

## Oreana Real Income Fund ARSN 646 952 267

### ASIC RG 45 Benchmarks and Disclosure Principles Guide

<b>Responsible Entity:</b>	One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042
<b>Investment Manager:</b>	Oreana Investments Pty Ltd ABN 17 667 691 876 AFS Representative Number 001311648 of Oreana Financial Services Pty Ltd ABN 91 607 515 122 AFSL 482234

## 1 Introduction

The Australia Securities and Investments Commission (**ASIC**) has developed eight benchmarks and eight disclosure principles for unlisted mortgage schemes that can help retail investors understand the risks, assess the rewards being offered and decide whether these investments are suitable for them. The benchmarks and disclosure principles are contained in Regulatory Guide 45: *Mortgage schemes: Improving disclosure for retail investors* (**Regulatory Guide 45**).

As the Fund is an unlisted mortgage scheme, the Responsible Entity is required to disclose against the benchmarks and apply the disclosure principles contained in Regulatory Guide 45.

## 2 About this Guide

One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 is the responsible entity (**Responsible Entity**) of the Oreana Real Income Fund ARSN 646 952 267 (**Fund**) and the issuer of this ASIC RG 45 Benchmarks and Disclosure Principles Guide (**Guide**).

This Guide should be read in conjunction with the attached Product Disclosure Statement for the Fund dated 25 November 2024 (**PDS**).

Capitalised terms used but not defined in this Guide have the meanings given to them in the PDS. All amounts are expressed in Australian dollars.

The information in this Guide is general information only and does not take into account your objectives, financial situation or needs. Therefore, before deciding whether to acquire or continue to hold an investment you should consider the PDS and updates to them carefully and assess, with or without your financial or taxation advisor, whether the Fund fits your objectives, financial situation or needs.

## 3 Benchmarks

This section provides an overview of the benchmarks developed by ASIC for unlisted mortgage schemes. This section also indicates if the Fund meets the benchmark and where

in this Guide and/or the PDS you can find more information (where necessary) as to whether the Fund meets the relevant benchmark.

The Fund invests in loans secured by either:

- (a) a first ranking registered mortgage over real property and in certain circumstances:
  - (i) a corporate guarantee by a related party of the borrower, together with a floating security under a general security deed; or
  - (ii) a personal guarantee by a related party of the borrower, granted under a deed of guarantee and indemnity,
    - (Guarantee); or
- (b) a second ranking unregistered mortgage over real property and a Guarantee,
  - (Loans).

Benchmark	Disclosure
<p><b>Benchmark 1: Liquidity</b></p> <p>For a pooled mortgage scheme, the responsible entity has cash flow estimates that demonstrate:</p> <ul style="list-style-type: none"> <li>(a) the scheme’s capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>(b) are updated at least every three months reflecting any material changes; and</li> <li>(c) are approved by the directors of the responsible entity at least every three months.</li> </ul>	<p><b>This benchmark is met.</b></p> <p>The Investment Manager must provide the Responsible Entity with cash flow estimates for the Fund that:</p> <ul style="list-style-type: none"> <li>(a) demonstrate the Fund’s capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>(b) are updated at least every three months and reflect any material changes; and</li> <li>(c) are approved by the directors of the Responsible Entity at least every three months.</li> </ul> <p>Information on the key liquidity risks that may affect the Responsible Entity’s ability to manage the Fund’s cashflow are set out in Section 5 of the PDS.</p> <p>As at the date of this Guide, the Responsible Entity has determined the Fund is not Liquid, which means Investors’ can only withdraw their Units in response to a Monthly Withdrawal Offer.</p> <p>While the Responsible Entity intends to make Monthly Withdrawal Offers of not less than 5% of the GAV, the Responsible Entity cannot guarantee the timing nor the amount of funds which will be available to fund withdrawal requests received pursuant to a Monthly Withdrawal Offer. Further information on Monthly Withdrawal Offers is described in Section 8 of the PDS.</p>
<p><b>Benchmark 2: Scheme borrowing</b></p> <p>The Responsible Entity does not have any current borrowings and does not intend to borrow on behalf of the scheme.</p>	<p><b>This benchmark is met.</b></p> <p>While the Responsible Entity has power to do so, it has no current intention to borrow in the ordinary course of running the Fund.</p> <p>Further, while the Responsible Entity may, from time to time, borrow to meet liquidity requirements of the Fund (such as to satisfy Withdrawal Request Forms or redeem Redemption Units in a particular withdrawal offer) it has no current intention to do so. In no</p>

