



## INFORMATION MEMORANDUM

# Zagga Investments Lending Trust 2 (**ZAGGA FEEDER FUND**)

DATE ISSUED 13 MARCH 2025

Zagga Investments 2 Pty Ltd (ACN 646 409 476) - Trustee

Authorised Representative (CAR No. 1285351) of Zagga Investments Pty Ltd  
(ACN 615 154 786) (AFSL 492354)

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# About this Information Memorandum

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This is the Information Memorandum (IM) for Interests in the Zagga Investments Lending Trust 2 (**Zagga Feeder Fund** or the **Fund**) and was issued on 13 March 2025. This IM has been prepared and issued by Zagga Investments 2 Pty Ltd (ACN 646 409 476) in its capacity as the Trustee of the Fund (referred to in this IM as the '**Trustee**', '**ZI2**', '**us**' or '**we**').

This IM is for an offer of interests in the Fund (the '**Offer**') to investors who qualify as Wholesale Clients under s761G of the Corporations Act or to any other person who is not required to be given a regulated disclosure document under the Corporations Act. This IM will not be lodged with ASIC. It is not a product disclosure statement or other disclosure document within the meaning of the Corporations Act.

ZI2 is a corporate authorised representative (CAR No 1284351) of Zagga Investments Pty Ltd (ACN 615 154 786, AFSL 492354) (referred to in this IM as '**ZI**' or '**Investment Manager**') and is authorised to provide advisory and dealing in connection with the Fund to Wholesale Clients only.

ZI2 has appointed ZI as its agent for the purposes of arranging for the offer to issue, vary or dispose of Interests in the Fund under s911A(2)(b) of the Corporations Act. ZI2 may only issue, vary or dispose of interests in accordance with ZI's offer, provided they are accepted.

The Trustee has appointed ZI as the investment manager of the Fund under the Investment Management Agreement.

ZI consents to being named in the IM in the manner described above and, as at the date of the IM, has not withdrawn its consent to be named. ZI does not take any responsibility or accept any liability for the contents of this IM to the maximum extent permitted by law.

ZI is the Fund Administrator of the Fund.

Neither ZI, ZI2, or any other person guarantees the return of capital, the performance of the Fund or the payment of any Distribution.

This IM is prepared for your general information only. It is not intended to be a recommendation by the Trustee, the Investment Manager or their respective associates, employees, agents or officers or any other person to invest in the Fund. This IM does not consider the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this IM. You should consider the suitability of the Fund in view of your financial position and investment objectives and needs and you may want to seek professional advice before making an investment decision.

## Not supervised by APRA

The Trustee is not supervised by APRA or authorised under the *Banking Act 1959* (Cth) and investments in the Fund are not covered by the deposit or protection provisions available to clients of an Australian Authorised Deposit-taking Institution.

## Accuracy or completeness

This IM does not purport to be complete, accurate or contain all information recipients may require to make an informed assessment of whether to invest in the Fund. To the extent permitted by law, the Trustee accepts no liability whatsoever for any loss or damage arising from any person relying on any information contained or omitted from this IM when investing in the Fund.

## Opinions, estimates, financial objectives and forecasts

This IM may contain various opinions or financial objectives concerning the anticipated future performance of the Fund.

These opinions or financial objectives are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. As a result, actual outcomes may differ materially from what is expressed in these statements.

Whilst any opinions, estimates or financial objectives expressed in this IM are based on reasonable assumptions, these may not prove to be correct. The Trustee does not make any representations or warranties as to their validity, certainty or completeness. The Trustee will not update or revise forward-looking statements or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this IM.

## Offer made to Australian Wholesale Clients

The Offer is available to Wholesale Clients receiving the IM within Australia. The Offer may be made available to select persons in other jurisdictions at the Trustee's discretion, provided the Offer is in accordance with applicable laws in those jurisdictions. Neither the Trustee or any of its officers, associates, employees or agents, represent that this IM may be lawfully offered in compliance with any applicable legislation in any jurisdiction outside of Australia, or assumes any responsibility for facilitating a distribution or offer outside of Australia.



## Updates

Except for this Important Information section, certain information in this IM concerning the Fund is subject to change. The IM including any updates is available by contacting the Trustee by email to [admin@zagga.com.au](mailto:admin@zagga.com.au).

Although there is no obligation to advise recipients of any error or change to the information contained in this IM, where the Trustee consider it appropriate, the Trustee will notify you in writing of any changes.

## Other information

Unless otherwise stated, all fees and expenses quoted in the IM include GST. All amounts are in Australian dollars unless otherwise specified and all references to legislation are to Australian law unless otherwise specified.

**Definitions for important terms used in this IM can be found in the Dictionary on page 23.**

# Fund at a Glance

## ABOUT THE FUND

<b>Name of Fund</b>	Zagga Feeder Fund
<b>Trustee</b>	<p>Zagga Investments 2 Pty Ltd (ACN 646 409 476)</p> <p>The Trustee is a corporate authorised representative (CAR No. 1284351) of Zagga Investments Pty Ltd (ACN 615 154 786, AFSL 492354)</p>
<b>Investment Manager</b>	Zagga Investments Pty Ltd (ACN 615 154 786, AFSL 492354) is the Investment Manager of the Fund and is responsible for managing the Fund's Assets
<b>Custodian</b>	Zagga Investments Pty Ltd (ACN 615 154 786, AFSL 492354)
<b>Investment Objectives</b>	<p>The Fund has a targeted net return of 5% per annum above the <a href="#">Reserve Bank of Australia's Official Cash Rate</a>.</p> <p>The Fund will aim to achieve this objective and provide monthly returns to Investors, across a range of economic and market environments by employing a diversified loan investment strategy</p>
<b>Investment Criteria</b>	The Trustee has established Investment Criteria against which all potential loans are assessed, see pages 14 and 15
<b>Investment Process</b>	<p>The Investment Manager will identify and formally evaluate investment opportunities against the Investment Criteria and any other factors relevant to the opportunity.</p> <p>For more information see the Investment Criteria and Loan Approval Process sections on pages 14 and 15</p>
<b>Investment</b>	<p>The Fund will invest in and generate income predominantly by providing private credit to approved borrowers in the Australian commercial real estate sector. All loans are originated, funded, managed and administered via the Zagga platform.</p> <p>The Fund's investments are predominantly comprised of senior secured loans. The Fund may also invest in other categories of loans and equity type loans, described on page 8.</p>
<b>Minimum Investment<sup>1</sup></b>	\$100,000 for the initial investment, which may be waived at the discretion of the Trustee
<b>Minimum Investment Term</b>	<p>12 months from the date of receipt of the Investor's investment.</p> <p>Should the Investor wish to increase their Investment in the Fund, the Minimum Investment Term will be applied to that additional investment from the date on which the top-up is made.</p> <p>Any investments made through the Distribution Reinvestment Plan are exempt from the Minimum Investment Term.</p> <p>Any redemption out of Term, is subject to the Trustee's sole discretion</p>
<b>Access to Funds</b>	<p>The Fund is an illiquid investment.</p> <p>After the Minimum Investment Term, investments run on a rolling basis, subject to 90 days' notice of withdrawal. Additional investments have the Minimum Investment Term applied from the investment date.</p> <p>An Investor may redeem part or all their investment only if their remaining balance is not less than \$100,000, and/or subject to the Investment meeting the Minimum Investment Term.</p> <p>The Trustee may at its discretion consider a request from a Member who needs, through unforeseen or exceptional circumstances, to withdraw part or all of their investment. The redemption may be considered if a substitute Eligible Investor is available, or if there is sufficient liquidity in the Fund. In this case, the redemption will be paid on a pro-rata basis of the Members' total interest holding according to the available liquidity</p>

## ABOUT THE FUND

<b>Redemption Price</b>	Redemption requests accepted by the Trustee will receive the Redemption Price calculated on the most recent Valuation Date occurring prior to the redemption of Interests
<b>Income Distribution</b>	<p>Income will be paid or reinvested monthly.</p> <p>Distributions are re-invested unless nominated otherwise.</p> <p>Distributions are dependent on Borrowers making repayments and paying the fees required under the Loan terms.</p> <p>Distributions will be paid or reinvested to the nominated bank account of a Member</p>
<b>Management Fee<sup>2</sup></b>	0.25% p.a. of the Interests in the Fund, calculated and accrued monthly on the last business day of the month and paid to the Trustee monthly in arrears, usually within 5 business days
<b>Fund Expenses</b>	Expenses such as custody, administration, legal and audit fees and other expenses for establishment and operation of the Fund

<sup>1</sup> The Trustee may alter the Minimum Investment amount specified at any time without prior notice to Members.

<sup>2</sup> All numbers include GST (less RITC where applicable) unless otherwise noted and all dollar amounts are in AUD

# About Zagga and the Main Service Provider

## The Trustee

Zagga Investments 2 Pty Ltd (ACN 646 409 476, CAR No. 1284351) (ZI2) is the Trustee of the Fund and issuer of this IM.

The responsibilities and obligations of ZI2 as Trustee of the Fund are governed by the Fund's Trust Deed, as well as by general trust law.

The Trustee's role is to ensure the Fund is managed and administered in line with the Trust Deed and this IM.

## The Investment Manager

Zagga Investments Pty Ltd (ACN 615 154 786, AFSL 492354) (ZI) is the appointed investment manager for the Fund. The Investment Manager is also the Fund Administrator. ZI is responsible for the day-to-day operations of the Fund.

Incorporated and licensed in 2016, ZI is a leading Australian alternative real estate investment manager, committed to delivering attractive, risk-adjusted investor returns, and tailored private credit solutions, across the capital stack.

To read the Investment Manager's Capability Brochure, [click here](#).

## Zagga Journey and achievements to date

As a leading participant in the mid-market lending niche, with loan sizes typically ranging from \$5 million to \$75 million, the Investment Manager's key principals collectively bring over 200 years of experience spanning investment management, lending, real estate, insolvency, funds management, and banking.

Its investor base includes high-net-worth individuals, family offices, and quasi-institutional funders across Australia, China, Hong Kong, Israel, Japan, Mauritius, Singapore, South Africa, Switzerland, the UK, and the USA.

To date, the Investment Manager has funded circa. \$2 billion across more than 250 loans, successfully returning over \$1 billion to Investors through more than 100 exits.

This success is driven by the team's deep expertise, the efficiency of a bespoke platform, and the extensive experience of its executives and contracted advisors—covering the full process from deal origination to asset recovery.

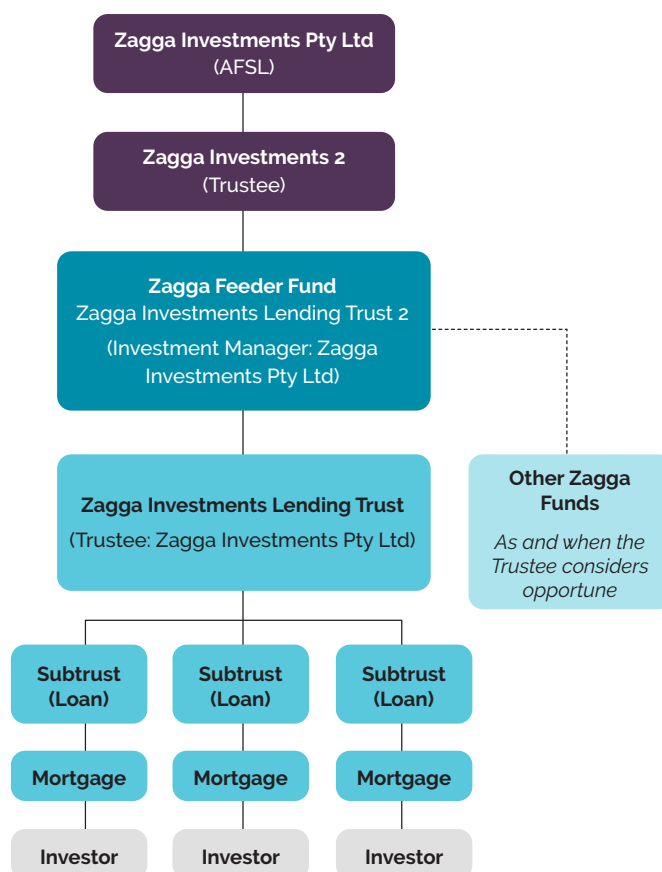
To find out more on the Investment Manager's journey and achievements to date, visit the About Us page on Zagga.com.au, or [click here](#).

The Investment Manager executes its investment mandate by investing:

- predominantly in senior secured, commercial real estate debt transactions across Australia's east coast (primarily in NSW) with loans diversified by loan type, property sector, and geographic location
- in loan sizes currently ranging from \$5 million to \$75 million

- across construction and non-construction transactions and multiple property asset types
- at conservative LVRs
- with close and direct management of the entire loan cycle.

## The Zagga Feeder Fund Structure



## Market Focus







Global market volatility has elevated real estate private credit as a compelling alternative asset class, largely due to its low correlation with public equity and bond markets. This independence helps shield private credit investments from broader market fluctuations, providing an effective layer of diversification.

Positioned defensively within the real estate capital stack, private credit offers enhanced stability, while its floating-rate returns can also serve as a hedge against inflation. By diverging from real estate equity—often subject to higher costs and risks—investors can achieve strong, consistent, risk-adjusted returns underpinned by real property assets with strong, downside protection features.

In Australia, the demand for real estate private credit is driven predominantly by:

- Ongoing housing supply/demand imbalance owing to substantial shortage in residential dwellings and building approvals coinciding with material population increases over last 10 years
- Decreased/limited bank funding due to stricter regulatory requirements on authorised deposit-taking institutions (ADIs), which make it difficult for banks to compete effectively in certain market sectors, such as construction
- A growing proportion of investors switching from capital investment to income investment, owing to increasing market volatility and heightened geopolitical tension.

