risks, including the loss of the capital you invest. Neither the Trustee, the Manager nor any of their directors, officers, associates, employees, advisors or representatives guarantee the rate of return or performance of the Fund. Nor do they guarantee the Fund will meet its objectives or the repayment of your investment.

## NATURE OF INVESTMENT

An investment in the Fund is illiquid and will provide infrequent income and capital returns. As such it is only suitable for long-term Investors who are experienced in providing capital toward a variety of property-related investments, including as equity and quasi-equity investments for the purposes of funding property developments.

## TRUSTEE LIMITATION OF LIABILITY

Except in certain circumstances (including fraud, negligence or wilful default by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

## DISCLOSURE OF INTERESTS

The Trustee, the Manager and their related entities may acquire Units in the Fund on the same terms and with the same rights as other Investors.

## UPDATED INFORMATION

The information contained in this IM can change and the IM may be updated or replaced from time-to-time. Unless the changed information is materially adverse to you, the Trustee may not always update or replace this IM to reflect the changed information. Updated information can be obtained by going to the Trustee's website, [www.oneinvestment.com.au/P3](http://www.oneinvestment.com.au/P3), or calling the Trustee on (02) 8277 0000.

## CONFIDENTIALITY

This IM is confidential and is provided to prospective Investors for them to consider investing in the Fund. Its use for any other purpose is not permitted. It must not be reproduced or redistributed, in whole or in part, and its contents must not be disclosed to any person.

## GLOSSARY AND CURRENCY

Certain capitalised words and expressions used in this IM are defined in the Glossary. All dollar amounts are in Australian dollars (AUD), unless otherwise stated.

## 1. KEY FEATURES

The table below provides a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. For more detailed information please refer to the relevant section of the IM noted in the column on the right. You must read the whole of this IM to obtain more detailed information before making a decision to invest in the Fund.

Feature	Overview	Refer to section
Fund	PE Capital P3 Fund.	3.1
Trustee	One AR Pty Ltd ACN 602 601 776.	2.1
Manager	PE Capital Funds Management Ltd ACN 605 157 248.	2.2
Investment return objective	<p>The Fund will seek to deliver a 12% per annum rate of return.</p> <p>The above investment return objective is pre-tax and net of management fees payable to the Manager, but exclusive of any other costs, charges or fees of the Fund.</p> <p>Note this investment return objective is a target only and is not a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective and returns are not guaranteed.</p>	3.2
Investment strategy	<p>The Fund is a wholesale managed investment scheme that will pool Investors' money to indirectly invest in a portfolio of Australian mixed use commercial property development projects.</p> <p>The Projects will comprise property development projects in diverse range of sectors, including, but not limited to, the following sectors:</p> <ul style="list-style-type: none"> <li>(a) Petrol stations.</li> <li>(b) Childcare.</li> <li>(c) Healthcare.</li> <li>(d) Aged care.</li> <li>(e) Liquor sales.</li> <li>(f) Convenience stores.</li> <li>(g) Fast food.</li> <li>(h) Retirement &amp; Residential Care.</li> </ul> <p>The Fund's indirect investment in a Project will take place by investing in a Development Trust which will undertake the Project. The PE Capital Group will both manage and co-invest in the Development Trusts. These co-investments by the PE Capital Group will take place through the PE Capital P2 Fund subscribing for ordinary units in the relevant Development Trusts. In some instances, joint venture partners will also invest in the Development Trusts.</p> <p>The Fund will be issued with redeemable preference units (RPUs) in the Development Trusts, which will entitle the Fund to payments at a fixed coupon return rate of 14% per annum on the amount the Fund invests in the Development Trusts. The anticipated term of each RPU is 12 months.</p> <p>Projects will be funded by a combination of debt funding in the form of the RPUs that will be issued to the Fund and the PE Capital P1 Fund, equity invested by the PE Capital P2 Fund, joint venture partners (where relevant) and borrowings from financial institutions. As the Fund will have RPUs in the Development Trusts, the Fund will not be a beneficiary of the Development Trusts and the Fund's relationship with the Development Trusts will be one of creditor (in the case of the Fund) and debtor (in the case of the Development Trusts).</p> <p>It is possible that there may be circumstances in which the Fund and the PE Capital P1 Fund will both have been issued with RPUs in a Development Trust as the same time. In those circumstances, a deed of priority will be entered into between the PE Capital P1 Fund and the Fund to regulate the ranking of payments received from the Development Trust and the manner in which the Fund and the PE Capital P1 Fund will act in the event of a default. It is contemplated the deed of priority will state that the RPUs held by the PE Capital P1 Fund and the Fund will rank parri passu and that, in the event of a shortfall, the Fund and the PE Capital P1 Fund will participate in that shortfall on a pro rata basis determined by each party's proportional holding of the total RPUs in a Development Trust. For example, in the event of a shortfall from a Development Trust where the PE Capital P1 Fund held 80% of all of the RPUs issued by the relevant Development Trust and the Fund held 20% of all of the RPUs issued by the Development Trust, the PE Capital P1 Fund would receive 80% of the shortfall amount and the Fund would receive the remaining 20%.</p> <p>On completion of the development of a Project by a Development Trust, the Project will be retained by the PE Capital P2 Fund.</p>	3.3

