

## SIGNIFICANT EVENT NOTICE (SEN)

25 February 2022

### OAM Select Income Fund ARSN 646 952 267

Further to the Unitholder Meeting held on 16 December 2021 we confirm that with effect from 7 January 2022 (**Appointment Date**) ASIC updated its records to show the responsible entity for the Fund is One Managed Investment Funds Limited (ABN 47 117 400 897, AFSL 297042) (OMIFL). The Investment Manager, Oreana Asset Management, a division of Oreana Financial Services Limited (CR No. 0766472) continues to manage the Fund's portfolio.

The following pages outline important changes which may affect your investment in the Fund. Please read this notice carefully along with the Product Disclosure Statement (**PDS**) and Target Market Determination (**TMD**) to ensure you are aware of these changes, how they may affect you, and the date that each change has taken effect from.

All changes are reflected in the Fund's Product Disclosure Statement dated 25 February 2022 which is available at [www.oneinvestment.com.au/oreana](http://www.oneinvestment.com.au/oreana).

If you require further information or have any questions about the Fund, please contact OMIFL on +61 2 8277 0000, or via email to [oreana@oneinvestment.com.au](mailto:oreana@oneinvestment.com.au).

This notice details the following changes to the Fund's investment strategy:

1. Expanding the investment strategy to include loans secured by second ranking unregistered mortgages and first loss guarantees; and
2. Changing the benchmark against which the Fund aims to outperform.

#### **Changes to the Fund's investment strategy**

The following material changes to the Fund's investment strategy have been recommended by Oreana Asset Management, the asset management division of Oreana Financial Services Limited (CR No. 0766472), as investment manager of the Fund (Investment Manager) and agreed by OMIFL.

#### **1. *Expansion of investment strategy to include loans secured by second ranking unregistered mortgages and first loss guarantees***

From 25 February 2022, the Fund will invest in loans secured by second ranking unregistered mortgages over the security property and a first loss guarantee, being:

- (a) a corporate guarantee by a related party of the borrower granted under a loan agreement, together with a floating security granted under a general security deed; or



- (b) a personal guarantee by a related party of the borrower, granted under a deed of guarantee and indemnity,

**(First Loss Guarantee)** determined by the Investment Manager in its sole discretion, for the purposes of compensating the Fund if the borrower defaults under a loan agreement (**Second Ranking Loans**).

Prior to 25 February 2022, the Fund only invested in loans secured by first ranking registered mortgages. The Investment Manager has determined, and OMIFL has agreed, that allowing investment in Second Ranking Loans will assist in diversifying risk, improving yields from investments and provide the Fund more flexibility to lend money in the event real property is already secured by a first ranking mortgage.

While the mortgage securing the Second Ranking Loans will be unregistered, the Fund will be protected by the requirement for borrowers and their related parties to provide a First Loss Guarantee, determined by the Investment Manager based on the risk profile of the borrower.

In order to further mitigate risk, the Investment Manager has recommended and OMIFL has agreed, to limit the number of Second Ranking Loans that may be advanced by the Fund to a maximum of 20% of all loans advanced by the Fund.