## What we lend for

<b>LAND BANKING</b> 	<b>CONSTRUCTION</b> 
<b>BRIDGING</b> 	<b>WORKING CAPITAL</b> 
<b>RESIDUAL STOCK</b> 	<b>INVESTMENT</b> 

## How we lend

Each senior loan we fund is secured by a mortgage against quality property assets with a recent valuation.



### \$5m to \$75m per transaction

Why?

- Sophisticated and creditworthy counterparties
- Experienced borrowers with demonstrated history
- Supporting asset bases of guarantors
- Significant market depth
- Greater ability to control enforcement position, when required



### 12 to 24 month loan term

To view examples of loan transactions invested in by the Investment Manager, visit the Funding showcase page on [Zagga.com.au](https://zagga.com.au), or [click here](#).

The Investment Manager manages risk by:

- conducting deep due diligence into all aspects of the loan transaction
- operates where the market is deepest to derive the highest probability of a successful exit, even in events of default
- funding only borrowers and assets that meet Zagga's strict credit criteria, as stipulated by its respective Credit and Investment Risk Committees
- using independent, external subject matter experts for due diligence matters such as valuations, Quantity Surveyor cost estimates, legal documentation, and recovery and enforcements
- making decisions on an 'investor first'-basis.



# Overview of Private Credit

Private Credit refers to a range of debt investments such as Loans, Notes and Bonds available to companies or those requiring capital to fund specific projects. A person investing in a debt instrument is effectively a lender of capital to a borrower. The borrower has obligations to make predetermined principal repayments together with interest and fees which generate a return to the lender. Borrowers have a contractual obligation to repay the capital that has been lent at a pre-agreed future date.

Private Credit investments can take many forms. Features of Private Credit often include:

- The instruments are privately negotiated between borrowers and lenders
- The instruments are not issued or exchange-traded in public capital markets
- The instruments are contractual obligations and benefit from a priority position in the capital structure
- The instruments contain a range of structural features and controls which provide protection to lenders
- Instruments pay either variable interest rates or fixed interest rates
- Instruments can deliver a range of risk and return outcomes, some of which sit outside the section of the market typically serviced by major banks.

Private Credit investments can therefore exhibit a wide range of returns and risks given the different nature of debt instruments compared to assets such as Options, Preference Shares and Equity. The holder of an Equity investment typically owns an interest in the share capital of the company. Typically, investment returns on Equity are generated by dividends (if any) and capital gains (if any) when the investor sells their investment. This means that

Equity investments have the potential for uncapped returns, as there is no upper limit on the valuation of an Equity investment, whereas a credit investment, when successful will receive interest at a pre-agreed rate, fees, and usually be repaid by the borrower. However, a credit investment carries significantly less risk than an Equity investment. A credit investment benefits from contractual obligations to pay interest, fees and capital and a priority position in the capital structure. An Equity investment ranks last for the payment of dividends or return of capital.

Private Credit investments include a range of sub-segments that are accessed by different borrowers depending on their individual characteristics and funding requirements. Real estate private credit is one of these.

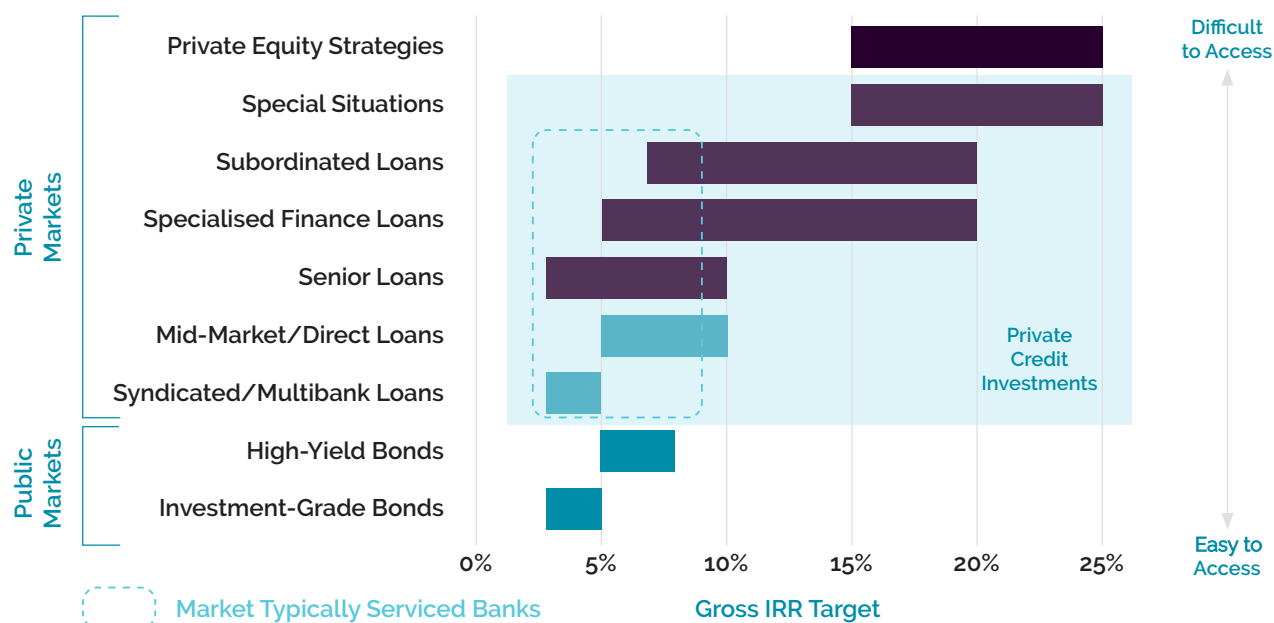
Private Credit instruments can deliver lenders a range of risk and return profiles, some of which sit outside the sections of the market typically serviced by banks.

The return available from Private Credit instruments reflect characteristics such as:

- perceived risk of payment default
- capital recovery
- scarcity of available capital
- degree of financial leverage (debt)
- complexity of transaction
- borrower's type of business or sector.

Higher returns often come in the form of a higher interest rate or upfront fees on the underlying Private Credit investment. In some cases, higher returns can be obtained via exposure to assets which contain Equity-like characteristics such as Options,

## Returns of various investment instruments



Private Credit investors can benefit from a range of structural features and controls that can provide the investors with protection to mitigate against the risk of default by the borrower. These benefits can broadly be grouped into (and by order of importance):

- Seniority
- Security
- Covenants, terms and conditions.

Lenders of Private Credit investments can benefit from these features principally because:

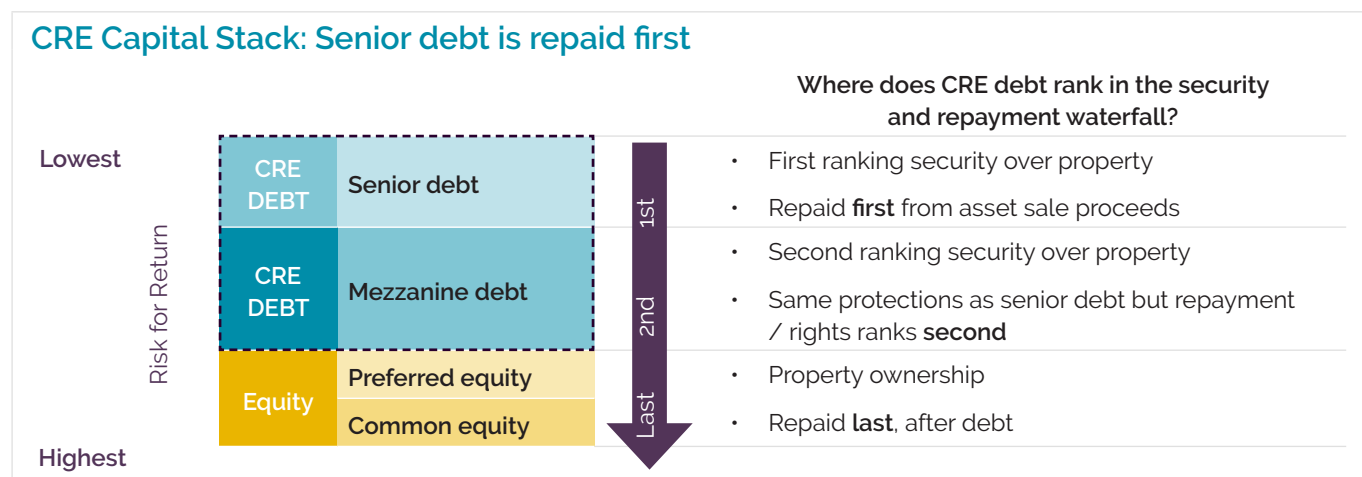
- Private Credit investments are generally negotiated directly between the lender and the borrower, providing the lender with significant influence over terms, structure, and risk-mitigation controls
- Seniority and security seek to provide capital protection and increase the likelihood of lenders recovering the value of their investment
- As the borrower risk profile increases, lenders are often able to negotiate stronger lending structures and controls
- Lenders typically maintain a close relationship with the borrower throughout the term of the loan instrument.

The overall credit risk profile of a Private Credit investment is comprised of a combination of the underlying credit risk of the borrower, the Seniority of the investment, and the Covenants protections, and other features embedded in the investment which may enhance returns.

Given that Private Credit investments are privately negotiated, protections available to lenders (such as financial Covenants, third party guarantees and in some cases board representation) typically become stronger as the perceived credit risk of that borrower increases.

In Australia these protections and direct borrower engagement has resulted in an asset class that has exhibited robust risk management characteristics throughout cycles. This has been evidenced throughout macro-economic shocks like the GFC and COVID-19, where borrowers and lenders pro-actively worked together where necessary to preserve value. At these times of heightened risk, the leverage availed to lenders (through their loan instruments) resulted in an ability where necessary to tighten terms and/or reprice outstanding loans to reflect the prevailing market, while also availing borrowers the opportunity to negotiate to preserve equity value and trade out of stress. As a result of these dynamics, the Manager has observed that credit losses experienced in this asset class have been historically negligible.

Seniority is a critical form of protection for Private Credit investors as it provides the investor with priority payment of interest and principal. In other words, when the borrower is distributing its cash flows to meet its various obligations, the most senior creditor or investor will be the first to receive distributions or have their capital repaid. Remaining funds will be distributed in the order depicted in the diagram below, with the last receiver of distributions or capital being holders of Equity. This is particularly important during an insolvency event, where a borrower has insufficient funds to repay all of its obligations.



Security provides a legal right of enforcement over any assets of the borrower subject to the Security should the borrower be unable to meet their repayment obligations. If the borrower were to be unable to meet its interest or principal payment obligations the lender would have the right to take control of the assets subject to the Security, and either directly apply cash flows to payment of interest and principal or sell the asset.

Covenants are designed to protect the lender by providing a means of monitoring the financial profile of the borrower

against certain benchmarks, and by restricting the borrower's ability to perform certain activities without the lender's permission (e.g. taking on additional debt, making acquisitions or paying dividends). If covenants are breached there are a range of potential consequences, including the right to demand early repayment of a loan, charge a higher interest rate or appoint a receiver to take control of the business and protect the interests of lenders. Covenants and other loan terms and conditions can significantly enhance a lender's ability to monitor and influence the credit profile of a company.

## The Case for Australian Private Credit

Regulation of banks has increased significantly since the Global Financial Crisis in late 2008, and was further amplified following systemic risk management weaknesses identified within banks and other financial institutions from formal inquiries such as the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. Regulatory changes have included broad-based international banking regulations that have been adopted by many countries (including Australia), and country-specific regulations and restrictions aimed at restricting lending activity in specific markets.

These reforms have generally resulted in requirements for banks to maintain increased capital and liquidity to support their lending activities, which in-turn has increased the cost of lending to certain market segments and reduced the willingness of banks to offer credit to a range of market segments or certain products.

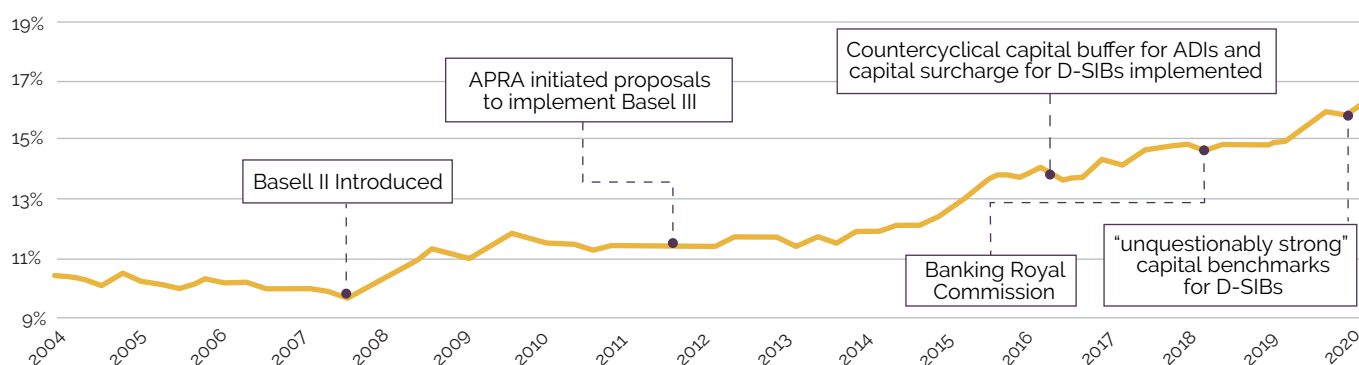
In Australia, the increased cost associated with lending to certain market segments, coupled with persistent public market pressure to generate returns on Equity, has resulted in a reallocation of bank lending activities to areas of their business that generate highest returns on Equity. This reallocation of lending has not generally been linked to changes in the underlying credit quality of the loan portfolios (or groups of borrowers) but has been more reflective of internal capital management decisions and a renewed focus on core products such as residential mortgages.

The withdrawal of funding in markets previously serviced by banks has created funding shortages of Private Credit investments.