Feature	Overview	Refer to section
	<p>Once development of a Project has been completed, the PE Capital Group intends to raise further capital from new investors who are attracted to the potential to earn an attractive return on investment from the income generated by the completed Projects, but who prefer not to accept the risks associated with developing the Projects.</p> <p>Funds raised from new investors in the relevant Development Trust will be used to redeem the RPU's held by:</p> <ul style="list-style-type: none"> <li>(a) The Fund.</li> <li>(b) The PE Capital P1 Fund.</li> </ul> <p>The RPU's held by the Fund in respect of each Project will be entitled to be redeemed before payment of any income or capital to the PE Capital P2 Fund, and joint venture partners (where relevant), that have invested in the relevant Project. However, as noted above, the Fund's RPU's will rank parri passu to any RPU's held by the PE Capital P1 Fund.</p> <p>If a Development Trust is unable to raise the capital to redeem the RPU's issued to the Fund, then debt financing obtained on completion of development of the Project will be used to fund the redemption of the RPU's.</p> <p>As a Project is completed and capital and income is received by the Fund, the Manager may determine to –</p> <ul style="list-style-type: none"> <li>(a) distribute the income generated by the RPU's to unitholders in the Fund, and</li> <li>(b) either – <ul style="list-style-type: none"> <li>(i) use the capital returned from a Project to re-invest in other suitable Projects being undertaken by another Development Trust, or</li> <li>(ii) make a withdrawal offer to Investors who have held some or all of their Units in the Fund for at least 12 months.</li> </ul> </li> </ul> <p>As of the date of this IM, there are no Projects being undertaken by Development Trusts. As Projects are identified, a summary of their features and terms will be available to Investors on <a href="http://www.oneinvestment.com.au/P3">www.oneinvestment.com.au/P3</a> and will be updated periodically.</p> <p>Until Projects are identified and a new Development Trust is established for investment by the Fund, Investors' funds will be held in bank cash deposits.</p>	
Who can invest?	<p>The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors).</p> <p>The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.</p>	3.4
Minimum investment amount	<p>The minimum initial investment amount under the Offer is \$500,000. However, the Trustee may accept a lower amount from Investors who meet the criteria for a Qualifying Investor at its discretion.</p> <p>Following the minimum initial investment, Investors may invest additional funds in the Fund at the Trustee's discretion.</p> <p>Unless otherwise agreed by the Trustee in its absolute discretion, Investors will be required to maintain a minimum balance of \$500,000 in the Fund.</p>	3.6
Unit prices	<p>The Unit price is based on the underlying net asset value of the assets of the Fund and is calculated in accordance with the terms of the Constitution.</p> <p>Unit prices will be calculated monthly.</p> <p>The current Unit price for the Fund is available on request from the Trustee.</p>	3.7
Issue of Units	<p>Units are generally issued monthly on the first Business Day of each calendar month, after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee.</p>	3.8

Feature	Overview	Refer to section
Minimum Investment Term	<p>In respect of each Investor, the Minimum Investment Term is a period of 12 months from:</p> <ul style="list-style-type: none"> <li>(a) the date an Investor initially invests in the Fund; and</li> <li>(b) the date of each separate investment an Investor makes in the Fund after the Investor's initial investment.</li> </ul> <p>Each of the above periods is a Minimum Investment Term.</p> <p>Investors have no right to withdraw from the Fund and, where a withdrawal offer is made, Investors will only be entitled to participate in a withdrawal offer in respect of Units that they have held for the Minimum Investment Term.</p> <p>Notwithstanding the existence of the Minimum Investment Term, the Manager will use its reasonable endeavours to satisfy withdrawal requests from Investors who have held their Units for six months or more, provided the Investors provide the Trustee with one month's notice of their withdrawal request.</p> <p>Investors should note, however, there is no guarantee or certainty that the Manager will be able to satisfy any withdrawal request prior to the Minimum Investment Term or after the Minimum Investment Term.</p>	3.9
Investment timeframe	<p>There is no fixed term for the Fund, and its maximum term is 80 years. The Manager may reinvest funds returned at the completion of a Project into new Projects.</p> <p>Investors should consider an investment in the Fund as a medium term investment.</p>	3.10
Withdrawals	<p>Investors will not have a right to withdraw from the Fund.</p> <p>The investments held by the Fund will be illiquid and you will not have a right to withdraw your investment during the life of the Fund, except in response to a withdrawal offer made by the Trustee and after the relevant Minimum Investment Term has passed.</p> <p>At the completion of a Project, the Trustee may make a withdrawal offer depending on the capital funding requirements of future Projects in which the Fund may invest, as advised by the Manager. These withdrawal offers will only be open to acceptance by Investors in respect of Units that they have held for the Minimum Investment Term.</p> <p>If a withdrawal offer is made by the Trustee, then it will specify the amount of funds available to fund the withdrawal offer.</p> <p>In the event there is not sufficient liquidity to satisfy all eligible Investors' withdrawal requests made in response to a withdrawal offer, then Investors' withdrawal requests will be satisfied on a pro-rata basis.</p> <p>Notwithstanding the existence of the Minimum Investment Term, the Manager will use its reasonable endeavours to satisfy withdrawal requests from Investors who have held their Units for six months or more, provided the Investors provide the Trustee with one month's notice of their withdrawal request. Investors should note, however, there is no guarantee or certainty that the Manager will be able to satisfy any withdrawal request prior to the Minimum Investment Term or after the Minimum Investment Term.</p>	3.11
Distributions	<p>Distributions will be made at the discretion of the Trustee, in consultation with the Manager.</p> <p>The Fund will pay distributions from cash from operations and reserves. The nature of the Fund's investments mean Investors should not expect to receive regular distributions from the Fund. There is no guarantee that income distributions will be paid.</p> <p>There will not be a distribution reinvestment facility available to Investors.</p>	3.12
Risks	<p>Like any investment of this type, there are risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns. For information about the specific risks associated with the Fund, see section 4.</p>	4
Fees and costs	<p>There are fees and costs payable in relation to the Fund.</p> <p>The Manager will charge a management fee, payable from the assets of the Fund.</p> <p>The Manager has agreed to pay all other fees and costs associated with the Fund (including fees and costs due to the Trustee). However, in the event the Manager does not pay these fees and costs, then they will be deducted from the assets of the Fund.</p> <p>See section 5 for full information in relation to fees and costs.</p>	5
Tax information	<p>Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances.</p>	6

## 2. MANAGEMENT OF THE FUND

### 2.1 Trustee: One AR Pty Ltd ACN 602 601 776

One AR Pty Ltd is a subsidiary of the One Investment Group (OIG). OIG is an independent Australian funds management business that focuses on providing responsible entity/trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG's licensed entities hold over 200 responsible entity/trustee roles, administering a range of asset classes including hedge funds, real estate, private equity, fixed income, and equities. The total value of the assets within these trusts is in excess of \$10 billion.