Benchmark	Disclosure
	<p>circumstances will the Responsible Entity borrow to pay distributions.</p> <p>As at the date of this Guide, the Responsible Entity has not borrowed on behalf of the Fund for any purpose.</p>
<p><b>Benchmark 3: Loan portfolio and diversification</b></p> <p>For a pooled mortgage scheme:</p> <ul style="list-style-type: none"> <li>(a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;</li> <li>(b) the scheme has no single asset or borrower that exceeds 5% of the total fund assets; and</li> <li>(c) all loans made by the scheme are secured by first mortgages over real property.</li> </ul>	<p><b>This benchmark is not met.</b></p> <p>As at the date of this Guide, the Fund has advanced 9 Loans, 8 of which are Site Loans (representing 92.47% of the Fund's assets). 1 development and construction loans (representing 7.53% of the Fund's assets), meaning the Fund currently invests a significant component of funds in Site Loans and therefore does not currently meet the loan portfolio and diversification benchmark.</p> <p>The largest of the Loans represents 45.36% of the GAV and 5 of the 9 Loans exceeds 5% of GAV. As the Fund grows its capital base, the portfolio of Loans and the level of diversification is expected to change.</p> <p>As at the date of this Guide a significant majority of the GAV has been advanced to Related Parties. As the Fund grows its capital base, the level of Related Party Loans is expected to fall. Investors should refer to <a href="http://www.oneinvestment.com.au/oreana">www.oneinvestment.com.au/oreana</a> for updated disclosure relating to Related Party Loans.</p> <p>As at the date of this Guide, 100% of the Loans are secured against property located in Victoria.</p> <p>As the size of the Fund grows the Responsible Entity does not intend to have a high concentration of Loans to any single Borrower or group of related or associated Borrowers. The intention is for diversification of the Fund's assets to be undertaken as follows:</p> <ul style="list-style-type: none"> <li>(a) by geographic location within Australia of the properties over which the Fund holds security;</li> <li>(b) across the types of property for which funding is provided (including residential, commercial, retail and industrial);</li> <li>(c) by security over the property (including first ranking registered mortgages, second ranking unregistered mortgages and sometimes supported by Guarantees); and</li> <li>(d) to some extent, by Borrower (although Related Parties are likely to represent a significant percentage of the Loans made by value and number).</li> </ul> <p>The Fund's investment criteria provide further information in relation to Loan amounts and Loan-to-Valuation ratios applied for any single Borrower. These investment criteria also apply to the Loan assessment process including assessing a Borrower's capacity to service its Loan.</p> <p>Refer to Section 4 of the PDS for information about the Fund's investments and processes including key lending parameters, security requirements and the valuation process.</p>

Benchmark	Disclosure
<p><b>Benchmark 4: Related party transactions</b></p> <p>The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager</p>	<p><b>This benchmark is not met.</b></p> <p>The Fund does not lend to related parties of the Responsible Entity.</p> <p>This benchmark is not met because the Fund does lend to Related Parties of the Investment Manager.</p> <p>All Loans to Related Parties of the Investment Manager are on an arm's length basis. The Investment Manager has policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a Related Party transaction.</p> <p>The Credit Committee has authority to determine whether to recommend to the Responsible Entity to make a Loan, which must be unanimously approved by the members of the Credit Committee, including the Independent Member.</p> <p>Decisions in relation to conflicts of interest and Related Party transactions are properly documented.</p> <p>For further information about the Related Party Policy of the Responsible Entity or the Investment Manager, please contact them at <a href="mailto:oreana@oneinvestment.com.au">oreana@oneinvestment.com.au</a>.</p>
<p><b>Benchmark 5: Valuation policy</b></p> <p>In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:</p> <ul style="list-style-type: none"> <li>(a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</li> <li>(b) the valuer to be independent;</li> <li>(c) the valuers are required to follow procedures for dealing with any conflict of interest;</li> <li>(d) the rotation and diversity of valuers;</li> <li>(e) in relation to security property for a loan, an independent valuation is to be obtained: <ul style="list-style-type: none"> <li>(i) before the issue of a loan and on renewal: <ul style="list-style-type: none"> <li>A. for development property, on both an 'as is' and 'as if complete' basis, and</li> <li>B. for all other property, on an 'as is' basis, and</li> </ul> </li> <li>(ii) within two months after the directors form</li> </ul> </li> </ul>	<p><b>This benchmark is not met.</b></p> <p>This benchmark is partially met as follows:</p> <ul style="list-style-type: none"> <li>(a) when a professional valuation is required (ie. upon acceptance of a loan offer or loan renewal offer), the valuers appointed are members of an appropriate professional body in the jurisdiction in which the subject property is located;</li> <li>(b) the valuers are independent;</li> <li>(c) the valuers, including the company, its partners, directors, valuers and other employees, must have no direct or indirect pecuniary or other interest in the property being valued or be subject to any actual or potential conflict of interest in respect to the valuation; and</li> <li>(d) independent valuations on an: <ul style="list-style-type: none"> <li>(i) 'as is' and 'as if complete' basis for development property; and</li> <li>(ii) 'as is' basis for all other property,</li> </ul>                     are obtained before the issue of a new Loan and on renewal of an existing Loan.                 </li> </ul> <p>This benchmark is not met because as at the date of the Guide, the Responsible Entity does not require an independent valuation to be obtained within 2 months after the Responsible Entity forms a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.</p> <p>The 'as if complete' component of the development valuation is relied upon to ensure that, upon completion of the project, the sum of all advances made (including any interest capitalised) remains within an acceptable Loan-to-Valuation.</p>