Banks' reduced risk appetite has created opportunities in a number of subsectors serviced by Private Credit investors including commercial real estate debt.

### APRA continues to increase capital requirements for ADIs

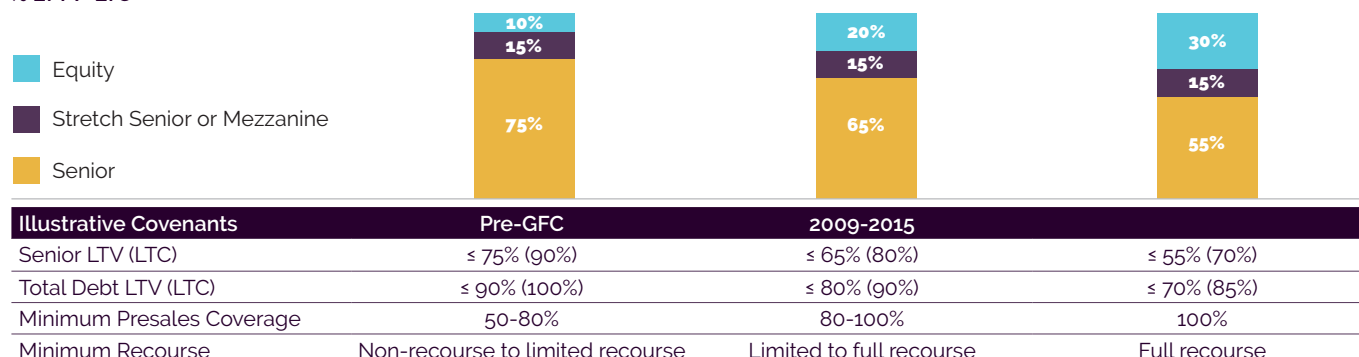
Major Banks – Total Capital Ratio (%)



Notes: D-SIBs are 'Domestic Systemically Important Banks'

### Increasing regulatory oversight resulting in tighter bank lending standards

% LTV / LTC

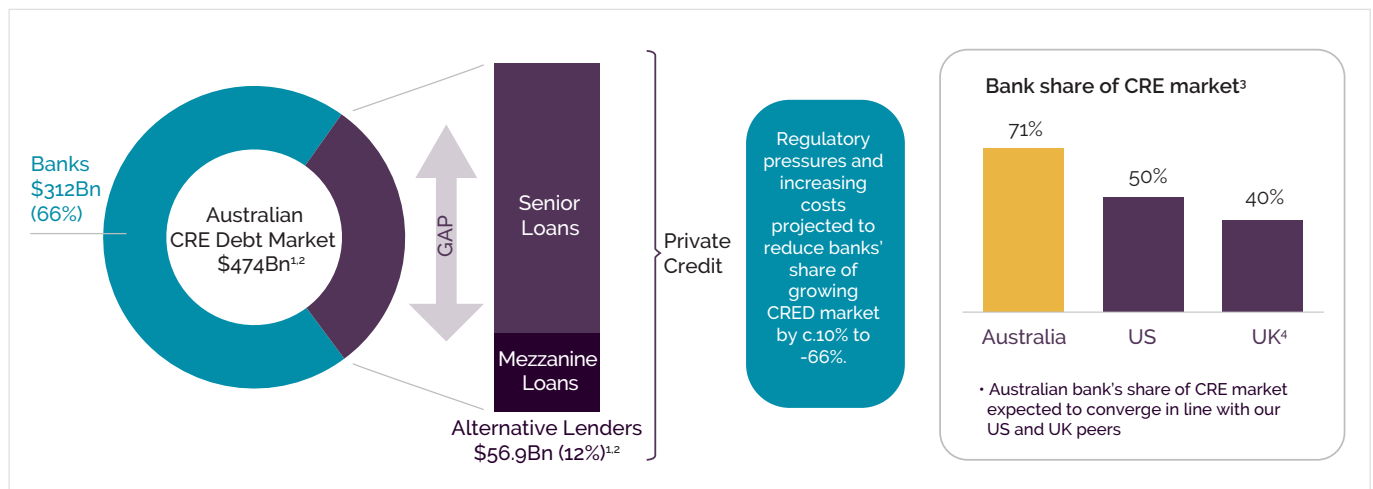


## Commercial Real Estate Debt

The commercial real estate market includes debt finance is commonly used for the acquisition, development or construction of property assets (Commercial Real Estate Debt). This includes providing loans to support the development of multi-dwelling residential property assets (apartments and land subdivisions).

Major banks have historically been significant providers of capital to the commercial real estate sector. However, regulatory pressures on Australian banks continue to intensify, with APRA steadily increasing capital requirements, leading to tighter lending standards and

heightened scrutiny across the financial sector. These regulatory shifts not only impose stricter oversight but have also driven up the cost of lending, fundamentally altering the composition and expense of bank funding. As a result, Australian banks face reduced competitiveness, as stricter capital requirements and higher funding costs constrain their ability to lend as flexibly as before. This evolving regulatory landscape is reshaping the financial market, with flow-on effects into the commercial real estate market for borrowers and investors alike.



<sup>1</sup> Estimates of Non-bank lending share relate to total debt market size and are assumed as a proxy for the commercial real estate debt market.

Private Commercial Real Estate Debt offers a compelling opportunity for investors seeking stable income, risk-adjusted returns, and true portfolio diversification. With market dynamics fuelling both investor and borrower demand, this burgeoning alternative asset class is poised for sustained growth and an expanding market share.

However, success in private real estate debt investing hinges on thorough due diligence and partnering with trusted investment managers who prioritise robust risk management and transparency. Selecting the right manager is critical to navigating the complex and idiosyncratic nature of private real estate loans, which require meticulous structuring and evaluation to safeguard investor capital.

Experienced investment managers with proven track records and expertise across multiple economic cycles bring significant value to this space. Their deep industry

networks and hands-on approach to asset management are indispensable, particularly in today's evolving economic environment. Investors should focus on identifying managers with the skills and resources to execute rigorous risk mitigation strategies and consistently deliver results.

As the sector faces increasing regulatory scrutiny, reputable investment managers who emphasise risk management, transparency, and governance will continue to lead the way. These managers are not only protecting investors' capital but also setting industry benchmarks for sustainable and ethical investment practices.

Source of graphs:

<sup>1</sup> APRA Quarterly ADI Property Exposures March 2024

<sup>2</sup> APRA Quarterly ADI Property Exposure statistics – highlights September 2022

<sup>3</sup> RBA Financial Stability Review March 2024

<sup>4</sup> EU Non-bank Financial Intermediation Risk Monitor 2024



## Australia is a superior market for private credit

Australia offers a highly attractive environment for private credit, underpinned by strong lender protections, a stable economy, and a resilient regulatory framework. Unlike markets such as the UK, EU, and North America, where peak credit losses in the GFC were significantly higher, Australia has maintained a historically low loss rate of approximately 0.6%. Stringent lending controls, the most lender-friendly insolvency framework, and low-to-moderate competition further enhance risk-adjusted returns for credit providers. Additionally, Australia's strong and stable economic growth provides a solid foundation for private credit investments, contrasting with the more volatile or stagnant conditions seen in other global markets.

	Au & ANZ	UK & EU	North America
Loss history of corporate lending <sup>1</sup>	c.06% peak credit lossess in GFC	3x AU & NX peak loss in GFC	3.5x AU & NZ peak loss in GFC
Loan terms, conditions, controls	Strongest control for lenders	Loose/Light terms	High leverage, limited control
Corporate insolvency framework	Most lender-friendly regime <sup>2</sup>	Balanced admin regime	Chapter 11 Borrower-friendly
Competition in lending market	Low-moderate competition	Moderate-high competition	Very high competition
Economic and governmental stability <sup>3</sup>	Strong, stable resillient growth	Low/stagnat growth	Moderate growth but volatile

Source:

<sup>1</sup> Goldman Sachs, Bank of England, ABS, ANZ, WBC, NAB, CBA

<sup>2</sup> Private Credit and Enforcement in Australia, joint publication of Baker McKenzie and Metrics, July 2020

<sup>3</sup> World Justice Project, World Bank, S&P, Bloomberg and the IMF (2022)

# About the Fund

## Fund Overview

The Fund is a wholesale fund, or a pooled unregistered managed investment scheme. In this structure, money invested in the scheme by all investors is pooled and used to fund approved loan transactions which are managed on behalf of all investors. The Trustee has day to day control over the operation of the Fund. In this structure:

- Investors will own a co-mingled, proportionate, fractional interest in the Fund, corresponding to the Fund's investment in each loan investment
- Investors immediately access multiple loan investments with substantial risk mitigation given the diversity of the Fund's portfolio
- the Trustee has day-to-day control over the operation of the Fund.

By investing in the Fund, investors can access a range of active, diversified loan investments curated by the Investment Manager using its specialist skills and market knowledge.

## Investment Objectives

The Fund has a targeted net return of 5% per annum above the Reserve Bank of Australia's Official Cash Rate.

## Investment Strategy

The Fund seeks to achieve its investment objective by constructing a diversified portfolio of credit-vetted loans across a range of economic and market environments by employing a diversified loan strategy investment approach.

The Fund will invest in and generate income predominantly, but not exclusively, from first-mortgage secured, senior loans in the commercial real estate sector. In select certain cases, the Fund Manager can invest in blended-, or second-mortgage secured-, or preferential equity-, investments, to achieve the Fund's Investment Objectives. Additionally, where the Fund has excess liquidity, the Fund may invest in other funds, with a target weighting of 0-15%.

### Asset Allocation

The Investment Manager invests in loans secured against the following real property asset types:

- Australian capital cities, with a focus on metropolitan Sydney and Melbourne, with some exposure in Adelaide, Brisbane and Hobart, as well as in regional areas within 100 kilometres of capital cities, mostly across New South Wales, Victoria and Queensland. No current exposure in Northern Territory or Western Australia
- Security Property values generally in the A\$5 million to A\$75 million range, where buyer and refinance liquidity is relatively deep

- non-specialised property assets including land with residential use, completed apartments, generic commercial property and construction loans.

## Process

All loan investments will be made in accordance with the Investment Manager's Investment Strategy and Credit Risk Underwriting Policy for the Fund.

The Investment Manager is responsible for determining an appropriate range of investment opportunities and ensuring that a proposal meets the established Investment Criteria.

When assessing the suitability of an investment by the Fund, the Investment Manager subjects prospective opportunities to a formal evaluation and due diligence process, considering all relevant considerations.

The Fund is structured with a rigorous investment and evaluation process to identify and assess loan investments before the Fund makes any investment.

More details on the Investment Manager's process can be found at [zagga.com.au](http://zagga.com.au).

## Credit Instruments and Asset Allocation

### Cash and cash equivalents

Cash or cash equivalents refers to highly liquid assets that are either cash or can be quickly converted into cash with minimal risk of value loss. These assets are typically held by businesses or individuals and used to meet short-term financial obligations. Cash equivalents examples include bank accounts and marketable securities such as commercial paper, certificates of deposits, short term government obligations and other money market securities.

### Senior Loans

A senior loan is a debt obligation that is secured by a first registered mortgage over real property. This debt is given priority over other debts in the event of a company's bankruptcy or liquidation.

### Mezzanine Loans

Mezzanine lending is a form of subordinated lending where the lender ranks behind the senior secured lender but ranks ahead of ordinary shareholders (equity). Mezzanine lending is often more expensive than senior lending given the increased risk profile of subordination in the capital stack. Mezzanine lending typically comprises a debt instrument, such as a subordinated note. Interest on mezzanine loans can be paid in cash or as is most commonly the case, capitalising onto the loan at periodic intervals.

### Convertible Notes (Preferred Equity)

Convertible notes are medium-term debt securities, issued by the Borrower. In return, the holder earns periodic interest payments (known as "coupons") and principal repayment upon maturity. Convertible notes, in most cases, contain the ability for the holder to convert or redeem the instrument for equity in the underlying issuer.

### Other

Blended loans are financial arrangements where multiple sources of funding, such as different types of debt or a combination of debt and equity, are used to finance an investment, project, capital expenditure or working capital. A blended loan may involve a mix of senior debt, subordinated debt, and/or equity contributions, structured to offer a balance of risk, return, and flexibility. Through contractual obligations, borrowers are required to make principal and interest payments to the lender.

### Funds

Investment in money market funds to the extent that investment can be turned into cash on not more than 30 days' notice

## Portfolio Composition

The Fund intends to invest in a portfolio of credit assets to Australian domiciled borrowers in line with its investment strategy.

TARGET INVESTMENTS	TARGET PORTFOLIO WEIGHTING:
Cash and cash equivalents	1% – 30%
Senior loans	75% – 100%
Mezzanine loans	0% – 15%
Convertible notes	0% – 15%
Other	0% – 10%
Funds	0% – 15%

The Fund's investment strategy composition depicted above is illustrative only and is based on the Investment Manager's current expectations but may not reflect the actual allocation of the Fund's investments.

## Gearing and Borrowing

It is not the Trustee's intention to borrow money for the Fund other than to meet short-term liquidity requirements and reduce cash exposure to Members.

## Derivatives

The Fund is not permitted to invest in derivatives.

# Investment Criteria

## Approval Process

The Investment Manager is experienced in identifying, sourcing and selecting commercial real estate debt opportunities, assessing the creditworthiness of applications and approving, structuring and managing Loan Investments. The Investment Manager prioritises loans where the Fund can obtain appropriate security over real property for the Loan Investments, as well as personal guarantees by the Sponsors. Each Loan Investment is supported by:

- detailed due diligence in relation to the experience, financial position and reputation of the Borrower and sponsor/guarantors
- a clear and achievable 'exit strategy', typically including at least two or three alternatives
- experienced third-party legal firms engaged to document all loans to ensure each loan is correctly secured
- active management of all loans by the Investment Manager's team throughout the term, including asset recovery if required.

