

# Storehouse Residential Trust

ARSN 135 812 074

## Product Disclosure Statement

Issuer: One Managed Investment Funds Limited  
AFSL 297042 ABN 47 117 400 987  
Date of issue: 17 August 2017



# Important Information

Responsible Entity	Fund Manager
<b>One Managed Investment Funds Limited</b> <b>AFSL 297042 ABN 47 117 400 987</b> <b>Level 11, 20 Hunter St</b> <b>Sydney NSW 2000</b> <b>Tel (02) 8277 0000</b>	<b>Storehouse Pty Limited</b> <b>ABN 15 106 578 018</b> <b>Level 7, 91 Phillip Street</b> <b>Parramatta NSW 2150</b> <b>Tel (02) 8404 0455</b>

An investment made under this Product Disclosure Statement ('PDS') represents an investment in the Storehouse Residential Trust ARSN 135 812 074 (referred to as the 'Trust').

One Managed Investment Funds Limited ('OMIFL', 'us', 'we', 'our', or 'Responsible Entity') is the Responsible Entity for the Trust. The fund manager is Storehouse Pty Limited ABN 15 106 578 018 ('Storehouse' or 'Fund Manager').

Investments are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of OMIFL, Storehouse, any related company of either of them or any external service providers referred to in this PDS guarantees the repayment of capital, payment of income or the performance of the Trust.

The authorised custodian ('Custodian') does not make any representation or warranty as to, nor assumes any responsibility for, the accuracy or completeness of any information (including any opinion) contained in the PDS and does not accept any liability for its contents. The Custodian has not authorised or caused the issue of the PDS.

The date of this PDS is 17 August 2017. The Responsible Entity is the issuer of this PDS and takes responsibility for its contents.

The offer made in this PDS is available to persons receiving this PDS in Australia (electronically or otherwise). No offer or invitation is made by this PDS, directly or indirectly, in any other jurisdiction where the offer or invitation would breach the applicable laws or require the PDS or any other document to be lodged or registered. Information in this PDS is general information and does not take into account an investor's specific needs or circumstances. You should consult an Australian financial services licensee or authorised representative to obtain advice on an investment in the Trust.

A paper or electronic copy of the PDS is available from the registered office of the Responsible Entity or can be obtained from the Fund Manager, Storehouse Pty Limited ABN 15 106 578 018 by emailing [info@storehouseinvestments.com.au](mailto:info@storehouseinvestments.com.au) or by emailing us at [info@oneinvestment.com.au](mailto:info@oneinvestment.com.au). It can also be downloaded from our website at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse). Investors who obtain an electronic copy of the PDS are entitled to obtain a paper copy of the PDS free of charge. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the PDS.

Information relating to the Trust, such as investment performance, may change from time-to-time. A copy of updated information is available free of charge on request by contacting the Fund Manager, Storehouse Pty Limited ABN 15 106 578 018 on (02) 8404 0455 or at its website at <https://www.storehouseinvestments.com.au/residential-trust> or on the Responsible Entity's website at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse).

## Authorised use of PDS

The Responsible Entity has authorised this PDS for the use of investors who invest directly in the Trust, as well as for investors who invest indirectly through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('IDPS'). The operator of an IDPS is referred to in this PDS as the 'IDPS Operator' and the disclosure document for an IDPS is referred to as the 'IDPS Guide'. If you invest through an IDPS ('Indirect Investor'), your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. The Responsible Entity consents to the use of this PDS by IDPS Operators who include the Trust on their investment menus but accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS or to withdraw the PDS from circulation if required by the Responsible Entity.

Important Information	
Contents	2
Storehouse Residential Trust	3
Features at a Glance	4
Key Parties and Personnel	5
Our Investment Policies	8
Risks of Investing	11
Managing Risk	14
Fees and Other Costs	15
Investing in the Trust	24
How the Trust Operates	25
Taxation Information	26
Your Rights and Ours	28
Other Information	30
Glossary	34
Corporate Directory	37

# Storehouse Residential Trust

## Introduction

**Storehouse Residential Trust ARSN 135 812 074, the Trust, is a registered trust which is offering a diversified residential property based investment portfolio in Australia's major cities. The Trust is available for both retail and wholesale investors.**

The Trust is an investment product that aims to build wealth for investors through the capital growth and income derived from a residential property based portfolio. The portfolio will comprise a combination of residential properties occupied by tenants and which will be owned directly and indirectly by the Trust and a portfolio of Shared Equity Investments on residential properties occupied by Home Owners. The capital growth will be derived from both new and existing residential properties across diversified Australian cities. The underlying residential properties to which the Trust has exposure

through the portfolio of Shared Equity Investments will comprise stand-alone dwellings, townhouses, units and apartments. The Trust may invest funds not allocated to a specific property investment in listed property trusts, among other assets.

The Trust is designed to offer investors an easy way to enter this asset class without the usual burdens associated with owning and maintaining a specific property. As far as practical, investors enjoy the experience of investing in property with the Fund Manager managing all the behind the scenes issues of ownership.

The Trust gives investors access to an investment in a professionally managed residential property based investment portfolio for as little as \$5,000.



# Features at a Glance

Feature	Description	Where to Find More Information in this PDS
<b>Responsible Entity</b>	One Managed Investment Funds Limited	<b>Key Parties and Personnel</b> Page 5
<b>Fund Manager</b>	Storehouse Pty Limited  Storehouse Group had its origins in 1987 and has managed and advised on major property group and government projects in excess of \$20 billion across all property asset classes including office, retail, industrial, hotels and residential.	<b>Key Parties and Personnel</b> Page 5
<b>Investment Strategy</b>	The investment strategy of the Trust is to hold an investment portfolio based upon an exposure to residential properties, either directly or indirectly through other investments.  The investments will mainly be: <ul style="list-style-type: none"> <li>• Shared Equity Investments</li> <li>• Tenanted Residential Property.</li> </ul>	<b>Our Investment Policies</b> Page 8
<b>Income Distribution</b>	Usually half yearly as at 30 June and 31 December.	<b>How the Trust Operates</b> Page 25
<b>How distributions are paid</b>	Reinvested and/or paid to a financial institution nominated by you.	
<b>Transaction choices and minimum</b>		<b>Investing in the Trust</b> Page 24
Minimum initial Investment Minimum Additional Investment	\$5,000 \$1,000	
<b>Establishment fee</b>	\$110	<b>Fees and Other Costs</b> Page 15
<b>Contribution fee</b>	\$110 (for each additional investment after the initial investment).	
<b>Withdrawal fees</b>	Nil	
<b>Withdrawals</b>	Due to the nature of its investments, the Trust is highly illiquid. While the Trust is not Liquid, Unit holders are not able to withdraw their Units. Units may be transferred.	<b>Investing in the Trust</b> Page 24
<b>Management Costs</b>	Management Costs, including fees and other costs and expenses will be payable from the Trust Assets.	<b>Fees and Other Costs</b> Page 15
<b>Investment Risks</b>	Investors should be aware that there are risks in investing in the Trust and the having an exposure to property in their portfolios. Neither the Responsible Entity nor the Fund Manager gives any guarantee as to the outcome of an investment.	<b>Risks of Investing</b> Page 11
<b>Taxation</b>	The application of tax law depends on your individual circumstances. This PDS is provided as a general statement of disclosure and does not take into consideration your personal circumstances. You should therefore consult your financial adviser or tax accountant, as to the likely taxation implications of an investment.	<b>Taxation Information</b> Page 26

## Investment Advice

*The Responsible Entity does not provide any financial product advice, whether in the nature of personal advice or general advice, as to the suitability of an investment in the Trust. It therefore does not advise potential investors. Investors should seek their own independent investment advice before making an investment in the Trust.*



# Key Parties and Personnel

## Responsible Entity

One Managed Investment Funds Limited ABN 47 117 400 987, AFSL 297042 ('OMIFL' or 'Responsible Entity' or 'we', 'us', 'our') is the issuer of this PDS and of units in the Trust. OMIFL is part of the One Investment Group ('OIG'). OIG is an independent funds management business. OIG is responsible for a large number of funds investing in a wide range of underlying asset classes including infrastructure, real estate, equities, fixed income, private equity and fund of funds. As responsible entity of the Trust, our role is to ensure the operation of the Trust is in accordance with the Constitution and, where relevant, the Corporations Act.

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 each with over 20 years' relevant experience in areas including funds management, investment banking, capital markets, chartered accounting and compliance.

OIG's capabilities include:

- responsible entity services
- trustee services
- registry services
- fund administration and taxation services, and
- custody services.

## Fund Manager

Storehouse Pty Limited ABN 15 106 578 018 ('Storehouse' or 'Fund Manager') has been appointed as the manager of the Trust. Storehouse is part of the broader Storehouse Group, which provides new and effective ways to invest in a tried and true asset class that allows you to build your wealth in a manner intended while minimising risk. Its vision is to add value to the community. The Trust aims to deliver on that vision.

The Storehouse Group is well respected for a series of business activities which provide a comprehensive range of property and financial services to property owners, managers and investors as well as strategic and financial advice to clients, in both the private and public sectors.

Since the group was established in February 1987, the group has advised on and/or arranged transactions to a total value in excess of \$20 billion.

Clients of the group have included major corporations such as Lend Lease, Mayne Nickless, Woolworths and Fairfax, as well as the Commonwealth government and various State and Territory Governments.

The former responsible entity, which is part of the Storehouse Group, was formed and licensed in 1998 and acted as responsible entity for a series of unlisted property trusts with total assets under management in excess of \$150 million.

The Storehouse Group has managed over a 15-year period, wholesale transactions of \$300 million for organisations including the NSW Department of Health, Catholic Health, Fairfax and a public superannuation fund. The management of these funds includes functions such as ongoing debt and interest rate management, accounting and taxation administration.

**The key personnel of the Fund Manager are...**

# Key Parties and Personnel

## Continued

### Peter Delaney



Peter Delaney is a principal of the Storehouse Group of companies which was formed in 1987 and holds qualifications as an Actuary and Accountant.

Peter has over 30 years' experience in investing and financing property. Peter since 1998 has been a responsible

manager for managed investment schemes involving investments in property and related securities. Peter has also been the responsible manager for the management of wholesale funding and securities

schemes established to manage property and infrastructure projects of circa \$2 billion. Peter's experience includes residential property, commercial office, shopping centres, industrial property and hospitals.

Peter has provided extensive consultation to State and Federal Governments since the Storehouse Group's inception. Peter's experience includes being a member of the Commonwealth Property Committee reporting to the Minister of Finance; being strategic adviser to the Defence Department on its land holdings and property disposal strategy and to Defence Housing.

### Michael Scott



Michael Scott is the principal of The Treadstone Company Pty Ltd and has been a Director responsible for Property in the Storehouse Group of companies since 2006. Michael holds qualifications in applied science and urban estate planning.

