



# WINGATE

# Property Senior Debt Feeder Fund

## INFORMATION MEMORANDUM

APIR: WGT7019AU

1<sup>st</sup> January 2023

This Information Memorandum dated 1 January 2023 has been prepared and issued by Wingate Financial Services Pty Ltd ABN 69 106 480 602, AFSL 276899 (**Trustee**) in relation to an offer of units (**Units**) in the Wingate Property Senior Debt Feeder Fund (**Fund**). The Trustee has appointed Wingate Property Funds Management Pty Ltd ACN 612 109 556 (**Manager**) as investment manager of the Fund. The Fund will give investors exposure to the investment strategy of the Wingate Property Senior Debt Fund (**Master Fund**) by primarily investing in the Master Fund. In preparing this Information Memorandum, the Trustee has not taken into account the investment objectives, needs or financial position of any recipient. Before

making an investment decision on the basis of this Information Memorandum, a recipient should consider whether investing in the Fund is suitable to their individual circumstances and seek professional advice. This Information Memorandum is for distribution only to wholesale clients as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**). It is not intended for, and should not be distributed to, any other person and it must not be distributed to any person who is a retail client for the purpose of the Corporations Act - recipients should read this Information Memorandum carefully and in its entirety, including the "Important Notice" on page 39.



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## Fund Highlights



Exposure to a specialised property-only debt fund, investing in first-ranking security positions with conservative LVR's, providing insulation against asset price volatility<sup>1</sup>



Experienced and reliable partner in Wingate, with a proven track record of capital preservation in real estate senior debt over 15 years



Stable forecast returns from the Master Fund, expected between 6% - 8% p.a., presenting a compelling investment opportunity relative to risk<sup>2</sup>



Simple and transparent fee structure with alignment between Manager and investors through co-investment in the Master Fund



Highly skilled specialist management team with decades of experience in real estate financing markets, supported by an extensive and experienced administration team



Asset class with strong fundamentals and proven resilience in times of economic uncertainty



Access to substantial deal flow with a consistently strong pipeline of opportunities

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<sup>1</sup> Investors may also be exposed to cash and other money market investments

<sup>2</sup> This is a target only and no guarantee of performance is provided. Assumptions verifying the target returns can be found in the Pipeline Section on Page 17. The returns for the Fund may be less than those of the Master Fund and will generally be equal to the weighted average of the returns on the Master Fund and the returns received on any cash holdings in the Fund less Fund expenses.



## Key Terms

The Wingate Property Senior Debt Feeder Fund (**Fund**) gives investors exposure to the investment strategy of the Wingate Property Senior Debt Fund (**Master Fund**) by primarily investing in the Master Fund. The following provides a summary of the key terms to which investors in the Fund will be exposed. Please refer to the Investment Terms section on page 29 for a detailed explanation of these terms. Unless stated otherwise, all fees are exclusive of GST.

<b>FUND NAME</b>	Wingate Property Senior Debt Feeder Fund
<b>MASTER FUND NAME</b>	Wingate Property Senior Debt Fund
<b>FUND STRUCTURE</b>	<p>The Fund is an open-ended Australian domiciled unregistered unit trust, primarily designed to give platform investors exposure to the investment strategy of the Master Fund through an investment in the Fund.</p> <p>The Master Fund is an open-ended Australian domiciled unregistered unit trust.</p>
<b>TRUSTEE</b>	<p>Wingate Financial Services Pty Ltd ABN 69 106 480 602, AFSL 276899.</p> <p>The Trustee is also trustee of the Master Fund.</p> <p>A reference to the Trustee in this Information Memorandum includes a reference to the Trustee as trustee of the Master Fund where relevant.</p>
<b>MANAGER (WINGATE PROPERTY)</b>	<p>Wingate Property Funds Management Pty Ltd ACN 612 109 556, a corporate authorised representative of the Trustee. The Manager is also the investment manager of the Master Fund.</p> <p>A reference to the Manager or Wingate Property in this Information Memorandum includes a reference to the Manager or Wingate Property as investment manager of the Master Fund where relevant.</p>
<b>WINGATE</b>	Wingate Group Holdings Pty. Ltd. ACN 128 511 035 and/or its wholly owned subsidiaries
<b>AUDITOR</b>	EY Australia
<b>INVESTMENT COMMITTEE</b>	The investment committee, which is responsible for making investment decisions in respect of the Master Fund, will be comprised of members with a combined experience of more than 60 years in financial markets across multiple institutions and market cycles.
<b>MANDATE</b>	<p>The Fund will give investors exposure to the investment strategy of the Master Fund by investing in the Master Fund. It is not envisaged that the Fund will hold direct interests in debt transactions. The Master Fund will invest, directly or indirectly, in debt transactions secured by a first-ranking mortgage over real estate assets, including but not limited to:</p> <ul style="list-style-type: none"><li>• Land Finance</li><li>• Land Subdivision</li><li>• Residential Construction</li><li>• Commercial Construction</li><li>• Residual Stock</li><li>• Office Assets</li><li>• Retail Assets</li><li>• Hotel/Leisure Assets</li><li>• Industrial Assets</li></ul> <p>In addition to the above, investors may also be exposed to cash and other money market investments.</p> <p>The Master Fund may gain exposure to investments consistent with the Master Fund's Investment Mandate by investing directly into loans or indirectly via Wingate managed funds or special purpose investment vehicles.</p> <p>Available cash and other money market investments of the Fund will be allocated in accordance with the Cash Allocation Policy.</p>
<b>TARGET RETURN</b>	<p>The Master Fund is targeting a 6% - 8% p.a. pre-tax net return (after all fees and costs) to investors. This is a target only and no guarantee of performance is provided.<sup>3</sup></p> <p>The Trustee may adjust the Target Return from time to time to reflect changing market conditions.</p>
<b>TARGET LVR</b>	<p>Residential range: expected 60% - 75%, with a target portfolio average of ~65%</p> <p>Non-residential range: expected 55% - 70% with a target portfolio average of ~62.5%</p>

<sup>3</sup> The returns for the Fund may be less than those of the Master Fund and will generally be equal to the weighted average of the returns on the Master Fund and the returns received on any cash holdings in the Fund less Fund expenses.



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<b>TARGET LOAN DURATION</b>	The expected term of each facility is between 12 months and 24 months. The short loan duration reflects the weighting of the portfolio towards land and construction which have a defined exit strategy. The Fund may also invest in investment loans with a longer duration.
<b>INVESTMENT LIMITS</b>	Investment Limits will be monitored in accordance with the Investment Guidelines of the Fund which are for the purpose of managing concentration risk. Further details of this can be found on page 30. Any limits or portfolio parameters under this Information Memorandum may be exceeded from time to time.
<b>DISTRIBUTIONS</b>	Distributions are made monthly from the Master Fund and will be net of fees and costs. Where there is sufficient certainty of realisation and sufficient distributable cash reserves, the Master Fund may also distribute unrealised returns. Distributions are net of applicable fees, any fund-level taxes and costs. Distributions may be reinvested or paid in cash depending on the election made by an investor.
<b>ALIGNMENT</b>	Wingate will commit capital to and co-invest in the Master Fund pari-passu with other investors.
<b>INVESTOR SHARE OF ORIGATION</b>	Wingate will pay 25% of the net origination fees it receives from loans relating to the Master Fund (in relation to the Master Fund's proportional investment in the loan), calculated net of any applicable tax and expenses in generating such fees and after paying brokerage and other fees of a similar nature. Wingate may not receive an origination fee in respect of every loan and this payment will only apply to new loans originated by Wingate.
<b>MINIMUM INVESTMENT</b>	\$100,000 (unless otherwise determined by the Trustee at its discretion).
<b>UNIT PRICE</b>	Units issued on or within 20 business days of the Fund's first closing date will be issued at \$1.00. Units issued thereafter will be at Net Asset Value ( <b>NAV</b> ) as at the date of issue plus any Transaction Costs, calculated on the last business day of each calendar month.
<b>APPLICATIONS</b>	Applications will be processed on a monthly basis. Investors' applications must be received by no later than 3 business days before the 1st day of each calendar month, and if an application meets the Fund's acceptance criteria it will either be accepted or rejected (in part or in full) at the Trustee's discretion. Application amounts are payable on submission of an application. Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest or deduction.
<b>SOFT CLOSE</b>	In order to manage the effect of excess cash on returns of the Fund, the Trustee may temporarily pause new applications at its discretion ( <b>Soft Close</b> ). Given Wingate's strong anticipated deal pipeline and experience in managing funds of this nature, a Soft Close is not expected to occur frequently. A Soft Close may occur where the Fund is forecast to hold more than 20% of NAV in cash for a period of longer than two months. Where such event occurs, the Manager will review the current and future commitments of the Fund and the Master Fund and determine whether to Soft Close the Fund for such period as it considers to be in the best interests of investors. If the Manager deems it appropriate to Soft Close the Fund, the Manager will endeavour to notify platforms and/or investors 7 days prior to the next anticipated application period (1st day of each calendar month).
<b>STABILISATION PERIOD</b>	Investors are unable to apply to redeem (and therefore cannot redeem) a Unit until 1 January 2023. The Trustee may accept a redemption request at its discretion during this period on a case-by-case basis.
<b>REDEMPTIONS</b>	Following the Stabilisation Period, investors may apply to withdraw/redeem from the Fund on a monthly basis with at least 1 calendar month prior notice to the end of each month, or at such other times determined by the Trustee. Redemption requests will be paid out where the Fund and the Master Fund have sufficient available liquidity, the Trustee believes it is in the interests of investors as a whole and in a manner consistent with the Fund's Cash Allocation Policy. Accepted redemption requests will first be satisfied from available cash in the Fund and any excess from available cash of the Master Fund pro rata and pari passu to redemption requests of the Master Fund. There is a redemption cap at the Master Fund level of a maximum of 2% per month of the NAV of the Master Fund ( <b>Redemption Cap</b> ). The Trustee may accept Redemption Requests in excess of the Redemption Cap at its discretion. The Trustee has 60 days from the end of the month following an accepted redemption request to satisfy such request. Where the Fund or the Master Fund is illiquid or redemption requests are otherwise in excess of the Redemption Cap (when the Trustee has not agreed to pay redemptions above the Redemption Cap), such requests will automatically be cancelled. In respect of cancelled Redemption Requests, investors will be notified and will need to reapply to redeem their Units in a subsequent month. The Trustee may accept or reject a redemption request (in whole or in part) in its absolute discretion.