## Lending Philosophy

Loans invested in by the Investment Manager are predominantly secured by a first ranking real property mortgage against one or more quality property assets. As part of the credit assessment process, the Investment Manager considers critical underwriting factors on a deal-by-deal basis, including:

- location and site amenity
- land acquisition value and terms, relative to an independent professional valuation
- conditions precedent and ongoing covenants and conditions subsequent
- the security structure
- the loan-to-value ratio or the loan-to-cost ratio
- borrower income, other net assets and repayment history.

If the Investment Manager is considering a development loan, the Investment Manager will also look at:

- the amount of equity invested to date and available from the sponsor, funding sources and expected terms
- sponsor track record, professionalism and credit checks
- the projected development margin
- the contingency allowance
- presales debt cover and other mitigating risk

- planning controls, and the likelihood of achieving a positive planning outcome
- attributes including any contamination or heritage issues
- design efficiency and attractiveness to purchasers/end users
- the product target market, expected pricing and absorption
- construction costs and support for cost estimates
- the sales and marketing plan, program and expertise of sales agents.

The Fund is structured with a rigorous investment and evaluation process to identify and assess new loans before the Fund makes any investment.

## Borrower assessment

Prior to a Loan being advanced to a Borrower, the Trustee assesses the Borrower's creditworthiness as part of the Investment Loan approval process.

The Investment Manager considers the competence, experience and reputation of the Borrower and the underlying Sponsor just as carefully as it does the value of the primary security property. The Investment Manager structures each security package to provide robust protections, including clear covenants with respect to parameters of the Loan.

## Valuers

The Investment Manager requires that any valuers, quantity surveyors, solicitors and other external service providers are appropriately qualified and have professional indemnity insurance appropriate for the type of work to be performed by them. The Investment Manager has appointed a panel of registered independent valuers, selected for their experience and skills in valuation practice, to inspect each security property and provide a detailed report, the cost of which is borne by the Borrower. A panel valuer must, as a minimum:

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

The appointment of a panel valuer is in accordance with the Fund's Valuation Policy. There are several valuation methods relevant for construction and development loans including the value of the property on an 'as is' basis



(typically but not always for undeveloped land), and on an 'as if complete' basis (usually reserved for land with a permit or planning approval). The Investment Manager assesses construction and development Loans both as 'as is' and 'as if complete' values. Valuations for all other types of Security Properties will be conducted on an 'as is' basis. Depending on the nature of the construction project, additional information may be sought from quantity surveyors and other property development advisers.

The Investment Manager may, on behalf of the Trustee, also retain independent quantity surveyors in respect of some of the construction and development Loans. Construction or development loans will generally require a report from a quantity surveyor. At a minimum, a report will contain a detailed assessment of the construction and development works to be carried out, original estimated Costs and variations and costs to complete the project to specifications.

## Legal Documentation

The Investment Manager will enlist the services of an external solicitor to ensure all Loans are properly and professionally documented in accordance with standard mortgage lending practices and in accordance with applicable legislation.

## Investment Management and Oversight

Zagga's Investment Risk and Credit Risk Committees, which share two external members each, are responsible for ensuring that both the approval and management of all new Loan Investments, as well as the management and operation of the Fund, meet all of Zagga's agreed upon procedures, as well all applicable statutory, regulatory, and financial requirements. The Committees, as part of their ongoing role, will consider, in addition to the matters already mentioned, other important metrics such as concentration risk, location risk, duration, withdrawal history, and others.

## Conflicts of interest

To manage potential conflicts of interest from the Investment Manager in the performance of its duties, including the sourcing of suitable Loan opportunities for investment by the Fund:

- the Investment Manager must comply with the Conflict of Interest and Related Party Policy, including:
  - ensuring that all Related Party transactions are entered into on arms' length terms or terms that are consistent with similar transactions with third parties; and
  - where necessary, obtaining independent advice as to the reasonableness of the Related Party transaction

- where there is a conflict of interest, Loans must be specifically approved by the Credit Risk Committee.

The Trustee also maintains its own conflict of interest and related party policies.

## Loan Management and Default

Borrowers are obliged to make repayments on their Loan as prescribed in their Loan Contract. Failure to make the minimum payment or repayment without prior arrangement will constitute default under the loan contract.

The Investment Manager is responsible for reporting defaults to the Trustee and assisting the Trustee in enforcing the obligations of each mortgagor and guarantor, including the obligation to promptly pay all monies as and when they fall due.

In general terms, if a default occurs and while the default subsists, the Investment Manager will have the right to either cancel the Loan Contract and declare the money owing immediately due and payable or commence enforcement action and exercise its rights under any security granted, including taking possession of the Security Property. Where the Security Property comprises an incomplete construction or development property and the Investment Manager considers it to be the preferred approach to achieve the best financial outcome, the Investment Manager may appoint parties to complete the development or construction of the Security Property, prior to the Security Property being placed on the market for sale.

In exercising its rights of enforcement under a Loan Contract, the Lender, based on its own determination of the best course of action, may:

- seek to directly enforce its rights against the Borrower and take possession of the Security Property
- appoint third-party receivers to the Borrower and an agent for the Mortgage in Possession to the Security Property.

# Managing Risk

All investments carry risks. Different investment strategies may carry different levels of risk, depending on the assets acquired under the strategy.

The significant risks below should be considered in light of your risk profile when deciding whether to invest in the Fund. Your risk profile will vary depending on a range of factors, including your age, the investment time frame (how long you wish to invest for), your other investments or assets and your risk tolerance.

Neither the Trustee or any other person guarantees the liquidity of the Fund's investments, repayment of capital or any rate of return. The value of the Fund's investments and the level of returns will vary. Future returns may differ from past returns. The structure and administration of the Fund is also subject to change.

## Key Risks

Some of the things that may cause the Fund's value to move up and down are summarised below. These risks are not exhaustive.

## General Investment Risks

### Investment return risk

Past performance is no guarantee of future performance. As the Investment Manager is an active manager, there is a risk that the Fund may underperform compared with its investment objectives or with the market.

### Market risk

Returns of the Fund will be affected by the performance of the investments chosen for the Fund, which may in turn, be affected by the performance of markets generally. This risk, related to market performance, includes demand and supply in the market and economic and regulatory conditions, including market sentiment, inflation, interest rates, employment, political events, environmental and technological issues, and consumer demands.

### Credit risk

The value of debt securities may be impacted by the Borrower's ability to pay interest and principal owed as they become due. If there is a negative perception of the Borrower's ability to meet its payment obligations, the value of the debt security may decrease.

### Borrower (Counterparty) Risk

There is a risk that a Borrower may fail to meet payment obligations or otherwise meet the terms of a Loan or has other financial difficulties. This could be for a number of reasons, including:

- an inability to pay interest as a result of reduced income; or
- an environmental or demographic issue impacting on the ability of an asset to generate income.

### Borrower Specific Risk

The risk that investments by the Fund in a Loan will be subject to many of the risks to which the Borrower for the Loan itself is exposed, impacting their payment ability. These risks include factors such as changes in management, actions of competitors and regulators, changes in technology and market trends. These factors may cause a Loan to perform adversely and may reduce the price of the Fund.

### Loan concentration risk

It is possible that monies held by the issuer will be deployed in a small number of loans creating a 'concentration risk'.

### Liquidity risk

The Fund is semi-illiquid and although there will be a secondary market, there is no guarantee as to the volumes that will be transacted through this market from time to time. In addition, the Issuer may or may not exercise its right to redeem Interests during its term.

### Property market risk

A material decline in the value of properties in relevant market segments will erode the value of the property against which a Loan is secured.

### Interest rate risk

This refers to the risk that the market value of the investments of the Fund can change due to changes in interest rates. The market value of properties can fluctuate significantly with relatively small changes in interest rates and/or increase financial pressure on the borrowers/ guarantors.

### Asset risk

There is a risk that a property may be damaged or destroyed by fire or some other natural disaster during the time the Fund has an interest in the property. While the Fund will require that the Borrower maintains current and valid insurance cover for the property improvements, noting the Trustee/ Fund as having an interest (as deemed appropriate), the occurrence of such an event could result in a loss of capital or income.

### Entity risk

The Fund's investment in a listed entity may be affected by unexpected changes in that entity's operations or business environment, including the risk that the entity may become insolvent. If this occurs the Fund may receive a smaller or no return from, or it may lose, its investment in the entity.

### No deposit guarantee

As the Trustee is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 ("**Banking Act**"), an investment in loans will not be covered by the Australian Government's bank deposit guarantee and will not be covered by the depositor protection provisions in section 13A of the Banking Act.

## Other General Risks

### Service provider risk

You could be adversely affected if any of the various parties involved in the operation of the Fund, including us, or service providers fail to perform their obligations. This could impact your returns or the ability to withdraw your funds. The Investment Manager actively monitor and review the performance of all key service providers in performing their agreed contractual arrangements.

### Operational Risk

This is the risk of technological or process failure or impacts from the wider financial market in general. This could impact your returns or the ability to withdraw your funds.

### Personnel Risk

The Fund relies heavily upon the Investment Manager to execute the investment strategy to deliver the targeted returns. Despite the investment strategy being applied as outlined, there is no certainty that the investment manager will produce the intended result.

### Regulatory and tax risk

Fund performance may be affected by regulatory changes and changes to tax legislation in Australia which could have an impact on the value of your investment.

## Project and Loan risks

### Property development risk

Property development exposes the Fund to a number of risks associated with acquiring, holding, developing, constructing, financing and selling property.

### Planning approval risk

The Fund may invest in loans which require development approval. While loans of this nature are generally valued on an 'as is' basis, there is no assurance that the Borrower's plans for the Project will be approved in any form. To gain approval, if that is possible, Borrowers may have to make amendments to its plans, incur unexpected consulting costs, pay additional planning fees, and enter into litigation. Planning regulations and the attitude of the planning authorities may change. Negative public and political opinion may adversely affect planning decisions. If these risks materialise, these factors could then impact the Fund's returns.

### Construction and development risk

There are specific risks associated with the construction and development activities which the Borrowers undertake, including unforeseen increases in construction costs or other property development expenses which may result in cost overruns.

There is no guarantee that projects will be completed, the amount allowed or assessed for development and construction costs will be sufficient or the completed development will be worth the value attributed to it prior to commencement and at other stages during the construction.

Delays in obtaining the necessary approvals, or changes to the loans in order to obtain the necessary approvals or disruptive weather events or delays in sourcing construction materials or suitable trades, may adversely affect the loans and consequently the performance of an investment in the Fund.

### Property market conditions

Changes in property market conditions including supply, demand and rental markets impact on the ongoing value of any property. There is no guarantee that the properties developed will maintain their value or that the Landowner will be able to sell them for a price at or higher than the acquisition and development costs or at all.

### Unforeseen capital expenditure

The need for unforeseen capital expenditure on any loan, and how this expenditure will be funded, may affect the level of returns to you.

### Key person risk

Borrowers may have a team of qualified and experienced directors, responsible for managing all aspects of the project. The loss of one of a key person has the potential to adversely affect the operations of a borrower, which, in turn, could negatively affect the Fund.

### Settlement risk

The sale of property to purchasers is subject to settlement risk.

### Uncontrollable events

Natural phenomena, like fire, flood and storms, may affect the properties and consequently the value of your investment in the Fund. Whilst borrowers may be able to insure the properties against some of these events, there are others (such as pandemics, war, strikes and terrorist attacks) for which insurance cannot be obtained. However unlikely, should any of these uninsured events occur then borrowers may need to make unbudgeted capital expenditure to preserve the value of the property (including potentially to rebuild). The borrower may not be able to raise the capital to do this in which case the value of the property and your investment in the Fund could reduce.

## General Fund and investment risks

### Trustee risk

The Trustee may elect to retire or may be replaced as the trustee of the Fund or the services of key personnel of the Trustee may become unavailable for any reason.

There is always a risk that the Trustee may fail to identify and adequately manage the investment risks in the Fund's assets and thus affect the ability to pay distributions or reduce the value of an Interest.

Operational risks of the Trustee include the possibility of systems failure, regulatory requirements, documentation risk, fraud, legal risk and other unforeseen circumstances.

### Market risk

A number of external factors such as changes in the economic, political, technical or social environment can have a significant influence on the market for a particular asset class. These influences may produce changes in the value of markets and the investments which comprise them, which are outside the influence of the Investment Manager, the Trustee, or borrower. Such influences may also affect markets in different assets (e.g., equities versus property) in different ways.

### Compliance risk

If the Trustee fails to comply with the Trust Deed, it will likely have an adverse impact on you and the value of your investments. In particular, this may occur if ASIC take action to:

- wind up the Fund; or
- remove the trustee.

### Inflation risk

Inflation risk refers to the risk an investor faces of losing the purchasing power of capital invested. Although the nominal value invested may remain, positive inflation will progressively reduce its value relative to what can be purchased by each dollar over time.

### Regulatory risk

There is a risk that changes to the regulatory environment for financial services, or the finance industry may, either directly or indirectly, affect the value of the investment in the Fund.

### Taxation risk

- Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you.
- Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Fund. You should consult your own taxation adviser to ascertain the tax implications of your investments.

### Macroeconomic risk

The general state of the Australian and international economies, as well as changes in taxation, monetary policies, interest rates and statutory requirements may have a negative impact on the Fund's performance and on the value of your investment.

### Cyber risk

Investors should be aware that while the Trustee has implemented technologies, processes, and practices designed to protect its networks, devices, programs and data (or Information Technology Systems) such Information Technology Systems may still be subjected to malicious attack, damage or unauthorised access. Such Information Technology Systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Fund.

In the event serious harm is a likely outcome of a breach of the Trustee's Information Technology Systems, the Trustee (as may be required) will notify the affected individuals and recommended steps that ought to be taken in response to the breach. The Trustee may also be required to notify any regulatory authority as required by law.



