



**Capital  
Prudential**

## Information Memorandum

# CP Income Opportunity Fund

A Class of the Capital Prudential  
Real Estate Master Trust

25 September 2025



# IMPORTANT INFORMATION

This Information Memorandum dated 25 September, 2025 (**Information Memorandum** or **IM**) has been prepared and issued by Capital Prudential Manager Pty Ltd (ACN 660 087 847) (**Manager** or **Capital Prudential**), an authorised representative (representative number 001 298 438) of Capital Prudential Funds Management Pty Ltd (ACN 636 279 082), the holder of Australian financial services licence number 524 725, to provide background information for persons considering applying for interests in the Capital Prudential Real Estate Master Trust (**Trust**).

The trustee of the Trust is The Trust Company (RE Services) Limited (ACN 003 278 831) (the **Trustee**), the holder of Australian financial services licence number 235 150.

The information contained in this Information Memorandum is a high level and non-exhaustive summary of the terms and features of the Trust. The terms are not to be relied upon and are not legal advice.

This Information Memorandum is supplied personally to the recipient on the conditions set out below. The recipient's acceptance of these conditions is evidenced by its retention of this document. If these conditions are not acceptable, the recipient must return the Information Memorandum immediately.

## Not an offer of securities

The provision of this Information Memorandum to any person is provided for the purposes of gaining a general understanding of the proposed offer and does not constitute, and may not be used for the purposes of, an offer of securities or interests of any kind to that person or an invitation to any person to apply for the issue of securities or interests of any kind. Any such offer or invitation will only be extended to a person if the person has first satisfied the Manager that such person is a Wholesale Client in the case of Australian investors (and equivalent under applicable foreign laws where applicable) and would not contravene any applicable law.

This Information Memorandum is not a Disclosure Document or a Product Disclosure Statement. It will not be lodged with the Australian Securities and Investments Commission and does not contain all the information that a Disclosure Document or a Product Disclosure Statement is required to contain.

By accepting this Information Memorandum, you represent that you are an Australian Wholesale Client.

## Confidentiality and distribution of this document

This Information Memorandum, and any other information provided in connection with the Trust is confidential. It is provided to prospective investors for the sole purpose of considering an investment in the Trust and must not be copied, supplied, disseminated or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Manager's prior written consent.

The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Information Memorandum must seek advice on, and comply with, any such restrictions.

Any person who receives a copy of this Information Memorandum in circumstances where receipt of this Information Memorandum is unlawful or unauthorised or requires the Manager to take any additional steps, including registration, must not accept the copy of the Information Memorandum and must immediately return it to the Manager. Any failure to comply with restrictions on receipt or distribution of this Information Memorandum may constitute a violation of applicable securities law.

## Independent advice required

In preparing this Information Memorandum, the Manager has not considered the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this Information Memorandum as tax, legal or financial product advice. Before making any decision to invest in the Trust, prospective investors should:

- seek and rely on their own professional advice, in particular by obtaining appropriate tax, legal, financial and investment advice in light of their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Information Memorandum.

## Information given in this document or otherwise

The Manager, the Trustee and each of their respective affiliates, related bodies corporate, officers, employees, advisers, agents or associates (**Relevant Persons**) do not exclude any condition, warranty or right, which, if excluded, would contravene the *Australian Competition and Consumer Act 2010* (Cth) or any other applicable law.

Subject to the foregoing, the Relevant Persons:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information);
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum (or any accompanying or subsequent information); and
- do not have an obligation to advise any person if any of them becomes aware of any inaccuracy in, or omission from, this Information Memorandum (or any accompanying or subsequent information).

Past performance of the Relevant Persons is not necessarily indicative of future results. In addition, certain information in this Information Memorandum may constitute forward-looking statements. All statements of opinion or belief, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Trust, any prior fund or any portfolio company, represent the Manager's assessment and interpretation of information available as at the date of this Information Memorandum. No representation is made or assurance is given that such statements, views, projections or forecasts are reasonable or correct or that the objectives or prospective returns of the Trust, any prior fund or any portfolio company will be achieved.

## Risk

An investment in the Trust should be regarded as speculative and will involve significant risks.

The Trust is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested or who require certain or predictable income flows or liquidity. Investors should have the financial ability and willingness to accept the risks and lack of liquidity which are characteristic of the investments described in this Information Memorandum, for the entire term of the Trust.

In particular, the attention of prospective investors is drawn to the risk factors set out in section 5 of this Information Memorandum.



## **Constituent Documents**

Information in this Information Memorandum may change from time to time. This Information Memorandum is current as at its date and the Manager has no obligation to update its contents.

This Information Memorandum contains a summary and description of certain features of the Trust's strategy. Any information provided in this Information Memorandum and in any other document or communication is subject to the Constituent Documents for the Trust, including the Trust Deed for the Trust and the Application Form, which contain the details of the rights and obligations of investors in the Trust. To the extent there is any inconsistency between this Information Memorandum and the Constituent Documents for the Trust, the latter prevails.

## **Supplementary information**

The Manager may in its absolute discretion update or supplement this Information Memorandum at any time. Such further information is provided under the same terms and conditions as this Information Memorandum.

## **Dollar Amounts**

All dollar amounts are in respect of Australian dollars (unless specified otherwise).

## **Glossary**

Certain expressions used in this Information Memorandum have defined meanings which are explained on page 43 (**Glossary**).



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## Part A – General Information

Part A of this Information Memorandum contains general information about the Capital Prudential Real Estate Master Trust.

Part B of this Information Memorandum contains terms specific to the CP Income Opportunity Fund, a Class of the Trust, and the Class of Units available for subscription under this Information Memorandum.

# 1. Key Features of the Capital Prudential Real Estate Master Trust



The Trust has been established to create a platform which gives investors the opportunity to gain exposure to one or more investment strategies within the Australian real estate loan and securities market and managed by Capital Prudential by subscribing for one or more classes of Units (each a **Class**) on the Investment Terms set out in Part B.

The Trust provides investors the flexibility to gain exposure to multiple investment strategies whilst retaining the convenience of investing via a single Trust (being both cost and time efficient).

## Key Terms

Below is a summary and description of certain general key features of the Trust.

The Investment Terms set out in Part B contain a summary and description of key terms specific to the relevant Class offered for subscription under this Information Memorandum. Any information provided in this Information Memorandum and in any other document or communication is subject to the terms of the Constituent Documents which will prevail to the extent of any inconsistency.

Key Terms	Description
<b>Trust</b>	The Trust will be an Australian domiciled unregistered unit trust that is expected to qualify as a managed investment trust ( <b>MIT</b> ). If the Trust is a MIT, the Trustee may elect for it to become an attribution managed investment trust ( <b>AMIT</b> ).
<b>Trustee</b>	The Trust Company (RE Services) Limited (ACN 003 278 831), the holder of Australian financial services licence number 235 150 ( <b>Trustee</b> ).
<b>Manager</b>	Capital Prudential Manager Pty Ltd (ACN 660 087 847; CAR 001 298 438 of Capital Prudential Funds Management Pty Ltd, AFSL 524 725) who the Trustee has appointed to manage the day-to-day investments of the Trust. The Manager is a subsidiary of Capital Prudential Funds Management Pty Ltd (ACN 636 279 082), the holder of Australian financial services licence number 524 725.
<b>Administrator</b>	Apex Fund Services (Australia) Pty Ltd (ACN 149 408 702).
<b>Eligible Investors</b>	The Trust is only open to investors who are Wholesale Clients.  Each investor will need to complete and sign an Application Form. The Manager may accept or reject any application form in whole or in part in its sole discretion.
<b>Minimum Investment</b>	Subject to Capital Prudential's discretion to accept a lower amount or as otherwise set out in the Investment Terms, the minimum initial investment in each Class is \$100,000.

Key Terms	Description
<b>Investment Objective and Strategy</b>	<p>The Trust aims to provide Unitholders with access to the Australian real estate loan and securities market. In the Manager's view, the Australian commercial real estate loan and securities market is a large and active segment of Australia's private credit market and provides superior risk adjusted returns compared with other fixed income investment opportunities. Subject to the Investment Terms, each Class may be exposed, directly or indirectly, to senior loans, subordinate loans and other real estate backed securities.</p> <p>The investment objective and strategy referable to the relevant Class is set out in the Investment Terms in Part B.</p>
<b>Management Fees and Performance Fees</b>	As set out in the Investment Terms in Part B.
<b>Applications and Redemptions</b>	As set out in the Investment Terms in Part B.
<b>Term</b>	Open-ended. The Manager may determine a different term applicable to different Classes at its discretion and as set out in the Investment Terms.
<b>Leverage</b>	The Trust or a Class may utilise leverage as set out in the Investment Terms for the relevant Class.
<b>Hedging</b>	Hedging may be deployed to protect the Trust against defaults in the loan and securities investments that the Trust has exposure to, or where the Manager deems appropriate, to protect the Trust against a downturn in the relevant markets.
<b>Re-Investment</b>	As set out in the Investment Terms in Part B.
<b>Co-Investment Rights</b>	The Manager will have discretion to offer and allocate co-investment opportunities in respect of a Class as it determines, having regard to each Unitholder and their respective interests. The Manager may facilitate co-investment opportunities via the issue of a new Class.
<b>Risk Factors</b>	A summary of the specific risk factors referable to a Class are set out in the Investment Terms. General risks of investing in the Trust are outlined in Section 5 of this IM.
<b>Organisational Costs</b>	<p>The Trustee and Manager will be entitled to be reimbursed for all costs properly incurred in the establishment of the Trust. Organisational Costs include fees and costs, incurred by the Trustee or Manager in establishing and initially promoting the Trust including government and tax registration charges, fees and expenses incurred in carrying out due diligence on the Trust, Manager or other service providers, legal fees and other expenses in relation to the preparation of the investment documents, marketing expenses, accounting, consultant, audit and taxation adviser fees, printing costs, taxes, travel costs and administrator and custodian setup fees.</p> <p>Organisational Costs will be amortised over a 10 year period and allocated between Classes in a manner that the Manager considers to be fair and equitable.</p>
<b>Reimbursement of Expenses</b>	The Manager, the Administrator and the Trustee (or their appointees, to the extent permitted under the Constituent Documents) are entitled to be reimbursed out of the assets of the Trust for all out-of-pocket expenses properly incurred in connection with the management of the affairs of the Trust or the relevant Class.