The founders of OIG, Frank Tearle and Justin Epstein, have in excess of 30 years' collective experience in mergers and acquisitions, capital markets, funds management and corporate governance. OIG's compliance committee comprises a majority of independent members

### CAPABILITIES

OIG's capabilities include:

- Responsible entity services
- Trustee services
- Corporate trust services
- Registry services
- Fund administration and taxation services, and
- Custody services.

### AFS LICENCE

One AR Pty Ltd is a corporate authorised representative (number 471702) of One Investment Administration Ltd ACN 072 899 060, AFS licence number 225064.

### 2.1 Manager: PE Capital Funds Management Ltd ACN 605 157 248

The Manager is a boutique investment management company, and is part of the PE Capital Group. The Manager is focussed on the Australian investment landscape to produce value for investors. The business is supported by an experienced and motivated team who engage leading edge systems and technology, undertake thorough research and are guided by proven and tested business processes.

### 2.2 Directors and key executives of the Manager

#### SIMON DAY DIRECTOR

With over 25 years' experience in Corporate Finance, Simon has a wealth of knowledge and experience in all aspects of corporate advisory and finance transactions.

Simon's area of expertise spans: acquisitions and divestments; funds management; capital raisings (both public and private); strategic reviews; capital structure; option analysis; and corporate valuations.

Simon has experience in transaction management, finance evaluation, enterprise valuations, financial modelling, due diligence, funds management and documentation preparation.

Prior to PE Capital, Simon was a principal of a boutique corporate advisory practice and previously with Deloitte Corporate Finance (partner in Melbourne office), ANZ Investment Bank and Price Waterhouse Corporate Finance in London and Melbourne.

Besides steering PE Capital as a business Simon also leads the PE Enterprise business unit, and the business investment portfolio in the E funds of both late stage Venture Capital and Private Equity funding programs.

#### GREG ROBERTS DIRECTOR – COMPLIANCE

With over 28 years' experience in the financial services industry, Greg has a wealth of knowledge in the areas of advice, funds management and financial services compliance.

Greg's area of expertise lies in a deep understanding of the compliance requirements around professional advice, fund raising, funds management and best practice client standards, security and reporting.

Currently a director in a long standing Aged Care consultancy, a medical imaging company and a long standing financial services provider. Previously with Genesys, the Wealthcare group and the NAB in regional Victoria and Melbourne.

Greg's role is as the Responsible Manager of Compliance for the PE Capital Group and its investment businesses.

#### SAM OSBORNE HEAD OF FUNDS MANAGEMENT

Sam has almost 20 years' experience in financial services, including retail banking and funds management in both Australia and the United Kingdom.

Sam has extensive knowledge of the third party distribution space, especially in regard to retail investment platforms, Wraps and SMSFs. Sam's area of expertise includes: relationship management, business development, marketing, strategic planning, product management, operations management and portfolio management. Sam also has experience in property development as he has developed a number of projects for his private family company.

Sam's role is to manage all investor channels into the PE Capital Group.

## 3. THE FUND

### 3.1 Fund structure

The Fund is an Australian unit trust. Unit trusts are vehicles which enable investors to pool their money with that of other investors. The pooling, amongst other reasons, enables you to invest in markets that may otherwise be difficult to access.

The Fund is structured as an unregistered managed investment scheme under the Act. It is an unlisted scheme.

Money invested in the Fund will represent your holding in the Fund. Each Unit in the Fund confers an equal and proportionate beneficial interest in the net assets of the Fund. No Unit will give you an interest in any particular part of the Fund's assets or investments, or an entitlement to exercise any right or power in respect of any such asset or investment, or an entitlement to participate in the management or operation of the Fund (other than through unitholder meetings).

The working of the Fund is regulated by its Constitution and the general law of Australia. The Constitution sets out the conditions under which the Fund is to operate, the rights and liabilities of unitholders (including Investors), and the rights, powers, responsibilities and duties of the Trustee. Investors are bound by the provisions of the Fund's Constitution.

The principal rights of an Investor in the Fund are to –

- (a) share in the Fund's distributable income
- (b) attend and vote at unitholder meetings, and
- (c) share in the distribution of assets if the Fund is wound up.

The Trustee has appointed the Manager as the investment manager of the Fund pursuant to the Investment Management Agreement.

### 3.2 Investment return objective

The Fund will seek to deliver a 12% per annum rate of return.

The above investment return objective is pre-tax, but exclusive of any other costs, charges or fees of the Fund.

Note this investment return objective is a target only and is not a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term. The Fund may not be successful in meeting this objective and returns are not guaranteed.

### 3.3 Investment strategy

The Fund is a wholesale managed investment scheme that will pool Investors' money to indirectly invest in a portfolio of Australian mixed use commercial property development projects.

The Projects will comprise property development projects in diverse range of sectors, including, but not limited to, the following sectors:

- (a) Petrol stations.
- (b) Childcare.
- (c) Healthcare.
- (d) Aged care.
- (e) Liquor sales.
- (f) Convenience stores.
- (g) Fast food.
- (h) Retirement & Residential Care.

The Fund's indirect investment in a Project will be made by investing in a Development Trust which will undertake the Project. The PE Capital Group will both manage and co-invest in the Development Trusts. These co-investments by the PE Capital Group will take place through the PE Capital P2 Fund subscribing for ordinary units in the relevant Development Trusts. In some instances, joint venture partners will also invest in the Development Trusts.

The Fund will be issued with redeemable preference units (RPU) in the Development Trusts, which will entitle the Fund to payments at a fixed coupon return rate of 14% per annum on the amount the Fund invests in the Development Trusts. The anticipated term of each RPU is 12 months.