# Investing in the Fund

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## Making an application

The minimum initial application is \$100,000. The Trustee may waive or increase the minimum application amounts at its discretion. Application money is deposited into a non-interest-bearing account, pending processing.

To invest, please complete and sign the Application Form accompanying this IM.

A properly completed Application Form, together with the relevant certified identification documents, can be completed online or must be e-mailed to [admin@zagga.com.au](mailto:admin@zagga.com.au).

## Investment Method

Your initial investment amount may be made by Electronic Funds Transfer or Direct Deposit to the application account details provided in the Application Form.

Please note the application cannot be processed until cleared funds are received. Cash cannot be accepted.

Under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

The Investment Manager reserves the right to refuse any application without giving a reason. If for any reason the Investment Manager or the Fund Administrator refuses or is unable to process your application to invest in the Fund, the Fund Administrator will return your application money to you, less any taxes or bank fees in connection with the application. You are not entitled to any interest on your application money.

## Issue Price

The Issue Price of an Interest in the Fund is generally \$1.00, as Distributions are accrued separately for an Investor according to the number of days the Interest is held by an Investor in a Distribution Period.

The price of an Interest is based on the underlying value of the Assets and is calculated in accordance with the terms of the Trust Deed. As a result, the price of an Interest may fluctuate. However, since inception, the price of an Interest in the Fund has remained at \$1.00.

Each Interest is a Proportionate Share in the Fund, having regard to the total Proportionate Share of all Investors in the Fund.

## Valuation of the Fund

The value of Interests is determined by calculating the net value of the Fund on a Valuation Date as attributed to each Member by their respective Proportionate Shares.

Any income entitlement or cash held for the Fund and any amount of GST recoverable by the Fund from the ATO are also included in the value of Fund's Assets and used to calculate the value of Interests. Generally, the Fund's liabilities are valued at cost.

The Fund will be valued daily on each calendar day. Interests will generally be issued on the day funds are received.

## Making a redemption

Investors will be permitted to redeem some or all their Interests, only:

- once the Minimum Investment Period of 12 months has elapsed
- the 90-day Redemption Period has elapsed
- the proper Redemption Notice has been provided
- where a partial redemption is requested, the remaining investment balance is not less than \$100,000.

The Trustee may waive any of the criteria above at its discretion.

Redemptions are limited to periods of liquidity of the Fund. As an illiquid investment, Investors may redeem Interests only with the consent of the Trustee.

The Fund aims to hold a liquidity buffer ('available liquidity') equal to 5% of the Interests which have exceeded the 12-month Minimum Investment Period. If total redemptions for the month exceed the available liquidity, redemptions may be effected on a pro-rata basis as determined by the Trustee. Any unfilled orders will be cancelled.

Where the Trustee has provided its consent, a Member may withdraw their investment by submitting a Redemption Request online or emailing [admin@zagga.com.au](mailto:admin@zagga.com.au)

Redemption payments will not be made to third parties (including authorised representatives) and will only be paid directly to the Member's bank account held in the name of the Member at a branch of an Australian domiciled bank.

## Redemption Price

The Redemption Price of an Interest is equal to the Member's Proportionate Share of the market value of all of the Assets less any liabilities of the Fund, as calculated having regard to the total Proportionate Share of all Investors.

The Redemption Price may be different from the Issue Price.

The Trustee may deduct from the Redemption Price any:

- applicable taxes
- amounts due and unpaid by the Member in respect of an Interest
- any further costs provided for by the Trust Deed.

## Minimum investment period

Investors have a minimum lock-up period of 12 months from the date of investment. The Trustee may waive the minimum investment period in its absolutely discretion.

## Email or Online requests

By lodging an email or online Application Form or Redemption Request, the Member releases, discharges and agrees to indemnify the Trustee and its service providers from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any email or online Application Form or Redemption Request.

The Member also agrees that any payment made in accordance with an email or online Redemption Request is a complete satisfaction of the obligations of the Trustee or service provider, notwithstanding any fact or circumstance, including that the payment was made without the Member's knowledge or authority.

The Member agrees that if a payment is made in accordance with an email or online Redemption Request, the Member and any person claiming through or under them has no claim against the Trustee or any service provider for the payment.

## Other Investor Information

### Distributions

Each Interest holder will receive an amount of any Distribution for a month as calculated by the number of days an Interest is held by the Member in the month.

A distribution is a Member's share of any distributable income earned by the Fund. A Member's share of any distributable income is generally based on the number of Interests, being a Proportionate Share, held by the Member at the end of a distribution period and is paid monthly. Distributions will be dependent on Borrowers making the repayments and paying the fees required. Distributions will be paid to the nominated bank accounts of an Investor.

Generally, the income entitlements of Members are distributed within 5 business days after the date they are determined, although a distribution may take longer.

As a Member, you can have your distribution:

- reinvested in the Fund
- directly credited to your nominated bank account.

If you do not make an election, your distribution will automatically be reinvested and will be taken to be received prior to the next valuation time after the relevant distribution period.

### Appointment of authorised representative to operate account

Members may elect to appoint an authorised representative to operate their account. Only Members can appoint authorised representatives. If you appoint an authorised representative, the Trustee suggest that you ensure that:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or by the Trustee.

If the Trustee determines that the circumstances require, the Trustee may cancel an appointment by giving the Member 14 days' notice in writing. If an appointment is cancelled, the Trustee will not be obliged to act on the instructions of the authorised representative. If the instructions are varied, the Trustee will act only in accordance with the varied instructions.

By completing and lodging the relevant sections on authorised representatives via your online Zagga Investor Portal, you release, discharge and agree to indemnify the Trustee from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Trustee acting on the instructions of your authorised representative.

You also agree that any instructions of your authorised representative to the Trustee, which are followed by the Trustee, shall be a complete satisfaction of the obligations of the Trustee, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority.

You agree that if the authorised representative's instructions are followed by the Trustee, you and any person claiming through or under you have no claim against the Trustee for the instructions.

### Powers of an authorised representative

An authorised representative can, among other things:

- apply for additional Interests;
- request that distribution instructions be altered;
- change bank account details,
- withdraw all or part of your investment; and
- enquire as to the status of your investment and obtain copies of statements.

Redemption payments will not be made to third parties.

If a company is appointed as an authorised representative, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

### Reports provided to Members

Regular reports are provided to Members. These are:

- Transaction Reports confirming all investments and redemptions (issued following transactions and on request)
- Distribution Statements – issued in line with distribution frequency, notifying you of the value of your investment, income from investments and confirming the reinvestment or payment to your nominated account
- Tax Statements issued annually, providing Members with taxation information, including a detailed summary of the components of any distributions.

You can obtain this information online or contact the Investment Manager for updated information on performance, Fund size and other general information about the Fund on:

Phone: 1300 192 442

or by emailing: [admin@zagga.com.au](mailto:admin@zagga.com.au)

## Enquiries and Complaints

The Trustee seeks to resolve complaints over the management of the Fund to the satisfaction of Members. If a Member wishes to lodge a formal complaint, please contact us on:

Phone: 1300 192 442

or by emailing: [admin@zagga.com.au](mailto:admin@zagga.com.au)

The Trustee will seek to resolve any complaint and will respond within 14 days of receiving the complaint.



# Fees and Costs

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## Management Fee

The Management Fee is inclusive of investment management and Trustee fees.

The Management Fee is calculated and accrued monthly in arrears on the last business day of the month based on Interests in the Fund. The Management Fee does not include expenses or transaction costs. Management Fees are paid monthly in arrears.

The Management Fees applicable are currently 0.25% p.a. including GST.

## Entry & Exit Fees

The Fund may, but for the duration of this IM does not, charge an entry or exit fee.

## Fund Expenses

The Trustee have the right to recover all expenses properly incurred in managing the Fund. Expenses of the Fund include custody fees, administration fees, audit fees and other expenses for the establishment and operation of the Fund, and may be reimbursed from the Fund.

The Trustee may also recover abnormal expenses (such as the costs of member's meetings, legal proceedings and other irregular expenses).

## Referral and Broker Fees

The Investment Manager may pay a person who introduces a Borrower to the Fund, such as a finance broker or pay an ongoing referral fee. This fee is not a cost of the Fund and is paid by the Investment Manager from its own fee.

## GST and Taxes

All government taxes such as stamp duty and GST will be deducted from the Fund as appropriate. Relevant tax information is provided in the 'Taxation' section. RITCs will also be claimed by the Fund where appropriate to reduce the cost of GST to the Fund.

## Can the fees change?

All fees can change without Member consent, subject to the maximum fee amounts specified in the Trust Deed of the Fund. Reasons might include changing economic conditions and changes in regulation.

The Trustee will generally provide Members with at least 30 days' notice of any proposed increase in the Trustee fee.

## Other Fees relating to Default and Recovery

The Investment Manager will seek to recover the costs of any Loan default from the sale proceeds on sale of a mortgagee sale. Third party recovery agents including solicitors and valuers may also be paid for their services directly from the sale proceeds or recovered costs. Alternatively, the Investment Manager may bear these costs.

In the event of a default, the proceeds of any recovery will be applied in the following order of priority:

1. costs of recovery to the Fund (including any costs incurred by the Trustee or Investment Manager) in pursuing or carrying out the recovery action
2. recovery agent fees and costs
3. restoring Member capital
4. paying income to Members and Management Fees to the Trustee.

## Other Important Information

### Cooling off period

No cooling off period applies to Interests offered under this IM as you must be a Wholesale Client to invest in the Fund.

### Member's liability

The Trust Deed for the Fund provides that unless there is a separate agreement with a Member, no Member can be called on to contribute to the Assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. As a result, it is expected that Members will not be under any obligation if a deficiency in the Assets of the Fund were to occur. However, this has not been fully tested in court and so it is not possible to give an absolute assurance.

### Taxation

Investing in a managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

Managed investment schemes generally do not pay tax on behalf of Investors. However, the Trustee may be required to withhold tax from each Distribution at the relevant withholding tax rates under certain circumstances. Investors are assessed for tax on any income and capital gains generated by the Fund. The Trustee will provide an annual summary of Distributions made to you during each financial year as well as the information required to complete your Australian tax return.

### Termination of the Fund

The Trustee may resolve at any time to terminate and wind up the Fund in accordance with the Trust Deed. The Fund may otherwise terminate if required by law.

If this occurs, notice will be provided to Members advising of the Fund's termination. Upon termination and after conversion of Fund Assets into cash and payment of, or provision for, all costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all Members according to the number of interests they hold.

### The Trustee's legal relationship with you

You will receive Interests in the Fund when you invest. Subject to the rights, obligations and liabilities of any interest class, each Interest represents an equal proportionate beneficial interest in the Assets of the Fund as a whole subject to liabilities but does not give you an interest in any particular assets or property of the Fund.

The Trustee's responsibilities and obligations as trustee of the Fund, are governed by the Trust Deed as well as by general trust law. The Trust Deed contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Trustee and Members.

Some of the provisions of the Trust Deed are discussed elsewhere in this IM. Other provisions relate to a Member's rights under the Trust Deed, and include:

- a Member's right to share in any Fund income, and how the Trustee calculate it
- what you are entitled to receive when you withdraw or if the Fund is wound up
- a Member's right to redeem from the Fund
- the nature of the Interests – identical rights attach to all Interests within a class
- a Member's rights to attend and vote at meetings.

There are also provisions governing the Trustee's powers and duties, including:

- how the Trustee calculate interest prices, the maximum amount of fees the Trustee can charge and expenses the Trustee can recover
- when the Trustee can amend the Trust Deed
- when the Trustee can retire as the Trustee of the Fund
- the Trustee's broad powers to invest, borrow money and generally manage the Fund.

The Trustee's responsibilities and obligations generally require that it:

- act in the best Interests of Members and, if there is a conflict between Members' Interests and the Trustee's own, give priority to Members;
- ensure property of the Fund is clearly identified, held separately from other funds and the Trustee's assets, and is valued regularly; and
- ensure payments from the Fund's property are made in accordance with the Trust Deed.
- act in the best Interests of Members.

Copies of the Trust Deed are available, free of charge, on request from the Trustee.

## Indemnity

ZI2, as the Trustee of the Fund, is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers or duties for the Fund. The Trust Deed also deals with the Trustee's liabilities for the Fund.

For example:

- the Trustee is not liable for acting in reliance and good faith on professional advice
- the Trustee is not liable for any loss unless the Trustee fail to act in good faith or the Trustee acts negligently
- the Trustee can be reimbursed for any liabilities it incurs in connection with the proper performance of its powers and duties for the Fund.

To the extent permitted by the law, this indemnity includes any liability incurred due to any act or omission of a delegate or agent appointed by the Trustee. The Trustee may retain and pay out of the Fund all sums necessary to effect this indemnity.

## Related party transactions

The Trustee and its associates (as that term is defined in the Corporations Act) are entitled to enter into, or be interested on their own account, in any transactions entered into for the Fund or with any company, body in which the Fund is invested or who provides services to the Fund or has an interest in an Asset. Any such transaction will be on arms-length commercial terms. The Trustee and its associates are also permitted to hold Interests in the Fund in any capacity.

The Trustee may identify conflicts between its duties to Investors as trustee of the Fund and its own Interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Trust Deed and the law.

The Trustee may be paid by the Borrower for its costs in conducting due diligence on an investment opportunity or to arrange the Loan. The Trustee or a related party may pay, or be paid, an upfront or ongoing Loan referral fee for Borrowers referred to the Fund. This fee is not a cost of the Fund.

## Privacy Statement

The *Privacy Act 1988* (Cth) (**Privacy Act**) and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. The Trustee may collect personal information about you and individuals associated with you to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation).

You must ensure all personal information which you provide to us is true and correct in every detail, and should those personal details change, it is your responsibility to ensure that you promptly advise us of the changes in writing. If you do not provide the information requested, the Trustee may not be able to process your application, administer, pay or transfer your investments. The Trustee may also obtain or confirm information about you from publicly available sources to meet regulatory obligations.