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Units will be redeemed at the Net Asset Value of the Fund less any Transaction Costs.

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<b>CASH ALLOCATION POLICY</b>	Available cash of the Fund will be allocated by the Manager in the following order of priority: <ul style="list-style-type: none"><li>• to meet present and future commitments in connection with the Fund's underlying investments (including the Master Fund)</li><li>• to fund outgoings (including administration expenses)</li><li>• where there is available cash in the Fund, to fund accepted redemption requests</li><li>• where there is no available cash in the Fund, accepted redemption requests will be funded from available cash of the Master Fund pro rata and pari passu to redemption requests of the Master Fund up to the Redemption Cap</li></ul>
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<b>ELIGIBLE INVESTORS</b>	All investors must be Wholesale Clients as defined in the <i>Corporations Act 2001</i> (Cth). The Fund is open to existing Wingate investors and their related and/or associated entities, as well as other co-investors who are invited to invest (at the Manager's discretion).
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**INVESTORS WILL BE EXPOSED TO THE FOLLOWING FEES OF THE MASTER FUND – DISTRIBUTIONS TO INVESTORS WILL BE NET OF MASTER FUND FEES AND COSTS. THERE WILL BE NO ADDITIONAL FEES CHARGED BY THE FUND (EXCLUDING ADMINISTRATION COST RECOVERY).**

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<b>MANAGEMENT FEES</b>	1.15% p.a. of the Net Asset Value of the Master Fund (Refer to Page 28 for further detail).
<b>COMMITTED LINE FEE</b>	For transactions involving progressive drawdowns (for example, construction loans) an underlying borrower will be charged a fee typically in the range of 1.5% - 3.5% p.a. of the total committed facility, which will be paid to the Master Fund. A Committed Line Fee of 0.15% p.a. on the total committed facility of these loans, will be charged to the Master Fund and is payable to the Manager (Refer to Page 28 for further detail).
<b>ADMINISTRATION COST RECOVERY</b>	Expenses for operating the Fund and Master Fund other than investment related costs and taxes are estimated at 0.20% p.a. of the Net Asset Value of the Master Fund (Refer to Page 28 for further detail).
<b>PERFORMANCE FEES</b>	Nil
<b>ESTABLISHMENT FEE</b>	Nil
<b>CONTRIBUTION FEE</b>	Nil
<b>WITHDRAWAL FEE</b>	Nil
<b>EXIT FEE</b>	Nil
<b>KEY RISKS</b>	Please see the Risk Factors section starting on page 34 which outlines the key risks of investing in the Fund and the Master Fund.
<b>TAXATION</b>	There are likely to be income tax consequences for investors in respect of an investment in Units. Please see the Taxation section on page 40 of this Information Memorandum for details.

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## Executive Summary

**The Fund is being established to provide investors with an opportunity to access what the Manager believes are strong, risk mitigated returns secured against a portfolio of senior debt property investments backed by first-ranking mortgages.**

Wingate is a pre-eminent Australian private markets finance and investment house. Wingate's Property business (**Wingate Property or the Manager**) is a specialist direct property investor and financier that is responsible for all commercial property lending activities within the Wingate group.

With over 15 years of experience in providing capital to the Australian private debt markets, Wingate Property possesses:

- an exemplary track record of capital preservation in real estate senior debt transactions
- a risk team with substantial senior debt experience gained both within Wingate and at major financial institutions in Australia and abroad
- a specialist origination team with broad market networks, long-standing relationships and a reputation as a responsive, reliable and trusted funding partner
- a prudent but agile investment approach, with a focus on capital preservation whilst carefully structuring and monitoring investments to actively reduce risk
- a deeply skilled operations and back-office team that has a proven ability to execute and actively manage real estate debt transactions and investments through their lifecycles
- a substantial pipeline of investment opportunities across the major Australian markets

Since inception, Wingate Property has participated in over 280 property transactions, funding projects with an end value in excess of \$13bn. It has also successfully managed several debt and equity funds. As at 31 December 2021, over 130 senior property debt transactions worth over \$6bn in property value have been funded. The live portfolio across Wingate comprises 43 transactions with a book value of \$1.6bn, whilst 90 transactions have been successfully repaid.

The non-bank senior debt market has continued to grow over the past 5 years with developers and property owners seeking alternative sources of capital away from the major banks. This trend has extended to all real estate asset classes and has been enabled by:

- increased regulation imposed on the major banks, tempering their appetite for real estate debt
- the non-bank sector providing greater reliability and deliverability of capital in a timely manner
- developers' requirements for more flexibility in their real estate financial solutions
- impact of COVID-19 further limiting major banks' appetite for commercial real estate exposures

Having cemented its position as a prominent provider of capital in this asset class (a market traditionally dominated by the major banks) Wingate Property expects its market position to continue to grow, creating high-quality debt investment opportunities that offer compelling returns relative to the risks in the underlying transactions.

**Wingate Property consistently has access to a healthy pipeline of property senior debt investment opportunities, with an active pipeline typically in excess of \$1bn. This demonstrated deal flow is expected to provide Fund investors with exposure to a diversified portfolio of investments secured by first-ranking positions in real estate via the Master Fund. The Master Fund will target returns of 6% - 8% p.a. (net of fees and costs).<sup>4</sup>**

<sup>4</sup> This is a target only and no guarantee of performance is provided.





## Fund and Master Fund Overview

**The Fund will invest in the Master Fund which will provide exposure to senior secured property debt opportunities in Australia, where Wingate Property has a deep understanding of the market and the associated risks.**

The Master Fund will focus on identifying loans with strong fundamentals, high quality counterparties and only secured by first ranking mortgage positions. The Master Fund may also invest in entities (such as funds - including those managed by Wingate) that invest in the above investments and hold cash and other money market investments. It will not invest in mezzanine, preferred equity or equity transactions.

The transactions targeted by the Manager on behalf of the Master Fund will focus on what the Manager believes are investments with conservative gearing limits at the individual facility level in order to actively reduce the risk of any capital loss. The Master Fund will also allocate investments across multiple property asset types, different sectors, Australian locations and counterparties, utilising concentration limits to create a diversified portfolio, further mitigating risk.

The individual investments will be managed by the Manager. It will be responsible for the origination, structuring, assessment and execution of each senior debt transaction, with independent oversight from the Wingate Property Credit Committee (**Credit Committee**). Once an opportunity has received credit approval from the Credit Committee, the Master Fund's Investment Committee will need to approve the transaction in order for the Master Fund to invest. The Investment Committee aims to ensure all investments are consistent with the investment strategy and objective of the Master Fund and in the interests of investors as a whole.

The Master Fund and Wingate Property will maintain alignment with investors through co-investment by Wingate. Furthermore, the Master Fund may participate in senior property investments alongside other co-investors including institutional investors, high net worth investors or other Wingate managed funds or mandates such as Wingate Investment Partners Trust (**WIP**).







# Investment Opportunity

**Wingate believes the market for providing senior debt finance to property owners and developers secured by real estate presents a compelling investment opportunity for investors in the Fund.**

## BACKGROUND

Traditional senior debt channels for commercial property transactions in Australia have changed dramatically in recent years.

Increased conservatism among the major banks due to tighter regulation and additional compliance requirements imposed by APRA have resulted in a structural shift in the property senior debt market.