Michael has over 30 years' experience in residential urban planning and development. Michael is Chairman of Home World and a Life Member of UDIA NSW Division and Life Member of UDIA National. Michael is the winner of the inaugural UDIA

Alan Vogan award for distinguished service to the development industry 2014 (Promoting Affordable Housing).

Michael and Treadstone are management consultants in real estate, property development and the construction industry to Private Sector Builders/Developers, Government Development Enterprises and Housing Agencies.

Michael's experience includes ongoing direct advice to Government on housing affordability.

Michael has been involved in various industry task forces and review groups since 2000 examining the issues of housing affordability and consumer credit implications.

# Key Parties and Personnel

## Continued

**In its role as Fund Manager of the Trust, Storehouse is responsible for the co-ordination and implementation of the investment strategy to locate residential properties for the Trust to acquire or to which it can obtain exposure.**

- Under the Investment Management Agreement between the Fund Manager and the Responsible Entity, the Fund Manager provides services to co-ordinate the appointment of relevant consultants in respect of the Assets such as real estate agents, valuers, quantity surveyors and structural engineers.
- Under the Diversity Housing joint venture formed between The Treadstone Company Pty Ltd ABN 75 063 262 706 ('Treadstone') and Storehouse, Storehouse appoints Treadstone as the residential property expert in relation to consulting and sourcing residential properties in the master planned communities. Treadstone is an adviser to major residential groups including Urban Growth NSW, Land Development Authority ACT and Lend Lease.
- The Fund Manager will implement the residential property based portfolio acquisition strategy of the Trust in accordance with the terms of the Investment Management Agreement.
- A fee is payable to the Fund Manager for its residential property based acquisition and management services and for the consulting services provided by the consultants appointed by the Fund Manager as part of the acquisition process.

The Fund Manager has the right to recommend and, if approved by the Responsible Entity, to arrange debt finance in relation to the acquisition of the Tenanted Residential Property investments by the Trust.

## Arranger

The Trust's investments if any, in Shared Equity Investments and Home Loans, are arranged and managed by Home Affordability Solutions Pty Limited ABN 49 611 323 169 ACL 486005 ('Arranger' or 'Home Affordability Solutions'). Home Affordability Solutions is a related

company to the Fund Manager through common directors and ultimate ownership. The Trust may invest in a portfolio of Shared Equity Investments and Home Loans but is not directly involved in issuing individual underlying shared equity or home loan arrangements with Home Owners, nor does it deal with individual Home Owners.

- Home Affordability Solutions will locate approved Home Owners for residential properties to which the Trust has exposure through the Shared Equity Investments and any Home Loans. Home Owners will be required to meet Prime Credit home lending criteria.
- Home Affordability Solutions will manage the Shared Equity Investments and any Home Loans and will co-ordinate payment of amounts arising from the exposure to the underlying residential properties to the Trust. It has the direct contractual relationship with the individual Home Owners, not the Trust. The Trust will have no day-to-day relationship with individual Home Owners.

## Custodian

We have appointed an authorised custodian ('Custodian') to hold the Trust's Assets. For the avoidance of doubt, we may change the appointed custodian from time-to-time, without notice to you.

The Custodian's role is to hold the Assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions. It has no supervisory role in relation to the operation of the Trust and has no liability or responsibility to a Unit holder for any act done or omission made in accordance with the custody agreement. Its role as custodian is limited to holding the assets of the Trust.

The Custodian does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by the Custodian.

To the maximum extent permitted by law, the Custodian expressly disclaims and takes no responsibility for any part of this PDS. It does not guarantee the repayment of capital or any particular rate of capital or income return.



# Our Investment Policies

## The Trust's Investment Objective

The Fund Manager considers that the Trust is a simple and readily accessible way of investing in the most established and well-known asset class in the nation - residential property. The Trust offers investors an easy way to invest in or get an exposure to this asset class, without the usual burdens and costs associated with an investor owning their own home or investment property.

The Trust provides the opportunity for investors to obtain returns from an exposure to a portfolio of residential property related assets with investments for as little as \$5,000. The Trust aims to build long-term wealth accumulation for investors through, and exposure to, the capital growth of a portfolio of direct and indirect investments in residential properties located within the greater metropolitan areas of Australian cities.

## The Trust's Investment Strategy

The investment strategy of the Trust is to hold an investment portfolio based upon an exposure to residential properties, either directly or indirectly through other investments.

The Trust's investment strategy is regularly reviewed by the Fund Manager. The Fund Manager retains experts in the residential property development and investment markets to formulate and refine the investment strategy of the Trust.

As at the date of this PDS the Trust's investment strategy is to allocate the Trust's assets among the following broad asset classes:

- Shared Equity Investments – with the anticipation that in time this will represent approximately two-thirds of the Trust's assets
- Tenanted Residential Property – with the anticipation that in time this will represent approximately one-third of the Trust's assets
- Other investments, including Home Loans, fixed interest securities, listed and unlisted property trust investments and cash and cash equivalents.

The relative holdings of these assets will change from time-to-time depending on the availability of the assets, investment performance of and yield from the individual asset classes and general market conditions, as well as the Trust's actual and anticipated cash needs and liquidity requirements.

## Shared Equity Investments

A Shared Equity Investment is an indirect investment in a residential property under which the Trust indirectly invests, together with a Home Owner who is acquiring the residential property, for a proportionate equitable investment in the residential property that entitles the Trust to receive back its investment, an income return and a share in any capital gain at the end of the investment term. The investment is arranged and managed by the Arranger. Before the Trust will invest in a Shared Equity Investment, the Home Owner and the residential property must meet the Prime Credit criteria including that there is a first mortgage held by a third party lender to secure the primary loan.

A Shared Equity Investment provides the Trust with the opportunity to participate in the capital growth of a residential property without having to purchase the actual residential property. If there is a capital gain, the Trust is entitled to the proportion of the capital gain equal to the percentage of total value of the real property that the Shared Equity Investment represents. However, if there is a capital loss, the Trust is only entitled to receive payment of the amount paid to acquire the Shared Equity Investment together with any unpaid income return on the investment.

Shared Equity Investments generate an annual income return payable to the Trust which, as at the date of this PDS, commences at 3.25% per annum of the Trust's investment for the first three years, of each investment, and then increasing annually with the applicable CPI. The income returns on new investments are reviewed as part of the regular investment strategy review, and are adjusted to reflect current market returns on rental properties.

The Fund Manager considers it prudent to have a minimum three year term to minimise the risk of a reduction in property values on refinancing or sale of the Underlying Property, and to protect all investment amounts and income returns to be received by the Trust by registering a second mortgage and/or caveat over the Underlying Property.

The terms of the underlying shared equity arrangement and second mortgage are set out in an agreement between the Home Owner and Home Affordability Solutions.

In light of the rights and nature of the Share Equity Investment, the Responsible Entity considers this investment to be equitable in nature.

# Our Investment Policies

## *Continued*

### Tenanted Residential Property

**The Trust will hold a portfolio of Tenanted Residential Properties, either directly or indirectly through special purpose vehicles established for the purpose of the acquisition of the Tenanted Residential Property.**

The Trust will invest directly or indirectly in residential homes, townhouses, units and apartments in the affordable sector of the property market, targeted in the price range of \$300,000 to \$1 million with capital growth potential.

- The residential properties will predominantly be new properties in master planned communities and established residential properties, particularly in the greater Sydney, Melbourne and Brisbane metropolitan areas, due to the ongoing shortage of supply of new housing stock in those markets, although over time the Trust's investment strategy is expected to expand to include tenanted real property invested across the metropolitan areas of other Australian capital cities.
- Where the Trust enters into house and land packages in master planned communities, the residential properties will be acquired at a fixed price building contract.
- Residential properties held directly or indirectly by the Trust will be tenanted and the Trust will receive net rental income derived from the tenants.
- The Trust will seek to obtain capital gains on the properties over a medium to long-term. Properties are expected to be held for 8 to 10 years, but the timing of any sale will be determined by market conditions.
- Licensed real estate agents selected and monitored by the Fund Manager will undertake the property management and location of tenants. The residential properties are to be maintained in good order.
- The Trust's investment strategy is to invest in newly constructed residential properties as a preferred investment option, which will result in lower maintenance costs for the Trust and provide the Trust with builder warranty insurance cover against building defects.
- The Fund Manager will consult with Treadstone to identify cost effective house and land packages in master planned communities as referred to on page 7.

### Other Investments

**The Trust holds other investments in order to provide the flexibility to acquire Shared Equity Investments and Tenanted Residential Properties as they come to market. In addition, funds are held to provide the Trust with running yield.**

The other investments include the following:

#### • Home Loans

An investment in a Home Loan may be arranged and managed by the Arranger on behalf of the Trust, which in light of the rights and nature of the Home Loan will entitle the Trust to an equitable interest in the underlying home loan.

Any Home Loan investments arranged and managed by the Arranger, a licensed credit provider, must meet Prime Credit home lending criteria and be made only to Home Owners who are primarily borrowing from a third party lender who holds a first registered mortgage, and where the value of the residential property that secures that mortgage meets the required loan-to-valuation ratio.

- The Fund Manager will seek to target an investment in Home Loans for the Trust's portfolio which are predominantly located in the preferred capital growth areas identified under the Trust's investment strategy.
- The Trust will receive principal and interest or interest only returns on the Home Loans in the portfolio, which is protected by a second mortgage and/or caveat over the Underlying Property.
- The portfolio of Home Loans will include exposure to traditional variable rate and fixed rate home loans, the terms of the underlying home loan and second mortgage are set out in an agreement between the Home Owner and Home Affordability Solutions.

*continued...*

# Our Investment Policies

## *Continued*

- **Property trusts**

The Fund Manager may from time-to-time recommend an investment by the Trust in listed and unlisted property trusts to provide the Trust with further exposure to real property. These investments will normally be held pending investment into Shared Equity Investments or Tenanted Residential Properties.

- **Cash and fixed interest**

Investments in cash and fixed interest securities provide the Trust with liquidity for day-to-day expenses and distributions.

- **Trust Liquidity**

Given the investment horizon of 8 to 10 years for most investments owned by the Trust, the Responsible Entity does not generally expect the Trust to be Liquid.

## Gearing

**The Constitution provides the Trust with power to borrow and incur debt. If the Trust does enter into borrowing arrangements, the terms will usually be that the financier will:**

- provide finance to the Trust on market terms and conditions, secured by mortgages over Tenanted Residential Properties held by the Trust; and
- receive regular principal and interest repayments from the Trust.

The Trust will keep its gearing ratio below 40%. That is, the Trust will maintain a level of borrowings below \$400 for every \$1,000 of Assets. The Trust will not enter into borrowing arrangements if doing so would result in the Trust's gearing ratio exceeding 40% of the Gross Asset Value of the Trust. The Responsible Entity may adopt a rolling three year interest rate hedging strategy on any debt finance in consultation with the Fund Manager.