The Trustee may disclose your information to other members of our corporate group or to third parties, where it is necessary, to provide you with the products or services. Those third parties may be situated in Australia or offshore, and the Trustee take reasonable steps to ensure that all third parties with whom the Trustee have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that the Trustee may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment
- those providing services for administering or managing the Fund, including the Custodian, auditors, or those that provide mailing or printing services
- those where you have consented to the disclosure and as required by law
- regulatory bodies such as ASIC, ATO, APRA or AUSTRAC.

Details of the Trustee's Privacy Policy applying to the collection of data by us is available by emailing us at: [info@zagga.com.au](mailto:info@zagga.com.au).

## Foreign Account Tax Compliance Act (FATCA)

The Australian Government has signed an intergovernmental agreement (**IGA**) with the United States of America (**U.S.**), which requires all Australian financial institutions to comply with the FATCA Act enacted by the U.S.

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents that invest in assets through non-U.S. entities. This information is reported to the ATO. The ATO may then pass that information onto the U.S. Internal Revenue Service.

To comply with the FATCA obligations, the Trustee may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, the Trustee will not be required to compensate Members for any this withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

## Common Reporting Standard (CRS)

The CRS is a standardised set of rules developed by the Organisation of Economic Co-operation and Development that requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information for reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

To comply with the CRS obligations, the Trustee may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS. However, penalties may apply for failing to comply with the CRS obligations.

**Application Form** – The mechanism by which an investor enters into the Investor Agreement for interests in the Fund. This may be completed via the document accompanying this IM or through the Zagga Investor Portal at [investor.zagga.com.au](http://investor.zagga.com.au).

**APRA** – Australian Prudential Regulatory Authority.

**ASIC** – Australian Securities and Investments Commission.

**Asset** – an Asset of the Fund or a class as applies.

**ATO** – the Australian Tax Office.

**AUSTRAC** – Australian Transaction Reports and Analysis Centre.

**Borrower** – The Borrower under a Loan.

**Business day** – A day other than a Saturday or Sunday on which banks are open for general banking business in Sydney.

**Capital Contribution** – in respect of a Member, an amount paid to the Trustee as consideration for the issue of an Interest to that Member.

**Corporations Act** – The *Corporations Act 2001* (Cth) and *Corporations Regulations 2001* (Cth), as amended from time to time.

**Covenant** – An undertaking by a borrower to do or refrain from doing certain activities a breach of which may trigger a default by that Borrower.

**Distribution** – The amount that is paid to Members after the end of a distribution period. This generally includes any income and realised capital gains. The distribution period for the Fund is monthly.

**Equity** – An interest in the share capital of an issuer, which provides the holder with ownership rights in a company or trust which may be listed or unlisted.

**Eligible Investor** – An investor accepted by the Trustee for the transfer of Interests who is a Wholesale Client.

**Fund** – Zagga Investments Lending Trust 2 (**Zagga Feeder Fund**).

**Fund Administrator or ZI** – Zagga Investments Pty Ltd (ACN 615 154 786).

**GST** – Goods and Services Tax as defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Interest** – in respect of a Member, their interest in this Fund in their Proportionate Share of the Fund Property.

**Investment Criteria** – The investment criteria used by the Investment Manager when selecting investments for the Fund, as described on pages 11 to 12 of this IM.

**Investment Manager** – Zagga Investment Pty Ltd (ACN 615 154 786, AFSL 492354)

**Loan** – A Loan advanced by the underlying trust to a Borrower.

**Loan Approval Process** – The process applied by the Trustee when assessing a potential Borrower as described on page 16.

**Loan Investments** – capital provided by the Fund, to other trusts to provide a Loan to Borrowers, where the Fund earns returns through interest and the repayment of principal.

**Member or Investor** – Any person who is Registered as the holder of an Interest.

**Month** – A calendar month.

**OCR** – The Reserve Bank of Australia Official Cash Rate.

**Option** – A financial contract between an option issuer and an option holder that provides the option holder the right, but not the obligation, to buy or sell an underlying asset at an agreed-upon price during the life of the contract.

**Portfolio** – All assets held by the Fund, including debt and cash.

**Preference Shares** – Shares of a company that have different characteristics to Ordinary Shares. Preference shares have dividend priority and liquidation preference in the return of capital above Ordinary Shares but typically do not have voting rights. Most Preference Shares have a fixed dividend while Equity typically do not.

**Private Credit** – Refers to lending money through private transactions, as distinct from the acquisition of publicly traded debt such as Bonds. This may include, but is not limited to, Loans and Preference Shares.

**Proportionate Share** – For a Member, the amount of the Member's Capital Contribution expressed as a percentage of the total amount of Capital Contribution of all Members.

**Redemption Price** – The redemption price of an Interest is equal to the Member's Proportionate Share of the total value of the Assets less any liabilities, having regard to the total Proportionate Share of all Investors in the Fund.

**Redemption Request** – A written request by a Member for redemption of some or all of their Interests.

**RITC** – Reduced Input Tax Credit. The Trustee will apply for reduced input tax credits for the Fund, where applicable, to reduce the GST cost to the Fund.

**Service provider** – A service provider appointed by the Trustee including the Custodian, valuers, quantity surveyors, solicitors and other external service providers.

**Senior or Seniority** – The extent to which loans or Private Credit investments are entitled to be paid in priority to other obligations or payments to Equity holders of the relevant Borrower.

**Trust Deed** – The trust deed of the Fund which sets out the rights, responsibilities and beneficial interest of both Members and the Trustee for the Fund.

**Trustee** – Zagga Investments 2 Pty Ltd (ACN 646 409 476) as a corporate authorised representative (CAR No. 1284351) of Zagga Investment Pty Ltd (ACN 615 154 786, AFSL 492354).

**Valuation Date** – The date on which the Trustee determines the net value of the Fund.

**Wholesale Client** – Wholesale Clients as defined under s761G of the Corporations Act or any other person who is not required to be given a regulated disclosure document under the Corporations Act.



Dated        /        /

To: **ZAGGA INVESTMENTS 2 PTY LTD**

as trustee for **ZAGGA INVESTMENT LENDING TRUST 2** (also known as **ZAGGA FEEDER FUND**)  
("ZFF")

### Investor Details

Investor name(s) (Investor/I/me/we/our)

Entity name

Address

City

State

Postcode

Investment amount

### A. I confirm, acknowledge and agree that:

- ☐ my/our Investment will not be less than \$100,000 ("Initial Minimum Investment Amount"), and will be invested for not less than 12 (twelve) months from the date of receipt of my Investment Funds by Zagga ("Investment Period"), which will apply separately in respect of the Initial Minimum Investment Amount and for any subsequent increases in my/our Investment, and thereafter, will be available to me/ us within 90 (ninety) days of issuing Zagga with a valid Redemption Notice, per the Deed
- ☐ I/we shall receive monthly distributions, if there are distributions to be paid, paid monthly within five business days of the end of the month in respect of the previous month. It will be calculated at the target return, on the last day of the month, in respect of which the distribution is being paid. Distributions are re-invested unless nominated otherwise ('Distributions')
- ☐ my/our Distributions will be paid net of any applicable withholding tax and Zagga's applicable annual Management Fee of 0.25% p.a. ('Management Fee'). The Management Fee is calculated and accrued daily as a percentage of the investment amount and paid monthly in arrears out of the assets of ZFF, usually within five business days from the end of the month; and
- ☐ Zagga shall be entitled to collect payment of the Management Fee simultaneously with payment of any distributions, and by means of deducting the Management Fee from the distributions and paying me/us the balance.

Special conditions

- ☐ I/We do not wish to re-invest our distributions.
- ☐ Accept and Agree

Document signed        /        /

**Why zig when you can Zagga?**

# ZILT 2 Investor Agreement

Dated        /        /

This Investor Agreement should be read together with the Information Memorandum. In the event of any inconsistency between the terms of this Investor Agreement and any Information Memorandum, the terms of the Information Memorandum will apply to the extent of any inconsistency.

## 1. Definitions & Interpretation

**"ACL"** means an Australian Credit Licence issued and regulated by ASIC pursuant to NCCP.

**"AFSL"** means an Australian Financial Services Licence issued and regulated by ASIC pursuant to the Corporations Act.

**"AML/CTF Act"** means *Anti-money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and includes any regulations and rules passed under that AML/CTF Act.

**"Applicable Laws"** means all legislation applicable to the business of Zagga and the operation of the Trust by Zagga Investments, including but not limited to the Corporations Act, the *Australian Securities and Investments Commission Act 2001* (Cth), the *Privacy Act 1988* (Cth), the AML/CTF Act, and NCCP, and any related or associated Regulations or Directives (including CRS and FATCA).

**"ASIC"** means the Australian Securities and Investments Commission.

**"Associate"** has the meaning in section 50AAA of the Corporations Act.

**"AUSTRAC"** is the body that regulates compliance with the AML/CTF Act.

**"Borrower"** means an approved Australian individual, Australian company or other legal entity with the capacity to borrow monies that has entered into a Borrower Agreement, a Credit Contract and Security Documents with Zagga Investments as trustee of ZILT (and if applicable, a reference to "Borrower" is a reference to all joint Borrowers).

**"Borrower Agreement"** means the agreement entered into by a Borrower with Zagga Investments as credit provider of the Loan and Trustee of the Trust, and Zagga Market in its capacity as Servicer for Zagga Investments.

**"Business Day"** means a day when banks in New South Wales, Australia are open for business and which is not a Saturday, Sunday or public holiday in New South Wales, Australia.

**"Corporations Act"** means the *Corporations Act 2001* (Cth), the *Corporations Regulations 2001* (Cth) and other instruments made under it.

**"Costs"** means all costs, charges, fees, expenses, outgoings, commissions, liabilities, losses, damages and taxes and all amounts payable in respect of any of them or like payments.

**"Credit Contract"** means a loan contract entered into between the Trustee and the Borrower(s) in respect of each Loan (also called the Schedule) and includes any supporting terms and conditions.

**"CRS"** means the *Common Reporting Standard*.

**"FATCA"** means the *Foreign Account Tax Compliance Act*.

**"Initial Minimum Investment Amount"** means the minimum value of cleared funds required from an Investor to participate in the Trust, to fund a Loan or part of a Loan, which is currently not less than \$100,000 (one hundred thousand dollars).

**"Investment Funds"** total amount of funds invested by an Investor.

**"Investor"** means an approved person or entity that has entered into an Investor Agreement with the Trustee to invest in ZILT 2 and if more than one person is investing jointly, a reference to the Investor means all of them jointly, unless otherwise provided in this Agreement or in the Trust Deed (see also "Wholesale Investor").

**"Investor Agreement"** and **"this Agreement"** mean this agreement between the Investor and Zagga Investments and includes any Addendum, Schedule, Commitment Letter or other document issued in terms of this Agreement from time to time.

**"Loan"** means the monies lent or to be lent to the Borrower by the Trust on behalf of the Investor.

**"Loan Application"** means the Borrower's application for a Loan.

**"NCCP"** means the *National Consumer Credit Protection Act 2009* (Cth), *National Consumer Credit Protection Regulations 2010* (Cth), and *National Credit Code*.

**"Privacy Policy"** means Zagga's website privacy policy found at <https://portal.zagga.com.au/static-document/privacy-policy> as amended from time to time.

**"Registered Financial Corporation"** means a financial sector entity required to be registered with and/or report information and data to the Australian Prudential Regulatory Authority (APRA) under the *Financial Sector (Collection of Data Act) 2001* (Cth).

**"Representative"** means a party's directors, officers, employees or contractors, and in the case of Joint Investors, means the primary contact for the Investor.

**"Salient Features of the Trust"** means the Salient Features of the Zagga Investments Lending Trust 2 document available on request available on the Website <https://portal.zagga.com.au/static-document/salient-features-trust>.

**"Security Documents"** means a mortgage and supporting memorandum of common provisions and any other documentation required for any mortgage, caveat, pledge, lien, encumbrance or security interest in favour of Zagga to secure the obligations of the Borrower under the Credit Contract and includes any guarantee and indemnity.

**"Servicer"** means Zagga Market who manages and services the Loans for Zagga Investments.

**"TFN"** means Tax File Number.

**"Trust"** means the Zagga Investments Lending Trust 2 as established by the ZILT 2 Trust Deed.

**"Trustee"** means Zagga Investments 2, as Trustee of the Trust.

**"Unallocated Funds"** means Investment Funds contributed by an Investor on the terms of the Trust to fund Loans via ZILT but which are not presently allocated to a particular Loan, and any other money received by the Trustee in respect of the Investor's interests (after deduction of applicable fees).

**"We", "us" or "our"** means Zagga.

**"Website"** means Zagga's website [zagga.com.au](https://zagga.com.au).

**"Website Terms"** means the terms and conditions governing use of the Website found at <https://zagga.com.au/en/static-document/website-terms> as amended from time to time.

**"Wholesale Investor"** means a wholesale client pursuant to section 761G(7) of the Corporations Act, and in the context of Zagga's criteria for a person or entity being eligible to invest, means a category of Wholesale Investor that the Trustee in its discretion accepts as an Investor and may include a Self-Managed Superannuation Fund.

**"You" or "your"** means the Investor party to this Agreement.

**"Zagga"** means Zagga Investments, Zagga Investments 2 Pty Ltd and Zagga Market, unless the context otherwise specifies or requires.

**"Zagga Investments"** means Zagga Investments Pty Limited (ACN 615 154 786, AFSL 492354) as trustee of ZILT or the Trust, as the case may be, and the Australian Financial Services licensee, and the nominated Manager of the Trust.

**Zagga Investments 2 Pty Ltd** ACN 646 409 476 means the Trustee of the Trust under the ZILT 2 Trust Deed.

**"Zagga Market"** means Zagga Market Pty Ltd (ACN 611 662 401, ACL 490904), the CL13 Servicer to Zagga Investments and Australian Credit licensee.