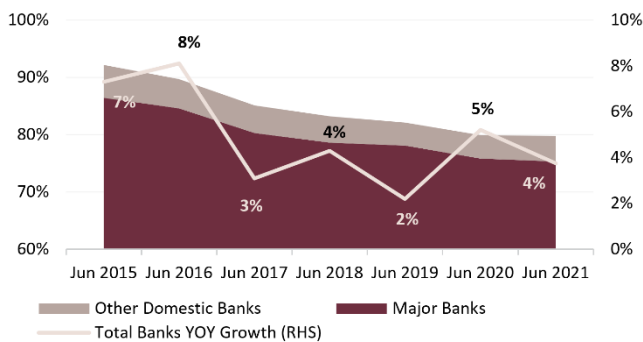
The major banks have become more stringent in their lending measures as they seek to rebalance their portfolios, making it increasingly difficult for borrowers to obtain funding certainty and flexibility from this traditional source of finance.

several years has been in the low single digits and below the total system growth rate. This has resulted in their share of the total bank market reducing from over 85% in 2015 to 75% as of June 2021. In the middle part of the last decade, foreign banks stepped in to fill part of this void, but as their level of lending growth has also slowed in more recent years, the opportunity for non-banks to fill this funding gap continues to increase.

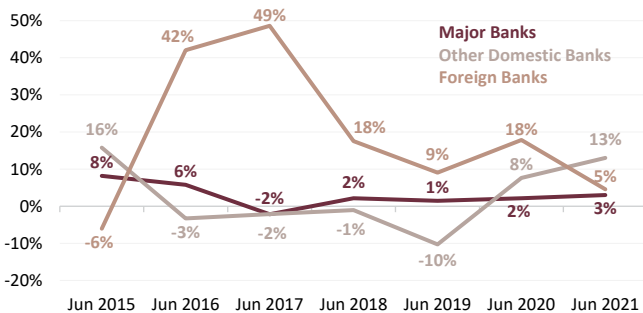
According to APRA data as at June 2021, total bank facilities to the commercial real estate market stood at almost \$370bn. There is minimal data for the non-bank sector at a consolidated level, but it is estimated to be in the order of 7% of the total market, or somewhere between \$25bn and \$30bn of financings as at June 2021. With continued system growth and the anticipation that the major banks will continue to retreat in order to manage their regulatory positions, research by real estate consultancy firm Plan1 suggests this funding gap may go close to doubling to \$50bn in the coming years.

The withdrawal of the major banks and tempering growth by other banks has enabled non-bank lenders such as Wingate to solidify their presence in the market. While other non-bank lenders have emerged in recent years, Wingate Property's track record over 15 years has enabled it to establish strong relationships with its broad network of developer clients, reinforced through more than 280 transactions. Despite increased market competition and the challenges brought on by COVID-19, Wingate Property settled over \$1bn in senior debt property transactions in the 2021 financial year, a reflection of the ongoing attractiveness of Wingate's proposition to property owners and developers. This consistent access to quality deal flow provides a compelling investment opportunity for investors in the Fund.

**Total Bank CRE Lending by Facility Limits**



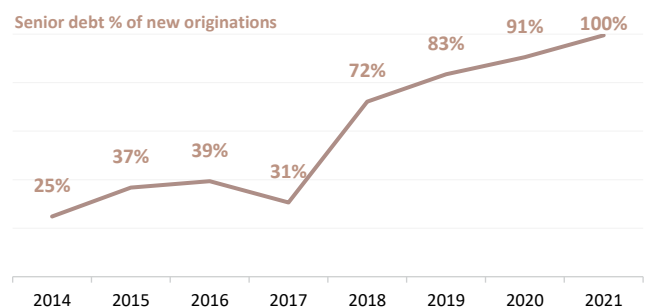
**CRE Lending Growth Rates by Banks**



Source: APRA Quarterly Authorised Deposit-taking Property Exposures June 2021

As evidenced in the charts above, growth in the major banks' Commercial Real Estate (CRE) lending over the past

**Wingate Property – Senior Debt Originations by Financial Year**





## PROPERTY DEBT AS AN ASSET CLASS

Debt secured by real estate assets is a highly sought-after asset class amongst sophisticated investors.

Security for senior positions in the capital stack takes the form of a first-ranking registered mortgage against the underlying real estate asset, and in some cases additional secondary security such as other real estate assets or personal and/or corporate guarantees from the underlying sponsors.

Each transaction is undertaken at a conservative Loan to Value (LVR) ratio specific to the asset(s), meaning that there is a substantial buffer between the value of the asset being pledged as security and the maximum exposure permitted under the loan facility.

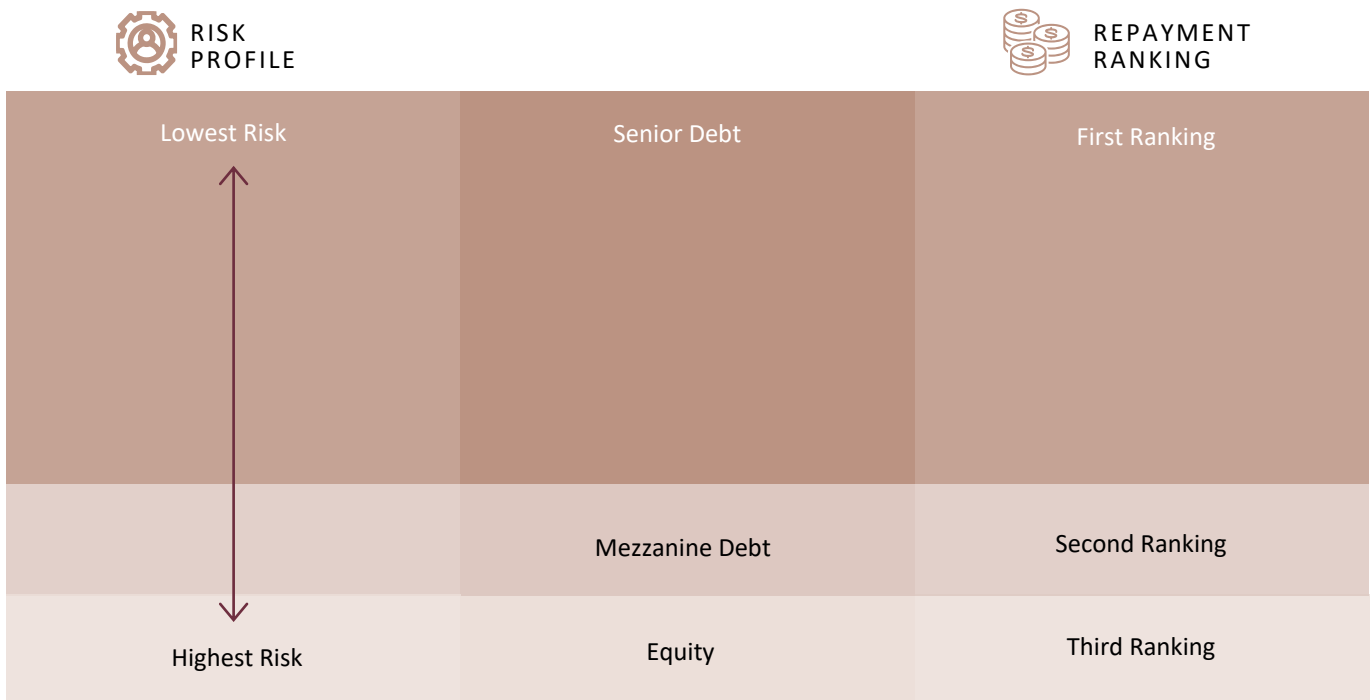
Assets associated with higher price volatility such as hotels or non-income producing assets such as vacant land are

assessed more conservatively than income producing buildings, while the level of lending for construction facilities will vary depending on underlying investment fundamentals.

A LVR setting typically around the mid 60%'s provides considerable insulation to property price fluctuations. This ensures that if the underlying project is not delivered or repayment of the loan facility is not achieved as planned, the Manager is able to step in to recover the loan and repay investors by selling the asset. Consequently, these senior debt investments provide a lower risk of capital loss compared to investments further up the capital stack.

The underlying property valuations are supported by independent, reputable professional valuers experienced in the particular asset class.

Diagrammatic Representation of the 'Capital Stack' for a Property Investment



By virtue of its nature as a debt instrument, all terms of the underlying investment are contractually binding upon the borrower. This includes the rate of interest, maturity date,

and any covenants and undertakings, as well as principal and interest repayment obligations.



# Economy and the Commercial Real Estate Market

## MACRO-ECONOMIC TRENDS

After the initial shocks caused by the COVID-19 pandemic that saw Australia experience its first recession since the early 1990s, the Australian economy recovered strongly, growing at its fastest pace on record in the second half of 2020. This has in part been attributable to the policy measures implemented by the Federal government, which have been instrumental in supporting the economy since the onset of the pandemic. This included significant fiscal and monetary stimulus measures introduced through the downturn, which, with the resulting record low interest rates, have seen the Australian economy recover faster than initially expected. Having peaked at over 7% in mid 2020, the national unemployment rate now sits at 4.2% (seasonally adjusted), its lowest level in over a decade, and is expected to fall further to 4% in 2023 as the labour market tightens.