Investors should be aware that where the Trust acquires an indirect investment in a residential property through a special purpose vehicle, that vehicle may borrow for the acquisition, or during the term of the holding, of that property. That borrowing will be treated as a borrowing of the Trust and be on terms that meet the gearing ratio set by the Responsible Entity and the Fund Manager for the Trust.

As at the date of this PDS, the Trust indirectly incurs borrowing or debt through a sub-trust which has borrowed to purchase a property that is being constructed. The borrowing of this sub-trust is taken into account when the Fund Manager monitors the Trust's compliance with its gearing policy.

## Trust Valuation Policies

**Valuations of real property will be undertaken in accordance with the Trust's valuation policy.**

An independent valuation by an appropriately qualified valuer will be conducted before the purchase of any Tenanted Residential Property. Home Affordability Solutions must also ensure that for any Shared Equity Investment or Home Loan the Underlying Property meets the loan-to-valuation ratio adopted by the Trust.

A valuation will also be undertaken within 2 months if we believe that there has been a material change in value post an independent valuation.

## Environmental and Ethical Considerations

Whilst we intend to conduct our affairs in an ethical and sound manner, our investment criteria do not take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment of the Trust.

# Risks of Investing

**All investing involves risk. It's the trade-off for return, as generally you only get higher expected return with higher risk.**

Over longer time periods, investors can generally expect share and property investments to generate higher returns than fixed interest or cash investments. The trade-off is that the volatility of those returns will also be higher. This means over a shorter time period, there is an increased risk that your investment could fall in value.

Investment risk can be managed and even minimised but it cannot be completely removed. It is important to understand that not all risks are foreseeable. There is always the chance that you may lose money on any investment you make.

Some common types of investment risks are outlined in the table below.

Risk	Details	Possible Consequences
<b>Market Risk</b>	Supply/Demand for property affects market value, and the sale price.	Capital growth may not occur or may be only a small percentage increase on the original Purchase Price of Property Investments so that the Trust may receive little or no capital gains on Underlying Properties, leading to a reduction or elimination of net realised capital gains distributed to Unit holders over a particular period.
	Sale price of the home is less than the aggregate amounts owing and secured by mortgage against the property including unpaid interest and costs.	The Trust may have to bear a capital loss leading to a decrease in the value of Units.
<b>Tenancy Risk</b>	The Tenanted Residential Properties might not be tenanted for some time.	Periods of tenant vacancy will reduce the rental income of the Trust, leading to a reduction of the Distributable Income (if any) of the Trust. To mitigate this risk, the Trust will seek to invest in low tenant vacancy areas.
<b>Insurance Coverage Risk</b>	Insurance may not cover certain events which may affect Property Investments in the portfolio.	If a Property Investment is affected by events that are not covered by insurance, this may mean that the Trust may require unbudgeted capital outlays from the Assets of the Trust to repair the damage to the property to protect or maintain subsequent rental income and/or capital gains.
<b>Investment Risk</b>	The Home Owner may attempt to borrow against entire property value including the Trust's equity portion.	This could adversely affect the ability of the Trust to recover its investment and may increase the risk of default and a forced sale of the Underlying Property. To mitigate this risk, the Trust will have the benefit of a second ranking mortgage and/or caveat over the Underlying Property.
<b>Gearing Risk</b>	The Trust may borrow to invest in more properties without being able to meet its borrowing obligations.	The Trust may not be able to meet its current and ongoing obligations if it is highly geared, which can lead to the Assets of the Trust being at risk. To mitigate this risk, the Trust's policy sets a maximum gearing ratio and a minimum Interest Cover Ratio on borrowings.
<b>Valuation Risk</b>	The valuation of the Underlying Properties may be defective or unable to be relied upon by the Trust.	This is only a risk to investors if the amount realised on realisation of the investment that was entered into following a valuation is insufficient to cover the capital and other amounts due to the Trust. The valuation policy for the Trust is that the valuation is from a valuer registered in the locality of the property who is independent and experienced, and as far as possible if the valuation is not obtained by the Trust it receives the benefit of the valuation. There is also a risk that even if a valuation is negligent or otherwise defective, liability may be denied by the valuer's insurer.

# Risks of Investing

## Continued

Risk	Details	Possible Consequences
<b>Construction and Development Risk</b>	Construction of new properties will not be completed on time or the construction costs may be higher than expected. Other risks include the developer being unable to complete the project at all or the developer or its contractors going into liquidation.	Delays and increased costs in construction contracts may result in the completed property value being less than the aggregate construction cost and land cost. The Trust will not lend to developers of properties. To mitigate this risk, the Trust will seek fixed price construction contracts and to reduce other risks, the Fund Manager will undertake extensive due diligence and/or take out appropriate insurance.
<b>Law and Government Policy/ Taxation Risk</b>	Changes in taxation treatment, monetary policy may adversely affect the Trust, the investors or the market generally.	Changes to Government policies can either promote or discourage investments. Whilst no entity has control over such policies, the Trust will continue to monitor such events and attempt to minimise any exposure to such changes by seeking expert advice.
<b>Economic Conditions/ Interest Rate Risk</b>	Inflation, unemployment, changes in interest rates and changes in consumer demand.	A decrease in consumer demand for property and an increase in interest rates may adversely affect the property market, leading to possible decrease in the value of the Assets of the Trust, and income from them. Adverse effects can also be experienced in the form of a stagnant period brought on by the effects of rising inflation and unemployment rates.
<b>National/Global factors</b>	Natural disasters, social upheaval, terrorism.	National and global crisis can discourage investments as consumers may not focus on wealth accumulation or increase their investments in this period. This will affect the Trust and can lead to a plateau in the income of the Trust.
<b>Illiquidity Risk</b>	There is no secondary market for Units. Redemption of your investment may not be possible.	Withdrawals from the Trust are permitted only if the Trust is Liquid when the request for withdrawal is received. Due to the nature of property investments, the Trust is a highly illiquid Trust and is not Liquid within the meaning of the Corporations Act. Lack of liquidity does not affect the ability to transfer Units. However there is no secondary market for Units and therefore Units cannot be transferred readily.
<b>Distributions Risk</b>	Distributions derived from capital gains are dependent on timing of the sales of assets.	It is expected that capital growth from a refinance or disposal of an Underlying Property will be realised from year 4 onwards. However, this is not and cannot be guaranteed. There may be other variable factors – both national and global – such as the Global Financial Crisis, which may reduce the capital growth or eliminate the anticipated capital growth of Underlying Properties, leading to a reduction of net realised capital gains distributed to Unit holders.
	Distributions derived from capital gains and running yield will be affected by the level and pace of investment in the Trust.	Any reduction of property investment or property disposal activity will lower the level of income and capital gain of the Trust and any distributions to Unit holders will be affected.
	Distributions derived from capital gains will also be affected by property values.	The lower the growth in value of properties in the Trust's portfolio, the lower the capital gain obtained on sale or refinance of the Underlying Property. A lower capital gain reduces the share of the capital gain that the Trust obtains from the portfolio, and leading to a reduction of net realised capital gains distributed to Unit holders.



# Risks of Investing

## Continued

Risk	Details	Possible Consequences
<b>Related Party Risk</b>	The risk of the Trust dealing with related parties not being on reasonable commercial terms.	The Responsible Entity has policies in place to deal with related party transactions.
<b>Service Provider Dependence Risk</b>	Heavy reliance on the Fund Manager and the Arranger to arrange and manage investments of the Trust.	<p>The Trust's success depends on the skill and acumen of the Fund Manager and the Arranger, as well as on the persons, including experts, that they engage to provide services to the Trust. The performance of Trust could be adversely affected if these service providers or their respective key personnel cease to be involved in the active management of or the provision of services to the Trust, or if there is a significant change in their businesses.</p> <p>The Fund Manager has agreed to cap certain expenses of the Trust and thereafter meet these from its own resources, as explained on page 20. Nevertheless, should the Fund Manager fail to do so for any reason, those expenses must be met from the Assets of the Trust and will decrease the value of the Units.</p>
<b>Operations Risk</b>	A breakdown in administrative procedures or operational controls may cause a disruption of day-to-day Trust operations.	<p>Operational risk relevant to the Trust includes system failures, the risk of errors, fraud or other criminal activity, and events that might disrupt the normal course of operating the Trust and may lead to delays, or at worst, failures in respect of functions that investors rely on. Such interruptions may arise internally through human error or technology and infrastructure failure or possible external events such as natural disasters or regulatory changes. This includes any such failures by OMIFL in its capacity as the Responsible Entity, the Fund Manager, the Arranger, and other service providers to the Trust, such as the Trust Administrator, the Registry and the Custodian and third parties. This includes the risk associated with reliance on the effective operation and security of a number of computing and systems processes.</p> <p>Whilst each party has procedures in place for such occurrences and manages administration risk by monitoring these procedures, operational risk cannot be mitigated entirely.</p>
<b>Structural Risk</b>	Investing into assets through a managed investment scheme may give outcomes different from those that flow from investing directly into those assets.	<p>Investing in a managed fund such as the Trust is not like investing directly in the Assets. A managed fund takes into consideration all applications and withdrawals made by all Unit holders, which can result in different income or capital gains outcomes when compared with investing directly.</p> <p>Therefore, income from the Trust may be different to that received from investing directly in the Assets including the taxation treatment, liquidity of the investment and control over the investment.</p>

## How you can reduce risk

**There are ways you can reduce your investment risk, including:**

- Obtain professional investment advice. A professional Financial Adviser will help ensure that the investment decisions you make are appropriate, bearing in mind your investment objectives, financial and personal situation, risk tolerance and level of investment experience.
- Diversify your investments across varying asset classes, markets and countries. This can help reduce the impact that events affecting one asset class, market or country will have on your overall investment.

## Compliance Plan

A Compliance Plan has been adopted in respect of the Trust that outlines the principles and procedures that we follow to ensure that we meet all the conditions stipulated in our AFSL, the provisions of the Corporations Act and the Constitution of the Trust. The Compliance Plan is designed to document compliance risks and the monitoring process to provide a basis for compliance and auditing. There is a compliance committee with the required number of external compliance members. The Compliance Plan has been lodged with ASIC and is independently audited.



# Fees and Other Costs

## Fees and Other Costs

### Consumer Advisory Warning

#### DID YOU KNOW?

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

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

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

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

#### TO FIND OUT MORE

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

The following table shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust assets as a whole. Taxes are set out on page 26.

You should read all of the information about fees and costs, because it is important to understand their impact on your investment. For Indirect Investors, the fees listed in the 'Fees and Other Costs' section of this PDS are in addition to any other fees and charges charged by your IDPS Operator.