Key Terms	Description
<b>Debt Funds Investment Committee.</b>	The Manager may appoint and maintain a committee in respect of a Class whose members will comprise such persons appointed by the Manager from time to time and set out in the relevant Investment Terms. All proposed investments are approved in accordance with the Debt Funds Investment Committee Charter.
<b>Consequences of Default</b>	If a Unitholder fails to pay a capital contribution when required, the rights and entitlements attaching to the interests of that Unitholder will be suspended and may be forfeited or compulsorily sold by the Manager. The Unitholder remains liable for its unpaid Capital Commitment, the costs and expenses of the forfeiture, including the sale of the interest, and any unpaid calls. Any proceeds recovered from a sale by the Manager, net of unpaid capital calls, losses arising from a failure to pay a call and any costs and expenses associated with the failure to pay a call, will be returned to the Unitholder.
<b>Removal of Trustee and Manager</b>	<p>The Trustee or Manager (as the case may be) may each be removed by Unitholders:</p> <ul style="list-style-type: none"> <li>• holding 50% of Capital Commitments for cause (including insolvency or breach of the trust deed of the Trust); or</li> <li>• holding 75% of Capital Commitments for no cause (i.e. where the Manager or Trustee, as applicable, is removed for a reason other than for cause).</li> </ul>
<b>Compulsory Withdrawals</b>	<p>Unitholders' interests may be forfeited such as where:</p> <ul style="list-style-type: none"> <li>• interests are held in breach of prohibitions contained in the Trust Deed;</li> <li>• interests are held in circumstances which might result in a violation of an applicable law (including by the Trust, Trustee or Manager), or subject the Trust or Manager to taxation or otherwise adversely affect them in any material respect;</li> <li>• the Unitholder made a misrepresentation in acquiring its interests; or</li> <li>• the Unitholder fails to pay a call amount within the time specified in the Trust Deed.</li> </ul> <p>The Trustee may charge a Unitholder any legal, accounting, administrative or other amounts associated with a compulsory withdrawal.</p>
<b>Transfer from the Trust</b>	The prior written consent of the Manager (in its sole discretion) is required before a Unitholder may transfer any or all of its interests in the Trust, other than for a transfer to an associate, replacement custodian or trustee of the Unitholder. A transfer of the interest in the Trust will require the transferee to accede to the Constituent Documents, including by accepting liability to pay undrawn Capital Commitments to the Trust of the relevant transferor.
<b>Reporting</b>	<p>The Manager will provide the reports in respect of a Class as set out in the Investment Terms for that Class (if any).</p> <p>Within 90 days after the end of each financial year, the Manager must provide Unitholders with all final audited accounts for the relevant Class for the financial year.</p>

## 2. About Capital Prudential



### 2.1 Manager

The Trustee has engaged Capital Prudential Manager Pty Ltd (ACN 660 087 847) to provide investment management services to the Trust in accordance with the terms of the Management Deed set out in section 3.2.

The Manager is a wholly owned subsidiary of Capital Prudential Pty Ltd (ACN 634 875 273) and forms part of the Capital Prudential group (**Capital Prudential Group**), an alternative asset manager, specialising in disciplined real estate development. The Capital Prudential Group is focused on creating investment opportunities while providing capital solutions to mid-scale property developers across residential, specialty commercial and industrial property development sectors in Australia. Currently, the Capital Prudential Group manages a number of wholesale unlisted funds, including commercial real estate equity and debt funds. Past performance is not indicative of future performance.

### 2.2 Directors of Capital Prudential Manager Pty Ltd, Manager



#### **Andrew Rutherford**

**MBA, FCPA, GAICD, GradDipCorpFin, BComm, SF FIN, DipFinPlanning**  
**Independent Non-Executive Chair**

Andrew is an experienced funds management executive and company director. Currently, he holds non-executive director positions at BT Financial Group and is Chair at both Live Wire Hire and Diabetes Australia.

Previously Andrew was a founding partner of Koda Capital, a leading wealth advisory business, which he established and worked as COO between 2014 - 2020.

Andrew also worked as general manager Wealth Administration at NAB/ MLC as well as Chief Operating Officer at Goldman Sachs/ JB Were.



#### **Jarrad Haynes**

**BBus (Property), GAICD, DCM**  
**Managing Director**

Jarrad is an experienced property and funds management executive and director. He is the Managing Director of the Capital Prudential business with a particular focus on investments and asset structuring.

Jarrad was previously founder and director of Accord Property, a national property development and funds management company specialising in the development of small to mid-scale commercial projects.

Jarrad is also a non-executive director of Helping Hand Aged Care and was previously board advisor to Haigh's Chocolates.



#### **Katrina Glendinning**

**CA, GAICD, GradDipApp Finance & Investment, BEc**  
**Independent Non-Executive Director**

Katrina is an experienced funds management executive and spent the last 20 years as Chief Financial Officer at Pengana Capital, which is a listed funds management group with \$3.5b of funds under management. Pengana's products included managed funds, listed investment companies and listed investment trusts.

Prior to Pengana, Katrina worked at BT Financial Group as executive vice president, which covered numerous roles including chief operating officer of BT Portfolio Services.



### **Christopher Riquier**

PhD, GAICD, MBA, M&A Finance (NY Institute of Finance)

**Non-Executive Director**

Chris is an experienced FTSE 100 senior executive and company director.

Chris is currently CEO International of Asia Pacific data insights consultancy, The Illuminera Group, chair of finance performance measurement firm DBM Consultants and director of US based travel goods company Ethnotek LLC.

Previously, Chris was the Asia Pacific CEO of Kantar TNS responsible for 18 countries. Chris also has extensive experience in mergers and acquisitions in Australia, Africa and Asia.



### **Brenton Mauriello**

MBA, BEd Sc.

**Non-Executive Director**

Brenton is a highly accomplished property development professional and experienced board director with executive management experience spanning construction, architecture, automotive, pharmaceuticals and distribution.

Awarded membership of the Order of Australia (AM) for services to the Australia-Thailand and Australia-ASEAN relationship, Brenton has been executive chairman of DWP (Design Worldwide Partnership) an integrated design company with 350 staff providing architectural and interior design solutions across Asia, India and the Middle East since 2004. Brenton is also director of Raimon Land, a Thailand based property development company listed on the SET (Stock Exchange of Thailand).

Brenton is a fellow and part time facilitator at the Institute of Directors of Thailand, current Treasurer and past President of the Australia-ASEAN Chamber of Commerce as well as Chairman of The Advance Australia Council (Thailand) and the Australian Football League (AFL) Thailand.

Previously, Brenton held the positions of Director of the board of Trade Thailand, President and Vice President of the Australian–Thailand Chamber of Commerce and President of the South Australia Club Thailand.

Brenton is currently undertaking a Doctor of Business in Corporate Governance with the Australian Institute of Business, is a graduate of the University of South Australia (B.ed Sc.) and obtained his MBA from the University of Singapore.

## **2.3 Investment Committee**

The Trust's governing committee is the Investment Committee appointed and maintained by the Manager. The Investment Committee consists of experienced investment managers who will review and approve investments and divestments by the Trust. The Trust cannot make an investment without approval in accordance with the Investment Committee Charter.

The members of the Investment Committee are Katrina Glendinning, Jarrad Haynes, and Philip Riquier, who are supported by the Capital Prudential Group's team of investment professionals and advisors with deep experience across real asset management, property development, finance, accounting and law. The board of directors of the Manager may review membership and appoint and/or remove members of the Investment Committee from time to time.

In the Manager's view, the expertise and experience of the Investment Committee will assist it to originate quality investments, undertake detailed project and financial assessment, negotiate, structure and condition pre-investment terms, maintain strong financial controls and management throughout the investment lifetime, and construct and maintain appropriate portfolio exposures and limits to mitigate and manage risk.

Biographies of the Investment Committee members are set out below:



**Katrina Glendinning**  
**CA, GAICD, GradDipApp Finance & Investment, BEc**  
**Chair - Debt Funds Investment Committee**

Katrina is an experienced funds management executive and spent the last 20 years as chief financial officer at Pengana Capital, which is a listed funds management group with \$3.5b of funds under management. Pengana's products included managed funds, listed investment companies and listed investment trusts.

Prior to Pengana, Katrina worked at BT Financial Group as executive vice president, which covered numerous roles including chief operating officer of BT Portfolio Services.



**Jarrad Haynes**  
**BBus (Property), DCM, GAICD**  
**Managing Director**

Jarrad is an experienced property and funds management executive and director. He is the Managing Director of the Capital Prudential business with a particular focus on investments and asset structuring.

Jarrad was previously founder and director of Accord Property, a national property development and funds management company specialising in the development of small to mid-scale commercial projects.

Jarrad is also a non-executive director of Helping Hand Aged Care and was previously board advisor to Haigh's Chocolates.



**Philip Riquier**  
**FCPA, GAICD, FIN, Chartered Banker, MBA, BBA**  
**Investment Committee Member**

Philip is an experienced ASX 100 banking executive, property developer and professional independent company director.

Philip is currently a non-executive director of MyVenue Pty Ltd (a global payments business), Credit Union SA Ltd and Lutheran Homes Group Inc. Previously, Philip was a group executive of Bendigo and Adelaide Bank Ltd where, over a 23 year career he was responsible for numerous divisions including national property development, structured finance, aged care and retirement development, managed funds, credit risk and asset management.

Philip also held the position of chief credit officer and chaired the bank's credit committee. Philip has also previously been a director of the Risk Management Association of Australia.

## 2.4 Investment strategy and approach

### (a) General Trust Strategy

The Trust aims to provide Unitholders with attractive risk-adjusted returns primarily through exposure to Australian real estate loans and securities. The Australian real estate loan and securities market is a large and active segment of Australia's private credit market.

Subject to the Investment Terms set out in Part B, each Class may be primarily exposed, directly or indirectly, to:

- senior loans;
- subordinated loans;
- other real estate backed securities, equity, and equity like investments (including options and warrants); and/or
- cash, cash equivalents, highly liquid fixed income investments, debt securities, and re drawable at-call bank facilities.

### (b) Investment Objective, Strategy and Processes

See Part B for further information on the investment objective, strategy, and process applied by the Manager in respect of the Class available for subscription under this IM.

Each Class may also invest into underlying trusts or other investment vehicles managed or established by the Manager. Unitholders will gain exposure to an investment strategy by making a subscription of Units in the Class referable to that investment strategy.



### 3. Structure of the Trust



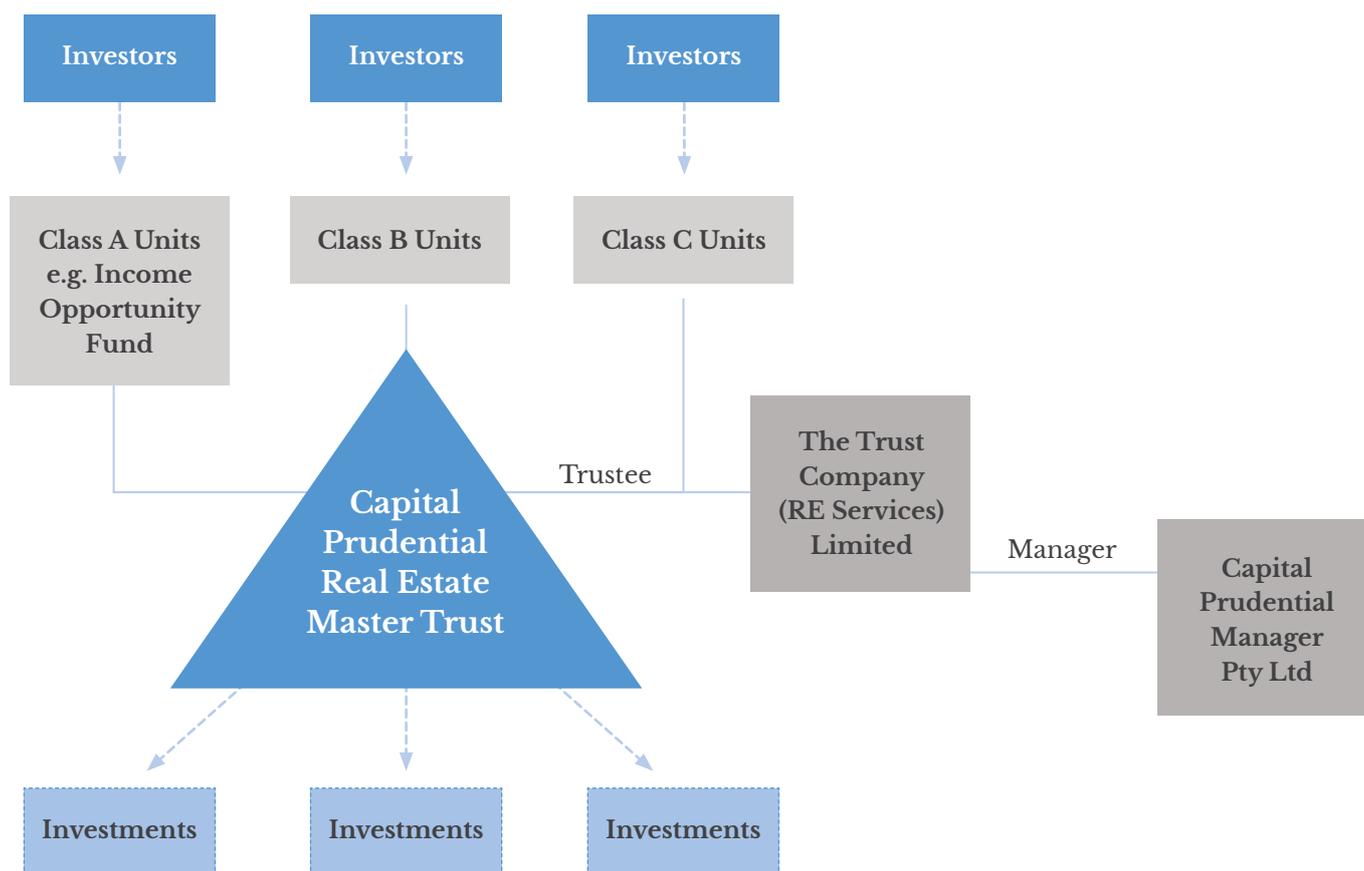
The Trust is an unregistered, wholesale Australian multi-class unit trust. The Trust is called the ‘Capital Prudential Real Estate Master Trust’.