The Governor of the Reserve Bank of Australia reiterated that cash rate increases are unlikely until actual inflation is sustainably within the 2 to 3 per cent target range. In any event, interest rate increases in the short term are forecast to be modest relative to historical averages.

Meanwhile the economies of key trading partners including China and Japan have rebounded, and the United States economy is outperforming. Whilst consumer confidence

continues to fluctuate, not aided by the COVID-19 lockdowns in Australia's most populated states, overall business conditions remain robust, with financing conditions for companies remaining favourable.

A particular headwind for the Australian economy through the pandemic has been the reduction in net overseas immigration and its flow-on impact to population growth and economic activity. According to Australian Bureau of Statistics (ABS) data, in the year to June 2021, Australia's population grew by 0.2%, compared to an annual average growth rate since the mid 2000's closer to 1.5%. Forecasts provided by real estate consulting firm Charter Keck Cramer based on government data suggest this trend will continue over the short term. However, with progress on COVID-19 vaccinations across the nation, Australia is expected to return to a net migration inflow during the 2022/23 fiscal year.

Whilst the most recent COVID-19 outbreaks and the associated impact on economic activity pose a near-term challenge, all things being equal, Australia's economic fundamentals are relatively sound. The Manager expects these conditions to continue to set the backdrop for the real estate sector into the medium term.

## REAL ESTATE SECTOR & COVID-19 IMPACTS

### Residential

Australian property remains in favour. The anticipated residential property price collapse on the back of the COVID-19 pandemic did not eventuate. Despite the reduction in net overseas migration and other COVID-19-related challenges, it has become clear that government stimulus measures, rapid economic recovery, record low interest rates, low listing numbers and increased working from home have all combined to have a positive impact on the residential market. According to Corelogic, capital city dwelling prices nationally rose by 19.2% in the year to February 2022, one of the fastest rates of annual growth since February 2004.

The growth in prices for detached houses and in regional areas has outpaced those of inner-city units as the population seeks more internal space for home working, more access to an outdoor lifestyle and becomes less focused on commuting proximity to central business district locations. Compared to capital city house price growth of 21.8% to February 2022, regional house prices rose by 25.9%, whilst capital city unit/apartment prices increased by 11.5% in the same period.

Close to 145,000 new houses were approved for construction nationwide in the 12 months to January 2022, a near record.

Looking forward, notwithstanding some near-term volatility due to recent COVID-19 outbreaks, as supported by Charter Keck Cramer research, Wingate expects these trends to continue: lower interest rates relative to historical averages, low unemployment and an economy buoyed by the return of overseas migration driving increased demand. These factors are expected to provide the foundations of support for the residential property sector over the longer term. The industry may continue to see short term challenges including supply chain disruption and increased input costs, which could place additional financial pressures on some developers and builders. Wingate undertakes extensive due diligence and structures transactions to monitor and mitigate these risks. These conditions are expected to normalise in the next 12 months, noting other factors such as general housing affordability constraints and tighter credit settings as potential medium-term headwinds.



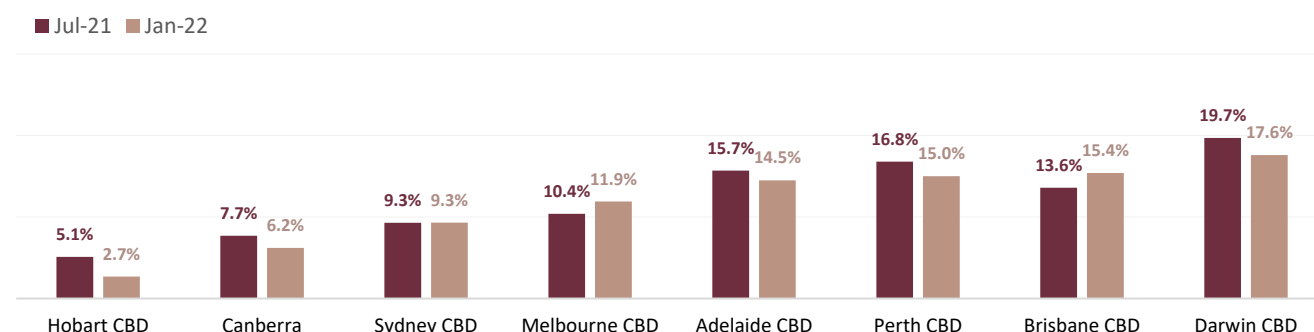
### Other Asset Classes

Beyond residential property, the pandemic has also had a notable impact on other sectors of the market.

Increased working from home has resulted in higher vacancy rates in CBD office locations during the pandemic, particularly during the periods of extended lockdowns. A number of CBD markets have been slow to recover in terms of the level of office occupancy, however as governments gradually reduce restrictions on capacity constraints and enable a return to a “COVID-normal” working environment, there are signs that this is turning. Per the chart below,

office vacancy rates have now reduced in most CBD markets in the past 6 months, with Melbourne and Brisbane the only outliers. This indicates support for the view that whilst working from home will continue to be a feature of the future economy, workers are likely to return to the office post the pandemic. Property Council of Australia data indicates that in February 2022 both Melbourne and Canberra recorded their highest occupancy levels since June 2021, with Brisbane and Adelaide also registering strong rebounds in occupancy levels after the impacts of the holiday season and Omicron variant of COVID-19.

**CBD Office Vacancy Rate Change – 6 Months to January 2022**



Source: Property Council of Australia

COVID-19 has similarly posed challenges for parts of the retail real estate market, particularly central business district retail outlets and large shopping centres that have been severely impacted by lockdowns and restrictions on peoples' movement across the capital cities. The lockdowns have fast-tracked the move to e-commerce, which will likely prove a continuing challenge for non-discretionary retail assets in city locations in the short to medium term. However, demand for subregional and neighbourhood retail assets, particularly those with a non-discretionary focus, is buoyant on the back of more localised retail activity. Centres in regional markets are trading at a premium to their urban counterparts, somewhat unaffected by the pandemic and showing clear signs of value uplift.

By contrast, elevated online shopping has supported industrial property demand and construction.

Net absorption continues to rise, and significant rental growth is being recorded. Total floorspace absorption reached 2.38 million square metres according to CBRE in the second quarter of 2021, up 30% on the previous six months. Nationally the vacancy rate stands at 1.3%, down from 6.3% in the second half of 2019.

E-commerce demand is driving the highest level of east coast industrial and logistics development since the 2007/08 construction boom, with prime yields compressing as a result.

Other asset classes dependent on overseas migration and tourism, in particular student accommodation and hotel and leisure assets remain below pre-COVID-19 occupancy levels. That said, the spike in domestic tourism driven by the closure of international borders has provided periods of robust activity, and with international borders set to re-open during 2022, these sectors should start to see a sustainable recovery thereafter. At the same time, alternative asset classes are emerging. The childcare sector is experiencing strong yield compression resulting from government support and funding announced in the federal budget, whilst focus on self-storage as an asset class has also lifted, underpinned by e-commerce growth, uplift in people renting and the declining size of living spaces. Finally, Australia's population is aging, and social infrastructure including healthcare is now an asset class of interest with very few investment grade assets available.

It is worth noting that over 80% of Wingate's previous investments in senior debt transactions have financed residential property assets, and this sector is expected to continue to be a primary focus. However, the economic fundamentals suggest that with appropriate structuring and risk mitigants in place, there will continue to be opportunities in other sectors, or sub-sectors therein, that provide appealing returns for the Fund's investors over the medium to longer term by exposure to the investment strategy of the Master Fund.



# Wingate

**Wingate is guided by a measured approach to risk and deep sense of responsibility to its co-investors, partners, and clients.**

## OVERVIEW

Wingate is a leading Australian private markets finance and investment house.

Wingate's success has been built on its ethical approach, deep capabilities in debt and its capacity to inspire trust in its partners.

Owned by its principals and a group of substantial private and institutional investors, Wingate has to date invested over \$6bn of capital across its asset management, financing and investment activities.

Wingate was launched in 2004 with a vision to bring the 'old world' character of the great European family merchant banks to the 'new world' of financial services innovation, risk management and opportunity.

Wingate's success is built upon its deep belief and adherence to The Wingate Way – a way of operating and being that keeps the interests of its co-investors and business partners at the centre of all that it does.

Wingate's consistency and performance over an extended period has built deep partnerships, trust, and a reputation for delivery.

Wingate has established relationships within the local debt markets and has built a reputation as a responsive, reliable and trusted financier. Wingate Property has a deeply experienced team of property finance professionals who source compelling investment opportunities from across its network of reputable counterparties, banks, brokers, and a range of professional service providers.

The Master Fund will be managed and governed in accordance with Wingate's measured approach, leveraging its depth of experience in property lending to deploy funds with a primary focus on risk mitigation.

## THE WINGATE WAY



### PATIENCE

Building a community of co-investors requires consistent performance, trusted relationships and a commitment to core values. There is no shortcut to building a long-standing track record.