	Benchmark	Disclosure
	<p>of security property may have caused a material breach of a loan covenant.</p>	<p>Investors may obtain a copy of the Valuation Policy by contacting the Responsible Entity via email at oreana@oneinvestment.com.au.</p>
<p><b>Benchmark 6: Lending principles</b></p>	<p>If the fund directly holds mortgage assets:</p> <ul style="list-style-type: none"> <li>(a) where the loan relates to property development—funds are provided to the borrower in stages based on independent evidence of the progress of the development;</li> <li>(b) where the loan relates to property development—the scheme does not lend more than 70% on the basis of the latest ‘as if complete’ valuation of property over which security is provided; and</li> <li>(c) in all other cases—the fund does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</li> </ul>	<p><b>This benchmark is met.</b></p> <p>The Fund’s policy for issuing Loans is as follows:</p> <ul style="list-style-type: none"> <li>(a) the Fund aims to minimize risk in relation to Development and Construction Loans by adopting additional procedures for such Loans involving the use of surveyors and valuation reports based on a ‘cost to complete’ basis to ensure funds are disbursed only in relation to works completed and that sufficient funds are available to complete construction. Funds are provided to the Borrower in stages based on independent evidence of the progress of the development; and</li> <li>(b) when a Loan is first drawn down, no Development and Construction Loan will have a Loan-to-Valuation that exceeds 70% of the “as if complete” value as determined by the independent valuer engaged to assess the value for the initial lending assessment and no Investment Loans will have an Loan-to-Valuation ratio that exceeds 80% of the market value as determined by the independent valuer engaged to assess the value for the initial lending assessment.</li> </ul>
<p><b>Benchmark 7: Distribution practices</b></p>	<p>The responsible entity will not pay current distributions from scheme borrowings.</p>	<p><b>This benchmark is met.</b></p> <p>Distributions will be sourced from net income earned during the relevant distribution period (if any) on the assets held during the period and paid monthly.</p> <p>The Responsible Entity does not intend to borrow in the ordinary course of running the Fund.</p> <p>The Responsible Entity may, from time to time, borrow to meet liquidity requirements of the Fund, however the Responsible Entity will not borrow to pay distributions.</p> <p>Distributions may be affected by a number of risk factors detailed in Section 5 of the PDS.</p>
<p><b>Benchmark 8: Withdrawal arrangements</b></p>	<p><b>1 Liquid schemes</b></p> <p>For liquid schemes:</p> <ul style="list-style-type: none"> <li>(a) the maximum period allowed for in the constitution for the withdrawal request is 90 days or less;</li> <li>(b) the responsible entity pays withdrawal request within the period allowed for in the constitution;</li> </ul>	<p><b>This benchmark is met.</b></p> <p>Investors should treat the Fund as a medium to long term investment. The Fund’s assets are illiquid in nature and while the Responsible Entity has determined the Fund is not Liquid against this benchmark, the Responsible Entity intends to make withdrawal offers of not less than 5% of the GAV each calendar month having regard to the Fund’s liquid assets which are available.</p> <p>An Investor who lodges a Withdrawal Request Form applying to withdraw some or all of their Units will be eligible to participate in the Monthly Withdrawal Offer that occurs 60 days from the date the Responsible</p>

Benchmark	Disclosure
<p>(c) the Responsible Entity only permits withdrawals at any time on request if at least 80% (by value) of the scheme's assets are:</p> <p>(i) money in an account or on deposit with a bank and is available for withdrawal (either immediately or on expiry of a term not exceeding 90 days); or</p> <p>(ii) assets that the responsible entity can reasonably expect to release for market value within 10 business days.</p>	<p>Entity receives the Withdrawal Request Form and all subsequent monthly offers until the Units the subject of the Withdrawal Request have been redeemed.</p> <p>Units the subject of a Withdrawal Request Form will be reclassified to Redemption Units as at the date immediately prior to the Monthly Withdrawal Offer the Investor is entitled to participate.</p> <p>The proceeds of Withdrawal Request Forms which are met (in whole or in part) will be paid into Investors' nominated bank accounts within 21 days after the close of the Monthly Withdrawal Offer in which the Investor participates.</p> <p>For example, if an Investor submits a Withdrawal Request Form on 15 January, then the Withdrawal Request Form will be considered by the Responsible Entity with all Withdrawal Request Forms received in the month of January (January Requests). On 1 April (the date immediately prior to the opening date of the Monthly Withdrawal Offer the Investor is entitled to participate), all Units the subject of the January Requests will be reclassified as Redemption Units. The Redemption Units (being the Units the subject of the January Requests which have been reclassified to Redemption Units) will then be eligible for redemption as part of the Monthly Withdrawal Offer applicable to April (April Offer) (and which ends on the first Business Day of the next calendar month, ie 1 May 2025).</p>
<p><b>2 Non-liquid schemes</b></p> <p>For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.</p>	<p>The redemption price for all Redemption Units which are redeemed pursuant to the April Offer will be paid into the nominated bank account of the Investor(s) within 21 days after 1 May 2025, ie before 22 May 2025.</p> <p>Withdrawals are not guaranteed and there may be some circumstances where withdrawal requests cannot be satisfied in full or at all. Refer to Section 8 - Distributions, Withdrawal and Transfers and Section 5 - Risks of the PDS for further information regarding withdrawals.</p>