**"ZILT"** means the Zagga Investments Lending Trust as established by the ZILT Trust Deed.

**"ZILT 2 Fact Sheet"** means the document headed 'Zagga Feeder Fund Fact Sheet' which sets out information relating to the Trust including the Trustee's management fees.

**"ZILT Trustee"** means Zagga Investments acting in its capacity as trustee of ZILT.

**"ZILT Trust Deed"** means the trust deed dated 24 February 2017, as amended from time to time, containing the terms upon which the trustee of ZILT manages ZILT and manages investors' beneficial interests in ZILT trust property. The ZILT Trust Deed (and any supplemental deed issued by the Trustee varying the ZILT Trust Deed) is available on the Website found at <https://portal.zagga.com.au/static-document/trust-deed>.

**"ZILT 2 Trust Deed"** means the trust deed dated 30 January 2019 (and any Supplemental Deed varying the ZILT2 Trust Deed), as amended from time to time, and containing the terms upon which the Trustee (or its duly nominated and authorised Representative) manages the Trust and administers Investors' beneficial interests in Trust property. The ZILT 2 Trust Deed (and any supplemental deed issued by the Trustee varying the ZILT 2 Trust Deed) is available on request.

In the interpretation of this Agreement:

- (a) references to clauses, sub-clauses, paragraphs and schedules are to clauses, sub-clauses, paragraphs and schedules to this Agreement, unless otherwise specified;
- (b) any legislation referred to includes a modification and re-enactment of legislation enacted in substitution for, and a regulation and other instrument from time to time issued or made under, that legislation;
- (c) a reference to a document or agreement includes any variation or replacement of it;
- (d) the singular includes the plural and vice versa;
- (e) reference to a person includes any other entity recognised by law and vice versa;

- (f) reference to 'dollar/s' means Australian dollar/s
- (g) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (h) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions; and
- (i) headings are for convenience only and do not affect interpretation.

## 2. Agreement

By you accepting this Investor Agreement, an agreement is formed between you and Zagga on the terms and conditions set out herein. Your acceptance can be by way of signing and returning this Agreement to us; by electronic means, such as by clicking any "accept and agree" (or words to similar effect) button on the Website or any electronic signature platform, or otherwise; or by continuing to access the Website for any purpose in connection with an Investment. An agreement is formed on the earlier of the date you signed this Agreement, clicked "accept and agree", or continued to access the Website in the manner described.

## 3. Investor Acknowledgements

On the date this Agreement is made, and each time the Investor invests Investment Funds, you acknowledge and agree that:

- 3.1 you have read, understood and agree to be bound by the:
  - (a) Investor Agreement;
  - (b) ZILT Trust Deed;
  - (c) ZILT 2 Trust Deed;
  - (d) Website Terms;
  - (e) Privacy Policy; and
  - (f) ZILT 2 Fact Sheet,
 (together, the '**Constitutional Documents**')
- 3.2 without limiting any term in the documents referred to above:
  - (a) you have had the opportunity to read, and you understand, the Salient Features of the Trust and the information on the Website regarding investing to fund Loans in ZILT via the Trust;
  - (b) you represent and warrant that you:
    - i. meet the criteria of a Wholesale Investor (as applicable to your circumstances), and you understand what this classification means in the context of your investment; and
    - ii. understand the illiquid nature of the investment, and the potential benefits and risks of investing to lend funds to Borrowers via ZILT, and before making a decision to invest, you have had the opportunity to seek your own independent professional financial, legal, taxation or other advice;

- (c) you must pay your Investment Funds to the Trustee as directed or required by Zagga;
- (d) you agree to pay the fees and charges specified in clause 14 of the Investor Agreement;
- (e) you consent to Zagga collecting, using, storing and disclosing your personal information in accordance with its Privacy Policy and written consents we otherwise obtain or have obtained from you, and to us communicating with you by digital means in accordance with the ZILT 2 Trust Deed and this Investor Agreement;
- (f) you acknowledge and agree that you and a Borrower must not, and will not, attempt to contact each other or transact outside the Website;
- (g) you will not under any circumstances:
  - i. disclose any Borrower or Loan Application information (**Information**) to any third parties whatsoever (unless it is to your professional financial, legal or tax adviser, and then on the condition that they keep it confidential; or as may be required by law), or
  - ii. use the Information for unlawful or illegitimate purposes;
- (h) we own all of the intellectual property rights in respect of Zagga, Zagga's marketplace lending platform and the Website; and
- (i) you cannot withdraw your agreement except as provided in the ZILT 2 Trust Deed read with this Agreement.

## 4. Joint Investors

- 4.1 Where the Investor is made up of two or more people (**Joint Investors**), the Investor acknowledges and agrees:
  - (a) to nominate a primary contact to provide instructions to, and receive communications from, Zagga Investments, on behalf of the Investor;
  - (b) the Investor's beneficial interests in the Trust property are held as joint tenants and not as tenants in common, unless the Trustee agrees otherwise under the terms of the ZILT 2 Trust Deed;
  - (c) under the ZILT 2 Trust Deed, Joint Investors are jointly and severally liable in respect of payments of any tax and other costs under the ZILT 2 Trust Deed;
  - (d) any agreement, representation, warranty or indemnity given by a Joint Investor in this Agreement binds all of them jointly and severally; and
  - (e) any agreement, representation, warranty or indemnity in favour of an Investor in this Agreement is for the benefit of Joint Investors jointly.

## 5. Investor Instructions

5.1 You irrevocably authorise and direct the Trustee to:

- (a) manage and use your Investment Funds to fund Loans via ZILT from time to time as the Trustee sees fit and in accordance with the ZILT 2 Trust Deed;
- (b) act on any instructions it receives from you, or that purport to be from you, where it has no reason to believe they are not from you or a Representative authorised to act on your behalf; and
- (c) assume with no further enquiry, that in each case, you have authorised and agreed to such instruction.

## 6. Investment Risks

6.1 You acknowledge and agree that:

- (a) in accordance with the terms of the ZILT 2 Trust Deed, once your Investment Funds are received in cleared funds, you may not withdraw your Investment Funds during the No Redemption Period (which is currently 12 months from the date of investment) under the ZILT 2 Trust Deed. If you wish to withdraw your investment after the expiry of the No Redemption Period, you must submit a Redemption Notice in accordance with the ZILT 2 Trust Deed;
- (b) you may only transfer your beneficial interest to another investor in accordance with the terms of the ZILT 2 Trust Deed and in the sole discretion of the Trustee;
- (c) you will be entitled to receive, in accordance with the terms of the ZILT 2 Trust Deed, the distribution payments in respect of a Loan or Loans funded via ZILT;
- (d) if a Borrower defaults on a Loan, to which your Investment Funds are exposed and fails to pay some or all of the money they owe, the Trustee will bear any charges, expenses and reduction in the value of the Loan (in the proportion your Investment Funds bear to the total amount of Investment Funds received from all Investors), and your distribution entitlements will be reduced accordingly;
- (e) although the Trustee has a beneficial interest in the Loans, only the ZILT Trustee has the discretion under the ZILT Trust Deed to exercise a right in respect of Loans that form part of the ZILT trust property. Unless specifically agreed otherwise in writing with the ZILT Trustee, the ZILT Trustee may, but is not under any obligation to, consult with the Trustee or Investors about how it should exercise the rights attached to that Loan or Loans, including rights to enforce, compromise, waive repayment or vary the terms of the Loan or Loans;
- (f) the Information Memorandum provided by Zagga in respect of a Loan Application:

- i. does not guarantee that the Borrower can or will repay all or any part of the Loan or any interest charged;
  - ii. reflects the information available to Zagga at the relevant time and will not be updated during the term of the Loan; and
  - iii. is not provided to the Investor or any other party for the Investor's use or reliance and you acknowledge that you have paid no consideration for it and that you shall under no circumstances hold Zagga liable in respect of it;
- (g) Zagga does not provide Investors with personal advice that any investment made will be suitable for the Investor's personal circumstances or investment objectives;
- (h) Zagga does not make any representation or guarantee that an investment is suitable for the Investor or that it will meet the Investor's investment objectives;
- (i) the future of any economic impact caused directly or indirectly by Covid-19 is uncertain and may, among other things, affect the ability of Borrowers to repay debts. The Trust's returns and its ability to pay redemptions and/or distributions may be negatively impacted by the spread or the inability to definitively combat Covid-19; and
- (j) where funds are advanced which are unallocated to Loans, such surplus funds will be Unallocated Funds for the purposes of the ZILT 2 Trust Deed and the Trustee will be entitled to hold the Unallocated Funds in an interest-bearing deposit account pending them being advanced to the Borrower to fund another Loan or Loans via ZILT, at which time they will become Loan Interests. The Trustee will credit the Trust with the interest earned on those Unallocated Funds while they are held in the interest-bearing deposit account as and when it is received by the Trustee (in the proportion to the amount you have invested if there is more than one Investor), after first deducting any applicable administration fee from the interest proceeds. You acknowledge that you will not be entitled to any applicable Loan rates of return with respect to Loans until any Unallocated Funds are allocated to fund Loans via ZILT and become Loan Interests. To the extent there is any inconsistency between this clause and the ZILT 2 Trust Deed, the ZILT 2 Trust Deed prevails and amends this clause to the extent of the inconsistency.

## 7. Representations & Warranties

7.1 Each of us (we and you) represent and warrant to the other on the date this Agreement is made and each time you invest Investment Funds, on the terms set out in the following clauses:

- (a) you represent and warrant that before making a decision to your Investment Funds, you have determined that the investment is suitable for you in light of your overall investment portfolio, needs and objectives;



- (b) you represent and warrant that all information you provide to Zagga is true, accurate, and complete, and there is no information which has not been provided which would impact on the Trustee's decision to approve you as an Investor. As soon as you become aware of an error or omission, you agree to notify us immediately, and that you are responsible for taking necessary action to mitigate loss;
- (c) you represent and warrant that if you are a natural person, you are over 18 years of age;
- (d) each of you and we represent to the other that where either of us is an Australian corporate entity, we or you can rely on an ASIC company search of you or us as being current and valid as at the date of that ASIC report;
- (e) we represent and warrant that our, and if you are a body corporate, you represent and warrant that your, incorporation details are current and valid as at the date on the ASIC report;
- (f) we represent and warrant, and if you are a corporate entity you represent and warrant, that:
  - i. the entity has been incorporated in accordance with the laws of the place of incorporation, the entity validly exists under those laws and has the power and authority to enter into this Agreement and comply with the obligations under it and to make the investments contemplated by entering into it; and
  - ii. entry into this Agreement does not contravene the entity's constituent documents (if any) or any law or obligation by which it or any of its assets, are bound, or are subject to, or which cause a limitation on its powers or the powers of its Representatives to be exceeded;
- (g) if you or we are a trustee, each of us represents and warrants that as relevant:
  - i. you and we are the properly appointed trustee of the trust, the trust is properly established under the relevant trust deed and is validly subsisting;
  - ii. you and we have the power to enter this Agreement and perform all of the Investor's or Trustee's obligations (as the case may be) under this Agreement and make the investments contemplated by entering into this Agreement;
  - iii. you and we enter this Agreement and each investment in a Loan for the benefit of the trust;
  - iv. you and we can be indemnified out of the assets of the trust for all obligations and liabilities incurred under or in connection with this Agreement;
  - v. as trustee of the trust, you and we have properly exercised yours and our trust powers and have full power and authority to enter into this Agreement and perform your and our obligations under it;
- (h) you will provide Zagga with updated information regarding any change in details provided to Zagga regarding you, your Representatives and/or Associates, and otherwise to provide Zagga with any information that may have a material impact on your ability to comply with your obligations under this Agreement;
- (i) you will not knowingly put Zagga Investments in breach of its legal or regulatory obligations, or obligations under this Agreement or the ZILT 2 Trust Deed;
- (j) you and any person that subscribes for or acquires interests in the Trust on your behalf is a Wholesale Investor and the interests are being acquired for your own account for investment purposes unless otherwise disclosed to Zagga in writing; and
- (k) you will comply with any Applicable Australian laws in connection with your investment and your use of the Website.

## 8. Distributions, Fees & Charges

- 8.1 By default, you elect to receive applicable investment distributions to which you are entitled under the ZILT 2 Trust Deed by way of cash payment (to your nominated bank account) unless you elect for them to be held by the Trustee as Unallocated Funds by giving the Trustee written notice in accordance with this Agreement and the ZILT Trust Deed.
- 8.2 Any other fees and charges under the ZILT 2 Trust Deed, including any management or administration fees, may also be deducted by the Trustee before a distribution entitlement becomes payable, and your distribution entitlement will be reduced accordingly (in proportion to the amount you have invested, where applicable).

## 9. Inspection

- 9.1 In order to assist us to determine whether you are complying or have complied with this Agreement and/or Australian law, we may from time to time require you or any of your Representatives to produce any documents (including electronic documents) for inspection or provide any information held by the person concerned. You must comply with our reasonable request promptly and at your expense.

## 10. AML/CTF Act, CRS, FATCA & Registered Financial Corporation

- 10.1 Zagga has initial and ongoing customer due diligence and other obligations under the AML/CTF Act and related regulatory directives (and may have under equivalent legislation in other countries) (such as CRS or FATCA), or as a Registered Financial Corporation, or guidelines in respect of Borrowers and Investors who participate or propose to participate in Loans via ZILT. In order for us to comply with the AML/CTF Act (or equivalent or related obligations) and Applicable Laws, we may from time to time need to carry out checks on you or any of your Associates and Representatives and you hereby

irrevocably consent to us carrying out these checks when required. You also agree to provide us when requested further information we reasonably require regarding your identity and the identity of any of your Associates and Representatives.