### KNOWLEDGE

Deep domain knowledge underpins our investment approach. We have a deep understanding of market cycles and employ effective systems and processes to actively manage risk.



### RISK MITIGATION

We start with a risk assessment and do not proceed if we cannot gain comfort. With a strong focus on capital preservation, we strive to identify and understand all risk, and then take active steps to reduce it. Only then do we focus on returns.



### ALIGNMENT

We participate in all our investments, ensuring interests are aligned. We look after our investors' money as if it is our own.



### PARTNERSHIP

We are driven by long-term, trusted relationships. We feel a deep sense of personal responsibility and pride in the performance of our investments.



# Wingate Property

## OVERVIEW

**Wingate Property is a specialist direct property financier, providing financing solutions for property owners and developers and investment opportunities for its co-investors.**

With nation-wide coverage, Wingate's experience extends across the full spectrum of asset classes including residential, retail, office and industrial assets. Our extensive product coverage includes acquisition, construction and investment financing, with projects ranging from englobo land and sub-division financing, to medium and high-density construction projects and residual stock financing.

Wingate Property targets top-tier private developers and landowners with strong balance sheets, a high-quality management team and a track record of delivering successful projects.

Wingate Property tailors its senior debt loans to the borrower's specific requirements, delivering with flexibility, certainty and agility. Loans generally range from \$10m-\$100m in loan size. The vast majority of loans are two years or less in duration and are secured by first-registered mortgages over the underlying real estate assets. The two-year loan duration reflects the weighting of the portfolio towards land and construction loans which have a defined exit strategy. The Fund may also invest in investment loans with a longer duration. The underlying loans are often subject to a fixed interest rate which provides the borrower with certainty of funding cost.

Each loan typically also benefits from additional security including personal and corporate guarantees from entities associated with the borrower.

The Wingate Property investment team brings decades of combined experience and a proven track record of successfully providing debt capital solutions in a timely manner. The recent acquisition of leading Australian real-estate advisory firm CapStra further enhances the business' capability, reach and access to deal flow.

The team employs a conservative, risk-first approach to investing with a highly selective investment process encompassing thorough due diligence and a focus on capital preservation.

## THE WINGATE ADVANTAGE

**Wingate believes that it has an inherent competitive advantage delivering a real estate senior debt fund with unparalleled ability to originate investment opportunities.**



### KNOWLEDGE

Australian based investment house with extensive knowledge of the local market. Strong and deep relationships with Australian developers and landowners.



### EXPERIENCED

Senior executives each with decades of experience investing in real estate markets. Lessons learned managing loan portfolios through previous cycles and global market downturns underpin the business' experience. Supported by an experienced Credit Committee that assesses every loan proposal – nothing is funded without its approval.



### ESTABLISHED

Proven ability to source, execute and manage investments, with a strong reputation as a preferred capital partner in the real estate market built over many years, evidenced by the number of transactions for repeat clients.



### TRUSTED

Strong relationships with property owners and developers, brokers, and professional services firms, built on trust and cultivated by conducting business with integrity and delivering on commitments.



### TRACK RECORD

Track record of over 130 senior debt property loans, with 43 live transactions and 90 investments successfully realised with an exceptional capital preservation record.





# Track Record

**Wingate has a compelling track record in real estate senior debt, evidenced by the performance of its extensive back book and live portfolio of loans.<sup>5</sup>**

Over a period of more than 15 years Wingate Property has funded over \$4bn in senior real estate debt facilities, financing over \$6bn in end value of real estate assets across more than 130 individual transactions with an exemplary record of capital preservation.

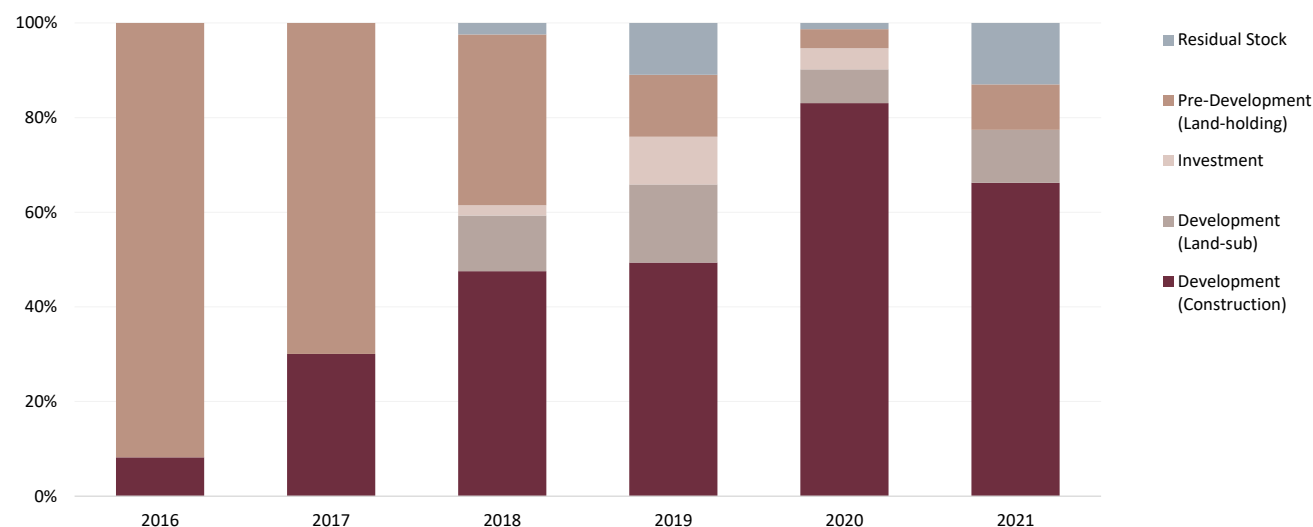
The business has had and continues to have a primary focus on residential real estate debt investments in the major markets along Australia's eastern seaboard, opportunistically pursuing compelling investment

opportunities in other real estate asset classes and other geographies.

Due to changes in the commercial real estate debt market dynamics, Wingate Property's focus has evolved over recent years to take advantage of the opportunity to earn compelling returns for lower-risk, first-mortgage lending. This has resulted in a shift from mezzanine loans to a senior debt focus with a heavy weighting towards construction and land development (sub-division) facilities.

### Senior Debt Investments by Purpose by Settlement Year

(2016 to 2021, weighted by Facility Limit)



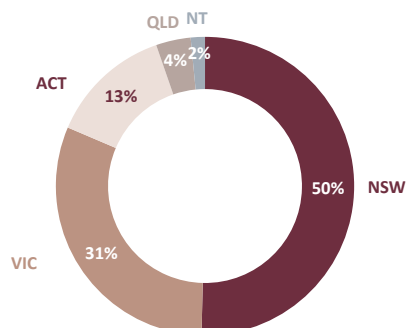
As at 31 December 2021, senior debt comprised over 80% of the Wingate Property investment portfolio. This included 43 individual loan facilities with a current book value of approximately \$1.6bn, with a continued emphasis on residential assets across Australia's

eastern seaboard. Development loans (both built form and land sub-division) comprise over 75% of the current portfolio, whilst in recent years Wingate Property has seen more residual stock investment opportunities as completed apartment projects come to market.

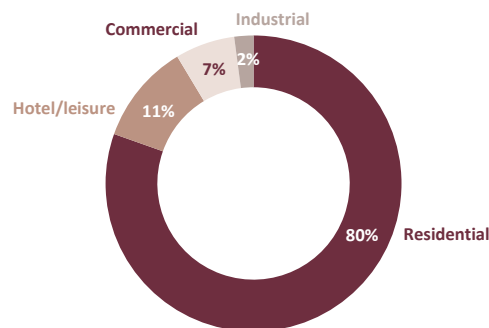
<sup>5</sup> Past performance is not a reliable indicator of future performance.



**Senior Debt Investments by Location**  
(Portfolio at 31 December 2021 by Facility Limit)









**Senior Debt Investments by Asset Class**  
(Portfolio at 31 December 2021 by Facility Limit)



Despite the challenges presented by the current COVID-19 pandemic including numerous lockdowns in our major markets, as with the broader real estate market, the senior debt portfolio has continued to demonstrate its resilience and continues to largely perform in-line with expectations. The current weighted average LVR of the existing senior debt portfolio across Wingate is 65.2%, providing a significant buffer against any future volatility in real estate prices.