## 4 Disclosure principles

This section provides an overview of the disclosure principles developed by ASIC for unlisted mortgage schemes. This section also indicates where in this Guide and/or the PDS you can find the information disclosed by the Responsible Entity in compliance with those principles.

### 4.1 Disclosure Principle 1: Liquidity

This principle provides a responsible entity of a pooled mortgage scheme should disclose information about:

- (a) the current and future prospects of liquidity of the scheme;
- (b) any significant risk factors that may affect the liquidity of the scheme; and
- (c) the policy of the scheme on balancing the maturity of its assets with the maturity of its liabilities.

## Disclosure

Adequate liquidity is a key feature in the ability of the Responsible Entity to meet expenses, liabilities and other cash flow needs of the Fund, including investors' expectations about their ability to withdraw from the Fund.

The Loans are fixed term loans that are typically repayable at maturity. The Investment Manager will proactively manage the Loan maturity profiles and the cash reserves required to meet Fund's cashflow requirements.

As at the date of this Guide, the Responsible Entity has determined the Fund is not Liquid, which means Investors' can only withdraw their Units in response to a Monthly Withdrawal Offer. The Responsible Entity intends for not less than 5% of the GAV to be available as part each Monthly Withdrawal Offer, although the Responsible Entity cannot guarantee the timing nor the amount of funds which will be available to fund withdrawal requests received pursuant to a Monthly Withdrawal Offer.

The Responsible Entity and the Investment Manager reasonably consider that:

- (a) the Fund has the capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; and
- (b) the significant risk factors that may affect the liquidity of the Fund include:
  - (i) the Responsible Entity receiving an unexpected large number of Withdrawal Request Forms in response to a Monthly Withdrawal Offer during a short period with minimal applications or Loan repayments to fund the withdrawals; and
  - (ii) the Borrower defaulting on its Loan and the security provided, including the mortgages and/or the Guarantee not being able to be realised or enforced in a timely manner or for an amount required to recover the amounts owed and enforcement costs.

Further information on Monthly Withdrawal Offers is described in Section 8 of the PDS.

### 4.2 Disclosure Principle 2: Scheme borrowing

If a scheme has borrowings, a Responsible Entity should disclose certain information about the borrowings. As the Fund will not borrow, the responsible entity is not required to disclose against this principle.

## Disclosure

Whilst the Fund's constitution contains the power to borrow, the Responsible Entity does not have any current borrowings for the Fund and does not expect to enter into any borrowing arrangements in the future.

### 4.3 Disclosure Principle 3: Loan portfolio and diversification

This disclosure principle requires the responsible entity to disclose the nature of the Fund's investment portfolio, including number and value of loans by class of activity, geographical region and proportion in default. In addition, the Responsible Entity should disclose its policy on the above matters, on how the Fund will lend funds generally and on investing in other Loan Products.

## Disclosure

The key assets of the Fund will be Loans, it is important to understand the quality of these loans and the nature of security taken by the Fund as this will have a major impact on the financial position and performance of the Fund. Diversification is an important to limit the risk that default by one borrower or an adverse effect in respect of one type of asset or geographic region may impact the Fund as a whole.

See Benchmark 3 above for further details.

Details of the Fund's current portfolio of Loans are as follows:

(a) Class of activity

Asset class	No of Loans	Value
Site Loan	8	\$20,873,500
Development and Construction Loan	1	\$1,700,000

(b) Geographic region

State	No of Loans	Value
VIC	9	\$22,573,500

(c) Defaults and arrears

Days in arrears	No of Loans	Value
30 - 60	0	0
60 - 90	0	0
90 - 120	0	0
> 120	0	0

(d) Security

Security	No of Loans	Value
First ranking registered mortgage (no Guarantee)	8	\$18,073,500
First ranking registered mortgage with Guarantee	0	0
Second ranking unregistered mortgage with Guarantee	1	\$4,500,000

(e) Drawn and undrawn amounts

As at the date of this Guide, there are no loans that have been approved but have yet to be advanced.