## 2. ***Change of benchmark against which the Fund aims to outperform***

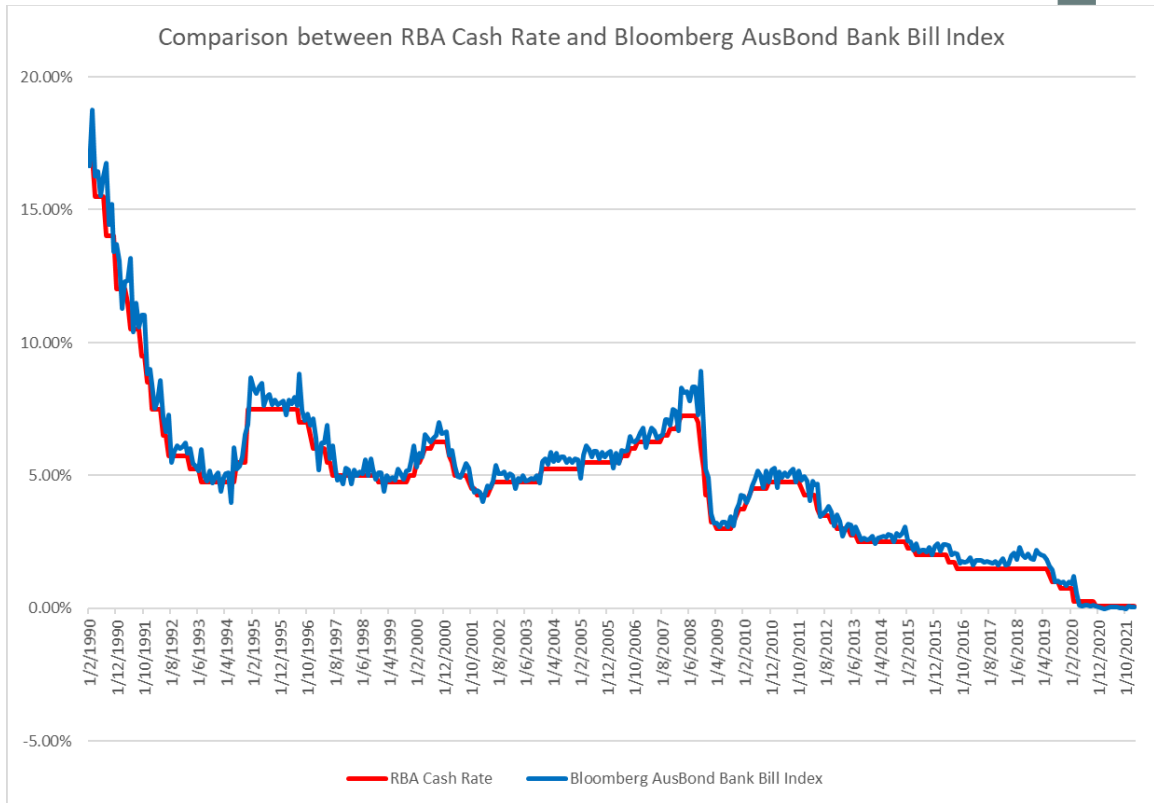
From 25 February 2022, the benchmark against which the Fund will measure its performance against will be the RBA Cash Rate and the Fund will aim to exceed this rate by 3-5% per annum (after fees and expenses) on a rolling 12-month basis.

Prior to 25 February 2022, the Fund measured its performance against the Bloomberg AusBond Bank Bill Index, however the Investment Manager has determined, and OMIFL has agreed, that the RBA Cash Rate is a more appropriate benchmark to measure performance of the Fund given mortgage rates frequently refer to the RBA Cash Rate, as opposed to the Bloomberg AusBond Bank Bill Index.

In making its decision to change the benchmark, the Investment Manager conducted a number of comparisons between the two benchmarks, including measuring the Fund's returns against each benchmark to calculate the correlation, which was shown to be extremely high.

Given the high correlation between the two benchmarks and the suitability of the RBA Cash Rate to the Fund's objectives, the Investment Manager has determined, and OMIFL has agreed, that the RBA Cash Rate is more suitable in the circumstances as it better reflects the benchmark that the Fund is seeking to outperform.

To demonstrate the high correlation between the RBA Cash Rate and the Bloomberg AusBond Bank Bill Index, we have provided the following comparison chart showing the two benchmarks since February 1990. Past performance, however, is not an indication of future performance.



OMIFL as responsible entity of the Fund has recently issued a new PDS and TMD dated 25 February 2022 containing further information in relation to the Fund's investment strategy. A copy of the PDS and TMD is available at [www.oneinvestment.com.au/oreana](http://www.oneinvestment.com.au/oreana) or by contacting [us](mailto:us@oneinvestment.com.au). You should read the PDS and TMD and understand the Fund's investment strategy prior to investing or making further investments.

If you have any questions on the above or about your investment, please [email us on oreana@oneinvestment.com.au](mailto:oreana@oneinvestment.com.au) or call us on +61 2 8277 0000.

*The information provided in this notice is general information only. It does not take into account your objectives, financial situation or needs or the investment objectives, financial situation or needs of any particular investor. It does not purport to contain all the information that a prospective investor may require in connection with a decision to invest in the Fund and does not constitute any offer to sell or to subscribe for any units in the Fund. Before making any investment decisions about whether to acquire or continue to hold, an interest in the Fund, you should obtain and carefully consider this notice, the PDS and the TMD. You should obtain professional financial advice tailored to your personal circumstances and consider the suitability of the Fund in view of your financial position, investment objectives and needs before making an investment decision. This notice is not intended to be a recommendation by the RE, the Investment Manager or any associates, employee, agent or officer, or any other person, to invest in the Fund.*