## Sample Transactions

The following provides a small sample of both completed and repaid as well as live senior debt facilities funded by Wingate Property.<sup>6</sup>

<p><i>Victoria</i></p> <p>Provision of a Construction Facility for a <b>\$58m</b> land sub-division project in regional Victoria.</p>  <table border="1"> <thead> <tr> <th>SETTLEMENT</th> <th>PURPOSE</th> </tr> </thead> <tbody> <tr> <td>July 2020</td> <td>Land Sub-division</td> </tr> <tr> <th>STATUS</th> <th>FACILITY SIZE</th> </tr> <tr> <td>In Force</td> <td>\$47.5M</td> </tr> <tr> <th>SECTOR</th> <th>LVR</th> </tr> <tr> <td>Residential</td> <td>55%</td> </tr> </tbody> </table>	SETTLEMENT	PURPOSE	July 2020	Land Sub-division	STATUS	FACILITY SIZE	In Force	\$47.5M	SECTOR	LVR	Residential	55%	<p><i>ACT</i></p> <p>Provision of a Senior Debt Residual Stock Facility for <b>\$44m</b> of residential apartment stock in Canberra.</p>  <table border="1"> <thead> <tr> <th>SETTLEMENT</th> <th>PURPOSE</th> </tr> </thead> <tbody> <tr> <td>March 2021</td> <td>Residual Stock</td> </tr> <tr> <th>STATUS</th> <th>FACILITY SIZE</th> </tr> <tr> <td>In Force</td> <td>\$32.5M</td> </tr> <tr> <th>SECTOR</th> <th>LVR</th> </tr> <tr> <td>Residential</td> <td>65%</td> </tr> </tbody> </table>	SETTLEMENT	PURPOSE	March 2021	Residual Stock	STATUS	FACILITY SIZE	In Force	\$32.5M	SECTOR	LVR	Residential	65%	<p><i>New South Wales</i></p> <p>Provision of a Senior Debt Construction Facility for a <b>\$197m</b> hotel development in inner suburban Sydney.</p>  <table border="1"> <thead> <tr> <th>SETTLEMENT</th> <th>PURPOSE</th> </tr> </thead> <tbody> <tr> <td>Nov 2020</td> <td>Construction</td> </tr> <tr> <th>STATUS</th> <th>FACILITY SIZE</th> </tr> <tr> <td>In Force</td> <td>\$118.2M</td> </tr> <tr> <th>SECTOR</th> <th>LVR</th> </tr> <tr> <td>Hotel</td> <td>60%</td> </tr> </tbody> </table>	SETTLEMENT	PURPOSE	Nov 2020	Construction	STATUS	FACILITY SIZE	In Force	\$118.2M	SECTOR	LVR	Hotel	60%
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<p><i>New South Wales</i></p> <p>Provision of a Senior Debt Construction Facility for a <b>\$142m</b> residential apartment project in Sydney.</p>  <table border="1"> <thead> <tr> <th>SETTLEMENT</th> <th>PURPOSE</th> </tr> </thead> <tbody> <tr> <td>Nov 2019</td> <td>Construction</td> </tr> <tr> <th>STATUS</th> <th>FACILITY SIZE</th> </tr> <tr> <td>Completed &amp; Fully Repaid</td> <td>\$95.4M</td> </tr> <tr> <th>SECTOR</th> <th>LVR</th> </tr> <tr> <td>Residential</td> <td>69%</td> </tr> </tbody> </table>	SETTLEMENT	PURPOSE	Nov 2019	Construction	STATUS	FACILITY SIZE	Completed & Fully Repaid	\$95.4M	SECTOR	LVR	Residential	69%	<p><i>South Australia</i></p> <p>Provision of a Construction Facility for a <b>\$26m</b> commercial centre in regional South Australia</p>  <table border="1"> <thead> <tr> <th>SETTLEMENT</th> <th>PURPOSE</th> </tr> </thead> <tbody> <tr> <td>May 2020</td> <td>Construction</td> </tr> <tr> <th>STATUS</th> <th>FACILITY SIZE</th> </tr> <tr> <td>Completed &amp; Fully Repaid</td> <td>\$17.2M</td> </tr> <tr> <th>SECTOR</th> <th>LVR</th> </tr> <tr> <td>Commercial</td> <td>68%</td> </tr> </tbody> </table>	SETTLEMENT	PURPOSE	May 2020	Construction	STATUS	FACILITY SIZE	Completed & Fully Repaid	\$17.2M	SECTOR	LVR	Commercial	68%	<p><i>Victoria</i></p> <p>Provision of a Construction Facility for a <b>\$40m</b> residential townhouse project in suburban Melbourne.</p>  <table border="1"> <thead> <tr> <th>SETTLEMENT</th> <th>PURPOSE</th> </tr> </thead> <tbody> <tr> <td>Nov 2019</td> <td>Construction</td> </tr> <tr> <th>STATUS</th> <th>FACILITY SIZE</th> </tr> <tr> <td>Completed &amp; Fully Repaid</td> <td>\$21.2M</td> </tr> <tr> <th>SECTOR</th> <th>LVR</th> </tr> <tr> <td>Residential</td> <td>61%</td> </tr> </tbody> </table>	SETTLEMENT	PURPOSE	Nov 2019	Construction	STATUS	FACILITY SIZE	Completed & Fully Repaid	\$21.2M	SECTOR	LVR	Residential	61%
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# Pipeline

Over the past four years Wingate Property has originated an average of \$800m of senior debt facilities per year. The team continues to curate a strong pipeline, with the current pipeline of active senior debt opportunities as at end of February 2022 approaching \$1.5bn across over 20 transactions.

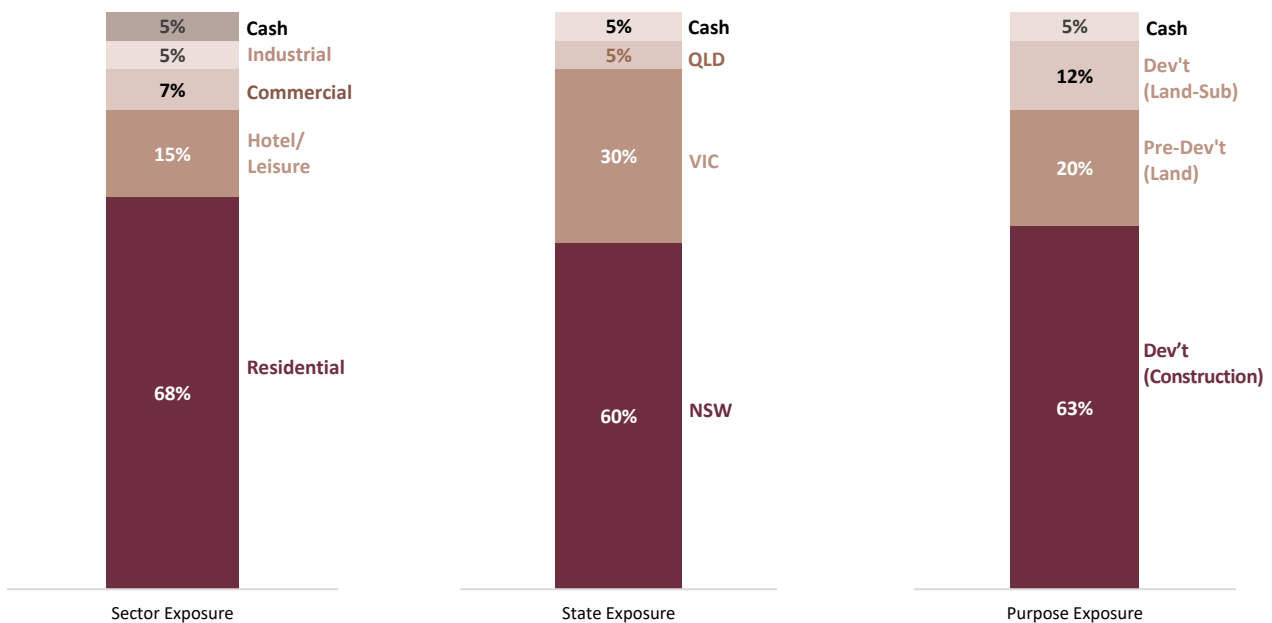
Beyond the immediate pipeline is a broader collection of opportunities that the business continues to investigate and cultivate. Given the relatively short-term duration of the senior debt facilities, cultivation of new opportunities is a constant focus for the business, and it is common for the business to have an active pipeline in various stages of due diligence in excess of \$1bn.

### SAMPLE PORTFOLIO

The below charts demonstrate a portfolio of sample investments that Wingate Property has recently settled and may become available for investment by the Master Fund on a co-funded basis. It is envisaged the Master Fund will be seeded with a portfolio of senior debt loans funding

predominantly residential development assets in the metropolitan areas of Melbourne and Sydney. Wingate’s current senior property debt transactions would be expected to generate a net return to investors the Master Fund of 6.6% per annum (after all fees and costs<sup>7</sup>), with a portfolio weighted average LVR of approximately 62%. This estimate is based on ten actual transactions which if placed in the Master Fund would result in \$100m in FUM and provide returns at the stated net return. These transactions are representative of Wingate’s current transactions which support the return targets of the Master Fund.

Some of these investments remain subject to formal approval by the Investment Committee so the sample portfolio composition is illustrative only.



<sup>7</sup> This is a target only and no guarantee of performance is provided.



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# Wingate Team

**Specialist real estate debt team with a strong track record in property lending and investing through various cycles.**

The Wingate Property senior executive team has decades of combined experience investing in real estate debt markets. The team's skills extend across all aspects of property debt investment including origination, structuring, execution, management and exit of debt transactions across all relevant asset classes. Further, the team boasts expertise in key components of the property development cycle, from design and planning to construction and development, through to end-product sales and marketing. The team also includes a dedicated research capability which allows the business to stay in front of industry developments and identify areas of potential growth through the application of market intelligence.