Projects will be funded by a combination of debt funding in the form of the RPU that will be issued to the Fund and the PE Capital P1 Fund, equity invested by the PE Capital P2 Fund, joint venture partners (where relevant) and borrowings from financial institutions. As the Fund will have RPU in the Development Trusts, the Fund will not be a beneficiary of the Development Trusts and the Fund's relationship with the Development Trusts will be one of creditor (in the case of the Fund) and debtor (in the case of the Development Trusts).

It is possible that there may be circumstances in which the Fund and the PE Capital P1 Fund will both have been issued with RPU in a Development Trust as the same time. In those circumstances, a deed of priority will be entered into between the PE Capital P1 Fund and the Fund to regulate the ranking of payments received from the Development Trust and the manner in which the Fund and the PE Capital P1 Fund will act in the event of a default. It is contemplated the deed of priority will state that the RPU held by the PE Capital P1 Fund and the Fund will rank parri passu and that, in the event of a shortfall, the Fund and the PE Capital P1 Fund will participate in that shortfall on a pro rata basis determined by each party's proportional holding of the total RPU in a Development Trust. For example, in the event of a shortfall from a Development Trust where the PE Capital P1 Fund held 80% of all of the RPU issued by the relevant Development Trust and the Fund held 20% of all of the RPU issued by the Development Trust, the PE Capital P1 Fund would receive 80% of the shortfall amount and the Fund would receive the remaining 20%.

On completion of the development of a Project by a Development Trust, the Project will be retained by the PE Capital P2 Fund. Once development of a Project has been completed, the PE Capital Group intends to raise further capital from new investors who are attracted to the potential to earn an attractive return on investment from the income generated by the completed Projects, but who prefer not to accept the risks associated with developing the Projects.

Funds raised from new investors in the relevant Development Trust will be used to redeem the RPU held by:

- (a) The Fund.
- (b) The PE Capital P1 Fund.

The RPU held by the Fund in respect of each Project will be entitled to be redeemed before payment of any income or capital to the PE Capital P2 Fund, and joint venture partners (where relevant), if it has invested in the relevant Project. However, as noted above, the Fund's RPU will rank parri passu to any RPU held by the PE Capital P1 Fund.

If a Development Trust is unable to raise the capital to redeem the RPU issued to the Fund, then debt financing obtained on completion of development of the Project will be used to fund the redemption of the RPU.

As a Project is completed and capital and income is received by the Fund, the Manager may determine to –

- (a) distribute the income generated by the RPU to unitholders in the Fund, and
- (b) either –
  - (i) use the capital returned from a Project to re-invest in other suitable Projects being undertaken by another Development Trust, or
  - (ii) make a withdrawal offer to Investors who have held some or all of their Units in the Fund for at least 12 months.

As of the date of this IM, there are no Projects being undertaken by Development Trusts. As Projects are identified, a summary of their features and terms will be available to Investors on [www.oneinvestment.com.au/P3](http://www.oneinvestment.com.au/P3) and will be updated periodically.

Until Projects are identified and a new Development Trust is established for investment by the Fund, Investors' funds will be held in bank cash deposits.

### 3.4 Qualifying Investors

The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act) (collectively, Qualifying Investors). A Qualifying Investor is an Investor who –

- (a) invests \$500,000 or more in the Fund
- (b) provides a certificate from a qualified accountant (substantially in the form attached to the Application Form) that states the Investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000, or
- (c) is a professional investor (including the holder of an Australian financial services licence, a person who controls more than \$10 million, or a person that is a listed entity or a related body corporate of a listed entity).

The Trustee will not issue units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

### 3.5 Units

As of the date of this IM, there is one class of units in the Fund, being ordinary units. Ordinary units will be issued to Investors under this IM and are referred to as 'Units' throughout this IM.

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.

### 3.6 Minimum investment amount

The minimum initial investment amount under the Offer is \$500,000. However, the Trustee may accept a lower amount from Investors who meet the criteria for a Qualifying Investor at its discretion.

Following the minimum initial investment, Investors may invest additional funds in the Fund at the Trustee's discretion.

Unless otherwise agreed by the Trustee in its absolute discretion, Investors will be required to maintain a minimum balance of \$500,000 in the Fund.

### 3.7 Unit prices

The Unit price is based on the underlying net asset value of the assets of the Fund relating to those Units and is calculated in accordance with the terms of the Constitution.

Unit prices will be calculated monthly.

The current Unit price for the Fund is available on request from the Trustee.

### 3.8 Issue of Units

Units are generally issued monthly on the first Business Day of each calendar month, after both the Application Form and Application Money have been received and accepted by the Registrar on behalf of the Trustee.

The cut-off time for receipt by the Registrar of applications is 2.00pm (Sydney time) on the second last Business Day of each calendar month.

If the Trustee does not receive the Application Money in cleared funds by the cut-off time above and/or is not satisfied that it has received all relevant information required to process the Application Form, the Trustee may refuse to accept a prospective Investor's application.

Completed applications received after the cut-off time above will be taken to have been received before the cut-off time on the second last Business Day of the next or subsequent calendar month in which the application is accepted by the Registrar on behalf of the Trustee.

Confirmation of an investment will normally be issued within five Business Days of the investment being processed.

### 3.9 Minimum Investment Term

In respect of each Investor, the Minimum Investment Term is a period of 12 months from:

- (a) the date an Investor is initially issued Units in the Fund; and
- (b) the date of each additional issue of Units to an Investor after the initial issue of Units to the Investor.

Each of the above periods is a Minimum Investment Term.

Investors have no right to withdraw from the Fund and, where a withdrawal offer is made, Investors will only be entitled to participate in a withdrawal offer in respect of Units that they have held for the Minimum Investment Term.

### 3.10 Investment timeframe

There is no fixed term for the Fund, and its maximum term is 80 years. The Manager may reinvest funds returned at the completion of a Project into new Projects.

Investors should consider an investment in the Fund as a medium term investment.

### 3.11 Withdrawals

Investors will not have a right to withdraw from the Fund.