(f) Maturity profile

Maturity	No of Loans	Value
0 - 6 months	0	\$0
6 - 12 months	3	\$1,621,500
12 - 18 months	5	\$16,452,000
18 - 24 months	1	\$4,500,000
24 - 30 months	0	N/A
30 - 36 months	0	N/A
36 - 42 months	0	N/A

(g) LVR

LVR*	No of Loans	Value
< 55%	1	\$600,000
55 - 60 %	2	\$4,649,500
60 - 65 %	0	0
65 - 70 %	1	\$1,700,000
70 - 80%	5	\$15,624,000

(h) Interest rate

Interest rate range	No of Loans	Value
< 8%	0	0
8 - 9 %	8	\$18,073,500
9 - 10%	1	\$4,500,000
10% +	0	\$0

*\*Includes Senior lender loans where applicable*

(i) Loans where interest has been capitalised

Interest method	No of Loans	Value
Interest capitalised	1	\$600,000
Interest not capitalised	8	\$21,973,500

(j) Largest borrowers

	% of total amount of funds that are invested in Loans
Largest borrower	45.36% of total portfolio
Largest 10 borrowers	100.00% <sup>1</sup>

<sup>1</sup> As at the date of this Guide, the Fund has nine Loans advanced to nine borrowers.

(k) Derivatives

The fund does not use derivatives.

(l) Second-ranking mortgages

As at the date of this Guide, the Fund holds 1 loan secured by a second-ranking mortgage.

(m) Non-mortgage assets

Other than Loans, the Fund invests in cash held by Australian deposit taking institutions. As at the date of this Guide, the value of the Fund's cash assets is \$3,603,994.54.

(n) Diversification policy

As the Fund grows its capital base, the portfolio of Loans and the level of diversification will change. As at the date of this Guide, the Fund has advanced nine Loans, all of which are Site Loans. All nine Loans are to Borrowers who are Related Parties of the Investment Manager. As at the date of this Guide, the intention is to reduce the number of Loans to Borrowers who are Related Parties of the Investment Manager to no more than 50% of the amount lent to Borrowers at any given time.

Further, as the Fund grows, the Responsible Entity does not intend to have a high concentration of Loans to any single Borrower or group of related or associated Borrowers. Diversification of the Fund's assets will be undertaken as follows:

- (i) by geographic location within Australia of the properties over which the Fund holds security;
- (ii) across the types of property for which funding is provided (including residential, commercial, retail and industrial);
- (iii) by security over the property (including first ranking registered mortgages, second ranking unregistered mortgages and First Loss Guarantees); and

- (iv) to some extent by Borrower (although related or associated parties of the Investment Manager are likely to represent a significant percentage of the Loans made by value and number).

The Fund's investment criteria provides further information in relation to Loan amounts and Loan-to-value ratios applied for any single Borrower. These investment criteria also apply to the Loan assessment process including assessing a Borrower's capacity to service its Loan.

### **Lending Policy and Procedures**

As at the date of this Guide, there is no maximum loan amount to any one borrower. However, as the Fund grows the intention is to build a diversified portfolio of Loans where no one borrower (or its related parties) is a borrower of more than 10% of the Fund's assets.

When assessing borrowers and potential investment opportunities Oreana undertakes a thorough due diligence process which considers a number of factors. Those factors may vary depending on the nature of the loan. For example, the key considerations when assessing a development and construction loan will be different to the considerations relevant to a loan to refinance a completed asset. However, generally speaking the assessment will consider a number of factors including but not limited to the following:

- (a) **Asset Risk** - Oreana assesses the property's suitability based on its location, condition, and the capital required for repairs or renovations. It also considers the current use of the property, its market appeal, rent levels, and potential changes in future supply that may affect its value. Key factors include tenant retention, zoning laws, and the area's economic dependencies.
- (b) **Counterparty Risk** – Oreana focuses on the financial strength of the tenant or property user, their lease terms, and whether or not they are a related entity of the borrower. This assessment also includes the tenant's financial health, their ability to meet rental obligations, the terms of the lease, and any potential disputes with the borrower.
- (c) **Exit Risk** – Oreana evaluates the borrower's ability to repay the loan, considering the potential for refinancing or selling the property. The property's attractiveness to other lenders or buyers, as well as any expected depreciation during the loan term, must be reviewed to ensure the loan can be repaid or refinanced without violating lending terms.
- (d) **Borrower Risk** – Oreana assesses the borrower's financial capacity to meet the loan's terms, taking into account their experience, income generation from the property, and overall financial health. This includes factors such as debt levels, property management experience, and the size of the loan in relation to the borrower's net worth, all of which are crucial in determining the borrower's ability to successfully manage the loan.