From time to time, the Trustee intends to issue a different Class with interests and rights differing from each other Class. Each Class may be exposed to different investment strategies or co-investment opportunities, liquidity and maturity profiles either via investing directly in the relevant asset class or indirectly via special purpose vehicle sub-trusts or companies. A new Class will typically be established for each investment strategy. For the avoidance of doubt, the Trustee may create multiple Classes referable to the one investment strategy.

The investments of each Class may form a different pool of Trust assets. For the avoidance of doubt, no Class will constitute a separate trust.

Unitholders gain exposure to the investment strategies of a Class by subscribing for Units in the Class referable to the relevant investment strategy or co-investment opportunity. Further details of the underlying structures and investment strategy referable to a Class are set out in the Investment Terms in Part B.

Costs specific to a Class will be allocated to that Class and where amounts are referable to more than one Class (e.g., audit costs and legal expenses) they will be allocated as the Manager deems equitable and in compliance with applicable tax law.



\*For illustrative purposes only

## 3.1 Trustee

The Trust Company (RE Services) Limited (ACN 003 278 831) (**Trustee**) is the Trustee for the Trust. The Trust Company (RE Services) Limited is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827 (**Perpetual**), and a part of Perpetual Group which has been in operation for over 135 years. Perpetual Limited is an Australian public company that has been listed on the Australian Securities Exchange for over 55 years.

The Trustee holds Australian financial services licence number 235150 issued by ASIC, which authorises it to operate the Trust.

The Trustee is responsible for the operation of the Trust and has the power to delegate certain aspects of its duties in accordance with the Trust Deed.

Specifically, its responsibilities include:

- administering the issue, transfer and redemption of Units by Unitholders;
- Trust asset valuation and Unit pricing;
- managing investor applications and redemptions;
- calculation and distribution of Trust income;
- acquisition, disposal and management of Trust assets;
- monitoring service provider adherence to contracted service standards; and
- Unitholder reporting.

The Trustee has appointed Perpetual Corporate Trust Limited as custodian, Capital Prudential Manager Pty Ltd as Manager, and Apex Fund Services (Australia) Pty Ltd as administrator of the Trust and to provide registry services for the Trust.

The Trustee has appointed EY as the auditor of the Trust.

The Trustee may elect to retire on 20 days written notice to Unitholders.

## 3.2 Manager

The Trustee has engaged Capital Prudential Manager Pty Ltd (ACN 660 087 847) an authorised representative (representative number 001 298 438) of Capital Prudential Funds Management Pty Ltd (ACN 636 279 082), the holder of Australian financial services licence number 524725, to provide investment management services to the Trust in accordance with the terms of the Management Deed.

The duties of the Manager under the Management Deed include:

- investing and managing assets of the Trust or a Class consistent with the investment strategy and objectives of the Trust or a Class;
- advising as to divestment opportunities and other appropriate actions by the Trust with respect to an investment;
- procuring the valuation of investments; and
- directing the Trustee regarding all matters relating to an investment.

The Trustee or Manager may appoint additional managers, sub-managers or advisers in respect of certain investment opportunities.

## 3.3 Custodian

The Trustee has engaged Perpetual Corporate Trust Limited (ACN 000 341 533; AFSL 392 673) as custodian of the Trust to hold Trust assets in accordance with the Custody Agreement.

The Custodian's role is limited to holding assets of the Trust and it has no supervisory role in relation to the Trust and is not responsible for protecting the interests of Unitholders. The Custodian has no liability or responsibility to a Unitholder for any act done or omission made in accordance with the Custody Agreement. The Custodian was not involved in preparing, nor takes any responsibility for this document and makes no guarantee of the success of the Trust nor the repayment of any capital or any particular rate of capital or income return.

## 3.4 Trust Administrator

The Trustee has engaged Apex Fund Services (Australia) Pty Ltd (ACN 149 408 702) as the administrator of the Trust. Under the Trust Administration Agreement, the Trust Administrator will provide fund accounting, unit pricing and financial reporting services to the Trust.

The Manager may provide certain services (including those listed above) to the Trust. Where such services would, in the ordinary course, be outsourced to a third-party service provider, the Manager may charge the Trust for such services at market rates and on an arms-length basis.

# 4. Applications and Redemptions



## 4.1 Applications

An offer to invest in the Trust or a Class is only made to Wholesale Clients.

There is no statutory cooling off period in respect of an application for Units in a Class. An Application Form, once submitted, may not be revoked or altered without the Trustee's consent which may be withheld in its absolute discretion.

To invest in the Trust, an applicant must:

- complete and execute an Application Form to the satisfaction of the Trustee; and
- meet all other requirements of the Trustee and the Trust Deed.

The Trustee may, in its absolute discretion, either:

- reject an Application Form; and
- may, at any time (by notice to an applicant), reduce (but not increase) that applicant's capital commitment specified in their Application Form, each without giving a reason.

A copy of the Application Form accompanies this Information Memorandum or is available on request from the Trust Administrator or emailing [SSG.AUS@apexfs.com](mailto:SSG.AUS@apexfs.com).

The full terms applicable to a subscription for Units a Class are set out in the Investment Terms in Part B.

## 4.2 Redemptions

The Trustee may offer Unitholders in a Class the ability to apply to have their Units redeemed on the terms set out in the Investment Terms in Part B.



## 5. Risk Factors



An investment in a Class entails a high degree of risk and is suitable only for sophisticated investors who understand fully and are capable of assessing the risks of this nature.

Prospective investors should consider carefully the following factors (amongst others) in making their investment decision.

These risk factors do not purport to be a complete explanation of the risks involved in investing in a Class and are general in nature only. For additional risks specific to a Class, please see the Investment Terms set out in Part B (as applicable). Prospective investors must read the entire Information Memorandum including all attachments and must consult their own professional advisors, before deciding to invest in the Trust.

### 5.1 Due Diligence

Investments of the Trust will often be opportunistic and may involve secondary transactions where there is no or limited opportunity for due diligence and limited warranty recourse. In a number of these situations, the Manager may rely on proprietary information or publicly available information to make informed investment decisions.

### 5.2 Past Performance

The performance of previous funds or investment opportunities in which the Manager, its principals or its investment team have been involved cannot be relied upon in assessing the merits of the Trust.

### 5.3 Reliance on the Manager and its Investment Team

Unitholders will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Trust. They must rely on the ability of the Manager in identifying, structuring, developing and realising potential investments consistent with the Trust's investment objectives and policies.

While it is the intention for the Manager to create and maintain a stable investment team, certain members could depart or become unwell, which may result in a loss of capital for investors.

### 5.4 Liquidity

Investing in the Trust will typically require a long-term commitment from Unitholders, with no certainty of any investment return, nor the return of capital invested. Some of the Trust's investments will be highly illiquid. Consequently, realisation of those investments may require a lengthy time period. There is a risk that market conditions might change before realisation of those investments can take place.

There are also restrictions on transfer of interests in and redemptions from the Trust, which may make an investment in the Trust illiquid. There is a risk that Unitholders will not be able to exit the Trust at the time of their choosing.

### 5.5 Investee Failure

One or several investments of the Trust or a Class could suffer financial hardship and/or fail. This may lead to a loss of capital for Unitholders.

### 5.6 Investment Values Rise and Fall

Interests in the Trust are valued according to the market value of the underlying assets to which they correspond. The value of these assets will rise and fall over time. Ultimately though a Unitholder's return from the Trust or a Class will be determined by distributions from the relevant Class's investments. For Unitholders, the return on investment will depend on the success of the Trust's or a Class's investments, and there can be no assurances that they will generate target returns. Neither the Manager nor any other entity guarantees any particular rate of return being earned by the Trust, a Class or the return of capital.

### 5.7 Variable Distributions

The payment of distributions by the Trust is contingent on the income it receives from investments. No guarantee can be given concerning the future earnings of the Trust or a Class, the earnings or capital appreciation of a Class's portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Trust's or a Class's return being inadequate to pay distributions to Unitholders.

## 5.8 Economic and Political Risk

In the course of investing, the Trust will be exposed to the direct and indirect consequences of political, economic or social changes in the investment region that could adversely affect its investments. The investments could be adversely affected by changes in the general economic climate or the economic factors affecting a particular industry, changes in tax law or interest rate movements. While the Manager intends to manage or delegate management of the Trust's assets in a manner that will minimise its exposure to such risks, there can be no assurance that adverse political or economic changes will not cause the Trust to suffer losses.

## 5.9 Credit Cycle Risk

Credit cycles expand and contract in line with macroeconomic variables and are influenced by fiscal and monetary policy. The serviceability and liquidity of debt can deteriorate during contractions and cause a decrease in the value of debt investments to which the Trust or a Class is exposed.

Investments of the Trust or a Class may be exposed to or rely on credit and such cyclical factors may limit the availability of credit and the value of credit at various times.

## 5.10 Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes in the Australian investment environment or otherwise, may occur during the term of the Trust which could have an adverse effect on the Trust. The Trust may not be in a position to take legal or management control of its investments. The Trust may have limited legal recourse in the event of a dispute, the costs of which may be borne by the Trust, and remedies may have to be pursued in the courts.

## 5.11 Liability

The Constituent Documents contain provisions that are designed expressly to limit the liability of Unitholders, in their capacity as investors in the Trust, to the amount of their respective Capital Commitments. There can be no absolute assurance that the liability of Unitholders will be limited as intended by those provisions as the ultimate liability of Unitholders rests with the courts. Each Unitholder must satisfy itself as to the risks of the limitation and to its liability as a Unitholder in the Trust.

## 5.12 Indemnity

The Trust will provide an indemnity to the Indemnified Persons in respect of any claims, losses, liabilities, costs or expenses incurred in connection with the Trust (to the extent that it is not the result of negligence, wilful misconduct or fraud by the Indemnified Person), which may result in a loss of capital for Unitholders.

## 5.13 Implication of Failing to Meet Calls of the Trust

Pursuant to the Constituent Documents of the Trust, a failure of any Unitholder in meeting calls by the Manager can result in a forfeiture of that Unitholder's interest in the Trust, and therefore a loss of any paid up capital from that Unitholder.

## 5.14 Unitholder Change of Status

The Manager has certain rights to require a Unitholder to dispose of its interests in the Trust if continuing participation by the Unitholder in the Trust becomes unlawful.