The investments held by the Fund will be illiquid and you will not have a right to withdraw your investment during the life of the Fund, except in response to a withdrawal offer made by the Trustee and after the relevant Minimum Investment Term has passed.

At the completion of a Project, the Trustee may make a withdrawal offer depending on the capital funding requirements of future Projects in which the Fund may invest, as advised by the Manager. These withdrawal offers will only be open to acceptance by Investors that have held their Units for the Minimum Investment Term.

If a withdrawal offer is made by the Trustee then it will specify the amount of funds available to fund the withdrawal offer.

In the event there is not sufficient liquidity to satisfy all eligible Investors' withdrawal requests made in response to a withdrawal offer, then Investors' withdrawal requests will be satisfied on a pro-rata basis.

Notwithstanding the existence of the Minimum Investment Term, the Manager will use its reasonable endeavours to satisfy withdrawal requests from Investors who have held their Units for six months or more, provided the Investors provide the Trustee with one month's notice of their withdrawal request. Investors should note, however, there is no guarantee or certainty that the Manager will be able to satisfy any withdrawal request prior to the Minimum Investment Term or after the Minimum Investment Term.

### 3.12 Distributions

Distributions will be made at the discretion of the Trustee, in consultation with the Manager.

The Fund will pay distributions from cash from operations and reserves. The nature of the Fund's investments mean Investors should not expect to receive regular distributions from the Fund. There is no guarantee that income distributions will be paid.

Distributions will be paid into your nominated Australian domiciled bank account within 45 Business Days after the end of the calendar month in which the distribution was declared, except for the month of June where any distributions declared in that month will be paid within three months of 30 June.

There will not be a distribution reinvestment facility available to Investors.

### 3.13 Borrowings

The Fund will not borrow; however, there may be borrowings in the Development Trusts in which the Fund invests or at the Project level. All borrowings will be non-recourse to Investors.

### 3.14 How to invest

To invest in the Fund you must complete the Fund's Application Form which is available on request from the Registrar on (02) 8188 1510 or [info@oneregistryservices.com.au](mailto:info@oneregistryservices.com.au). The Application Form should be completed in accordance with section 9 of this IM.

The completed Application Form, together with your Application Money and supporting documentation, must be forwarded to the Registrar at the address noted on the Application Form.



## 4. RISKS

As with any investment, investing in the Fund involves risk. Many risks are outside the control of the Manager. If these risks eventuate, returns to Investors may not be as expected and distributions may be reduced or suspended and the capital value of the Fund may be reduced. Distributions are not guaranteed and neither is the return of your capital.

The following is a summary of some of the key risks you should be aware of when investing in the Fund, it is not an exhaustive list.

Please read this IM in full and consider your attitude towards risk before deciding to invest in the Fund. You should also assess, in consultation with your professional advisors, how an investment in the Fund fits into your overall investment portfolio.

### 4.1 General Fund risks

#### TRUSTEE AND MANAGER RISK

There is a risk One AR Pty Ltd may be replaced as trustee of the Fund or its key personnel may change, PE Capital Funds Management Ltd may be replaced as investment manager of the Fund or its key personnel may change. Investors should note the Trustee is obliged to retire as trustee of the Fund following a request made by the Manager, pursuant to the Investment Management Agreement. There is also a risk that the Trustee's authorisation under One Investment Administration Ltd's AFS Licence may be suspended or revoked.

In addition, the Manager has been appointed as a corporate authorised representative of One Investment Administration Ltd. If the Manager loses its authorised representative appointment, then there is a risk that it will no longer be able to manage the Fund's assets. This could result in the Fund suffering losses.

#### MARKET RISK

Investment returns from the Fund are affected by general market conditions and may decline over short or extended periods due to market sentiment, economic, technological, legal, social and/or political factors. Factors that influence markets generally can include business confidence and government and central bank policies including the level and direction of interest rates, natural disasters and man-made disasters beyond the control of the Trustee and the Manager.

#### LIMITED TRACK RECORD RISK

The Fund is a newly established managed investment scheme and has no track record or past performance.

#### REGULATORY RISK

The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.

#### NON-PAYMENT OF FEES AND COSTS RISK

As detailed in section 5 below, the Manager will charge a management fee to the Fund and has agreed to pay all other fees and costs associated with the Fund.

Should the Manager fail to do so for any reason, then those fees and costs must be paid from the assets of the Fund. In addition, if this occurs, then in accordance with its duty to unitholders the Trustee will assess the ongoing viability of the Fund, which could result in the Fund being wound up.

#### CONCENTRATION RISK

Investors have the flexibility to design their portfolio of investments as they see fit. However, Investors should be aware of the risk of concentrating on similar or correlated assets. Concentration risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected.

#### GENERAL ECONOMIC RISKS

General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.

#### TAXATION RISK

The returns to Investors may be affected by changes to taxation legislation. Changes to taxation legislation may necessitate a change to the Fund's structure to ensure Investor interests are protected.

#### FUND RISK

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other Investors.

#### LIQUIDITY RISK

Investors do not have the right to withdraw from the Fund. The Trustee may (at its discretion) make withdrawal offers to Investors whose Minimum Investment Term has elapsed. However, there is a risk these withdrawal offers may be made very infrequently or not at all. There is also a risk the amount available to satisfy all Investors' withdrawal requests made in response to a withdrawal offer will be insufficient, which will mean Investors' withdrawal requests will be satisfied on a pro-rata basis.

In addition, there will not be any established secondary market for Units. However, Investors may be able to transfer their Units to another person, subject to the approval of the Trustee at its discretion.

#### INTEREST RATE RISK

Changes to interest rates can have a direct and indirect impact (negative or positive) on returns. The return on your investment is not guaranteed and could go down. This could happen due to factors such as the deterioration of the financial position or credit rating of a financial institution, adverse movements in the Australian and overseas interest rates, market illiquidity, adverse movements of exchange rates, negative changes in monetary policy and other economic, social and political factors.