Further details on the Lending Policy and Procedures and the assessment of Loans in included in Section 4 of the PDS.

#### **4.4 Disclosure Principle 4: Related party transactions**

This principle provides if a responsible entity enters into related party transactions, the responsible entity should disclose details of these transactions.

##### **Disclosure**

- (a) the value of the financial benefit;
- (b) the nature of the relationship;

- (c) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Corporations Act Chapter 2E exception applies or ASIC has granted relief (**arm's length**);
- (d) whether member approval for the transaction has been sought and, if so, when (**Investor approval**);
- (e) the risks associated with the related party arrangements; and
- (f) the policies and procedures that the responsible entity has in place for entering into related party transactions, including how compliance with these policies and procedures is monitored.

**Related party transactions**

The Responsible Entity may from time-to-time face conflicts between its duties as 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.

The Investment Manager is not a related party of the Responsible Entity. The contractual arrangements between the Responsible Entity and the Investment Manager are considered to be on commercial, arms' length terms.

An associated company of the Responsible Entity, Unity Fund Services Pty Ltd ACN 146 747 122 (**Administrator**), has been appointed by the Responsible Entity as the Fund's administrator to provide fund accounting services, and a related party of the Responsible Entity, One Registry Services Pty Limited ACN 141 757 360 (**Registrar**) has been appointed by the Responsible Entity as the Fund's registry provider for registry services. Each appointment continues until terminated by either party or as otherwise provided under the relevant agreement. The details of these related party transactions are as follows:

Value of financial benefit	Nature of relationship	Arm's length (Y/N)	Investor approval (Y/N)
<b>Administrator</b>			
Total fees for the six months to 31 October 2026 are estimated to be approximately \$31,743.90	Associated Entity of the Responsible Entity	Yes	No
<b>Registrar</b>			
Total fees for the six months to 31 October 2026 are estimated to be \$15,556.20	Related Body Corporate of the Responsible Entity	Yes	No

<sup>2</sup> All fees are inclusive of GST, net of any RITC, and are index to the higher of 3% and CPI on 1 July each year commencing on 1 July 2025.

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

Each of the Responsible Entity and the Investment 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 these policies on Related Party

transactions are available on request from each of the Responsible Entity and Investment Manager.

Parties related to the Investment Manager may invest in the Fund and the Fund may invest in related parties from time to time.

Investor approval is not required for these arrangements if the transactions are made on commercial terms and conditions and on an arm's length basis.

As at the date of this Guide, the Responsible Entity has not entered into any Loans with related parties of the Responsible Entity. However, 100% of Loans are Related Party Loans (being Loans advanced to Borrowers who are Related Parties of the Investment Manager). The details of the Related Party Loans are as follows:

Loan	Value of financial benefit	Nature of relationship	arm's length (Y/N)	Investor approval (Y/N)
1	\$600,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
2	\$1,700,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
3	\$1,964,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
4	\$872,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
5	\$149,500	Related Party of the Investment Manager	Yes	No <sup>3</sup>
6	\$4,500,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
7	\$1,992,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
8	\$556,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>
9	\$10,240,000	Related Party of the Investment Manager	Yes	No <sup>3</sup>

<sup>3</sup> Member approval was not obtained and was not required to be obtained pursuant to the Corporations Act. The Loan was issued in accordance with the Investment Strategy, complied with the Conflicts of Interest and Related Party Policy and was unanimously approved by the Credit Committee, including the Independent Member.

### Related Party Loans: Risks

There is a risk that the Fund will be impacted by changes in the governance or financial performance of the Investment Manager and its Related Parties as Loans will be sourced through the Investment Manager and its Related Parties. This risk is mitigated by the fact that the Investment Manager and its Related Parties are separate legal entities that are not impacted by each other's performance.

This risk is further mitigated by the fact that all resolutions in respect of approval of Loans of the Credit Committee, including the provision of Loans to parties sourced by the Investment Manager and its Related Parties, require unanimous approval including the approval given by the Independent Member.

### **Related Party Transactions: Policies and procedures**

The Responsible Entity requires:

- (a) the Investment Manager to comply with the Conflict of Interest and Related Party Policy, including:
  - (i) ensuring that all Related Party transactions are entered into on arm's length terms or terms that are consistent with similar transactions with third parties; and
  - (ii) where necessary, obtaining independent advice as to the reasonableness of the Related Party transaction; and
- (b) all Loans must be unanimously approved by the Credit Committee, which must include at least one Independent Member, in accordance with the Lending Policy and Procedures.

Decisions in relation to conflicts of interest and Related Party transactions are documented. For further information about the Related Party Policy of the Responsible Entity or the Investment Manager, please contact them at [oreana@oneinvestment.com.au](mailto:oreana@oneinvestment.com.au).