## EXECUTIVE TEAM



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### Mark Harrison

#### MANAGING DIRECTOR

Property

Mark is a property industry leader with extensive experience in all facets of the property and property finance sectors, built through various senior executive roles including at Ashe Morgan Winthrop. Mark is well known and trusted within the property industry as a specialist in risk assessment, structuring and funding of leveraged property transactions. Mark is a member of the Wingate Group Holdings Board of Directors.



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### Nick Jacobson

#### MANAGING DIRECTOR

Property

Nick has over 30 years' experience with leading global investment banks, most recently as MD of CapStra and prior to that, Chairman of Real Estate and Head of Investment Banking Services at Goldman Sachs Australia. Nick specialises in real estate capital markets and advisory across Australia, Europe and Asia. His primary responsibilities at Wingate include driving the strategic direction of Wingate Property with a focus on institutional partnerships, transaction negotiation and oversight of investment mandates.



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### Rob Di Iorio

#### EXECUTIVE DIRECTOR

Originations

Heading up the Sydney origination team, Rob has over 15 years' experience in originating and structuring capital solutions for real estate owners and developers across all Australian markets.

Prior to joining Wingate, Rob held senior positions with Commonwealth Bank, HBOS/Lloyds and National Australia Bank.



---

### Michael Nathan

#### EXECUTIVE DIRECTOR

Risk

Heading up the Risk function for Wingate Property, Michael has extensive experience in real estate finance and development across roles at Macquarie Group, ANZ and now Wingate. Michael has been integral in the acquisition, structuring and delivery of numerous residential developments and land subdivision projects across Australia.



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## Jamie Kay

**DIRECTOR**  
Originations

Heading up the Melbourne origination team, Jamie has over 20 years' experience in the property development and finance industry across Australia, Asia and the UK.

Prior to joining Wingate, Jamie has held senior roles at Oliver Hume, Lend Lease, Development Victoria and Insignia Richard Ellis (CBRE).



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## Adam Carew

**CFO**

Adam has vast experience in financial management, corporate governance, accounting, taxation, investment structuring and private equity investing.

After managerial roles at Pitcher Partners, he was Group Financial Controller at one of Australia's largest family offices. His responsibilities include Wingate's financial management, taxation and regulatory compliance, as well the Group's statutory and secretarial functions.



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## John Wilson

**EXECUTIVE DIRECTOR**  
Development

John has over 30 years' experience in the development and construction industry. Over his career he has developed expertise in construction delivery, risk management, and value creation via cost and time control and revenue expansion.

His primary focus is to partner with clients to deliver development projects with a view to generating profitable returns for our clients and co-investors.



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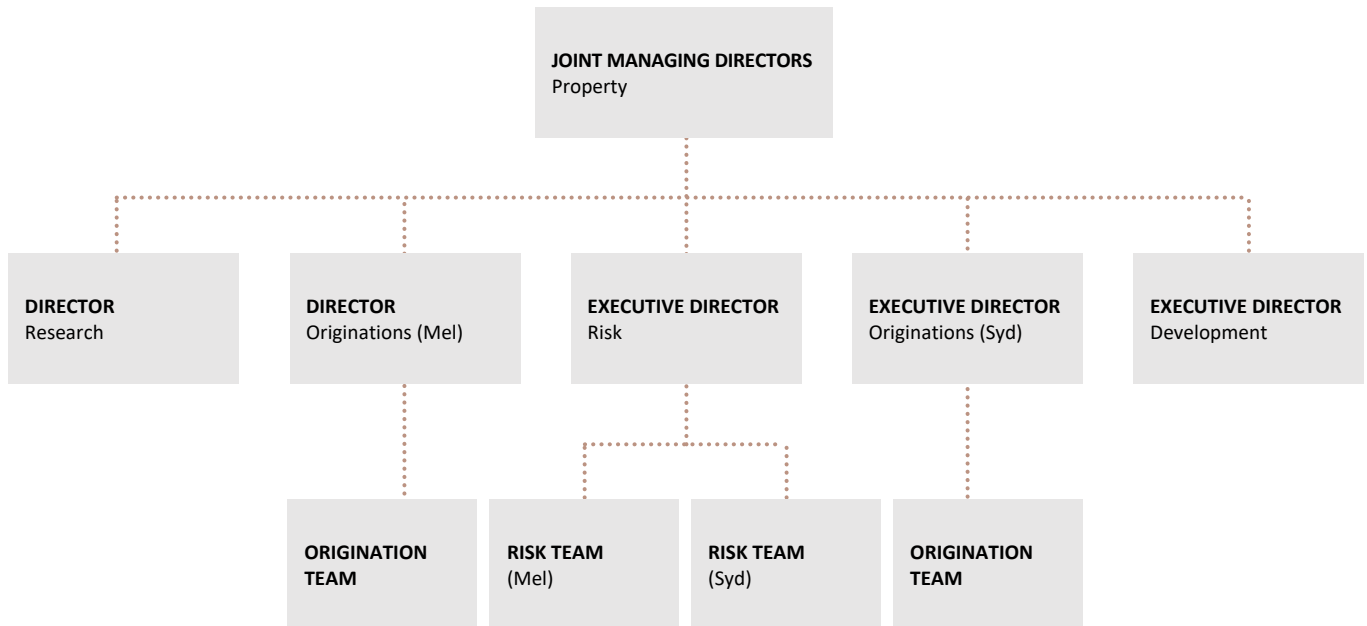
## Steven Hur

**CIO (FUND MANAGER)**

Steven is a seasoned investment professional with over 20 years' experience in portfolio management, credit investment, product development and institutional sales. Prior to joining Wingate, Steven was Head of Credit Research and Portfolio Manager at AMP Capital managing multi-billion dollar debt funds and leading a global team. Prior to that he was a credit analyst at Schroders and an investment analyst at Absolute Capital. Steven is the Chief Investment Officer at Wingate and the Fund Manager for the flagship Wingate Investment Partners Trust and the Wingate Property Senior Debt Fund.



## WINGATE PROPERTY TEAM



The origination team brings an extensive network of property owners, developers, and professional service providers across Australia's major markets, covered from Wingate's offices in Melbourne and Sydney. Each office location also includes specialist groups of risk analysts that are responsible for working with the originators and counterparties to structure transactions, mitigate risks and deliver strong risk-adjusted returns for investors.

The investment team is further supported by a team of experts across the broader Wingate business that bring decades of experience in critical fields including legal structuring and documentation, regulatory compliance, funds management and investor servicing, and financial and operational control. This broad skill set underpins the value-add that the team is able to bring to its developer clients and is why the team has established its reputation as a flexible and reliable capital partner, ensuring steady supply of transaction flow for investors.





# Investment Management Process

A conservative and thorough investment management process that has been fine-tuned over the years with an impressive track record in senior debt lending.



## ORIGINATION

The business' origination efforts stem from Wingate's philosophy of developing relationships to build long-term partnerships. The Managing Directors are heavily involved in the relationship and origination process, and personally meet every client that is new to Wingate before the team considers putting forward a proposal.

Wingate Property's Origination team are highly experienced property professionals who bring an extensive network of industry contacts from developers to brokers, professional service providers and other industry participants. They are responsible for developing and nurturing relationships as well as the origination, screening, structuring and negotiation of transaction terms in conjunction with the Risk team. They further manage the ongoing relationship and maintain oversight of transactions together with the Risk team.

To support its origination efforts, Wingate Property maintains:

- two in-house teams in Melbourne & Sydney with specialised local and national market knowledge
- partnership networks in other locations to source investment opportunities outside core markets
- a specific focus on private developers with an extensive track record of successful project execution
- a focus on developing partnerships with developer partners over multiple transactions

## ANALYSIS

Wingate applies a risk-first philosophy to everything it does. According to this principle, Wingate Property undertakes a rigorous due diligence process for every transaction, carefully selecting and structuring transactions to actively reduce risk. If Wingate Property cannot understand and map a path to material mitigation of the risks in a transaction, it will not proceed. As part of this due diligence process, Wingate Property will assess and satisfy itself in relation to a wide range of risks, including the following:



## APPROVALS

Wingate Property applies a rigorous, multi-stage investment approval process to each of its investments, leveraging the experience of internal and external industry experts across its approval committees.