### 4.2 Specific risks associated with Projects and Development Trusts

#### DEVELOPMENT AND CONSTRUCTION RISKS

There are numerous risks associated with every property development project, including the Projects. The ability of the relevant Development Trust to make payments in respect of RPU's held by the Fund is almost entirely dependent on the ability of the Development Trust to successfully complete the Project. The nature of the Fund's investments mean the Fund is accepting development risks for the Projects.

Examples of risks that may be accepted by the Fund each of which may have a negative effect on the value of the Fund's assets and the income the Projects are set out below. If any one or more of these risks comes to pass, then it may affect the ability of the Development Trust to make payments in respect of RPU's held by the Fund, which in turn, adversely impacts the returns payable to Investors in the Fund.

#### CONSTRUCTION COST ESCALATION RISK

Construction costs for a Project might exceed expected construction costs. If this were to occur, then a Development Trust might require additional capital in order for the Project to be completed.

#### PROJECT DURATION RISK

The duration for the completion of a Project may exceed the expected duration. This may have a negative effect on the cash flows for the Project affected by the timing delays.

## PLANNING RISK

Planning approvals may not be obtained within expected timeframes, may not be granted in the form anticipated, or may not be granted at all.

## INDUSTRIAL RELATIONS RISK

Union activity could delay the timing to complete the construction of a Project and/or increase the cost of a Project.

## SERVICE CONTRACTOR RISK

Service providers, including external contractors and related parties, will be appointed to carry out Projects and may default in the performance of their services.

## CAPITAL RAISING RISK IN DEVELOPMENT TRUST

On completion of a Project a Development Trust will raise 'new' capital in the form of term debt and equity which will be used to repay any development finance provided by a financial institution and to repay those parties who provided capital to complete the Project, including the investment by the Fund.

If the Development Trust is unable to raise the necessary capital for any reason, then it may impact its ability to repay the Fund in respect of its RPU's. The Manager believes the quality of the Projects and the appetite among investors to invest in well-constructed, income producing property leased by tenants with strong covenants, means this is unlikely.

## RELATED PARTY RISK

There are risks involved given the Fund will invest in the development of Projects which are also being development managed by the Manager or its related parties. For example, there is no independent party who is reviewing the progress of the development to ensure it will be delivered on time and on budget.

## PROJECT SELECTION RISK

The Manager is responsible for providing investment management services to the Fund and for managing the Fund's investments on a day-to-day basis. If the Manager fails to do so effectively, then this could negatively affect the Fund's performance. The success of the Fund depends in large part on the ability of the Manager (and the PE Capital Group more generally) to identify and complete Projects successfully. Generally speaking, there is a risk that the Manager may fail to anticipate movements in the property market, fail to manage the investment risks appropriately or fail to properly execute the Fund's investment strategy. These factors could have an adverse impact on the financial position and performance of the Fund.

## BORROWING RISK

Development Trusts will source development finance from third party financiers to assist in meeting the development costs of each Project. The use of debt funding brings with it a number of specific risks, including the following:

- While debt funding has the potential to increase percentage returns on capital invested to Investors where investments are successful, where losses are incurred the percentage loss of capital will also be amplified.
- Lenders will be entitled to be repaid from the revenue of the underlying Project in priority to the Fund, meaning that it is possible that a reduction in the value of the Project could result in the capital invested by the Fund in the Project being lost, or the Fund receiving no or reduced returns from the Project.
- Debt funding will generally be secured against the assets of the Projects. A default under the loan documents may lead to the financier exercising its security and selling the secured assets for a price lower than that which might otherwise have been achieved in normal circumstances.

- For a variety of reasons debt facilities may need to be renegotiated from time-to-time. If this occurs, then there is a risk the Project may not be able to renew the facility on the same or better terms, or at all.
- Adverse movements in interest rates could affect the profitability of the Project.

## DUE DILIGENCE RISK

In all investments, there exists 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 Manager.

## INSURANCE RISK

Various factors might influence the cost of maintaining insurance in relation to a Project, or the extent of cover available. Increased insurance costs, or limits on cover, can have a negative impact on the performance of the Fund. There are also some potential losses that cannot be insured at commercially reasonable rates, or at all, including force majeure events.

## FORCE MAJEURE RISK

There is a risk that force majeure events, such as natural phenomena and terrorist attacks, may affect a Project for which insurance is not available or for which the Fund does not have insurance cover. Should such an event occur, a loss will result which will have a negative impact on the income and capital value of the Fund. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected.

## ENVIRONMENTAL RISK

The valuation of a Project could be adversely affected by discovery of environmental contamination or the incorrect assessment of costs associated with an environmental contamination, as well as restrictions associated with flora and fauna conservation.

## DISASTER RISK

Disasters such as natural phenomena, acts of God and terrorist attacks may damage or destroy properties. This may result in delays being incurred in repairing properties, or may result in properties not being repairable at all. In addition, it may not be possible to insure a property against some of these events or to obtain insurance at commercially reasonable rates. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected by the Manager.

**It should be noted that the performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Trustee, the Manager, their directors or their associates. Property development investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Fund will not decrease in value and that Investors will not suffer losses.**

**We strongly recommend that Investors obtain independent financial advice before investing in the Fund.**

## 5. FEES AND COSTS

### 5.1 Management fee

The Manager is entitled to a fee equal to 2% per annum of the gross value of the Fund's assets. This fee accrues daily and is payable monthly in arrears out of the Fund's assets.

### 5.2 Establishment fee

The Trustee is entitled to an establishment fee of \$10,000 for its work establishing the Fund.

This fee is payable by the Manager following the establishment of the Fund. However, in the event the Manager does not pay this fee, then it will be deducted from the assets of the Fund.

### 5.3 Trustee fee

This fee is for trustee services in relation to the Fund and is paid to the Trustee. The fee is 0.05% per annum of the gross value of the Fund's assets (including the gross value of the assets of any sub entities, if relevant), subject to a minimum annual fee of \$50,000 with annual CPI increases.