# Fees and Other Costs

## Continued

### IMPORTANT NOTICE

- The Management Costs set out in the table headed Current Fees and Costs Table below have been prepared on the basis of the Management Costs that are anticipated to be charged and incurred by the Trust for the financial year from 1 July 2017 to 30 June 2018. This is because OMIFL was appointed as the responsible entity of the Trust effective as and from 29 June 2017 and thus during the currency of this PDS the Management Costs will be payable and charged to the Trust on a basis that is different from that which applied prior to 29 June 2017. The disclosure as to the fees and costs of the Trust for the previous financial year (1 July 2016 to 30 June 2017) are shown in the Table of Fees and Costs on page 22.
- In considering the information in the Current Fees and Costs Table and in the Additional Explanation of Fees and Costs commencing on page 19 you should appreciate that a number of the fees and expenses of the Trust are a fixed amount and these will reduce, as an expressed percentage of the Gross Asset Value (or GAV) of the Trust as GAV increases. For example, when the GAV is \$5 million, a fixed fee of \$10,000 is 0.20% of that GAV, but where the GAV increases to \$10 million, the same fee is reduced to 0.10% of that GAV.

### Current Fees and Costs

Type of Fee or Cost	Amount	How and When Paid
<b>Fees when money moves in or out of the Trust</b>		
<b>Establishing Fee</b> <i>The fee to open your investment</i>	\$110 <sup>[1]</sup>	Paid by the Trust out of your investment to the Responsible Entity at the time the Units are issued to you.
<b>Contribution Fee</b> <i>The fee on each amount contributed to your investment</i>	\$110 <sup>[1]</sup>	Paid by the Trust out of your investment to the Responsible Entity at the time the Units are issued to you.
<b>Withdrawal Fee</b> <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
<b>Exit Fee</b> <i>The fee to close your account</i>	Nil	Not applicable
<b>Management Costs <sup>[2]</sup></b>		
<b>The fees and costs for managing your Investment</b>	<b>4.161% p.a of GAV.</b>	Payable quarterly in arrears from the Trust's Assets.
<b>The Management Costs include:</b>		
<b>Management fee</b>	2.038% p.a. of GAV.  This is comprised of a: <ul style="list-style-type: none"> <li>Responsible Entity Management Fee of 1.379% p.a. of GAV</li> <li>a Fund Manager Management Fee of 0.634% p.a. of GAV</li> <li>a Tenant Fee of 0.025% p.a. of GAV</li> </ul>	Payable quarterly in arrears from the Trust's Assets.          The Tenant Fee is incurred on settlement of acquisition of each Property Investment.

# Fees and Other Costs

## Continued

<b>Costs and Expenses comprised of: [3]</b>		
Day to day operational expenses	1.50% p.a. of GAV	Payable quarterly in arrears from the Trust's Assets.
Custodian Fee	0.414% p.a. of GAV	Payable from the Trust's Assets when due.
Intellectual Property Licence Fee	0.209% p.a. of GAV	Payable quarterly in arrears from the Trust's Assets.
Indirect costs	Nil	
<b>Other Management Costs:</b>		
Abnormal expenses	Nil	Payable from the Trust's Assets when due.
<b>Service Fees [4]</b>		
Switching Fee The fee for changing investment options	Nil	Not applicable

### Notes:

1. The Establishment Fee and the Contribution Fee will be paid by the Responsible Entity to the Fund Manager, as agreed with by the Responsible Entity. No Contribution Fee is payable on the initial investment amount or the reinvestment of distributions from the Trust as additional Units rather than in cash.
2. The basis on which the percentages above are calculated is explained below in Additional Explanation of Fees and Costs. Except where indicated, all percentages are rounded up to 3 decimal points. All amounts are inclusive of GST less any applicable RITCs.
3. There are other Management Costs that may be charged during the currency of this PDS, that are not included in the Management Costs above. These are explained further below in Additional Explanation of Fees and Costs.
4. If you have a financial adviser, then you may also have to pay additional fees to your adviser. Details of those fees should be set out in the Statement of Advice given to you by your adviser.



# Fees and Other Costs

## Continued

### Example of Annual Fees and Costs

The table below gives an example of how the fees and costs for the Trust can affect your investment over a one year period. You should use this table for comparison with other managed investment products.

Type of Fee or Cost		Balance of \$50,000 investment with a contribution of \$5,000 during year
<b>Contribution Fees</b>	\$110	For an additional \$5,000 you put in, you will be charged \$110.
<b>PLUS Management Costs</b>	4.161% p.a.	And, for every \$50,000 you have in the Trust you will be charged \$2,080.50.
<b>EQUALS Cost of Trust</b>		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$2,190.50.</p> <p>What it costs you will depend on the fees you negotiate with the Trust or your financial adviser.</p>

#### Notes:

1. The full amount of the Contribution Fee of \$110.00 is borne by the investor, not by the Assets of the Trust.
2. The level of fees will vary with the GAV. See the notes on page 16. The Management Costs are based on the amounts in the Current Fees and Costs Table commencing on page 16 and assume that the GAV of the Trust is \$5 million.
3. Additional fees may apply, including any Investment Acquisition Fee. See the Additional Explanation of Fees and Costs on page 20. These are not included in the above numbers as they are dependent on an event, including the acquisition or sale of Property Investments, the timing of which cannot be pre-determined. This example also does not include the Indemnity Fee or the Performance Fees. The Indemnity Fee has been deferred for the current financial year and the Performance Fees will not be charged during the currency of this PDS.
4. This example assumes the \$5,000 contribution occurs at the end of the year and so Management Costs are calculated using the \$50,000 balance only which is an amount net of the Establishment Fee paid on investment of the initial investment.
5. All numbers shown are inclusive of GST less any applicable RITCs.

## Additional Explanation of Fees and Costs

### Management Costs

The Management Costs of the Trust as set out in the Current Fees and Costs Table on page 16 include:

- Management Fees – both of the Responsible Entity and the Fund Manager;
- Other Management Costs; and
- Indirect Costs.

### Management Fees

#### *Responsible Entity Management Fee*

The fee that is payable from the assets of the Trust to the Responsible Entity is 0.084% p.a. of the GAV (subject to a minimum fee of \$5,747.50 per month increasing annually by the greater of 3% p.a. or by CPI, commencing from 1 July 2018). On an annual basis, the minimum fee of \$68,970 will be payable until the GAV exceeds \$82.5 million. If the GAV is \$5 million, the Responsible Entity Management Fee will be 1.379% p.a. of the GAV. If the GAV is \$10 million, the Responsible Entity fee will be 0.69% p.a. of the GAV. For the Current Fees and Costs Table the GAV is assumed to be \$5 million.

#### *Fund Manager Management Fee*

The fee that is payable from the assets of the Trust to the Fund Manager is 0.634% p.a. of the GAV.

Once the GAV of the Trust is equal to or exceeds \$250 million the fee for the amounts above \$250 million will be 0.482% p.a. of the GAV.

The Management Fee (the aggregate of the Fund Manager Management Fee and the Responsible Entity Management Fee) is subject to the maximum set out in the Constitution (see page 21). This is 2.563% p.a. of the GAV (net GST) less any amount paid by way of the Intellectual Property Licence fee (see below).

### Tenant Fee

A Tenant Fee of \$125.40 p.a. for each Shared Equity Investment held by the Trust or tenanted property held directly or indirectly by the Trust is payable by the Trust to the Fund Manager. In the Current Fees and Costs Table it is assumed that \$1,254 will be payable from the assets of the Trust during the relevant period. On the further assumption of the GAV of the Trust being \$5 million, this will be 0.025% p.a. of the GAV. If the GAV of the Trust is \$10 million, the Tenant Fee will be 0.010% p.a. of the GAV.

### Indemnity Fee

The Fund Manager and the Responsible Entity may enter into a deed of indemnity in relation to a particular financial year in accordance with which the Fund Manager may be required to pay to the Trust certain moneys that had been incurred in the establishment and formation of the Trust and which are due and payable as at the end of a financial year ('Indemnified Moneys'). Where such a payment is made, the Fund Manager is entitled to receive a fee, being an amount equal to the difference in the Indemnified Moneys for the current financial year and those specified in the deed of indemnity for the previous financial year. The amount of the Indemnified Moneys for the current financial year is unable to be ascertained until some months after the end of the previous financial year and as at the date of the PDS cannot be determined. Accordingly no amount has been included in the fees payable to the Fund Manager in the Current Fees and Costs Table.

## Costs and Expenses

### Day-to-day expenses

We are entitled to be paid or reimbursed for the day-to-day expenses incurred in the operation of the Trust. These include accounting expenses, preparation of annual tax statements, audit fees for the Trust's financial reports, compliance plan audit fees, preparation and dispatch of annual financial statements and other investor communications, registry and fund administration expenses, Trust distribution and marketing expenses, document custody expenses, and some miscellaneous operational expenses. For the life of the PDS, the amount of the costs and expenses of the Trust that are paid from or reimbursed by the assets of the Trust, whether incurred by the Responsible Entity or the Fund Manager, is limited to \$75,000 p.a. or 0.209% p.a. of the GAV, whichever is the greater. In the Current Fees and Costs Table it is assumed that the full amount of \$75,000 will be paid from the assets of the Trust.

*continued...*

# Fees and Other Costs

## Continued

On the further assumption of the GAV of the Trust being \$5 million, this will be 1.50% p.a. of the GAV. If the GAV of the Trust is \$10 million, this would be 0.75% p.a. of the GAV. The day-to-day costs and expenses that may be charged to the Trust will be calculated on the basis of 0.209% p.a. of the GAV once the GAV of the Trust is or exceeds \$35.9 million.

It is important that investors understand that if the costs and expenses exceed \$75,000 p.a. (or 0.209% p.a. of the GAV, when that is greater than \$75,000) the Fund Manager must meet the excess amounts of costs and expenses from its own resources. If for any reason it is unable or fails to do so, then the excess amounts of costs and expenses must be met from the assets of the Trust.

### **Custodian Fee**

The Management Costs also include the Custodian Fee. The Custodian Fee is payable from the assets of the Trust to the Custodian and is the greater of 0.051% p.a. of the GAV or \$20,706.03 p.a., increasing by CPI annually commencing from 1 October 2016. In the Current Fees and Costs Table it is assumed that the full amount of \$20,706.03 will be paid from the assets of the Trust. On the further assumption of the GAV of the Trust being \$5 million, this will be 0.414% p.a. of the GAV. If the GAV of the Trust is \$10 million, this will be 0.21% p.a. of the GAV.

### **Intellectual Property Licence Fee**

The Intellectual Property Licence Fee is 0.209% p.a. of the GAV and is payable from assets of the Trust to the owner of the intellectual property under a licence to use the intellectual property including relevant documentation for Shared Equity Investments. The owner is a related party of the Fund Manager. The total amount of the Intellectual Property Licence Fee is capped at \$1.5 million unless the Responsible Entity agrees otherwise in writing.

### **Indirect Costs**

While Tenanted Residential Property may be acquired through a special purpose vehicle, or interposed entity, all fees and costs incurred at the special purpose vehicle level are accounted for in the Management Costs disclosed in the Current Fees and Costs Table.