## 5.15 Leverage

The Trust or Class may use or be exposed to leverage to increase investment exposure or invest in financial products, such as swaps, which provide the net effect of leverage. Investment losses may be magnified by the use of leverage, resulting in greater losses to Unitholders of the Trust or the relevant Class. The Trust or a Class may also be exposed to borrowing costs which may reduce returns. Margin calls by lenders may result in losses through the forced sale of investments. In addition, where leverage is used in respect of a Class, there is a risk that recourse may be unable to be appropriately limited to the assets of that Class. In such circumstances, there is a risk that a financier may have recourse to the assets of another Class.

## 5.16 Multi Class Risk

Risks may arise due to the Trust being managed on the basis that each Class corresponds to a different pool of Trust property separate to other pools of property in the Trust. Due to the open-ended nature of the Trust, it is possible that not all the general risks applicable to the Trust and specific risks referable to a Class are identifiable at the date of this Information Memorandum. Additionally, where there are multiple Classes in the Trust, creditors of a Class may seek to claim reimbursement from the assets of other Classes in the case of a shortfall of assets in the Class against which they are claiming.

## 5.17 Pandemic and Other Unforeseen Event Risk

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the economies and financial markets either in specific countries or worldwide and consequently on the value of the Trust's investments. Further, under such circumstances the operations of the Manager and other service providers, including functions such as trading and valuation, could be reduced, delayed, suspended or otherwise disrupted.

## 5.18 Multi Investment Classes

Where a Class is intended to be exposed to multiple investments acquired over an investment period, the success of that Class will depend on the identification and availability of suitable investment opportunities. There is a risk that there may be a lack of suitable investment opportunities for the Class to invest in, given the Class's investment philosophy and strategy. This risk is affected by a number of factors including the size of the Class and the availability of opportunities for investment within the Trust's intended investment markets.

## 5.19 AMIT Multi-Class Election

If a MIT with multiple classes of units on issue elects to be treated as an AMIT, it can make an irrevocable AMIT multi-class election.

Where a multi-class election is made, each class of units is treated as being a separate AMIT for purposes of applying the AMIT attribution rules. In effect, this means that the trustee of a multi-class AMIT can

allocate its assessable income, exemption income, non-assessable, non-exempt income, tax losses, net capital losses and other similar amounts in respect of the AMIT between each of the separate classes on a fair and reasonable basis.

Importantly, an AMIT making the multi-class election does not require each class to be able to qualify as a MIT on a standalone basis (rather, the trust is looked at as a whole when determining if it qualifies as a MIT). While this may assist the trust in satisfying the MIT ownership requirements, it also means that if any class carries on investment activities that are not permitted to be carried on by a MIT, the entire trust (including each class within the trust) will cease to qualify as a MIT/AMIT. It is the Manager's intention that no class will carry on investment activities that are not permitted to be carried on by a MIT.

## 5.20 Interest Rate Risk

The Manager's ability to achieve investment objectives may be impacted by movements in interest rates. For example, if an underlying loan has a:

- fixed interest rate, in an environment where interest rates increase, the returns to the Trust or Class from that facility may be lower than returns that may be available to investors from other variable rate-based investments; or
- variable interest rate, in an environment where interest rates decrease, the returns to the Trust or Class from that facility may be lower than returns that may be available to investors from other fixed rate-based investments.

The Manager may use its discretion as to whether to advance debt facilities to borrowers on either fixed or variable rates.

## 5.21 Prepayment Risk

The Trust may have exposure to loans which may be repaid early, meaning that the actual maturity of the loan is shorter than its forecasted maturity, impacting the repayment schedule. This may be due to several factors including earlier construction completion than anticipated, stronger sales, competitive lender pricing, or the Trust seeing repayment of the loan due to a counterparty's breach or default. Such prepayment may result in a reduction of income until such time as the capital is reinvested.

The Manager may incorporate early loan repayment fees where appropriate to protect income from prepayments at the borrower's discretion.

## 5.22 Illiquid Security Risks

Notwithstanding that an investment of the Trust may be secured against underlying real estate, that asset class is relatively illiquid. Accordingly, if the Trust is in a position where the liquidation of a security asset is appropriate (e.g., when a counterparty defaults), the disposal price of the security may be lower price than prevailing indicative market prices or assumed valuation which the Manager relied upon in assessing the merits of the relevant loan because, for example, dampened investor appetite, prevailing market conditions, limited available financing, or any number of other factors.

## 5.23 Valuation Risk

The investment of the Trust may be difficult to value due to the inherent subjectivity of the assessment of each asset and may not have readily ascertainable values. The payment of fees to the Manager and issuers may occur on the basis of these valuations which may in turn be based on estimates and information from third parties which have not been verified by the Manager or issuers. Further, third party valuations may be inaccurate or represent true market value due to the absence of comparable transactions in the past or during periods of volatility in the market. This valuation risk may give rise to lower than possible realisation proceeds and, therefore, lower returns to the Trust or Class, as applicable.

## 5.24 Conflicts and Related Party Arrangements

The Manager and some service providers to the Trust or a Class may be related parties and there may be conflicts of interest that arise in connection with the activities of the Trust or specific Classes. Other than as set out in this Information Memorandum, there are no existing arrangements and there are no currently proposed transactions in which the Trustee was, or is to be, a participant, and in which any related party of the Trustee had or will have a direct or indirect material interest. The Trustee and Manager may be subject to conflicts of interest when performing their duties in relation to the Trust. Both the Trustee and Manager have conflicts of interest policies and procedures in place that are designed to appropriately manage these conflicts of interest that arise in relation to managing the Trust and each Class. Please see section 6 for further information.

## 5.25 Documentation

The Trust or Class may be exposed to the risk of insufficient documentation of contractual relationships rendering them unenforceable or their terms not as intended.

## 5.26 Tax

The operations of the Trust or a Class could expose the Trust or Class to unforeseen potential tax liabilities that could have an adverse impact on: the performance of the Trust or Class; the operations of the Trust or Class; or the reputation of the Trust, Manager, Trustee or Capital Prudential, generally.

In addition, future tax developments or changes to tax laws may also have an adverse effect on the Trust or Class which could adversely impact the returns to investors.

## 5.27 Cyber Risk

The information security systems of the Trustee, Manager, their respective Affiliates, or that of their counterparties may be vulnerable to damage or interruption from infiltration by unauthorised persons and security breaches, technological failures, power outages, and natural disasters. If these systems are compromised, the Trustee, Manager, Class, or Trust may have to make significant investment to fix or replace the systems and there could be significant interruptions to the operation of the Trust or Class. It is possible that this may result in a failure to maintain the security and confidentiality of sensitive data, including personal information relating to investors.

## 5.28 Failure of the Investment Strategy

There is a risk that the investment strategy of the particular Class or the Trust will not achieve the investment objectives or produce favourable returns. There is no guarantee that the investment strategy will achieve the investment objectives or favourable returns. The success of the Trust or Class in achieving its investment objectives will be significantly affected by the Manager's ability to execute the investment strategy.

## 5.29 Concentration Risks

Concentration risk is the risk that the investment portfolio of the Trust or a Class has suboptimal diversification (in relation to the diversification strategy of the Trust or Class, as applicable). There is a risk from time to time (such as in the initial stages of the Trust or a Class where it may take some time to accumulate investments across the desired diversification strategy) that the desired diversification for the Trust or Class is not met (e.g., across sector, geography, risk profile, number of borrowers, or facility type). This could expose the Trust or Class to less favourable outcomes compared to an optimally diversified portfolio (in relation to the diversification strategy of the Trust or Class, as applicable).

## 5.30 Fraud Risk

The Trust is each exposed to the risk that the counterparties, including borrowers, to its investment exposure, may seek to commit fraud against the Trust, Class, or the lender. The Trust relies on the Manager and its internal policies and procedures to identify fraud. Failure of these internal controls could result in damage to the Trust and Capital Prudential's reputation, which can ultimately impact their ability to attract new clients and investment opportunities.

## 5.31 Regulatory Risk

It is possible that legal or regulatory changes during the term of an investment by the Trust may change the parameters or scope of the investment. For example, the operations of investments may rely on development approvals, government permits, licences, concessions, leases, or contracts. Government entities generally have significant influence over development projects in respect of the various contractual and regulatory relationships they may have, and these government entities may exercise their authority in a manner that causes delays in the development of these projects. More broadly, the government or an authority may amend or repeal existing laws or regulations, or enact a new law or regulation, or introduce a new interpretation of existing law or regulation, all of which may impact a particular development project or the investments of the Trust, or operations more broadly.

## 5.32 Counterparty Risk

If a counterparty fails to honour their obligations under the transaction agreements with respect to an investment, then this could have a detrimental impact on the Trust or relevant Class. It could result in a reduction to the distributions available to be distributed to the unitholders of the Trust or Class (as applicable), or in extreme circumstances, a failure by the Trust or Class to meet its obligations to financier(s) and investors in the Trust or Class.

## 6. Conflicts of Interest



The Manager and Trustee may have interests conflicting with the Trust arising in the ordinary course of its business. The Manager and Trustee have documented procedures for the identification, clearance, and management of any conflicts of interest set out in the Conflicts Policy as at the time of issue of this Information Memorandum.

The information set out below:

- identifies some areas where potential conflicts may arise; and
- is a high-level and non-exhaustive summary of the Conflicts Policy.

The Conflicts Policy is regularly reviewed by the Capital Prudential Group. Please refer to the Conflicts Policy (a copy of which may be requested, in writing, from the Manager) which prevails to the extent of any inconsistency with this summary.

### 6.1 Co-Investment by the Trust

The Trust may participate as a co-investor in transactions that otherwise meet the investment criteria but require funding greater than the prudential limits set for the Trust. Such co-investments may involve other clients and may occur on terms which are different to the Trust. In addition, the Manager may give advice and take action in the performance of its duties to co-investors which differs from advice given and action taken in relation to the Trust.

### 6.2 Co-Investment by Unitholders

The Manager may, but will be under no obligation to, provide a Unitholder with the opportunity to co-invest in any investment considered by the Trust. The Manager may offer all or part of such co-investment to a party who is not a Unitholder. Key individuals or management teams that have been instrumental in securing and supporting a transaction may also have a co-investment right. The Manager will not be required to account to the relevant Trust for any co-investment fees earned by it or any associate.

### 6.3 Manager and Trustee Investment

The Manager, Trustee or their related bodies may separately invest in transactions where the investment is:

- outside the investment objectives of the Trust;
- a strategic investment of the Manager, Trustee, a related body's business; or
- related to an existing investment of the Manager, the Trustee or their related bodies or an investment currently managed by the Manager, the Trustee or their related bodies.

### 6.4 Other Clients of the Manager

The Manager or Trustee may act as the trustee, responsible entity, manager or general partner for a number of clients and has fiduciary obligations and duties in relation to each of those clients that are similar to its obligations and duties in relation to the Unitholders.

Other clients may co-invest with the Trust, on terms which may be different to those offered to the Trust having regard to the various matters including the size and nature of the investment and differing investment objectives and strategies.

The Manager may give advice and take action in the performance of its duties for other clients which differ from advice given and action taken in relation to the Trust or its assets.

### 6.5 Related Party Investments

The Manager and its related entities may act as manager, trustee, responsible entity, general partner, or adviser to other funds or investment vehicles. The Trust may invest in, or otherwise have dealings with, such funds or vehicles. In such circumstances, the Manager may face conflicts of interest in allocating investment opportunities and in managing the Trust and other investment vehicles.

## 6.6 Capital Prudential Group Business

Conflicts of interest exist in the structure and operation of Capital Prudential Group's business as it relates to the Trust.