This fee is calculated daily and will accrue and is payable to the Trustee monthly in arrears.

This fee is payable by the Manager. However, in the event the Manager does not pay this fee, then it will be deducted from the assets of the Fund.

### 5.4 Trustee removal fee

The Trustee is entitled to be paid a removal fee if –

- it is removed as trustee of the Fund within 4 years of the issue of the first Unit, other than for gross negligence in the management of the Fund or for a breach of a fiduciary duty to unitholders which causes them substantial loss, or
- it retires as trustee of the Fund within 4 years of the issue of the first Unit at the request of the Manager in accordance with the Investment Management Agreement.

The amount of the fee is the amount that the Trustee would have received if it had remained the trustee of the Fund for 4 years from the issue of the first Unit. It is determined based on the gross value of the assets of the Fund (including the gross value of the assets of any sub entities, if relevant) at the time that the Trustee is removed or retires at the request of the Manager in accordance with the Investment Management Agreement.

If this fee becomes due, then it will be payable by the Manager. However, in the event the Manager does not pay this fee, then it will be deducted from the assets of the Fund.

### 5.5 Operating costs and expenses

The Manager has agreed to pay all operating costs and expenses associated with the Fund. These expenses include, but are not limited to, the costs associated with the administration or distribution of income, the Administrator's fee, the Registrar's fee, fees to other service providers and other expenses properly incurred by the Trustee and the Manager in connection with performing their duties and obligations in the day-to-day operation of the Fund.

The Manager expects these operating costs and expenses will be 2 percent per annum of the gross value of the assets. However, during the initial start-up phase of the Fund, the expenses are likely to be higher.

If the Manager does not meet any of these costs or expenses, then they will be deducted from the assets of the Fund.

### 5.6 Goods and services tax

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST. The Trustee and the Manager are entitled to be paid an additional amount to cover the cost of GST.

### 5.7 Fee changes

The Constitution allows for higher fees to be charged than those detailed and specifies circumstances where additional fees may be charged. The Trustee will provide you with at least 30 days' written notice of any such fee imposition or increase.

### 5.8 Waiver, deferral or rebate of fees or expenses

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

## 6. TAXATION INFORMATION

Neither the Trustee nor the Manager provides tax advice, nor have they obtained taxation advice specific to the Offer. As such, this IM cannot address all of the taxation issues which may be relevant to you. Investors must take full and sole responsibility for their investment in a Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

## 7. ADDITIONAL INFORMATION

### 7.1 Important agreements

#### CONSTITUTION

The Constitution is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both the Trustee and unitholders (including Investors).

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an Investor you have the following rights:

- The right to share in any distributions.
- The right to attend and vote at meetings of unitholders.
- The right to participate in the proceeds of winding up of the Fund.

The Constitution contains provisions about convening and conducting meetings of unitholders.

A copy of the Constitution is available free of charge by calling the Trustee on (02) 8277 0000.

#### INVESTMENT MANAGEMENT AGREEMENT

The Investment Management Agreement is between the Trustee and the Manager under which the Manager agrees to provide investment management services to the Fund.

The Investment Management Agreement contains provisions dealing with matters such as the Manager's obligations to report to the Trustee and sets out the fees payable to the Manager for its services (summarised in section 5 of this IM).

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent.

The Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

## 7.2 Reporting

Our reporting will comprise the following:

- (a) An investment confirmation upon issuing Units.
- (b) A quarterly periodic performance update report at the discretion of the Trustee.
- (c) An annual income statement detailing any income and capital distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return which will be provided within 90 days of the end of each financial year.

Annual financial reports of the Fund will be made available if requested.

## 7.3 Related party transactions

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Constitution, ASIC policy and the law.

The Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Manager are negotiated at arm's length.

The Trustee may from time-to-time enter into transactions with related entities. All transactions will be effected at market rates or at no charge.

The Manager may from time-to-time enter into transactions with other companies in the PE Capital Group. All transactions will be effected at market rates or at no charge.

The Trustee has appointed the Administrator, an associated company, to provide fund accounting and taxation services to the Fund pursuant to an administration agreement under which the Administrator provides administration services for day-to-day operations of the Fund. These services include fund accounting, Unit pricing, reporting and preparation of statutory accounts. The Trustee has appointed the Registrar, a related party, for unit registry services in respect of the Fund. The Trustee has appointed these parties in consultation with, and with agreement from, the Manager.

## 7.4 Conflicts with entities in which the Fund invests

Officers, employees or consultants of the Manager may from time-to-time serve as directors of or control entities, Development Trusts or Projects in which the Fund directly or indirectly invests. Such persons may be required to make decisions in that capacity, which are in the best interests of the relevant entity. Decisions that may be in the best interests of that entity may not be in the best interests of the Fund or unitholders and vice versa. In those circumstances, a conflict of interest will exist between such person's duties to the Manager and such person's duties as a director of the relevant entity.

## 7.5 Co-investment

In certain instances, the Fund may invest in investments alongside financial, strategic or other co-investors (including, potentially, one or more of the Trustee's or Manager's affiliates). There is a risk that co-investors may have economic or business interests or objectives that are inconsistent with those of the Fund or may be in a position to take actions contrary to the Fund's investment objectives.

## 7.6 Privacy

In applying to invest, you are providing the Trustee and the Manager with certain personal details (your name, address etc). The Trustee uses this information to establish and manage that investment for you.

Under the Privacy Act 1988 (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

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

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) or in connection with the holding of Application Money. The Trustee may also use your information to provide you with details of future investment offers made by it or the Manager.

## 7.7 Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not issue you with Units unless satisfactory identification documents are provided.

## 7.8 Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, then you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the Australian Taxation Office.

In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number. We will only use such information for this purpose if we are required to do so.

## 7.9 Change of trustee

A change of trustee for the Fund requires unitholders to pass an extraordinary resolution to give effect to the replacement. An extraordinary resolution must be passed by at least 50% of the total votes that may be cast by unitholders entitled to vote (including unitholders who are not present in person or by proxy).