### **Other Management Costs**

There are other Management Costs that may be incurred by the Trust but are not shown, for the reasons below, in the Current Fees and Costs Table.

### **Abnormal Expenses**

We are also entitled to be reimbursed from the assets of the Trust for abnormal expenses, such as the cost

of Unit holder meetings, defending legal proceedings, special valuation of assets and the costs of terminating the Trust. These abnormal expenses are not generally incurred during the day-to-day operation of the Trust and are not necessarily incurred in any year. If they arise, we reserve our right to deduct these abnormal expenses from the assets of the Trust except where otherwise specified in the PDS. Investors should note that abnormal expenses incurred in the course of the retirement of the previous responsible entity and the appointment of OMIFL in its stead, which took place during the course of the 2016-2017 financial year, have been included in the Management Costs disclosed in the Table of Fees and Costs on page 22. While it is anticipated that there may be some further costs and expenses incurred in connection with the change of responsible entity, the timing and amount cannot be determined at the date of this PDS and for the purposes of the Current Fees and Costs Table they are assumed to be nil.

### **Investment Acquisition Fee**

Upon the acquisition of each investment of the Trust, we are entitled to receive under the Constitution an Investment Acquisition Fee equal to 10.45% of the Purchase Price of each investment. This will be paid to the Fund Manager. The Investment Acquisition Fee has been limited to an investment in a Property Investment and reduced to a maximum of 2.299% of the funds invested by the Trust in the Property Investment. The Purchase Price is the price paid by the Responsible Entity to acquire the Property Investment and the Realisation Price, which is the capital amount that the Responsible Entity receives on the disposal or realisation of the Property Investment.

0.575% of the Purchase Price is paid upon the settlement of each Property Investment and is the initial component of the Investment Acquisition Fee ('Initial Investment Acquisition Fee'). Where the Purchase Price is paid in instalments, the Initial Investment Acquisition Fee is also paid in instalments at the same time and in the same proportion to the percentage of the instalment to the Purchase Price.

0.575% of the Realisation Price is payable on settlement of the disposal or realisation of a Property Investment and is the deferred component of the Investment Acquisition Fee ('Deferred Investment Acquisition Fee'), where the capital growth above the Purchase Price has exceeded 3%. If the capital growth above the Purchase Price is 3% or less, the Responsible Entity (and the Fund Manager to whom it is paid) waives the Deferred Investment Acquisition Fee.

# Fees and Other Costs

## Continued

If the capital growth above the Purchase Price is more than 3% and the amount of Deferred Investment Acquisition Fee when aggregated with the Initial Investment Acquisition Fee is greater than 2.299% of the funds invested by the Trust in the Property Investment, then the total Investment Acquisition Fee is capped at that 2.299% of the funds invested by the Trust.

### Performance Fee

The Constitution provides for a Performance Fee of 20.5% of the gain made by the Trust. The Performance Fee is payable to the Responsible Entity after member commitments have been paid. It is then paid to the Fund Manager. The Responsible Entity (and the Fund Manager) will not charge this fee during the currency of this PDS.

## IDPS investors

For Indirect Investors in IDPS, the fees listed in the 'Fees and Other Costs' section of this PDS are in addition to any other fees and charges by your IDPS Operator.

### Transaction Costs

The transaction costs of buying and selling real estate in Australia, compared with other asset classes, is high. These costs are generally incurred regardless of whether an individual or the Trust is making the transaction.

Transaction costs will differ depending on the type of assets bought or sold and will be paid out of the Trust's assets. We estimate that the Trust's transaction costs will be approximately 0.238% of the Net Asset Value of the Trust. For Tenanted Residential Property assets, these costs include real estate agents fees, buyer's agent fees, legal costs, stamp duty and other government charges. In the case of Shared Equity Investments they will include fees paid to Home Affordability Solutions. These costs are included in the total cost of an investment purchased or made by the Trust and are deducted from the proceeds of an investment sold or realised by the Trust. These costs therefore are not included in or covered by the Management Costs described in the Current Fees and Costs Table on page 16.

### Maximum Management Fees

In considering the information as to Management Costs including fees of the Trust, investors should note the following are the maximum that may be charged under the Constitution:

- **Management Fee:**  
2.563% p.a. (less the Intellectual Property Licence Fee)

- **Establishment Fee:**  
10.0%
- **Investment Acquisition Fee of Purchase Price of each investment:**  
10.45%
- **Performance Fee:**  
20.5%

### In addition:

1. The Management Fee may be taken quarterly in advance. However, we only charge this fee quarterly in arrears.
2. Note that the Management Fee described in the Current Fees and Costs Table on page 16 will only be charged up to the Maximum Management Fees specified above.
3. The Performance Fee on the gain in the Trust, as described in the Constitution, will not be charged for during the currency of the PDS.

### Waiver and deferral of fees and costs

We may waive part or all of any of the Management Costs described in this 'Fees and Other Costs' section of this PDS at our absolute discretion, or defer payment of fees and costs to which we are otherwise entitled. A waiver may operate for a period of time only, and we may cease the waiver in whole or in part at any time in our absolute discretion. We may defer the payment of any part of the Management Costs for such period and on such terms as we determine. The Management Costs become payable when the deferral ceases.

### Negotiated Management Costs

We may negotiate Management Costs individually with certain wholesale investors (as defined by the Corporations Act) including IDPS Operators, and only in accordance with the legislative instrument (ASIC Corporations (Registered Schemes—Differential Fees) Instrument 2017/40) relating to differential fees.

### Changes to Management Costs

Fees and costs can change for a variety of reasons including changes in the economic, regulatory and competitive environment.

You will be given at least 30 days' written notice if, within the limits imposed by the Constitution, the fees payable by the Trust are to increase. The Responsible Entity reserves the right to waive or reduce any of the Management Costs described in this PDS without prior notice.

As noted above, the Responsible Entity may charge, but has currently waived, certain fees and costs. It is not the current intention of the Responsible Entity to cease this waiver during the currency of this PDS.

In addition, a number of the Management Costs are subject to change as indicated above.

# Fees and Other Costs

## Continued

### Adviser Service Fee

If you have a financial adviser, a service charge may be separately negotiated with your financial adviser and deducted from your investment monies before they are invested to buy Units. This payment is separate from the costs referred to on page 17. Details of any service charge should be set out in the Statement of Advice given to you by your financial adviser.

### Tax

Information on tax can be found on page 26.

### Table of Fees and Costs (for the period 1 July 2016 to 30 June 2017)

Type of Fee or Cost	Amount	How and When Paid
<b>Fees when money moves in or out of the Trust</b>		
<b>Establishing Fee</b> <i>The fee to open your investment</i>	\$110 <sup>[1]</sup>	Paid out of the Trust to the Responsible Entity at the time the Units are issued to you.
<b>Contribution Fee</b> <i>The fee on each amount contributed to your investment</i>	\$110 <sup>[1]</sup>	Paid out of the Trust to the Responsible Entity at the time the Units are issued to you.
<b>Withdrawal Fee</b> <i>The fee on each amount you take out of your investment</i>	Nil	Not applicable
<b>Exit Fee</b> <i>The fee to close your account</i>	Nil	Not applicable
<b>Management Costs <sup>[3]</sup></b>		
<b>The fees and costs for managing your investment</b>	<b>9.41% p.a. of GAV.</b>	Payable quarterly in arrears from the Trust's Assets.
<b>The fees and costs for managing your Investment include:</b>		
<b>Management fee</b>	3.66% p.a. of GAV	Payable quarterly in arrears from the Trust's Assets.



# Fees and Other Costs

## Continued

<b>Costs and Expenses comprised of: [3]</b>		
<b>Day to day operational expenses</b>	3.83% p.a. of GAV	Payable quarterly in arrears from the Trust's Assets.
<b>Custody Expenses</b>	0.86% p.a. of GAV	Payable from the Trust Assets when due.
<b>Investment Acquisition Fee</b>	0.23% of GAV [4]	Payable from the Trust when the investment is acquired.
<b>Abnormal expenses</b>	0.84% p.a. of GAV	Payable from the Trust Assets when due.
<b>Indirect costs</b>	Nil	
<b>Service Fees [5]</b>		
<b>Switching Fee</b> The fee for changing investment options	Nil	Not applicable

1. No Contribution Fee is payable on the initial investment amount or the reinvestment of distributions from the Trust as additional Units rather than in cash.
2. This was not charged during the relevant period.
3. All numbers shown are inclusive of GST less applicable RITCs.
4. This fee shows the initial component of the Investment Acquisition Fee.
5. A service charge may be separately negotiated with your financial adviser and deducted from your investment at your request upon investment. These payments are separate from the Management Costs referred to in this PDS.

## Initial investment

Before you apply for Units, you should read this PDS in its entirety to consider whether this investment is suitable for you. This PDS contains general financial product advice only. It has not been personalised for any individual investor. Accordingly, nothing in this PDS should be construed as a recommendation by the Responsible Entity, the Fund Manager or any other person, regarding an investment in Units.

In particular, when considering whether to invest in Units, you should consider the risk factors that could affect the financial performance of the Trust. These factors should be considered in light of your particular investment needs, objectives and circumstances (including financial and taxation issues). Some of the risk factors that should be considered are set out in the section on Risks of Investing of this PDS and should also be referred to before making an application.

In addition, you should consider seeking professional advice from your accountant, stockbroker or other professional adviser before deciding whether to invest in Units.

The minimum initial investment is \$5,000. Any subsequent investments (other than by way of a reinvestment of a distribution) must be a minimum of \$1,000.

## Withdrawing

The Trust is an illiquid investment. Unit holders should expect to withdraw their investment in the Trust only in the circumstances set out in this section.

A Unit holder has no right while the Trust is not Liquid to request redemption of Units.

While the Trust is not Liquid a withdrawal from the Trust is permitted only in accordance with the requirements of the Corporations Act, that is, when the Responsible Entity makes a withdrawal offer to all investors on a pro-rata basis. On the recommendation of and in consultation with the Fund Manager, the Responsible Entity may look to making periodically a withdrawal offer during the term of the Trust, for instance when Underlying Properties or other assets are sold. There is absolutely no guarantee that any such offer will be made.

If the Trust were ever to be Liquid, Unit holders may request that some or all of their Units be withdrawn. Units may be withdrawn where we determine in our absolute discretion, the offer to be made to a Unit holder in these circumstances. Units will be withdrawn at the Unit Price last determined immediately before the withdrawal of the Units.

We will assess each written withdrawal request and will consider the liquidity of the Trust before such requests are processed.

We cannot guarantee, or guarantee the timing, of the withdrawals. We have absolute discretion to deny, fully or partially redeem, or to match withdrawals with other buyers of Units.

The Trust may become or anticipated to become Liquid and that withdrawals may be made available when an Underlying Property or other asset owned by the Trust is sold. We will provide Unit holders with at least 60 days' notice if this occurs. The total withdrawal amount may be pro-rated in accordance with all withdrawal requests received.