Capital Prudential Group may be an investor, investment manager, advisor or development manager of other funds, accounts or projects (in some of which the Trust may invest) and its compensation for managing such funds, accounts or projects may be greater than its compensation for managing the Trust, creating an incentive to focus on such other funds, accounts or projects. Such other funds, accounts or projects may have investment objectives or investment strategies similar to those of the Trust. Capital Prudential Group may also give advice or take action with respect to the other clients or projects that differs from the advice given with respect to the Trust. To the extent a particular investment is suitable for both the Trust and other clients, these other clients may compete with the Trust with respect to these investments. Where this occurs, Capital

Prudential Group will generally allocate investments in a fair and equitable manner, taking into account applicable laws and regulations and the surrounding circumstances, including the risk profile, investment objective and guidelines of the Trust and the other funds and client accounts.

As a result of the foregoing, Capital Prudential Group may have conflicts of interest with respect to the allocation of its time and activities between the Trust and its other clients or business interests, the allocation of investments between the Trust and the other clients or business interests, and with respect to transactions between the Trust and other funds, accounts or projects.

There is a risk that any advice, actions (or inactions) taken by Capital Prudential Group as an investor, investment manager, investment adviser or development manager of such projects may have a material impact (positive or negative) on the investments held by the Trust.

# 7. Taxation



## 7.1 Introduction

This section of the IM is a brief guide on the Australian tax considerations that may be relevant to Unitholders in the Trust. It does not consider any non-Australian tax implications.

This summary is necessarily general in nature and is not intended to be either a definitive or exhaustive statement of the tax issues relevant to the Trust or Unitholders.

The comments below outline the general Australian income tax consequences only as relevant to an Australian tax resident individual, a company (other than a company, such as a life insurance company, that is taxed in accordance with a specific regime), a trust or a complying superannuation entity who hold their Units Trust on capital account.

In addition, these comments also consider the Australian income tax consequences for non-resident Investors that acquire and hold their Units in the Trust on capital account for Australian income tax purposes.

These comments are not relevant to taxpayers who acquire their Units in the course of trading or dealing in securities or otherwise hold their Units on revenue account or as trading stock, or as financial arrangements subject to the taxation of financial arrangements regime. This guide is based on the current Australian judicial interpretations and the administrative practices of the Australian taxation authorities at the time of this IM. Unitholders should be aware that the ultimate interpretation of the Australian tax law rests with the Australian courts, and that the law and the way that the Australian taxation authorities administer the law, may change over time.

We do not provide financial planning or taxation advice. You must take full and sole responsibility for your investment in the Trust, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment. Accordingly, you should seek personal tax advice to take into account your individual circumstances.

The taxation information provided is intended only as a guide, and not specific to any fact and circumstance related to you. As such it does not

constitute the provision of tax agent services under section 90-5 of the Tax Agent Services Act 2009 (TASA) and should not be relied upon as such.

## 7.2 Taxation of the Trust

### AMIT Rules

The Trust will be an unregistered Australian unit trust, and subject to satisfying applicable requirements during the relevant period, is expected to be treated as a managed investment trust (MIT) for tax purposes.

If the Trust is a MIT, the Trustee may elect for it to become an attribution managed investment trust (AMIT). If the Trust qualifies as a MIT and makes an irrevocable election to apply the AMIT rules, the Trust will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Unitholders. The Trustee should not be liable to pay Australian income tax on the Trust's taxable income. This is on the condition that the Trust will not be taxed as a company under the public trading trust provisions.

Under the AMIT rules, certain qualifying AMITs can make an irrevocable "multi-class" election. If the AMIT multi-class election were made, the Trust would be able to segment its income and deductions into components – for example, into certain types of income, gains, exempt amounts, offsets and credits – and allocate particular components to Unitholders holding different classes of units as if those classes were separate AMITs, provided the basis of allocation is fair and reasonable and in accordance with the Trust's Constituent Documents.

Unlike the AMIT provisions, the ordinary trust taxation provisions do not allow income and deductions of a trust to be quarantined to particular Classes as if the units comprising each Class constituted separate trusts. For this reason, the Trust will only establish more than one Class if it qualifies as an AMIT and has made the multi-class election.

The remainder of this section assumes that the Trust will qualify as a MIT that elects to become an AMIT.

## Taxation of Financial Arrangements (TOFA) Rules

If the value of the Trust's assets exceeds a specified threshold set out in the Australian tax law, or it invests in 'qualifying securities' as defined in the Australian tax law with a remaining term after acquisition of more than 12 months, the TOFA rules may apply to the Trust or to the qualifying securities. Where the TOFA rules apply, this will result in 'sufficiently certain' gains or losses being brought to account on an accruals basis rather than a realisation basis for tax purposes.

Where the TOFA rules apply, it is possible that Unitholders could be taxed on amounts of income before they receive cash distributions from the Trust.

### MIT Capital Election

Where the Trust qualifies as a MIT, the Trustee is expected to make a capital account election. The effect of the election is that any gains and losses on disposal of certain assets (including shares in a company and other equity like investments such as options and warrants) (referred to as "**covered assets**") by the Trust will be subject to the CGT provisions. Accordingly, where the capital account election has been made, any capital gains distributed by the Trust to a Unitholder will be taxed under CGT provisions when determining the taxable income of the Unitholder.

If the Trust establishes Australian sub-trusts to acquire the assets of a particular Class, and provided that sub-trust qualifies as a MIT, the trustee of the sub-trust is expected to make a capital account election in respect of that sub-trust.

### Public Trading Trust

If the Trust is a "public unit trust" and the Trustee carries on a trading business or is able to control (whether directly or indirectly) the affairs or operations of an entity that carries on a trading business (i.e. it is a "trading trust"), the Trust is likely to constitute a public trading trust in which case it would be taxed as a company.

Broadly, the Trust will be a public unit trust in circumstances where any units of the Trust are offered to the public, or the units in the Trust are held by no fewer than 50 persons.

A trading business is any business that does not consist wholly of "eligible investment business" activities. These are generally passive activities such as investing or trading in debt instruments, equity or specified derivatives.

The Trustee intends to limit the activities of the Trust to eligible investment business activities so that the public trading trust provisions should not apply to the Trust. Furthermore, the Trustee will seek to ensure that it does not control entities that carry on trading activities.

## 7.3 Taxation of Australian Tax Resident Unitholders

### Income

An Australian resident Unitholder will include their share of the taxable income of the Trust referable to the relevant Class for a given income year in their calculation of assessable income. The income distributed by the Trust should retain its character when received by the Unitholders (i.e. interest income received by the Trust would retain that character when distributed to Unitholders).

Depending on the investments of the Trust or a particular Class, taxable distributions made by the Trust could potentially include franking credits arising from franked dividends received by the Trust. An Australian resident non-corporate investor may be required to include an additional amount equal to the franking credits in its assessable income and may be entitled to a tax offset (and, possibly, a cash refund) in respect of such franking credits. Corporate investors should seek advice on the tax implications of receiving franked distributions.

### Discount Capital Gains

The Trust may apply the CGT discount to capital gains derived by the Trust where the underlying investment was held by the Trust for at least 12 months prior to realisation. Each Unitholder is required to “gross up” their share of any discount capital gain and may then be entitled to discount their share of that net capital gain by 50% in the case of an individual or trust, or 33% in the case of a complying superannuation entity (after applying any available tax losses).<sup>1</sup> Companies cannot apply the CGT discount.

### Disposal of Units

The tax treatment of a gain or loss realised by an Australian resident Unitholder on disposal or redemption of units will depend on whether the units are held by the Unitholder on revenue account or capital account.

Broadly, any gains made in respect of units held on revenue account will be assessable as ordinary income and any losses incurred will be allowable as deductions.

Gains made in respect of units held on capital account will also be assessable but in contrast, any losses

realised on units held on capital account can only be applied to reduce the Unitholder’s capital gains. However, a Unitholder that is an Australian resident individual, trust or complying superannuation entity that has held its units for at least 12 months may be entitled to discount the capital gain realised in respect of a disposal or redemption of those units by 50% in the case of an Australian resident individual or trust, or 33% in the case of a complying superannuation entity.

## 7.4 Taxation of Foreign Tax Resident Unitholders

### Interest Income

Distributions of interest income to foreign resident Unitholders should be subject to Australian interest withholding tax at a rate of 10%, subject to any tax treaty relief available under a relevant tax treaty. Certain underlying loans may also be able to benefit from withholding tax exemptions. This benefit should flow through to distributions attributable to that interest.

### Dividend Income

Distributions of unfranked dividends to foreign resident Unitholders should be subject to Australian dividend withholding tax at a rate of 30%, subject to any tax treaty relief available under a relevant tax treaty. Fully franked dividends distributed to foreign resident Unitholders should not be subject to Australian dividend withholding tax.

### Fund Payments

Where the Trust qualifies as a withholding MIT (which is expected to be the case), the Trustee will, with respect to distributions of fund payments (defined below) made to foreign resident Unitholders, be required to withhold an amount. The final withholding tax rate applied will depend on the residence of the Unitholder. In summary:

- if the Unitholder is resident in a country with which Australia has an information exchange agreement, the rate of withholding is generally 15%; and
- otherwise the rate of withholding is 30%.

“Fund payments” are broadly all distributions of Australian sourced income other than dividends, interest, royalties and capital gains referable to assets that are not “Taxable Australian Property” (defined below).

<sup>1</sup> Note that on 8 May 2018 the government announced an integrity measure to prevent MITs and AMITs from applying the 50% capital gains discount at the trust level. Legislation is still being developed for this measure, however, if it is enacted it would remove the need for investors to “gross up” their share of a discount capital gain.

## Capital Gains

Capital gains arising in relation to a Trust's realisation of covered assets (i.e. shares in a company and other equity like investments such as options and warrants) should be deemed to be capital gains (provided the MIT capital election is made) and should generally not be subject to Australian tax unless the capital gain arises in respect of broadly, Australian real property, the business assets of an Australian permanent establishment, or indirect interests of 10% or more in entities where the value of the assets of those entities is principally referable (i.e. more than 50%) to Australian real property (collectively, "Taxable Australian Property").

## Disposal of Units

Capital gains realised upon the (direct or indirect) disposal or redemption of units owned by foreign resident Unitholders will be subject to Australian capital gains tax if the units are Taxable Australian Property. On the basis that the underlying assets of the Trust are expected to consist of loan interests, the units should not be considered to be taxable Australian property.

## Australian Lodgement Obligations

A non-resident unitholder should not be required to lodge an Australian income tax return if the only distributions received are subject to a final withholding tax and their capital gain or loss is not in respect of Taxable Australian Property.

## 7.5 Other Taxes that may be Imposed on the Unitholders

### GST

The subscription for any Units and receipt of distributions by any Unitholder should not be subject to any GST. However, Unitholders who are registered for GST may be restricted from claiming a refund of the GST cost of its acquisitions that relate to these transactions.

## Stamp Duty

On the basis that the Trust will not hold interests in trusts that are 'landholders' in any Australian jurisdiction, no stamp duty should be payable on the subscription of any Units. Possible Tax Reform in Australia.

Tax law is complex and is subject to change periodically (including retrospectively), as is the interpretation of the law by the courts and revenue authorities. Recent Australian government, ATO and litigation activity indicates that the taxation of collective investment vehicles remains subject to law change and administrative practice. The Manager intends to monitor any pertinent developments.

## Other Matters

A resident Unitholder need not quote a Tax File Number (TFN) when applying for Units. However, if a TFN is not quoted, or no appropriate TFN exemption information is provided (e.g., where an Investor has lodged a TFN application and is awaiting confirmation), tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus the Medicare levy (currently 47 per cent). Investors that hold their Units as part of their business may quote their Australian Business Number instead of their TFN. This affects Investors on an individual basis.