## 7.10 Ethical considerations, labour standards and environmental impact

Whilst the Manager and the Trustee intend to operate the Fund in an ethical and sound manner, the Fund's investment criteria do not include giving additional weight to labour standards, environmental, social or ethical considerations.

## 7.11 No cooling-off period

Investors should note that no cooling-off period will apply to applications.

## 7.12 Complaints handling

The Trustee has a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact the Trustee at:

Telephone: (02) 8277 0000

Email: [complaints@oneasset.com.au](mailto:complaints@oneasset.com.au)

Complaints Officer

One Investment Group

Post: PO Box R1471, Royal Exchange, NSW 1225

Complaints will be acknowledged as soon as possible and will be dealt with within 45 days.

## 7.13 Common Reporting Standard (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Trustee will be a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the Australian Taxation Office (ATO) or other foreign tax authorities as required. To facilitate these disclosures, Investors will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable)

The CRS regime will take effect on 1 July 2017, with the first exchange of information to occur in 2018.

## 8. GLOSSARY

Act	The <i>Corporations Act 2001</i> (Cth) for the time being in force together with the regulations.
Administrator	Unity Fund Services Pty Ltd ACN 146 747 122.
AFS licence	Australian financial services licence, as defined in the Act.
Application Form	The application form to invest in the Fund.
Application Money	The money paid by an applicant for Units.
ASIC	The Australian Securities and Investments Commission.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Constitution	The constitution of the Fund dated on or about 9 May 2017 as amended from time-to-time.

CPI	The consumer price index, as defined in the Constitution.
Development Trust	A unit trust controlled or operated by the PE Capital Group.
Fund	PE Capital P3 Fund.
GST	Goods and Services Tax as defined in <i>A New Tax System (Goods and Services Tax) Act 1999</i> , as amended.
Investment Management Agreement	The investment management agreement between the Trustee and the Manager, as amended from time-to-time.
Investor	A person who acquires Units pursuant to the Offer.
Manager	PE Capital Funds Management Ltd ACN 605 157 248.
Minimum Investment Term	In respect of each Investor, a period of 12 months from: <ol style="list-style-type: none"> <li>the date an Investor is initially issued Units in the Fund; and</li> <li>the date of each additional issue of Units to an Investor after the initial issue of Units to the Investor.</li> </ol>
Offer	The offer of Units under this IM.
OIG	One Investment Group.
IM	This information memorandum.
PE Capital Group	The PE Capital group of companies, which includes the Manager.
PE Capital P1 Fund	The PE Capital P1 Fund, an unregistered managed investment scheme which is also managed by the Manager.
PE Capital P2 Fund	The PE Capital P2 Fund, an unregistered managed investment scheme which is also managed by the Manager.
Project	A property development project in Australia undertaken by a Development Trust, in which the Fund has invested.
Qualifying Investors	A wholesale client as defined in section 761G(7) of the Act or a sophisticated investor as defined in section 761GA of the Act.
RPU	Redeemable preference units.
Registrar	One Registry Services Pty Limited ACN 141 757 360.
Trustee	One AR Pty Ltd ACN 602 601 776.
Unit	A fully paid ordinary unit in the Fund.

## 9. HOW TO INVEST

### 9.1 Before completing the Application Form you should read this IM carefully.

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

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

The Application Form is provided separately. Please contact the Registrar on (02) 8188 1510 or [info@oneregistryservices.com.au](mailto:info@oneregistryservices.com.au).

### 9.2 How to invest

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

Cheques should be either bank cheques or drawn on an account in the name of the applicant and made payable to "One AR Pty Ltd – Applications Account".

You are requested to provide your Tax File Number (TFN), Australian Business Number (ABN) or exemption code, and failure to quote an ABN or TFN will result in tax being withheld by the Trustee on distributions paid to the Investor at the highest marginal tax rate plus Medicare levy. It is not compulsory for you to quote your TFN or ABN.

The Trustee has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then the Trustee will notify you in writing and arrange for return of your Application Money to you. Interest will not be paid to applicants on Application Money. If your application to invest in the Fund is accepted, then interest earned on your Application Money will be retained by the Trustee. If your application to invest in the Fund is not accepted, then your Application Money will be returned to you (without interest).

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of the IM. A brief summary of the Constitution is included at section 7.1 of this IM.

### 9.3 Application Form instructions

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

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

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	My John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <J Smith Super Trust A/C>	John Smith Superannuation Trust

## 10. DIRECTORY

### TRUSTEE

One AR Pty Ltd  
ACN 602 601 776  
Level 11, 20 Hunter Street  
Sydney NSW 2000  
Telephone: (02) 8277 0000  
Website: [www.oneinvestment.com.au](http://www.oneinvestment.com.au)

### MANAGER

PE Capital Funds Management Ltd  
ACN 605 157 248  
Level 7, 2 Russell Street  
Melbourne VIC 3000  
Telephone: (03) 9081 0633  
Website: [www.pecapital.com.au](http://www.pecapital.com.au)

### ADMINISTRATOR

Unity Fund Services Pty Ltd  
ACN 146 747 122  
Level 8, 25 Bligh Street  
Sydney NSW 2000  
Telephone: (02) 8277 0070  
Website: [www.unityfundservices.com.au](http://www.unityfundservices.com.au)

### REGISTRAR

One Registry Services Pty Limited  
ACN 141 757 360  
Level 11, 20 Hunter Street  
Sydney NSW 2000  
Telephone: (02) 8188 1510  
Website: [www.oneregistryservices.com.au](http://www.oneregistryservices.com.au)  
Email: [info@oneregistryservices.com.au](mailto:info@oneregistryservices.com.au)

### LEGAL ADVISER

McMahon Clarke  
Level 13, 461 Bourke Street  
Melbourne VIC 3001  
Telephone: (03) 9909 1400  
[www.mcmahonclarke.com](http://www.mcmahonclarke.com)