## Transfer of Units

Investors may transfer their Units in accordance with the Constitution. This may be done at any time, irrespective of whether the Trust is Liquid or not Liquid. Transfers will not be effective until registered by us. We will make every effort to try and match the Unit holders wishing to withdraw with those that are wishing to buy Units.

## Indirect Investors

Indirect Investors, being those who invest through an IDPS which are also known as platforms or wraps may rely on the information in this PDS to give a direction to the operator of the IDPS to invest in the Trust on their behalf. If the Responsible Entity enters into arrangements with IDPS Operators, the Responsible Entity agrees to provide notice to the operators of the IDPS promptly of any supplementary or replacement PDS that is issued under the Corporations Act.

Importantly, investors who invest in the Trust through an IDPS do not become Unit holders of the Trust. In those instances, the Unit holder of the Trust is the operator of the IDPS. Any rights of a Unit holder set out in this PDS may only be exercised by the operator of the IDPS on behalf of the investor for whom they have acquired the Units.

Indirect Investors should read this PDS in conjunction with the IDPS Guide issued by their IDPS Operator for details of your rights and liabilities in relation to your investment through an IDPS. For applications or withdrawals from an IDPS, Indirect Investors should complete the relevant documents for their IDPS or IDPS-like scheme and provide these documents directly to their IDPS Operator. Indirect Investors may receive reports concerning the Trust from their IDPS Operator. Enquiries should be directed to the IDPS Operator.

# How the Trust Operates

## Unit Prices

The Unit Price will be determined as at the last calendar day of each month by determining the Net Asset Value and for the Issue Price, plus, and for the Withdrawal Price less, any Transaction Costs that would be incurred and dividing that amount by the number of Units then on issue.

Unit Prices and thus the amounts payable on application may fluctuate over time, reflecting the value of the underlying assets of the Trust.

The purpose of adding or deducting the Transaction Costs is to allocate the costs of buying and selling assets fairly across Unit holders, whether they are joining, leaving or remaining in the Trust. The amount representing the Transaction Costs is retained by the Trust when Units are issued or redeemed in the Trust. It is not a fee payable to the Responsible Entity, the Fund Manager, Home Affordability Solutions or any other person.

As at the date of this PDS the Responsible Entity has not added or deducted the Transaction Costs. However, it may do so in the future and if so, it will give not less than 30 days' notice of its intention to do so. This notice will be made available on the website of the Responsible Entity at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse).

The Responsible Entity may exercise certain discretions in determining the price of Units on application and withdrawal in the Trust. The unit pricing policy, which can be obtained by contacting the Responsible Entity on (02) 8277 0000, sets out the types of discretions that it may exercise and in what circumstances, the policies on how the Responsible Entity exercises the discretions and the reasons why it considers the policies are reasonable. Current Unit Prices and those for the last year will be displayed on the Fund Manager's website at [www.storehouseinvestments.com.au/residential-trust](http://www.storehouseinvestments.com.au/residential-trust) and the Responsible Entity's website at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse). Older prices can be obtained by contacting the Fund Manager.

## Distributions

It is intended that distributions will be made on a half yearly basis, as at each 30 June and 31 December, out of the Distributable Income of the Trust and may include both capital and income. The capital distributions may

be realised capital gains or capital from the realisation of assets. Income may comprise all or some of rental income from Tenanted Residential Properties, interest from Home Loans, distributions from property trusts, and interest from cash balances held.

Interim distributions or capital or income may also be made at other times determined by the Responsible Entity in consultation with the Fund Manager.

Neither the Responsible Entity nor the Fund Manager guarantees a distribution in any period.

Indirect Investors should review their IDPS Guide for information on how and when they receive any distribution from the IDPS.

## Reinvestment of Distributions

You have the option to reinvest any distributions that you may be entitled to when you apply to the Trust. The Units will be issued on the next calendar day at the Issue Price (ex-distribution) determined on the last day of the relevant distribution period. For a half yearly distribution this will be as at 30 June or 31 December as applicable. No Contribution fee is payable on reinvestment of distributions.

If you did not opt to reinvest any distributions when you initially applied for Units, you can write to us at a later time and request that we reinvest any future distributions received for the Units you hold.

## Keeping you informed

To keep you up-to-date with your investments, we will provide you with confirmation of your investment and any withdrawals. We will also send you periodic reports – showing distributions, additional investments, withdrawals and changes in the value of your investment in the Trust since the last statement.

You will also be provided with an annual tax statement which will detail any income paid to you in the financial year, which should assist you in completing your annual tax returns. The annual tax statement will also show the distributions that have been reinvested in the Trust for additional Units.

The following tax information is of a general nature and should not be considered as taxation advice as it is not tailored for any specific individual and does not take into account the specific circumstances of each individual investor.

It is recommended that each individual seek independent tax advice before making any investment decision to fully understand how this investment may affect them. As the Australian taxation system is complex and each individual's circumstance is different, we recommend that all investors seek professional taxation advice before investing in the Trust.

Any general taxation information is provided assuming that:

- The investor is an Australian resident for income tax purposes and not under any legal disability;
- The investor will hold Units on capital account for Australian income tax purposes; and
- The investor does not acquire Units in the Trust in the course of carrying on a business of investing in financial instruments and therefore, does not hold the Units as trading stock or on revenue account for income tax purposes.

## Tax position of the Trust

All taxable income of the Trust, including net capital gains, is distributed to Unit holders each year. This means that under existing Australian tax law, provided that a registered managed investment scheme distributes sufficient income (which may include net realised gains) to Unit holders, the scheme will not pay tax on behalf of members. Rather, members will be assessed for tax on the income and capital gains generated by the scheme.

## Tax on distributions

Your share of Trust distributions for a financial year is part of your assessable income for the year and will be subject to tax at your marginal tax rate. This is the case whether or not your distribution is reinvested or if you receive the distribution in the following financial year. Distributions can be made up of income, net capital gains and capital.

## Tax on withdrawals

Partial or full withdrawals from the Trust, including the withdrawal of Units to meet adviser service fees, transfer and redemption of units are treated as a disposal for tax purposes and you may be subject to capital gains tax ('CGT').

If you are an individual and you hold an investment in the Trust for more than 12 months, you may be entitled to reduce your CGT liability by 50%; other tax payers (for example, complying superfunds), may be entitled to a 33 1/3% CGT concession.

A capital loss of a Unit holder may be used to offset capital gains of the Unit holder. The receipt of tax free or tax deferred distributions (such as returns of capital) may not need to be included in your tax return but will generally reduce the cost base of your investment upon withdrawal for capital gains purposes.

## AMIT

A new regime for the taxation of managed investment trusts that qualify as an 'Attribution Managed Investment Trust' ('AMIT Rules') has recently become law. The Responsible Entity is endeavouring to structure the Trust so that it is eligible to apply the AMIT Rules. If the Trust is eligible to apply the AMIT Rules, the Responsible Entity intends to make an irrevocable AMIT election. Where an election is made, some of the key consequences of the AMIT Rules include (but are not limited to):

- the allocation of taxable income to investors based on 'attribution' rather than present entitlement to the income of the Trust. The amount attributed to investors will be advised in an AMIT Member Annual Statement ('AMMA Statement'). The AMMA Statement will set out the amount attributed to investors and other relevant tax information;
- the ability to carry forward 'unders' and 'overs' distributions of income to future income years, rather than requiring amendment to the tax calculation of the income year to which they relate;
- CGT cost base reduction in an investor's Units where the taxable income attributed to an investor is less than the cash distribution for an income year;

- CGT cost base increase in an investor's Units where the taxable income attributed to an investor is greater than the cash distribution for an income year;
- the Trust will be deemed to be a 'fixed trust' for tax law purposes; and
- foreign investors who invest into an AMIT are eligible for a 15% withholding tax rate of taxable distributions provided the investor is located in an Exchange of Information Country (for example, Singapore).

The acquisition, redemption and transfer of Units in the Trust should not be subject to GST. Distributions made by the Trust should also not give rise to any GST consequences.

Investors are advised to seek their own professional advice in relation to individual financial and taxation matters relating to an investment in the Trust.

## Goods and Services Tax

The application and withdrawal of Units in the Trust is not subject to GST. There is no GST applicable to any distributions that you receive on your investment. Any fees and costs indicated, relating to the Trust are inclusive of GST less any available reduced input tax credits ('RITCs').

## Tax File Number (TFN)

You are not required to quote your Tax File Number ('TFN') or, if you have one, your Australian Business Number ('ABN'). However, if you are an Australian resident for taxation purposes and you choose not to quote your TFN or ABN or an exemption is not claimed, we are required to withhold tax at the highest marginal rate plus Medicare levy from Trust distributions.

## Social Security

An investment in the Trust may affect your entitlement to a pension or other social security benefit. We suggest you seek advice from Centrelink or your financial adviser.



# Your Rights and Ours

## Constitution

The Trust is constituted as a managed investment scheme by a Constitution dated 25 March 2009, as amended. The Constitution, together with the Corporations Act, determines our relationship with Unit holders. They set out the legal rights, duties and obligations of the Responsible Entity and the Unit holders and include:

- The rights, interests and liabilities of Unit holders
- The duties and obligations of the Responsible Entity
- Investment, valuation and borrowing powers
- Fees and recoverable expenses
- Unit issue and withdrawal procedures
- Convening and conduct of Unit holder meetings
- The duration and termination of the Trust
- Rights to Trust distributions.

We may vary the Constitution if we reasonably believe the variation does not adversely affect Unit holders' rights. Otherwise, the variation must be approved by 75% of votes cast by Unit holders entitled to vote on the resolution.

The Constitution allows for more than one class of Units to be offered to Unit holders. There is currently only one class of Units on issue.

This PDS contains only a summary of some of these provisions and should, in this respect, be seen only as a guide. The Constitution is lodged with ASIC and can be inspected at the business office of the Responsible Entity during business hours or we will send you a copy free of charge upon request.

## Cooling off period

Whilst the Trust is illiquid the cooling off period does not apply. If the Trust is Liquid, a cooling off period applies so that we will return your money to you and no fees will apply (but the refund may be adjusted to reflect any change in Unit Prices, positively or negatively, and there may be some tax or duties payable) if you cancel your investment in writing. The 14-day cooling off period

commences on the earlier of you receiving confirmation that your investment has been accepted or five Business Days after the day on which Units were issued to you. Cooling off does not apply to amounts under the distribution reinvestment plan. Nor do they apply to investors who are wholesale investors.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply. Cooling off rights may not apply if you are an Indirect Investor. The terms and conditions of the IDPS Guide will govern your investment in the Trust.

