

Significant Event Notice to Specialist Residential Property Impact Fund (“SRPIF”) Unit Holders and Specialist Residential Property Trust Unit Holder

Background

Inclusive Housing Australia Pty Ltd (“IHA”) was appointed as the Investment Manager and registered Specialist Disability Accommodation (“SDA”) Provider of SRPIF and Asset Manager of Specialist Residential Property Trust (“SRPT”), a sub trust of SRPIF, on 6 May 2022 upon the retirement of Spring FG Funds Management Pty Ltd and Spring FG Realty Pty Ltd (**Transaction**).

The purpose of this notice is to advise members of material matters arising out of the Transaction.

Over the next few months IHA will be undertaking a review of the SRPIF portfolio and will provide a summary of its key findings and any action it proposes to take as a result of such findings.

Material and Significant Events Disclosure

IHA is obligated to communicate with Unit Holders any material or significant events that will or have occurred as result of the Transaction.

The material events are as follows:

1. IHA was appointed for a period of 7 years from the date of completion of the Transaction being 6 May 2022.
2. The Investment Strategy of SRPIF was amended as follows:
 - a. IHA proposes recommending the Fund acquires new SDA assets if suitable assets can be identified and has arranged for a new debt facility to pay for these acquisitions. Any acquisition will be consistent with the principles set out in Disclosure Principle 4 – Portfolio Diversification in the Benchmarks and Disclosure Principles Document defined below; and
 - b. to facilitate the funding of these SDA assets, the Fund’s maximum gearing ratio be increased to 50%, up from the previous strategy of gearing maximum gearing ratio of 25%. The gearing ratio

calculation of Total interest-bearing liabilities/Total Assets remains unchanged.

3. The overall fees paid by the Fund will not change, however IHA will be performing asset management services and the role of SDA provider and will receive property management fees and SDA provider fees that were previously paid to Spring Realty Pty Ltd.

Disclosure Principles and Benchmarks

The following paragraphs set out material changes as against the SRPIF Benchmarks and Disclosure Principles Document (“BDPD”) dated 26 November 2021.

1. Gearing Ratio Disclosure Principle 1 and Benchmark 1 Policy

Other than noted above Gearing Policy remains unchanged.

2. Interest Cover Disclosure Principle 2 and Policy Benchmark 2

The Fund has borrowed \$1,050,000 to fund the acquisition and construction of SDA assets. IHA has refinanced this debt facility. The interest cover policy to maintain an interest cover ratio (“ICR”) of 2.0X or higher remains unchanged.

The ICR calculation remains unchanged being:

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

3. Fund Borrowing Principle 3

Unchanged

4. Interest Capitalisation Benchmark 3

Unchanged

5. Portfolio Diversification Disclosure Principle 4

Unchanged

6. Valuation Policy Benchmark 4

Unchanged

7. Disclosure principle 5 and Benchmark 5

Related Party Transactions

Unchanged other than:-

- a. IHA will be performing asset management services and the role of SDA provider and will receive property management fees and SDA provider fees that were previously paid to Spring Realty Pty Ltd.
- b. IHA has arranged for IHA Asset SPV Fund (“IHA Fund”) to provide the new loan facility referred to in item 2 above. IHA acts as investment manager for both IHA Fund and the Fund. In addition, entities within One Investment Group act as trustee of IHA Fund and as Responsible Entity of the Fund and provide fund administration and registry services to the Fund and the Sub-Trust. The new loan facility has been advanced on arms’ length terms.

8. Distribution Practices Disclosure Principle 6 and Benchmark 6

Unchanged

9. Net Tangible Assets Disclosure Principle 8

Unchanged