## 7.6 Tax Statement

An annual tax statement will be sent to each Australian resident Unitholder to assist in completing their tax returns.

If the Trust is an AMIT, the AMIT regime requires that all income attributed to a Unitholder is summarised in an 'AMIT Member Annual Statement', also known as an AMMA Statement. The Trustee will procure the provision of an AMMA Statement to each Unitholder for each financial year while the Trust is an AMIT as soon as reasonably practicable following the end of that financial year.

## 8. Additional Information



### 8.1 Anti-Money Laundering and Counter-Terrorism Financing (AML Act)

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (“AML Act”) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). In accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML Act), the Manager and/or the Trustee are required, amongst other things, to identify and verify the identity of prospective investors and Unitholders. In order to do this, the Manager and/or the Trustee must collect and verify certain information (and documentation) from each investor in relation to their identity, source of funding and purpose before providing services to each investor and to re-identify the investor if the Manager and/or the Trustee consider it necessary to do so. The Manager and/or the Trustee and any agent acting on their behalf reserve the right to request such information as is necessary to verify the investor’s identity and the source of funding. In the event of delay or failure by an investor or a prospective investor or Unitholder to provide this information to the Manager and/or the Trustee, the Manager and/or the Trustee may refuse to accept the investor’s application and the funding relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with the AML Requirements applicable to them. In these circumstances, the Manager and/or the Trustee and its agents will not be liable to the investor for any resulting loss (including consequential loss) suffered by the investor because of the rejection or delay of any subscription or payment of withdrawal proceeds as a result of the Manager and/or the Trustee’s compliance with the AML Act. The Manager and/or the Trustee may be required to collect further information from Unitholders in accordance with ongoing customer due diligence obligations under the AML Act.

The Trustee has implemented several measures and controls to ensure they comply with its obligations under the AML Requirements, including carefully identifying and monitoring investors. Because of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where the Trustee has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Trustee or their agents are not liable for any loss the investor suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or because of the Trustee compliance with the AML Requirements as they apply to the Trust; and
- The Trustee or any agents acting on its behalf may from time to time require additional information from the investor to assist it in this process.

The Manager and/or the Trustee are obliged under the AML Act to take and maintain copies of any information/documentation collected from an investor. The Manager and/or the Trustee have certain reporting obligations under the AML Requirements and, in certain circumstances, may be required to disclose said information gathered to regulatory or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC) or other government bodies. The Manager and/or the Trustee is prohibited from informing an investor of any such reporting has taken place. Aside from disclosures permitted or required under the AML Act, the Manager and/or the Trustee will keep investors’ information confidential in accordance with relevant legislation.

By applying for Units, investors are acknowledging that the Manager and/or the Trustee may, in their absolute discretion, not issue Units to investors, cancel any Units previously issued to investors, delay, block or freeze any transaction or redeem any Units issued to investors if the Manager and/or the Trustee believes it necessary in order to comply with its AML legislative obligations. In these circumstances, neither the Trustee, Manager nor their affiliates will be liable to for any resulting loss.

## 8.2 Privacy

The Application Form for the Trust requires investors to provide personal information. The Manager, the Trustee and their affiliates may collect, hold and use personal information in order to assess an investor's application, service its needs as its client or investor, provide facilities and services to the investor, the Manager or the Trust and for other purposes permitted under the Privacy Act 1988 (Cth) (**Privacy Act**) and for the Manager and/or the Trustee to comply with any relevant laws. If the investor does not provide us with their relevant personal information, we will not be able to do so.

Privacy laws apply to the Trustee's handling of personal information and the Trustee will collect, use and disclose the investor's personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Trustee collects and holds;
- how the Trustee collects and holds personal information;
- the purposes for which the Trustee collects, holds, uses and discloses personal information;
- how the investor may access personal information that the Trustee holds about him/her and seek correction of such information (note that exceptions apply in some circumstances);
- how the investor may complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds the Trustee, and how the Trustee will deal with such a complaint;
- whether the Trustee is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Trustee to specify those countries.

The privacy policy of the Trustee is publicly available at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting the Trustee.

By applying to invest in the Trust, the prospective investor consents to personal information being used and disclosed by the Trustee and the Manager for the purposes permitted under the Privacy Act, unless you the prospective investor has instructed the Manager in writing to do otherwise.

Taxation and company law may also require some of the information to be collected in connection with the Application Form. Access to information may also be provided to our associates, related bodies corporate, agents and service providers on the basis that they deal with such information in accordance with the Privacy Act. If an investor does not provide the information requested, its application may not be processed. If an investor is admitted, its information may also be used or disclosed from time to time to notify it about products or services that the Manager thinks may be of interest to the investor unless the investor informs the Manager that it does not want its personal information to be used for this purpose.

The investor's information may also be disclosed to members of each of the Trustee's, the Manager's or the Trust Administrator's group of companies and to their agents and service providers on the basis that they deal with such information in accordance with the Trustee's, the Manager's or the Trust Administrator's (as applicable) privacy policy. The Manager do not currently transfer your personal information overseas. If your personal information is transferred overseas in the future you will be notified through an amendment to the privacy policy. In some circumstances, the investor's personal information may be disclosed to the Trustee's related entities or service providers that perform a range of services on their behalf and which may be located overseas.

The Trustee, Manager or Trust Administrator may need to disclose information about you to government entities and regulators as required by law.

Under the Privacy Act, a Unitholder may request a copy of the personal information held by or on behalf of the Trust by contacting the Trustee or the Manager. Prospective investors and Unitholders should contact the Manager if they have concerns about the completeness or accuracy of the information the Trustee or Manager have about it or would like to access or amend its personal information held by the Trustee or Manager (or the relevant service provider).

## 8.3 Foreign Account Tax Compliance Act (FATCA)

The United States of America has introduced rules (known as FATCA) which are intended to prevent US persons from avoiding tax. Broadly, the rules may require the Trust to report certain information to the Australian Taxation Office (ATO), which may then pass the information on to the US Internal Revenue Service (IRS). If you do not provide this information, we will not be able to process your application.

To comply with these obligations, the Trustee or Manager will collect certain information about you and undertake certain due diligence procedures to verify your FATCA status and provide information to the ATO in relation to your financial information required by the ATO (if any) in respect of any investment in the Trust.

## 8.4 Common Reporting Standard

The Australian Government has implemented the OECD Common Reporting Standards Automatic Exchange of Financial Account Information (“CRS”) from 1 July 2017. The CRS is similar to FATCA, will require banks and other financial institutions to collect and report information to the ATO.

CRS will require certain financial institutions to report information regarding certain accounts to their local tax authority and follow related due diligence procedures. The Fund is expected to be a ‘Financial Institution’ under the CRS and intends to

comply with its CRS obligations by obtaining and reporting information on relevant accounts (which may include your units in the Fund) to the ATO. For the Fund to comply with their obligations, we will request that you provide certain information and certifications to us. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received. The ATO may provide this information to other jurisdictions that have signed the “CRS Competent Authority Agreement”, the multilateral framework agreement that provides the mechanism to facilitate the automatic exchange of information in accordance with the CRS. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

## 8.5 Jurisdictional Considerations

This Information Memorandum is not a Disclosure Document or Product Disclosure Statement (nor any similar disclosure document under any applicable law). It is not required to, and does not, contain all the information which would be required in a Disclosure Document or Product Disclosure Statement, or all the information that a prospective investor may desire or should obtain in order to make an informed investment decision. The Trust is not registered as a Managed Investment Scheme under the Corporations Act.





## Part B – Investment Terms and Opportunity

# 1. Key Terms – Income Opportunity Fund

## 1.1 Key Terms – CP Income Opportunity Fund

The following sets out a summary of certain key features of the CP Income Opportunity Fund (**Fund**), a Class of Units in the Capital Prudential Real Estate Master Trust (**Trust**).

The terms below are a high level and non-exhaustive summary only. The terms are not to be relied upon and are not legal advice. Please refer to the Trust Deed and the Terms of Issue for full terms which will prevail to the extent of any inconsistency.

Key Terms	Description
Target Size	<p>\$500 million.</p> <p><i>Note: This is a target only, and the Fund may implement the investment strategy with less commitments.</i></p>
Investment Objective and Strategy	<p>To actively manage a diversified real estate loan and security portfolio and deliver monthly distributions equal to the Target Return.</p> <p>The Fund will primarily invest, directly or indirectly, in real estate via subordinated loans as well as senior loans; and other real estate backed securities and equity like investments (including options and warrants), including investment in real estate developments (see section 2 in this Part B, below for further detail).</p> <p>The Fund may also invest in other funds or mandates managed or established by the Manager or its Affiliates or Associates.</p>
Investment Committee	<p>The Investment Committee (see section 2.3 in Part A above) will be appointed in respect of the Fund.</p>
Target Return	<p>RBA Cash Rate + a margin of 7.00% per annum (net of all fees and expenses, including Management Fees and Performance Fees referable to the Fund).</p> <p><i>Note: This is a target only and may not be achieved.</i></p>
Distributions	<p>Generally, the Trustee may make distributions in its absolute discretion. It is intended, but not guaranteed, that distributions for the Fund will be paid monthly, subject to cash availability and short-term cash flow requirements, and at any other time determined by the Manager in its discretion.</p> <p>Distributions will generally be paid within sixty (60) days of the distribution date pro-rated to the number of units held by each Unitholder, adjusted for each Unitholder's paid-up proportion.</p>
Distribution Reinvestment	<p>Unitholders will be deemed to have elected to reinvest distributions made to them in subscriptions for additional Units in the Fund.</p> <p>A Unitholder may elect in their Application Form to receive cash distributions.</p> <p>Where no election is made in the Application Form, Unitholders will be deemed to have elected to reinvest distributions.</p> <p>Unitholders may elect (in a form and manner determined by the Trustee or Administrator) on a monthly basis to change their election. Such requests must be received three Business Days prior the next calendar month with any such election to apply from the first Business Day of the following calendar month.</p>