## Rights attaching to Units

The following identical rights attach to all Units in the Trust, including the right:

- to receive any income distributions from the Trust in the proportion that the number of Units of the Unit holder registered when the register closes for purposes of that distribution, bears to the total number of Units on issue;
- to receive any capital distributions from the Trust in the proportion that the number of Units of the Unit holder registered when the register closes for purposes of that distribution, bears to the total number of Units on issue;
- after termination of the Trust, to receive distribution of the net proceeds of realisation of Assets in proportion to the Units held by the Unit holder;
- to transfer Units to another person in accordance with the Constitution;
- on death, to pass to a surviving joint holder, or otherwise to the Unit holder's estate;
- to a limitation of liability to the amount of the price payable on purchase of the Units (however, the effectiveness of this limitation has not been tested before superior courts);
- to call a meeting of Unit holders in accordance with the law; and
- to obtain access within 90 days after the end of each financial year from the Responsible Entity to an annual statement of the Trust's accounts with the auditor's report.

### Right to change terms and conditions

We reserve the right to change the terms and conditions set out in this PDS by giving not less than 30 days written notice to Unit holders in the Trust.

### The Life of the Trust and Termination

The Trust has a life of 80 years after its commencement on 1 August 2012 unless:

- it is terminated earlier under the Constitution or by law including by us when permitted to do so; or
- before the end of the term, the Unit holders vote by special resolution to amend the Constitution to extend the life of the Trust.

On termination, the Trust will be wound up in an orderly fashion and the net proceeds distributed to Unit holders in proportion to the Units held by them under the terms of the Constitution.

### Rights of the Responsible Entity

We may rely on the advice of barristers or solicitors and information supplied by bankers, accountants, valuers and other experts.

We are not liable to any Unit holder for making tax or similar payments. We may accept or decline all or part of an application without giving any reason. We are entitled to be indemnified out of the property of the Trust for any liability incurred by us in properly performing any of our duties or exercising any of our powers concerning the Trust or attempting to do so. We are not liable to Unit holders in the Trust to any greater extent than the assets held in the Trust except to the extent of any negligence, default, breach of trust or duty of the Responsible Entity.

### Replacement of Responsible Entity

The Responsible Entity may retire effective on appointment of a new responsible entity. Any retirement and appointment of the replacement responsible entity must be in accordance with the Corporations Act and the Constitution.

### Related party contracts and conflict of interests

In its position, as responsible entity and trustee of the Trust, the Responsible Entity may from time-to-time face

conflicts between its duties to the Trust as trustee and responsible entity, its duties to other funds that it manages and its own interests. The Responsible Entity will manage any conflicts in accordance with the Corporations Act, the Constitution, ASIC policy, its conflicts of interest policy, and the law.

Neither the Fund Manager nor any other member of the Storehouse Group is a related party of the Responsible Entity. The contractual arrangements between it and Fund Manager are negotiated at arm's length between parties.

The Responsible Entity has appointed an associated company, Unity Fund Services Pty Ltd ABN 16 146 747 122, for fund accounting services and has also appointed a related party, One Registry Services Pty Limited ABN 69 141 757 360, for registry services in respect of the Trust. Each appointment of these related parties has been in consultation with, and with agreement from, the Fund Manager. Each agreement continues until terminated by either party.

The Responsible Entity may from time-to-time enter into other transactions with other related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

The Responsible Entity and the Fund Manager have policies on proposed or potential related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. Copies of the Responsible Entity's policy on related party transactions are available by contacting it on (02) 8277 0000. Members of the Storehouse Group (and their directors and associated parties) may invest from time-to-time in the Trust on the same basis as other Unit holders. In carrying out its management duties and obligations to the Trust, the Fund Manager may use the services provided by companies related to it on arm's length terms, such as Home Affordability Solutions.

Home Affordability Solutions will be entitled to remuneration at normal commercial rates for its services in arranging and managing the Shared Equity Investments and any Home Loans, and coordinating payments of amounts arising from the exposure to the underlying residential properties to the Trust.

# Other Information

## Trust accounts

The Responsible Entity is responsible for maintaining the accounts of the Trust in accordance with the Corporations Act. The annual financial report of the Trust is audited and available free of charge by calling the Responsible Entity on (02) 8277 0000 or the Fund Manager on (02) 8404 0455. Further contact details for each are in the Corporate Directory.

The Trust auditor audits the Trust and reports on the accounts and other matters as required by the Corporations Act.

## Continuous Disclosure and Updated information

Information about the Trust, such as the Trust performance, is subject to change from time-to-time. You can obtain a copy of this information free on request by contacting the Fund Manager on (02) 8404 0455 or at its website at [www.storehouseinvestments.com.au/residential-trust](http://www.storehouseinvestments.com.au/residential-trust) and the Responsible Entity's website at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse).

The above information may at our discretion be provided to you by email or through other electronic means except as required by law. Your financial adviser may ask us to provide them with information about your investment and may also view your account details on line where available. It is our policy to supply this information unless you have instructed us in writing not to do so.

You can obtain a copy free of charge of the annual financial report most recently lodged with ASIC for the Trust.

**As at the date of this PDS, the Trust is not a disclosing entity. If the Trust has 100 or more Unit holders it becomes a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations. The Responsible Entity will follow ASIC's good practice guidance in satisfying its continuous disclosure obligations via website notices. Full year and half-year financial statements and other information and continuous disclosure notices for the Trust will be available, free of charge, by going to [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse) or by calling (02) 8277 0000 during business hours. Copies of the annual financial reports issued before the date of this PDS are available, free of charge, from the Fund Manager by calling (02) 8404 0455.**

Copies of documents lodged with the ASIC for the Fund may be obtained from, or inspected at, an ASIC office.

Any information regarded as a material change to, or having a material impact on, a matter referred to in this PDS will be notified to Unit holders and the PDS updated as required by the Corporations Act.

If you are an Indirect Investor, contact your IDPS Operator.

## Complaints resolution

**If you have a complaint about any aspect of your investment, please call us on (02) 8277 0000, send us an email at [complaints@oneasset.com.au](mailto:complaints@oneasset.com.au) or write to:**

**One Managed Investment Funds Limited**  
PO Box R1471  
Royal Exchange NSW 1225

We will attempt to resolve your complaint. If your complaint is not dealt with by us within 45 days or you are unsatisfied with our determination, then you may have the right to complain to:

### Financial Ombudsman Service Australia

**Phone** 1800 367 287  
**Fax** (03) 9613 6399  
**Post** GPO Box 3, Melbourne VIC 3001  
**Email** [info@fos.org.au](mailto:info@fos.org.au)  
**Web** [www.fos.org.au](http://www.fos.org.au)

If you are an Indirect Investor, then enquiries and complaints should be directed to the operator of the IDPS.

## Privacy

### Customer information

The Responsible Entity and members of the Storehouse Group are committed to protecting the privacy of the investors. They are bound by the Privacy Act 1998 (Cth) as amended from time-to-time ('Privacy Act') and the principles and procedures to be adopted under that legislation. The Privacy Act regulates, among other things, the collection, storage and security, quality, management, correction, use and disclosure of and access to personal information. By applying to invest in the Trust, the applicant consents to personal information being used by them for the purposes for which it was provided and for other purposes permitted under the Privacy Act.

The Application Form accompanying this PDS requires investors to provide personal information. The Responsible Entity, and any service providers to the Responsible Entity or to the Trust may collect, hold and use your personal information in order to assess your application, service your needs as a Unit holder, provide facilities and services to you, to the Responsible Entity and to the Trust and for other purposes permitted under the Privacy Act and other legislation, such as the anti-money laundering and counter terrorism financing ('AML/CTF') laws.

Taxation (both Australian and International), AML/CTF and other laws also require some of the information to be collected in connection with your application. If you do not provide the information requested or provide us with incomplete or inaccurate information, the Responsible Entity may not be able to process your application efficiently, or at all.

The Responsible Entity may disclose your information (or parts of it) to government agencies who may lawfully request it, but only when it is required by law to do so. Information may also be disclosed to external parties on your behalf, such as your financial adviser (if the adviser's name appears on the Application Form), unless you have instructed us in writing to do otherwise. The Responsible Entity may also disclose your personal information to its service providers (Custodian, Registry, Trust Administrator, calling houses, lawyers and others) to enable the printing, distribution and administration of documents relevant to your investment.

Your personal information may also be used by us to administer, monitor and evaluate products and services, gather, aggregate and report statistical information, assist

you with any queries and take measures to detect and prevent fraud and other illegal activity. It may also be allowed or obliged to disclose information by law and to report on risk management matters. The Fund Manager may also use your personal information to provide you with details of future investment offers made by it or the Responsible Entity.

You are entitled to access, correct and update all personal information which the Responsible Entity holds about you. The information held may be obtained by contacting us. You should contact us if you have concerns about the completeness or accuracy of the information the Responsible Entity has about you or if you would like to access or amend your personal information held by us or our service providers. Please advise us of any changes to information you have provided to us by contacting the Registry at [enquiries@oneregistryservices.com.au](mailto:enquiries@oneregistryservices.com.au) or visiting [www.oneregistryservices.com.au](http://www.oneregistryservices.com.au). Any complaint you have as to how the Responsible Entity has handled your personal information will be dealt with in accordance with our privacy policy.

A copy of the Responsible Entity's current privacy policy is available on our website and a paper copy will be sent to you free of charge on request. Changes will be made to our privacy policy from time-to-time to reflect changes in the law, including the Privacy Act. If you have any questions relating to our privacy policy please contact us by email, facsimile or telephone during normal business hours.

Without limiting the information above, the Custodian may collect your personal information primarily for the purpose of providing custodial services to the Responsible Entity and for ancillary purposes detailed in the Custodian's privacy policy. The Custodian may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the Responsible Entity, professional advisers, the land titles office and/or as otherwise instructed by the Responsible Entity. The Custodian is also permitted to collect and disclose your personal information when required or authorised to do so by law. The Custodian is not likely to disclose your personal information to overseas recipients. Your personal information will be used in accordance with the Custodian's privacy policy. The privacy policy contains information about how you may access or correct your personal information held by the Custodian and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of the Custodian's privacy policy by contacting the Responsible Entity.

## Anti-Money Laundering and Counter-Terrorism Financing Act

### Customer identification and verification

Applications for Units are subject to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth). You should be aware that:

- OMIFL will be required to carry out procedures to verify your identity before providing services to you, and from time-to-time thereafter;
- transactions may be delayed or refused where OMIFL has reasonable grounds to believe that the transaction breaches applicable law or regulation;
- where transactions are delayed or refused, OMIFL and its related parties are not liable for any loss you suffer (including consequential loss) howsoever caused;
- OMIFL may from time-to-time require additional information from you to assist OMIFL in this process; and
- Indirect Investors may be subject to the anti-money laundering requirements of their IDPS or IDPS-like service, master trust or wrap account provider.

OMIFL will perform procedures including collecting documentation to verify the identity of an applicant before the issue or transfer of Units to that applicant or transferee. OMIFL reserves the right to reject an application for Units, or decline to register a transfer of Units, failing satisfactory verification.

We may provide information that we hold about you or your investment to a relevant government authority.