While not guaranteeing that any transactions recommended by the Investment Manager will be entered into on arm's-length terms the Responsible Entity will generally look to manage the risks associated with related party transactions by:

- (a) ensuring that the Investment Manager makes investment submissions for all proposed investments, in accordance with the Credit Committee Charter;
- (b) reviewing all investment submissions in respect of compliance with the terms of the PDS;
- (c) ensuring all Loan and security documentation in respect of any Loan is prepared by suitably qualified lawyers acting for the Fund;
- (d) requiring legal sign-off from the Fund's lawyers confirming that Loan documentation is suitable and transaction contemplated by the documentation is in line with the terms of the PDS (to the extent they are able to confirm this);
- (e) requiring the Investment Manager to submit regular reporting on the progress of the Loan; and
- (f) implementing enforcement action procedures for the management of all Loans to related parties of the Investment Manager that go into default.

Enforcement action procedures, if required, in the event of default on a Loan will be managed by the Responsible Entity. The Investment Manager is not a Related Party of the Responsible Entity. The contractual arrangements between the Responsible Entity and the Investment Manager are negotiated at arm's length between the parties.

#### **4.5 Disclosure Principle 5: Valuation policy**

This principle provides a responsible entity should disclose the following:

- (a) where investors may access the scheme's valuation policy;
- (b) the processes that the directors employ to form a view on the value of the security property;
- (c) the frequency of valuations of security property;
- (d) any material inconsistencies between any current valuation over security property and

the scheme's valuation policy.

## Disclosure

- (a) Where investors may access the scheme's valuation policy:

A copy of the Valuation Policy may be obtained by contacting the Responsible Entity by email at [oreana@oneinvestment.com.au](mailto:oreana@oneinvestment.com.au) or by phone on +61 2 8277 0000.

- (b) The processes that the directors employ to form a view on the value of the security property:

The Investment Manager has appointed a panel of professional independent valuers who have been selected based on their experience and skills in valuation practice. In accordance with the Lending Policy and Procedures, a Panel Valuer must, as a minimum:

- (i) be qualified, registered or licensed as a valuer in the State or Territory where the subject property is located;
- (ii) be a member of the Australian Property Institute (API);
- (iii) hold a Continuing Practice Development (CPD) Certificate;
- (iv) have Professional Indemnity insurance of not less than \$5 million from an insurer that is APRA regulated; and
- (v) be independent of the Investment Manager, the Responsible Entity and Custodian.

The appointment of a Panel Valuer is in accordance with the Fund's Valuation Policy.

There are a number of valuation methods relevant for construction and development Loans including the value of the property on an 'as is' basis (typically but not always for undeveloped land), and on an 'as if complete' basis (usually reserved for land with a permit or planning approval). The Investment Manager assesses construction and development Loans with regard to both 'as is' and 'as if complete' values. Valuations for all other types of Security Properties will be conducted on an 'as is' basis.

Depending on the nature of the construction project, additional information may be sought from quantity surveyors and other property development advisers.

The Investment Manager may, on behalf of the RE, also retain independent quantity surveyors in respect of some of the construction and development Loans. Construction or development Loans will generally require a report from a quantity surveyor – this requirement will depend on the size and other features of the proposed Loan. At a minimum, a report will contain a detailed assessment of the construction and development works to be carried out, original estimated costs and variations and costs to complete the project to specifications.

- (c) The frequency of valuations of security property:

The Security Property for any Loan will be valued for suitability and market prior to the Fund making the Loan. An updated valuation will also be obtained before the term of a Loan is extended or the Loan is rolled over.

If the LVR for a Loan increases beyond the maximums for the Loan type disclosed in the PDS, then Investment Manager must use its discretion to determine whether an updated valuation should be obtained, having regard to the total debt outstanding,

including accrued interest and the costs of default enforcement and the estimated value of the Security Property.

- (d) Any material inconsistencies between any current valuation over security property and the scheme's valuation policy:

None.

The Fund's valuation policy can be obtained by contacting the Responsible Entity at [oreana@oneinvestment.com.au](mailto:oreana@oneinvestment.com.au) or by calling (02) 8277 0000. A summary of the policy is contained in Section 4 of the PDS.

#### **4.6 Disclosure Principle 6: Lending principles—Loan-to-value ratios**

This principle provides if a scheme directly holds mortgage assets, the responsible entity should disclose certain information regarding the Fund's loan-to-value ratios.

The Responsible Entity should also disclose the percentage of the scheme's assets that are property development loans. If property development loans exceed 20% of the scheme's assets, the Responsible Entity should identify the scheme as one that invests a significant component of funds in property development loans. If the loan-to-cost ratio of any property development loan exceeds 75%, this should also be highlighted.