Key Terms	Description
Management Fee	1.25% per annum (exclusive of GST and, where applicable, net of any RITC) of the Net Trust Value referable to the Fund. The Management Fee will be calculated and paid monthly in arrears and pro-rated for partial periods.
Performance Fee	<p>25% (exclusive of GST) of the Total Return above the Hurdle.</p> <p>The Performance Fee is payable from the assets of the Fund. It will be accrued each calendar month and payable on each Calculation Date.</p> <p><b>Total Return</b> means the change, during the Calculation Period, of the Net Unit Value (before Performance Fees but after Management Fees and expenses for that Calculation Period) adjusted to add back any distributions paid or payable during that Calculation Period.</p> <p><b>Hurdle</b> means an amount equal to the RBA Cash Rate plus 7% return per annum (pro-rated for the relevant Calculation Period), multiplied by:</p> <ul style="list-style-type: none"> <li>• in the case of the first Calculation Period, the Issue Price of the first units in that Fund; and</li> <li>• thereafter, the Net Unit Value as at the first day of the relevant Calculation Period.</li> </ul> <p><b>Calculation Period</b> means the period from and including the day after a Calculation Date (defined below) (or the date of issuing a Unit in the case of the first period) to and including the next Calculation Date or such other period determined by the Manager.</p> <p><b>RBA Cash Rate</b> means the interest rate which banks pay to borrow funds from other banks in the money market on an overnight basis as determined by the Reserve Bank of Australia.</p> <p><b>Calculation Date</b> means each of:</p> <ul style="list-style-type: none"> <li>• the last calendar day of each quarter;</li> <li>• whenever a Unit is redeemed (and for the avoidance of doubt, the Performance Fee is crystallised in respect of the redeemed Units only); and</li> <li>• the date of termination of the Manager and where prescribed under the Trust Deed.</li> </ul>
Trustee and Custodian Fee	The Trustee and Custodian are each entitled to be paid a fee out of Trust property for acting as trustee or custodian (as applicable) as agreed with the Manager.
Borrower Fees	<p>The Manager is entitled to retain all fees charged to borrowers, which may include, but are not limited to, fees in relation to:</p> <ul style="list-style-type: none"> <li>• loan management: 0.75% - 2.50% per annum of the total drawn facility amount;</li> <li>• loan establishment: 1.00% - 2.00% of the facility limit paid on establishment of the facility;</li> <li>• default management: 0.75% - 2.50% per annum based on total drawn facility amount which may be charged where a loan investment is in default;</li> <li>• monthly draw: up to \$1,000 per drawdown by a borrower; and</li> <li>• discharge fee: \$500 per discharge of a loan.</li> </ul> <p>Such fees are subject to change at the Manager's discretion and negotiations with borrowers.</p>
Outside Fees	<p>The Manager and its associates may retain Outside Fees which include, but are not limited to, the Borrower Fees and any other fees paid by third parties (including borrowers) in respect of services provided to them by the Manager.</p> <p>The Fund has no right, title, or interest in Outside Fees.</p>
Aggregate Fees	<p>The Manager expects the aggregate of all Management Fees and Outside Fees received by it in a financial year (<b>Aggregate Fees</b>) will not exceed 4.50% of the Net Trust Value referable to the Fund. For the avoidance of doubt, Aggregate Fees does not include any Performance Fees.</p> <p>The Manager will annually report the Aggregate Fees to Unitholders (see "Reports" below).</p>

Key Terms	Description
Outgoings	All expenses, Taxes, and other amounts (including Organisational Costs) incurred by the Trustee or Manager in the proper performance of their duties under or in connection with an Investment Document referable to the Fund are payable or reimbursable out of the Property of the Fund.
Eligible Investors	The Fund is only open to investors who are Wholesale Clients.
Applications	<p>Applications to subscribe for Units in the Class are, generally, processed on the first Business Day of each month (<b>Subscription Day</b>), unless otherwise agreed by the Manager in its absolute discretion.</p> <p>The completed Application Form, together with the application monies (which are payable on submission of an Application Form) and supporting documentation, must be received by the Trust Administrator in the manner set out in the Application Form prior to 5:00pm (Sydney time) three Business Days before the Subscription Day. The Manager may from time to time allow additional times for accepting applications.</p> <p>Any interest payable on application monies will accrue to the benefit of the Trust. Application monies paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest.</p>
Issue Price	<p>The Issue Price of a Unit in the Fund is:</p> <ul style="list-style-type: none"> <li>• \$1.00 on or within 20 Business Days of the First Closing Date; and</li> <li>• thereafter, is equal to the aggregate of the Net Unit Value for the relevant Class as at the date the Unit is issued plus Transaction Costs.</li> </ul>
Minimum Investment	<p><b>Minimum Initial Investment:</b> \$100,000, or such other amount determined by the Manager in its absolute discretion.</p> <p><b>Minimum Balance:</b> Unitholders must maintain a minimum balance of \$100,000 at any time. Where a Unitholder falls below the Minimum Balance, the Trustee may, with written consent of the Manager, compulsorily redeem all of that Unitholder's Units.</p> <p>The Trustee reserves the right to permit a lower Minimum Initial Investment and/or Minimum Balance, in its absolute discretion.</p>
Investment Period	Ongoing.
Leverage	The Fund may not borrow or give security or guarantees which, in aggregate, exceed 20% of the Property of the Fund, unless otherwise approved by the Investment Committee, acting in the best interests of Unitholders. Leverage will primarily be used for liquidity management purposes.
Reinvestment	The Manager may only reinvest proceeds from the realisation of an investment in respect of commitments that are not in run off.
Lock-Up	Each Unit issued in the Fund is subject to a 12-month lock up from the date it is issued to a Unitholder ( <b>Lock Up Period</b> ). A Unit may not be redeemed or placed in run-off until the expiry of the Lock Up Period. Lock-Up in respect of a Unitholder may be waived by the Trustee at its discretion.

Key Terms	Description
<b>Redemption and Run-Off</b>	<p>Subject to Lock-Up, Unitholders may apply, in writing, on a quarterly basis to redeem their units or request their units to be put into run-off. Redemption requests must be received at least 30 days prior to the end of the relevant quarter and will be processed on the first Business Day of each quarter (<b>Redemption Day</b>).</p> <p>On any given Redemption Day, up to a maximum of 2% per month of the NAV of the Fund (<b>Redemption Cap</b>) may be redeemed and where redemption requests are received in excess of the Redemption Cap for the Fund, accepted redemptions will be processed on a pro-rata basis. Redemption requests will be paid out where the Trust has sufficient spare cash and the Manager believes it is in the interests of Unitholders as a whole. The Trustee may accept redemption requests in excess of the Redemption Cap at its discretion. The Trustee has 60 days from the end of the quarter following an accepted redemption request to satisfy such request.</p> <p>Where the Fund is illiquid or redemption requests are otherwise in excess of the Redemption Cap, such requests will automatically be put into Run-Off or cancelled at the Trustee's discretion.</p> <p>The Trustee may accept or reject a redemption request (in whole or in part) in its absolute discretion.</p> <p>Where the Fund is illiquid or a Unitholder requests, units may be put into run off. Under run off, redemption proceeds will be paid to a Unitholder as and when their respective share of underlying investments are realised or repaid (as the case may be).</p> <p>Unitholders in run-off will not be required to make any further capital contributions in respect of those units except to fund their share of any expenses or fees in connection with the run-off investments or otherwise payable to the Trustee. Such proceeds will be paid to the Unitholder as and when those investments are realised or repaid and the proceeds will be based on the actual amount received from the Trust for those investments less any expenses or fees.</p> <p>The Trustee may accept or reject a run-off request (in whole or in part) in its absolute discretion.</p>
<b>Redemption Price</b>	<p>The Redemption Price for a Unit in the Class is, subject to the Trust Deed, the Net Unit Value less Transaction Costs.</p>
<b>Minimum Redemption</b>	<p><b>Minimum Redemption:</b> \$10,000 or such other amount determined by the Manager in its discretion.</p>
<b>Transaction Costs</b>	<p>Transaction Costs means:</p> <ul style="list-style-type: none"> <li>• an estimate by the Trustee of the aggregate of the transaction costs, losses, Outgoings or other amounts the Trust would (but need not necessarily) incur to acquire or dispose of (as applicable) Property or the relevant Investment including the incurrence of Taxes, loss of interest, interest cost, and disposal losses or impairments;</li> <li>• if appropriate having regard to the actual cost which would be incurred because of the issue of the Units, the Trustee's estimate of a portion of the costs including the incurrence of Taxes, which may be zero; or</li> <li>• if the Trustee does not make an estimate, zero, divided by the Units in the applicable Class (prior to the redemption or after the application of Units).</li> </ul>
<b>Related Party Transactions</b>	<p>The Trustee, Manager, or their Affiliates may, in the proper performance of their duties to the Fund, enter into transactions with their respective Affiliates, Associates, and other related parties (including Manager Related Persons) where such transactions:</p> <ul style="list-style-type: none"> <li>• have been entered on arms' length terms; or</li> <li>• otherwise comply with the Conflicts Policy (see section 6 in Part A above for more detail).</li> </ul>

Key Term	Description
Entry and Exit Fees	The Fund does not charge any entry fee or exit fee. However, Transaction Costs may be applied.
Valuation	The Trustee will value the loan assets (i.e. investments) of the Fund at least once per quarter, or more frequently as required for defaults or impairments. The assets of the Fund will be valued in accordance with the Valuation Guidelines.
Security Asset Valuations	Prior to advancing funds for any investment into an underlying real asset exposure, the Manager will obtain an independent valuation from a Valuer, that is to be relied upon for mortgage purposes in accordance with the Valuation Guidelines.
Manager may Receive Less Fees	The Manager and Trustee may accept lower fees or defer payment of fees for any period. Any deferral will not affect the right of the Manager and Trustee to receive the applicable fees.
Loan Loss Reserve	N/A.
Hedging	N/A.
Reports	<p>Within 90 days after the end of each financial year, the Manager will provide Unitholders with:</p> <ul style="list-style-type: none"> <li>• all final audited accounts for the Fund; and</li> <li>• a report of the aggregate Management Fees and Outside Fees received by the Manager as a percentage of the Net Trust Value referable to the Fund in the prior financial year.</li> </ul> <p>The Manager will also provide monthly unit pricing, quarterly performance reporting and holding statements, and transaction confirmations as applicable.</p>
Removal of the Trustee and Manager	The Manager and Trustee may be removed in accordance with the terms of the Trust Deed.
Transfer from the Fund	A Unitholder may only transfer units in accordance with the terms of the Trust Deed.
Compulsory Withdrawals	A Unitholder's Units may be forfeited in accordance with the terms of the Trust Deed.
Risk Factors	<p>The investment program of the Fund is speculative and entails substantial risks. The Trust may be exposed to certain markets that are subject to inefficiency, unpredictability and political instability, all of which could cause loss of capital – see section 5 in Part A for risks that apply to the Trust more generally.</p> <p>The following risk factors do not purport to be a complete explanation of the risks involved in investing in the Fund and are general in nature only. Risks specific to the Fund include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• <b>Equity risk</b> – The Fund may be exposed to equity or investments with equity-like characteristics (including real estate backed securities, options and warrants). Equity investments may be subject to greater volatility or risk relative to credit. In addition, the Fund may be exposed to small companies which involves greater risk than exposure to larger, more established companies. This is because of their early stage of development, lack of capital reserves, variations in operating results or lack of operating history. These smaller companies may also be adversely affected by poor economic or market conditions.</li> </ul> <p><i>Continued on page 39</i></p>

## Key Term

## Description

### Risk Factors (continued)

- **Property market risk** – the value of real property investments is based on market forces outside the Manager’s control and may fluctuate. Factors that may impact investments of the Fund include:
  - a downturn in the relevant property market (domestic or localised geographically);
  - a downturn in the Australian economy;
  - a downturn in the specific segment of the property market (e.g. residential, industrial, commercial etc);
  - lower levels of liquidity in the market which may be caused by other economic, regulatory, tax, legal or other factors.
- **Development risk** – the Fund may invest in or be exposed to development assets or businesses which are subject to other specific risks relating to timing, cost, and successful completion of projects, including:
  - obtaining development and planning approvals;
  - issues with contamination of land;
  - engineering risk;
  - construction risk, including defects and delays (which can be caused by unforeseen factors such as adverse weather);
  - counterparty risk relating to builders, subcontractors and technical consultants;
  - sales, leasing, and marketing of completed assets; and
  - settlement risk relating to purchasers completing the acquisition of completed assets.
- **Diversification risk** – an investment in the Fund may not offer diversification as from time to time (particularly during initial capital deployment) the Fund’s portfolio may be skewed towards a particular jurisdiction or underlying asset class. As a consequence, the aggregate return of the Fund may be substantially adversely affected by economic factors which are unique to a particular jurisdiction or asset class from time to time and underperformance of any particular asset.
- **Construction lending** – the Fund may invest in secured real estate construction loans. Construction lending is generally considered to involve a higher degree of risk than other types of real estate lending due to a variety of factors. These include:
  - difficulties in estimating construction costs and anticipating construction delays due to weather conditions, industrial relations disputes, changes in government regulations, and government mandated site shutdowns;
  - the potential for cost overruns due to unforeseen circumstances and developer and builder variations;
  - risks associated with developer solvency to fund cost overruns of the project;
  - risks associated with builder solvency for the deliverability of the project;
  - risks associated with cost increases and deliverability issues associated with supply chain disruptions;
  - obtaining and completing sales within a development project (the proceeds of which are used to repay the loan);

*Continued on page 40*

## Key Term

## Description

### Risk Factors (continued)

- a change in market conditions could result in the project's completed value being less than previously anticipated; and
- a wide range of other risks including planning risk (in relation to development and other approvals) and site conditions (including geotechnical, land contamination and environmental conditions).