### What Identification documentation do I need?

The identification documentation that you need to provide will depend on whether you are an individual investor or a non-individual investor, such as a superannuation fund, a trust or a company. If we do not receive all the required identification documentation or we are unable to verify your identity, we may not be able to proceed with your investment. We will contact you as soon as possible if we require more information. Details of identification documentation required to be provided by an applicant are set out in the Application Form accompanying this PDS.

## Foreign Tax Compliance Disclosure

Foreign Account Tax Compliance Act ('FATCA') is tax legislation that enables the Internal Revenue Service of the United States of America ('USA') to identify and collect tax from USA residents that invest in assets through non-US entities. The OECD Common Reporting Standards for Automatic Exchange of Financial Account information ('CRS') is a similar global regime aimed at collecting and reporting on investor's tax status. If you are a foreign resident for tax purposes, then you should note that the Trust will comply with its FATCA and CRS obligations by collecting, retaining and reporting about certain investors to the Australian Taxation Office ('ATO').

In order for the Trust to comply with its FATCA and CRS obligations, we may require potential investors to provide certain information about themselves including their country of tax residence, and may include providing their US Taxpayer Identification Number ('TIN') or CRS status as appropriate.



## How to apply

### In order to apply, you must:

- Read this PDS carefully and in its entirety. It is available at [www.storehouseinvestments.com.au/residential-trust](http://www.storehouseinvestments.com.au/residential-trust) and at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse) or by calling the Registry on (02) 8188 1510.
- You should seek independent legal, financial planning/taxation advice before applying for units in the Trust. If there is anything that you do not understand you should ask questions.
- Invest a minimum of \$5,000 in the Trust. See page 25 of this PDS for the calculation of Unit Prices.
- Complete the Application Form, and the sections that are relevant to you, available at [www.storehouseinvestments.com.au/residential-trust](http://www.storehouseinvestments.com.au/residential-trust) and at [www.oneinvestment.com.au/storehouse](http://www.oneinvestment.com.au/storehouse) or by calling the Registry on (02) 8188 1510.
- Your application will not be considered complete and capable of being processed until the Responsible Entity has received:
  - a correctly completed Application Form signed by all relevant parties;
  - application monies in cleared funds transferred in the manner described in the Application Form; and
  - your identification documents in accordance with the AML/CTF requirements and any other tax payer identification requirements described in the Application Form.

Please note that as part of the application process the Responsible Entity is required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter-Terrorism Financing Act referred to on page 32.

*Application Forms for Units must be received before 2.00pm Sydney time not less than three Business Days before the last day of each month or at such other times as determined by the Responsible Entity at its discretion. Completed Application Forms received before the cut-off time will be processed using the Issue Price determined as at the last day of the applicable month. Completed Application Forms received after this cut-off time will be taken to have been received before the cut-off time of the next or following month as applicable (that is a Business Day) at the applicable Issue Price. The manner in which the Issue Price is determined is set out in 'Unit Prices' referred to on page 25.*

*Units will be allotted or issued on the next Business Day after your Application Form is accepted. The Responsible Entity may earn interest on application moneys held prior to the time Units are issued to you.*

# Glossary

<b>ACL</b>	Australian Credit Licence.
<b>AFSL</b>	Australian Financial Services Licence.
<b>Application Form</b>	The form that accompanies this PDS which persons wishing to invest in Units must complete and lodge with the Registry.
<b>Arranger</b>	Home Affordability Solutions.
<b>ASIC</b>	The Australian Securities and Investment Commission.
<b>Assets</b>	All of the property, investments, rights and income of the Trust from time-to-time.
<b>Business Day</b>	A day that is not a Saturday, a Sunday or a public holiday or bank holiday in Sydney, New South Wales.
<b>Constitution</b>	The Constitution of the Trust dated 25 March 2009 as amended.
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i> .
<b>CPI</b>	All Groups Consumer Price Index as further described in the relevant agreement and may change from time-to-time under that agreement.
<b>Custodian</b>	A person authorised to hold the assets of the Trust as custodian.
<b>Distributable Income</b>	Distributable Income has the meaning given to that term in the Constitution.
<b>Fund Manager</b>	Storehouse Pty Limited ABN 15 106 578 018.
<b>Gross Asset Value</b>	At any time means the aggregate of the following at that time as calculated by the Responsible Entity:  (a) the gross value of all of the Assets in the Trust at that time as most recently determined in accordance with clause 15 of the Constitution;  (b) the amount of money held in the Trust (to the extent not included in paragraph (a)); and  (c) the gross value of any other Assets (to the extent not included in paragraphs (a) or (b)).
<b>GST</b>	Goods and services tax as defined in <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> as amended.
<b>Home Affordability Solutions</b>	Home Affordability Solutions Pty Limited ABN 49 611 323 169 Australian Credit Licence Number 486005.
<b>Home Loan</b>	A loan that is made to a Home Owner by Home Affordability Solutions towards the purchase or refinance of an Underlying Property with money indirectly provided by the Trust.
<b>Home Owner</b>	A person who owns an Underlying Property.
<b>IDPS</b>	Investor directed portfolio service. An IDPS is a vehicle through which an Indirect Investor purchases a range of underlying investment options from numerous investment managers.
<b>IDPS Operator</b>	An entity that operates and offers an IDPS.
<b>Indirect Investor</b>	Indirect Investor has the meaning given on page 24 of this PDS.
<b>Interest Cover Ratio</b>	A ratio used to determine how easily a person can pay interest on their outstanding debt. The interest coverage ratio is calculated by dividing a person's income and earnings for a period by their interest and debt expenses of the same period.

<b>Issue Price</b>	The Issue Price of a Unit from time-to-time as calculated in accordance with the section How the Trust Operates on page 25.
<b>Liabilities</b>	At any time, the aggregate of the following at that time as calculated by the Responsible Entity: (a) each liability of the Responsible Entity in respect of the Trust or, where appropriate, a proper provision in accordance with Australian accounting standards in respect of that liability; (b) each other amount payable out of the Trust or, where appropriate, a proper provision in accordance with Australian accounting standards in respect of that liability; and (c) other appropriate provisions in accordance with Australian accounting standards.
<b>Liquid</b>	Liquid has the meaning given by section 601KA(4) of the Corporations Act. A scheme is only liquid if liquid assets account for 80% or more of the value of the scheme property. Assets are liquid if the responsible entity of the scheme reasonably expects them to be able to be realised for market value within the time provided in the constitution of that scheme for satisfying withdrawal requests while the scheme is liquid which, in the case of the Trust, is a reasonable time after the receipt of the request.
<b>Net Asset Value</b>	At any time, the Gross Asset Value of the Trust less the Liabilities at that time.
<b>PDS</b>	Product Disclosure Statement.
<b>Prime Credit</b>	A Prime Credit is determined by a satisfactory report on an individual borrower obtained from an independent credit history-reporting agency, a satisfactory independent valuation of the subject property, minimum servicing and minimum deposit requirements as determined by a panel of Australian home lenders selected by Home Affordability Solutions.
<b>Property Investment</b>	A Property Investment means each Tenanted Residential Property and Shared Equity Investment.
<b>Purchase Price</b>	The price paid by the Trust to acquire the Property Investment.
<b>Realisation Price</b>	The amount received by the Trust on the sale, realisation or other disposal of the Property Investment.
<b>Register</b>	The Unit register maintained by the Responsible Entity.
<b>Registry</b>	One Registry Services Pty Limited ABN 69 141 757 360.
<b>Responsible Entity</b>	One Managed Investment Funds Limited ABN 47 117 400 987, AFSL 297042.
<b>RITC</b>	Reduced input tax credits.
<b>Shared Equity Investment</b>	An indirect investment in a residential property under which the Trust indirectly invests together with a Home Owner who is acquiring the residential property, for a proportionate equitable investment in the residential property that entitles the Trust to receive back its investment, an income return and a share in any capital gain at the end of the investment term.
<b>Tenant</b>	A person who pays rent in relation to a Tenanted Residential Property held by the Trust.
<b>Tenanted Residential Property</b>	A residential property that is acquired directly or indirectly by the Trust with the purpose that it will be tenanted.

# Glossary

## Continued

<b>Transaction Costs</b>	The Responsible Entity's estimate of the total expenses related to acquiring the Assets (including costs, commissions, brokerage, fees, taxes and duties), excluding the actual cost of the Assets, or a lesser amount determined by the Responsible Entity (to the extent permitted by the Corporations Act).
<b>Treadstone</b>	The Treadstone Company Pty Ltd ABN 75 063 262 706.
<b>Trust</b>	Storehouse Residential Trust ARSN 135 812 074.
<b>Trust Administrator</b>	Unity Fund Services Pty Ltd ABN 16 146 747 122.
<b>Underlying Property</b>	A home that is purchased or refinanced by the Home Owner using funds partially provided by the Trust.
<b>Unit</b>	A unit in the Trust.
<b>Unit holder/member</b>	A holder of a Unit.
<b>Unit Price</b>	The price of a Unit from time-to-time as calculated in accordance with the section How the Trust Operates on page 25.
<b>Withdrawal Offer</b>	An offer made by the Responsible Entity to redeem Units made in accordance with section 601KB of the Corporations Act.
<b>Withdrawal Price</b>	The Withdrawal Price of a Unit from time-to-time as determined in accordance with the section How the Trust Operates on page 25.

## Responsible Entity

### One Managed Investment Funds Limited

ABN 47 117 400 987

AFSL 297042

Level 11  
20 Hunter Street  
Sydney NSW 2000

PO Box R1471  
Royal Exchange NSW 1225

Telephone: +61 (02) 8277 0000  
Facsimile: +61 (02) 8580 5700  
Website: [www.oneinvestment.com.au](http://www.oneinvestment.com.au)  
Email: [enquiries@oneinvestment.com.au](mailto:enquiries@oneinvestment.com.au)

## Fund Manager

### Storehouse Pty Limited

ABN 15 106 578 018

Level 7, 91 Phillip Street  
Parramatta NSW 2150

Telephone: (02) 8404 0455  
Website: [www.storehouseinvestments.com.au](http://www.storehouseinvestments.com.au)  
Email: [info@storehouseinvestments.com.au](mailto:info@storehouseinvestments.com.au)

## Trust Administrator

### Unity Fund Services Pty Ltd

ABN 16 146 747 122

Level 8, 25 Bligh Street  
Sydney NSW 2000

Telephone: +61 (02) 8277 0070  
Facsimile: +61 (02) 8580 5781  
Website: [www.unityfundservices.com.au](http://www.unityfundservices.com.au)  
Email: [enquiries@unityfundservices.com.au](mailto:enquiries@unityfundservices.com.au)

## Registry

### One Registry Services Pty Limited

ABN 69 141 757 360

Level 11, 20 Hunter Street  
Sydney NSW 2000

Telephone: +61 (02) 8188 1510  
Facsimile: +61 (02) 8580 5790  
Website: [www.oneregistryservices.com.au](http://www.oneregistryservices.com.au)  
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