##### **Disclosure**

As at the date of this Guide, the following applies:

- (a) The maximum and weighted average loan-to-valuation ratios for the scheme as at the date of reporting are as follows:
- (i) Investment Loans (comprising acquisition loans, refinance loans and site loans) will not exceed an LVR of 80%;
  - (ii) Development Loans will not exceed an LVR of 70%; and
  - (iii) the weighted average LVR for all Loans is 65.69%.
- (b) Where funds are lent for property development:
- (i) The criteria against which the funds are drawn down:  
Development Loans are subject to a maximum LVR of 70%;
  - (ii) The percentage (by value) of the completion of any property that is under development as at the date of reporting:  
90.00%.
  - (iii) The loan-to-cost ratio of each property development loan as at the date of reporting:  
90.00%

As at the date of this Guide, Site Loans comprise 100% of the Fund's assets, and Investors should therefore note the Fund invests a significant component of Fund's in property development loans.

#### 4.7 Disclosure Principle 7: Distribution practices

This principle provides if a responsible entity is making or forecasting, distributions to members, it should disclose:

- (a) the source of the current and forecast distributions;
- (b) if the distribution is not solely sourced from income received in the relevant distribution period, the reasons for making those distributions and the risks associated with such distributions;
- (c) if the distribution is sourced other than from income, whether this is sustainable over the next 12 months; and
- (d) when the responsible entity will pay distributions and the frequency of payment of distributions.

If a scheme promotes a particular return on investments, the Responsible Entity must clearly disclose details of the circumstances in which a lower return may be payable, together with details of how that lower return will be determined. For a contributory mortgage scheme, the Responsible Entity should, for a particular investor, disclose the above information to the investor for distributions or returns made, or forecast to be made, to that investor.

The Responsible Entity should include a table identifying up to five main factors that would have the most material impact on forecast distributions, the risks of changes to those factors on distributions and a sensitivity analysis based on changes to those factors. It must also explain how any excess returns actually earned by a scheme will be applied.

##### Disclosure

The Fund does not have or intends to have any scheme borrowings to fund distributions. Instead, distributions will be funded out of interest earned from investments into Loans.

The distributions are determined at the end of each calendar month and are payable within 20 Business Days after the relevant month-end, other than for the month of June when distributions will generally be paid within 30 Business Days. The distributions are payable from the income of the Fund.

The key risks affecting the target returns include:

- (a) the Responsible Entity receiving an unexpected large number of Withdrawal Request Forms in response to a Monthly Withdrawal Offer during a short period with minimal applications or Loan repayments to fund the withdrawals; and
- (b) the Borrower defaulting on its Loan and the security provided, including the mortgages and/or the Guarantee not being able to be realised or enforced in a timely manner or for an amount required to recover the amounts owed and enforcement costs.

See Section 5 of the PDS for further information.

#### 4.8 Disclosure Principle 8: Withdrawal arrangements

This principle addresses the transparency of the responsible entity's approach as to how and when investors can withdraw their investment from a scheme, based upon whether the scheme is liquid or non-liquid. This principle provides a responsible entity should disclose:

- (a) the scheme's withdrawal policy and any rights that the Responsible Entity has to change the policy;
- (b) the ability of investors to withdraw from the scheme when it is liquid and when it is non-liquid;
- (c) any significant risk factors or limitations that may affect the ability of investors to withdraw from the scheme;
- (d) how investors can exercise their withdrawal rights, including any conditions on exercising these rights;
- (e) the approach to rollovers and renewals, including whether the 'default' is that investments in the scheme are automatically rolled over or renewed;
- (f) if the withdrawals from the scheme are to be funded from an external liquidity facility, the material terms of this facility, including any rights the provider has to suspend or cancel the facility;
- (g) the maximum withdrawal period that applies to the payment of withdrawal requests when the scheme is liquid;
- (h) any rights the Responsible Entity has to refuse or suspend withdrawal requests; and
- (i) the policy of the scheme on balancing the maturity of its assets with the maturity of its liabilities and the ability of its members to withdraw.
- (j) If the Responsible Entity makes representations to investors that they can withdraw from the scheme, there should be disclosure on:
  - (i) the grounds (which must be verifiable) for the statement;
  - (ii) the supporting assumptions (which must not be hypothetical only) for the statement; and
- (k) the basis for the statement (which must not be based only on an opinion of the directors of the Responsible Entity if there are no objective grounds to support that opinion), and
- (l) any significant risk factors that mean that withdrawal requests might not be satisfied within the expected period.

### **Disclosure**

The scheme is expected to be a non-liquid scheme.

The Responsible Entity intends to make Monthly Withdrawal Offers pursuant to the Withdrawal Facility terms available on the Fund's website [www.oneinvestment.com.au/oreana](http://www.oneinvestment.com.au/oreana).

The Monthly Withdrawal Facility is described in detail in Section 8 of the PDS. The risks which apply to making withdrawals from the Fund are discussed in Section 5 of the PDS.