Although a contingency reserve may be included for each construction project budget by the developer for the above risks, there is no guarantee that the contingency reserve will be sufficient to meet all possible risks which result in cost overruns. Increased development and construction costs above the project budget may require further capital contributions from either the equity sponsor and/or developer or increased debt from the lender and/or other lenders.

- **Credit and default risk** – the Fund may be exposed to loan assets. Credit risk is the risk that those loan assets may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions. Default risk is the risk that a borrower defaults on their obligations, for instance by failing to make a payment due or to return the principal. In either scenario there is the possibility for loss of income and principal, which may result in a loss of capital for the investor.
- **Inadequate security** – The underlying loans will be secured, with loan proceeds typically being used by the underlying borrower for the purposes of making a property related investment. The assets of the borrower will predominantly comprise the underlying property investment. If the property investment fails to perform as expected by the borrower and the borrower suffers a capital loss on its investment in the property investments, it is possible that the security granted by the borrower will be insufficient to cover the investment principal upon loan maturity or earlier redemption. If the borrower is unable to repay the loan investments, it may not be possible for the Fund to recover the shortfall from enforcing its contractual rights in respect of the borrower.

## 2. Investment Overview and Strategy of the Fund

### 2.1 Investment Objective

The Fund offers investors exposure to real estate investment assets across Australia.

The investment objective for the Fund is to primarily invest, directly or indirectly, in real estate via subordinated loans as well as senior loans and other real estate backed securities and equity like investments (including options and warrants), including investment in real estate developments in order to best achieve delivering monthly distributions equal to the Target Return of the RBA Cash Rate + a margin of 7.00% per annum.

The Fund may also invest in:

- cash, cash equivalents, highly liquid fixed income investments, debt securities, and re drawable at-call bank facilities; and
- other funds or mandates managed or established by the Manager or its Affiliates or Associates and enter into transactions with their respective Affiliates, Associates, and other related parties (including Manager Related Persons) in accordance with the Conflicts Policy (see section 6 in Part A above).

### 2.2 Investment Strategy and Approach

The Fund's investment strategy will be guided by the Investment Policy Statement, which will be reviewed and changed from time to time and approved by the Investment Committee in response to changing market conditions and strategic priorities.

The below is high-level and non-exhaustive summary of the Investment Policy Statement.

The Fund is structured to deliver attractive risk-adjusted returns through exposure to a diverse range of real estate credit and equity like investments across Australia. The Fund seeks to capitalise on the evolving demand for alternative capital in mid-scale commercial, industrial, and residential property sectors, including opportunities in real estate developments.

Investments may be made across the capital structure and asset lifecycle, from pre-construction lending to strategic equity like positions in development projects.

The Manager intends to focus on assets located in major Australian capital cities and key metropolitan commercial centres, aligning investment decisions with the broader Capital Prudential Group's real estate strategy. Exposure to real assets will be actively managed to reflect prevailing market conditions and emerging sector trends.

To implement this strategy effectively, the Manager aims to take a disciplined and risk-aware approach to portfolio construction, which includes:

- **Capital Structure Diversification:** allocating capital across senior and subordinated debt, hybrid, and equity like to balance income generation with capital growth potential.
- **Sector and Asset Class Exposure:** targeting mid-scale real estate developments in sectors such as residential, industrial/strata industrial, fuel and quick-service retail, while selectively considering exposure to specialised commercial, office, data centres, and accommodation sectors.
- **Risk Management:** carefully assessing the loan-to-value ratio (LVR), construction and development risk, and counterparty strength on a case-by-case basis. The Fund's exposure to higher-risk development and subordinate positions will be managed within parameters determined by the Manager to be commensurate to the risk.
- **Interest Rate and Liquidity Management:** actively managing exposure to fixed and floating-rate investments to mitigate interest rate volatility, while maintaining sufficient liquidity to support investor redemptions and preserve fund stability.

Through this flexible and opportunistic investment strategy, the Fund positions itself to access value across the real estate life-cycle while maintaining a strong focus on capital protection, consistent income, and prudent risk management.

## 2.3 Investment Parameters

The Investment Policy Statement sets out investment parameters on the Manager including, but not limited to, a:

- maximum 30% of aggregate Capital Commitments is to be invested in a single loan (to be applied after the funds under management reaches \$150m);
- maximum Loan to Development Cost: 90%;
- maximum Loan to Value Ratio: 85%; and
- minimum of 5% (and target of 10%) of the Net Trust Value (referable to the Fund) invested in cash, cash equivalents, highly liquid fixed income investments, debt securities, and re drawable at-call bank facilities.

*Note: these parameters are measured at the time each new investment is assessed for approval based on the impact of the new investment on the resultant portfolio.*

As noted above in section 2.2 of this Part B, the Investment Policy Statement and these parameters may be reviewed and changed from time to time, as approved by the Investment Committee.

## 2.4 Investment Terms

The terms and conditions of each investment are individually and privately negotiated applying significant experience and expertise of the Manager to each investment. Such investments may include features such as being:

- restricted to “off-market” availability only (i.e. not advertised in the typical manner to the broader investment market); and
- structured to include co-investors who may invest via subordinated loans as well as senior loans, and other real estate backed securities and equity like investments.

## 2.5 Investment and Portfolio Management Process

The Manager applies a rigorous and disciplined investment and portfolio management framework underpinned by strong governance, clear delegation, and the collective expertise of its experienced team across real estate, development, banking, legal, and risk disciplines. New investment opportunities are sourced through a well-established origination network and are subject to a structured screening, analysis, and approval process aligned with the Fund’s mandate. Each opportunity undergoes commercial, financial, and credit assessment, with input from internal property and compliance professionals (where appropriate) before formal review and approval by the Investment Committee in accordance with the Investment Committee Charter.

Investments are structured to balance investor return objectives with prudent risk management. Once executed, investments are actively managed through active loan management, regular credit reviews, covenant monitoring, valuation updates, and ongoing reporting. This end-to-end process ensures investment decisions are made with diligence, alignment to fund objectives, and a strong focus on capital preservation and income consistency.

# GLOSSARY



The following terms as used in this Information Memorandum should be taken to have the following particular meanings. Capitalised terms that are undefined have the meaning given to them in the Trust Deed.

Key Terms	Description
AFSL	means an Australian financial services licence.
AML Act	means Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
Application Form	means the form under which a person applying for Units in a Class undertakes to comply with the terms of the Constituent Documents as they apply to them.
Business Day	means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, New South Wales.
Capital Commitment	means, in respect of a Unitholder and a Class, the total of the capital commitments of the Unitholder to the Trust in the relevant Class, as determined and adjusted in accordance with the Trust Deed.
Capital Prudential Group	has the meaning provided in section 2.1 in Part A.
Class	means a class of Units in the Trust.
Conflicts Policy	means the conflicts of interest policy and procedures of the Capital Prudential Group applicable to the Fund, as amended from time to time.
Constituent Documents	means the constituent documents of the Trust, including the Trust Deed and each Application Form, which contain the details of the rights and obligations of Unitholders.
Corporations Act	means the Corporations Act 2001 (Cth) as amended and associated regulations.
Custodian	means Perpetual Corporate Trust Limited (ACN 000 341 533; AFSL 392 673).
Custody Agreement	means the agreement so named between the Trustee and Custodian, as amended from time to time.
Development Cost	means, in respect of an investment of the Fund, all: (a) hard development costs in respect of that investment; plus (b) Managed Soft Costs, including the initial asset acquisition cost but excluding finance costs such as interest.
Disclosure Document	has the meaning given in the Corporations Act.
GST	means the goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.
GST Law	has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Key Terms	Description
<b>Indemnified Person</b>	means each current and former: <ul style="list-style-type: none"> <li>(a) Trustee;</li> <li>(b) Manager;</li> <li>(c) appointees pursuant to the Constituent Documents; and</li> <li>(d) the affiliates, associates, officers, employees, advisers and agents of each of the persons named in (a) and (b).</li> </ul>
<b>Information Memorandum or IM</b>	means this Information Memorandum.
<b>Investment Terms</b>	means the terms referable to a Class as set out in Part B.
<b>Investment Committee Charter</b>	means the charter, determined by the Manager from time to time, which governs the Investment Committee for the Trust or the Class (as applicable).
<b>Investment Policy Statement</b>	means the Investment Guidelines as they apply to the Fund, a copy of which may be requested, writing, from the Manager.
<b>Managed Soft Costs</b>	means (without limitation) consulting, architectural, engineering, planning, surveying, government planning contributions/ levies/fees and project specific disbursements costs associated with the project, but excluding leasing fees or costs, tenant incentives, holding costs, interest, taxes, insurance costs, rates, and development management fees.
<b>Managed Investment Scheme</b>	has the meaning given in the Corporations Act.
<b>Management Deed</b>	means the agreement between the Trustee as trustee for the Trust and Manager pursuant to which the Manager provides certain investment management services in respect of the Trust.
<b>Manager or Capital Prudential</b>	means Capital Prudential Manager Pty Ltd (ACN 660 087 847).
<b>Net Trust Value</b>	means the value of Trust property less Trust liabilities.
<b>Net Unit Value</b>	means, in respect of a Unit in a Class, the Net Trust Value divided by the number of Units, each referable to that Class.
<b>Product Disclosure Statement</b>	has the meaning given in the Corporations Act.
<b>Relevant Persons</b>	has the meaning given in "Important Notices".
<b>RITC</b>	means reduced income tax credit.
<b>Transaction Costs</b>	means: <ul style="list-style-type: none"> <li>(a) an estimate by the Trustee of the aggregate of the transaction costs, losses, Outgoings or other amounts the Trust would (but need not necessarily) incur to acquire or dispose of (as applicable) Property or the relevant Investment including the incurrence of Taxes, loss of interest, interest cost, and disposal losses or impairments;</li> <li>(b) if appropriate having regard to the actual cost which would be incurred because of the issue of the Units, the Trustee's estimate of a portion of the costs including the incurrence of Taxes, which may be zero; or</li> <li>(c) if the Trustee does not make an estimate, zero, divided by the Units in the applicable Class (prior to the redemption or after the application of Units).</li> </ul>

Key Terms	Description
Trust	means the Capital Prudential Real Estate Master Trust.
Trust Administration Agreement	means the agreement between the Trust Administrator and the Trustee as trustee for the Trust under which the Trust Administrator agrees to provide certain administrative and registry services in respect of the Trust.
Trust Administrator	means Apex Fund Services (Australia) Pty Ltd (ACN 149 408 702).
Trust Deed	means the deed which constitutes the Trust (as amended from time to time).
Trustee	means The Trust Company (RE Services) Limited (ACN 003 278 831; AFSL 235 150).
Unit	means a beneficial interest in the Trust.
Unitholder	a person recorded on the register of the Trust as the holder of a Unit.
Wholesale Client	has the meaning provided in section 761G of the Corporations Act.



## Manager

**Capital Prudential Manager Pty Ltd**

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## Trustee

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## Custodian

**Perpetual Corporate Trust Limited**

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## Trust Administrator

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## Lawyers

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