10.2 You acknowledge that in order to comply with the AML/CTF Act and/or CRS, or FATCA, or any other obligations, we may be required to take action including delaying or refusing to process an application to invest or payment of money to you, and/or disclosing any information or documents we hold about you or your Representatives and Associates (including any information or documents you provide to Zagga under this clause) to AUSTRAC or other regulator in or outside Australia for this purpose.

10.3 You undertake that you will not knowingly do anything to put Zagga in breach of the AML/CTF Act FACTA or CRS obligations, and represent and warrant that:

- (a) you did not register as an Investor under an assumed name;
- (b) you are not aware, and have no reason to suspect that the money used to fund an investment in the Trust to lend to Borrowers via ZILT is derived from, or related to, money laundering, terrorism financing or similar activities ("*Illegal Activities*"); and
- (c) any proceeds from your investment will not be used in relation to *Illegal Activities*.

## 11. Complaints & Dispute Resolution

11.1 If a dispute arises, before any proceeding is commenced the party claiming that a dispute has arisen must give 10 Business Days' notice to the other party setting out the dispute and seeking discussion and compromise to resolve the dispute.

11.2 If after 10 Business Days, the dispute is not resolved then it must be referred to mediation on the same terms as those ordered by the Supreme Court of New South Wales and the costs of the mediation shall be borne by the parties equally.

11.3 Nothing in this clause will prevent either party from seeking urgent interlocutory relief.

## 12. Liability & Indemnity

12.1 Zagga does not accept any risk under this Agreement or give any undertaking regarding the prospects of any Loan or that it is a suitable investment for the Investor via ZILT.

12.2 To the extent permitted by law, Zagga and its Representatives and Associates are not responsible or liable to you for any costs, claims, losses or expenses claimed by you resulting from or in connection with any failure:

- (a) by the Borrower of any of its obligations;
- (b) to provide ongoing availability to the Website; or
- (c) to achieve any funding in respect of any Loan Application,

except to the extent that any failure is caused by or contributed to by the fraud, negligence or wilful misconduct of Zagga, its Representatives or Associates.

12.3 Zagga retains the right to decide, in its sole discretion, not to accept or proceed with an Investor's application to invest, or to decline to provide services to any Investor, without any liability to, or recourse by, the Investor.

12.4 Zagga does not exclude, restrict or modify any liability that cannot be excluded, restricted or modified, or which cannot be excluded, restricted or modified except to a limited extent, as between the Investor and Zagga by law including liability under the *Australian Securities and Investments Commission Act* (Cth) 2001 and *Competition and Consumer Act* (Cth) 2010). Where such statutory provisions apply, to the extent to which Zagga is entitled to do so, Zagga's liability will be limited at its option in respect of the supply of any services under this Agreement, the ZILT 2 Trust Deed or the Website Terms as the case may be, to the re-supply of the relevant services or payment of the costs of having the relevant services re-supplied.

12.5 To the maximum extent permitted by law, if we are ever found to be liable to you and/or your Associates, the maximum combined amount we will have to pay you or your Associates (together) is limited to a total of \$10,000 (ten thousand dollars).

12.6 Each party (**Indemnifying Party**) hereby indemnifies the other party (**Indemnified Party**) from and against all direct losses, claims, reasonable costs and expenses or liability, including legal costs (on a solicitor and own client basis) (**Losses**), incurred by, arising out of or in connection with:

- (a) any action the Indemnified Party takes in relation to the Indemnifying Party, to enforce its rights under this Agreement; and
- (b) the Indemnifying Party's breach of this Agreement,

except to the extent that any liability is caused by or contributed to by the Indemnified Party's fraud, negligence or willful misconduct.

12.7 In this clause Indemnified Party and Indemnifying Party includes Associates, and Representatives.

12.8 Each party will use its reasonable endeavours to mitigate its Losses under clause 12.6.

## 13. Restrictions On Zagga, Its Associates & Representatives

13.1 Zagga's Associates and Representatives may not under any circumstances borrow monies as a Borrower or otherwise or by using the Website to borrow monies.

13.2 Zagga's Associates may fund Loans via ZILT as an Investor, provided that:

- (a) any conflict of interest is disclosed to the Borrower (including any conditions imposed and the exact nature of the relationship between

the Associate and Zagga) and managed and/or avoided in accordance with Zagga's Conflicts of Interest Policy; and

- (b) the Associate obtains the prior written permission of the Board of Zagga Investments (any director associated with the Associate seeking permission shall abstain from any vote or decision). Such permission may contain conditions imposed by the Board of Zagga Investments.

133 By way of clarification, for the purposes of this clause, an example of a Zagga Investments' Associate that may seek permission would include Zagga Holdings Pty Limited (Zagga Investments' and Zagga Market's parent company), or a Representative or shareholder of Zagga Market or Zagga Investments.

134 As at the date of this Agreement, Zagga has not identified any risk of material adverse impact on Zagga's ability to have fair, orderly and transparent systems and procedures arising out of any interest held by it or any of its Associates. Should this situation change, Zagga will notify you accordingly as soon as practicable and may update this Agreement.

## 14. Disclosure Of Fees & Interests

141 The Trustee is entitled to payment of a management fee of 0.25% of Investment Funds or such other fees and other charges as it is entitled to recover under the terms of the ZILT 2 Trust Deed from time to time as amended to be read with this Agreement.

142 Without limiting anything contained in the ZILT 2 Trust Deed, and subject to its terms, the Costs which the Trustee may charge an Investor, in whole or in part, including by deducting from monies otherwise payable to the Investor under this Agreement or the ZILT 2 Trust Deed, and/or being indemnified for out of Trust property, in accordance with the ZILT 2 Trust Deed, including:

- (a) any amounts which may be charged by the Trustee to the Trust under the ZILT Trust Deed in relation to the Trust's capacity as an Investor under the ZILT Trust Deed, or any related amounts, including any amounts due and unpaid, and other Costs the Trustee is entitled to deduct from the monies otherwise payable to you on redemption of your interests in the Trust in accordance with the ZILT Trust Deed;
- (b) fees to which the Trustee is entitled under the ZILT 2 Trust Deed, including any permitted transfer cost and any administration fee charged in relation to Unallocated Funds that are deposited into an interest-bearing deposit account;
- (c) expenses incurred by the Trustee in respect of the Trust as set out in the ZILT 2 Trust Deed;
- (d) any amount specifically agreed between the Trustee and a Member under the ZILT 2 Trust Deed; and
- (e) GST and/or other taxes, if applicable.

143 Zagga Investments discloses that it is the trustee under the ZILT Trust Deed and the Manager, appointed by the Trustee, under the ZILT 2 Trust Deed.

## 15. Notices

151 By entering this Agreement, you consent to Zagga Investments sending communications, including notices and disclosures in respect of your investment in accordance with the ZILT 2 Trust Deed, and in digital form, including by email or SMS messaging, or by making them available on the Website and notifying you by email and you confirm that you also gave your consent when you accessed or used our Website.

152 You understand and agree that in providing your consent to the receipt of communications, notices and disclosures as described in this clause:

- (a) subject to any particular requirements under the ZILT 2 Trust Deed or the Corporations Act, Zagga Investments will not send you paper copies of notices and other documents;
- (b) you should regularly check your nominated email address for notices and other documents, including the spam folder, as an email will be deemed received once Zagga Investments has confirmation of transmission; and
- (c) you may withdraw consent to receiving digital disclosure at any time by contacting Zagga Investments.

153 You must provide notices to Zagga Investments in writing in accordance with the ZILT 2 Trust Deed. Notices may be provided by email to the email address below, by notification posted on the Website, or by mail (posted to Zagga Investments' postal address).

154 Zagga Investments' contact details are:

Name: **Zagga Investments Pty Limited**  
Phone: **1300 1 ZAGGA (1300 192 442)**  
Registered address: **L4, 12 O'Connell Street  
Sydney NSW 2000**  
Postal address: **PO Box R1448, Royal Exchange  
NSW 1225**  
Email contact: [admin@zagga.com.au](mailto:admin@zagga.com.au)

## 16. Termination

16.1 Provided that all of each of our obligations under this Agreement and under the ZILT 2 Trust Deed have been satisfied in accordance with their terms, either of us may terminate this Agreement, and in the case of you, we may terminate your Website access, by giving the other party one month's prior written notice.

16.2 You may terminate this Agreement on notice with:

- (a) immediate effect if:
  - i. we are found by a Court to be guilty of fraud; or

- ii. in the event ASIC cancels our AFSL; or
    - iii. we commit a material or persistent breach of this Agreement that is incapable of rectification or that has not been rectified.
  - (b) with 7 days' notice in accordance with clause 16.3.
- 16.3 We may, subject to the terms of the ZILT 2 Trust Deed, terminate this Agreement and/or suspend or terminate your access to the Website with 7 days' notice in writing if:
- (a) you cease to be a member of the Trust in accordance with the ZILT 2 Trust Deed;
  - (b) you commit a material or persistent breach of:
    - i. this Agreement, that is incapable of rectification or has not been rectified within 30 days of us providing notice of such breach; or
    - ii. the ZILT 2 Trust Deed or the Website Terms that is incapable of rectification or that you have not remedied in accordance with the terms of that document; or
  - (c) at any time if we determine it is reasonably necessary to protect our legitimate business interests, or for legal or regulatory compliance reasons.
- 16.4 We do not have to give any notice under clause 16.3 (including notice for rectification) or can give shorter notice than under clause 16.3 at any time if we determine it is reasonably necessary to protect our legitimate business interests, or for legal or regulatory compliance reasons.

## 17. Miscellaneous

### 17.1 Assignment and Dealing

- (a) The Trustee may, on notice to the Investor, assign, novate or otherwise deal with any right or obligation under this Agreement to a third party without your consent provided that such assignment, novation or dealing does not affect your rights and obligations under this Agreement. Specifically, the Trustee may enter into arrangements with one or more Investors (**Side Deed Investor**) which confers on the Side Deed Investor certain rights of enforcement in the event of a default under a Loan. In such event, the Trustee shall, at an appropriate time, notify the Investor of the exercise of the priority arrangements to the Side Deed Investor and the Investor undertakes to do all things necessary to assist the Trustee in giving effect to such arrangements. No assignment to, or other arrangement with a Side Deed Investor shall operate to in any way prejudice or limit the Investor's right or ability to redeem its Member's Interest or to obtain the repayment of its Loan Interest in terms of the Trust Deed or to otherwise prejudice its rights under this Agreement.
- (b) The Investor must not assign or otherwise transfer the benefit of this Agreement without the prior written consent of the Trustee, and only subject to the terms of the ZILT 2 Trust Deed.

### 17.2 Survival

Any indemnity or obligation of confidentiality under this Agreement is independent from the other obligations of the parties and survives termination of this Agreement. Any other term which by its nature is intended to survive termination of this Agreement survives termination of this Agreement.

### 17.3 No merger

The rights and obligations of the parties under this Agreement do not merge on completion of any transaction contemplated by this Agreement.

### 17.4 Entire agreement

This Agreement, read together with the ZILT 2 Trust Deed and the Website Terms and Privacy Policy, constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous written agreements or understandings between the parties in connection with its subject matter.

### 17.5 Inconsistency

In the event of any inconsistency, conflict or ambiguity between the provisions of the ZILT 2 Trust Deed, the Investor Agreement, Website Terms and/ or Privacy Policy, it will be resolved by Zagga applying the following order of precedence:

- (a) the ZILT 2 Trust Deed;
- (b) this Investor Agreement;
- (c) Website Terms; then the
- (d) Privacy Policy.

The terms of this Agreement and the ZILT 2 Trust Deed prevail over any other terms that may appear on the Website or in other documents.

### 17.6 Amendment

Subject to the terms of the ZILT 2 Trust Deed, we may at any time, impose conditions that must be fulfilled by Investors to invest to fund Loan Applications published on the Website.

This Agreement can be amended at any time by written agreement between us or by variation by us where we consider such variation reasonably necessary to protect our legitimate business interests, or for legal or regulatory compliance reasons.

We will generally give you at least 30 days' notice of our changes to this Agreement. We do not have to give you 30 days' notice or can give you shorter notice where we consider such variation reasonably necessary to protect our legitimate business interests, for legal or regulatory compliance reasons or where it is necessitated by an immediate need to restore or maintain the security of the Website. In this case, we will publish notification of the change on the Website and the date from which it takes effect.

If you are not satisfied with any change or variation (and it is not adverse to you) you may terminate this Agreement by providing us with at least 7 days' notice in writing. At that time you may have to pay fees.

If you reasonably consider any change is adverse to you, you may terminate this Agreement without incurring any penalty fees or charges (where we acting reasonably consider such change is adverse to you) by providing us with at least 7 days' notice in writing.

Any subsequent use by you of the Website or other conduct from which your acceptance can reasonably be inferred after the date that a change takes effect will constitute your acceptance of any such changes.

**17.7 Severability**

A term or part of a term of this Agreement that is illegal or unenforceable may be severed from this Agreement and the remaining terms or parts of the term of this Agreement continue in force.

**17.8 Waiver**

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise by a party of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

**17.9 Governing law and jurisdiction**

This Agreement is governed by the laws of New South Wales, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

**Executed by Zagga Investments 2 Pty Limited (ACN 646 409 476) in accordance with Section 127 of the Corporations Act 2001**

Signature of director



Name of director (print)

Alan Greenstein

Signature of director/company secretary



(Please delete as applicable)


Name of director/company secretary (print)

Steven Levy

**EXECUTED by the Investor/s**

Name


Signature



**EXECUTED by the Investor**

Name

Signature



ZI/ZFFCMTLT/NOV2024

**For more information**

zagga.com.au | 1300 1 ZAGGA (1300 192 442) | info@zagga.com.au





## FOR MORE INFORMATION

☎ 1300 1 ZAGGA (1300 192 442)

@ admin@zagga.com.au

✉ Po Box R1448  
Sydney NSW 1225