### 01

#### WINGATE PROPERTY APPROVALS

Multiple internal approval points where transactions are reviewed and approved by senior executives within the business including Property MDs, ED Risk and Head of Legal:

- transaction workshops for MDs & ED Risk indicative support
- review and approval of Indicative Term Sheets
- review and approval of credit submissions
- post-Credit review and approval of Letter of Offer

### 02

#### CREDIT COMMITTEE APPROVAL

The Property Credit Committee, comprising executives and non-executive consultants with extensive experience in the property industry, are a key component of the transaction assessment process:

- assess every proposed investment prior to a formal Letter of Offer being issued
- guided by the Wingate Property Credit Policy and Committee Charter
- meets as often as weekly to review investment opportunities
- approve all material transaction variations including extensions or changes to key terms
- meets monthly to review the Property debt portfolio and discuss emerging trends

### 03

#### FUND MANAGER & INVESTMENT COMMITTEE APPROVAL

The Fund Manager and Investment Committee (Fund IC) will be appointed by the Master Fund and the Fund's Trustee. The Fund IC will have the responsibility to assess and oversee the investment activities of both Funds. The Fund Manager will manage and balance the risks of the portfolio on a daily basis and ensure risk-adjusted returns are generated according to the Master Fund's mandate. The Fund IC will:

- comprise of both executives and independent non-executive consultants
- convene as required to review all proposed investments
- consider and approve as appropriate any subsequent material variations on behalf of the Master Fund and the Fund's investors
- convene on a monthly basis to review the Fund portfolio at an individual investment and portfolio level, and review the Fund Manager's investment decisions over the month



## EXECUTION

After all requisite approvals have been received, the Wingate Property team works with Wingate's in-house legal experts, external law firms and other advisors as required to progress the transaction to settlement.

This process includes:

- satisfactory completion of any outstanding Know Your Customer (KYC)/Anti Money Laundering (AML) due diligence activity on all parties to the transaction;
- completion and execution of all relevant documentation including letters of offer, facility agreements, guarantees, and any other ancillary documentation to give effect to the transaction and to perfect Wingate's security;
- close monitoring in the lead up to settlement to ensure satisfaction of all relevant conditions precedent;
- documentation of any ongoing conditions subsequent within the facility documentation; and
- receipt of any external legal or other advisory opinions where required.

Concurrently with the final stages of legal documentation, the team works with Wingate's Finance, Funds Management and Operations units to arrange the necessary funding and progress the transaction to financial settlement.

## MANAGEMENT

The Wingate Property team applies a similar level of diligence and rigour to the ongoing active management of each investment as is applied during the origination effort.

### Transactional Level Management

The nature of transactional level management varies based on the type of asset and the stage in the development process, but will typically include:

- for development projects, regular review of development progress, inspection of Quantity Surveyor (QS) reports detailing time and costs to complete, and monthly on-site attendance at Project Control Group meetings comprising the development project manager, builder, QS and other key project personnel;
- tracking of market valuations, sales and settlements for development projects to monitor future settlement risk;
- monitoring of key covenants (e.g. gearing) and milestones to ensure compliance with documented conditions subsequent;
- working with property managers and third-party advisors in relation to management of property holdings (e.g. planning processes, environmental assessments, etc); and
- working with developers and other advisors in the event of delays or other adverse events to understand any change to the risk profile and where necessary re-structure or vary facility terms to deliver the best outcome for all parties.

### Portfolio Level Management

The Fund Manager and Wingate Property work collaboratively and undertake a number of activities to monitor the investments at a portfolio level in addition to transactional level diligence:

- daily portfolio risk analysis, monitoring of the investments, scenario analysis and stress testing of the portfolio are undertaken by the Fund Manager as part of the overall portfolio management responsibilities;
- monthly reporting covering key portfolio metrics including concentration levels and risk indicators (e.g. LVRs, extension analysis, construction delays, etc);
- fortnightly Wingate Property team meetings led by the Managing Directors of Wingate Property to review the portfolio, sharing transactional updates and agreeing any necessary actions;
- monthly Investment Committee meetings (or as frequently as required) to review the transactions, portfolio risks, portfolio concentration, portfolio liquidity and portfolio performance;
- monthly valuation sub-Committee meetings to review the portfolio and assess appropriateness of investment valuations; and
- monthly liquidity sub-Committee meetings and portfolio reviews to understand short to medium term liquidity movements and ensure an appropriate balance between fund performance, liquidity and returns.



### Case Study

One benefit of Wingate Property's extensive experience managing senior debt property investments over more than 15 years is the lessons learned along the way. Through investment cycles, despite the extensive due diligence performed for each and every transaction, there will likely be times when things don't always go to plan.

The team's proactive and thorough transaction management disciplines set it apart from many of its competitors and enable Wingate to intervene where required to protect the capital of its investors.

Construction facilities are a prime example where the benefits of Wingate's active transaction management philosophy can overcome adverse developments on a project and achieve anticipated investment outcomes for investors. The Case Study below outlines a recent example in which Wingate was able to support its borrower through a difficult situation when it became clear that a third-party builder was not going to be able to successfully deliver a project.

LOCATION	ACT
<b>PROJECT DESCRIPTION</b>	50 residential apartments and six commercial suites. Independent third-party builder appointed ( <b>Original Builder</b> ).
<b>OVERVIEW OF ORIGINAL BUILDER</b>	At the time of appointment, the Original Builder was known to Wingate Property and the client, having completed another Wingate-funded development for the client. The Original Builder successfully completed all excavation works (some minor variations were claimed for rock). At that point in time, through Wingate Property's close engagement with the project and discussions with the counterparty and Quantity Surveyor, it became evident that the Original Builder had become over-extended across numerous sizeable projects, had encountered cash-flow issues and would not be in a position to successfully deliver the project. Consequently, the building contract was mutually terminated.
<b>STRATEGY IMPLEMENTED</b>	At the time the Original Builder was terminated, the Borrower had recently completed another development within close proximity utilising an alternate builder ( <b>Replacement Builder</b> ). Consequently, discussions and negotiations with the Replacement Builder quickly ensued, a Heads of Agreement was negotiated and a building contract executed. Works re-commenced with limited down time and continued to progress well. This process and strategy was overseen by Wingate Property's in-house construction manager (the Executive Director of Development), and Wingate Property was able to leverage its extensive experience in funding construction projects, having previously undertaken due diligence on the Replacement Builder as part of prior funding opportunities.
<b>FURTHER DETAILS</b>	Approximately 9% of the Original Builder contract value had been certified by the Quantity Surveyor when the Original Builder was terminated (original contract terminated January 2020). A new building contract was subsequently executed (March 2020) with the Replacement Builder at value sufficient to undertake works through to completion. The sum of the works certified when the Original Builder was terminated plus the value of the Replacement Builder contract equated to a ~5.5% (\$1.0m) increase to the Original Builder contract value. This increase was largely attributable to the Replacement Builder having to certify the works completed by the Original Builder and make outstanding payments to key sub-contractors.
<b>FINAL OUTCOME</b>	Wingate Property was able to fund on a cost to complete basis following an equity injection from the Borrower. Completion was successfully achieved six months later than originally envisaged under the original construction program, for which Wingate Property was able to accommodate a four-month extension to the original facility maturity date. There was no impact to the pre-sale contracts and settlement of pre-sales facilitated an orderly full repayment of the facility within the extended term, resulting in investors being repaid in full.



Construction site shortly before termination of original builder



Construction site approximately four months after appointment of new builder



Completed Project



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## Credit Committee

**Respected and experienced credit committee of non-executive members. The Credit committee will provide independent oversight of property transactions. A transaction will not be funded without the approval of the Credit Committee. The Credit Committee will initially comprise the following members and such other persons determined by Wingate from time to time.**

### *Eric Williamson (Chief Executive Officer)*

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Eric is a seasoned executive in financial services with over 30 years' experience, spending the bulk of his career at National Australia Bank, where he held various positions including Group Treasurer, Chief Risk Officer and EGM Corporate Finance.

Most recently, Eric served as a Senior Advisor to Cerberus Capital Management with active involvement in strategy and acquisition activity and a Board member of various financial services portfolio companies.

Eric was appointed as CEO of Wingate in March 2022. He is responsible for the overall strategic management of Wingate, its growth aspirations and leadership of its people.

### *Jeff Cohenca (Non-Executive)*

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Jeff has more than 25 years' experience in property finance, investment, and advisory services.

His extensive experience includes 10 years at BankWest where he established the Property Finance business in Perth, and senior roles at specialist real estate investment and advisory group Ashe Morgan Winthrop and Macquarie Group.

He subsequently founded a private consulting practice servicing the real estate sector, leveraging his deep experience across investment origination and structuring, portfolio management and advisory services.

### *Antony Cohen (Non-Executive/Chair)*

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Antony has over 30 years' experience as a Senior Executive, including 28 years at KPMG where he held positions as a Partner and as a member of the Board. He serves across a number of Wingate's committees.

Antony is the co-founder, CFO and Executive Director of LongView Real Estate which manages over 2,500 residential properties across Melbourne.

In addition to his non-Executive roles at Wingate, Antony also serves as a strategic advisor to a large family office which owns and manages substantial commercial property assets. He is currently also serving as Chairman of AUSiMED, an Australia-Israel Medical Research collaboration.

### *Tony Woods (Non-Executive)*

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Tony has over 40 years' experience in financial services, including senior executive and risk roles at ANZ, National Australia Bank and MaxCap Group.

At NAB, Tony was a member of the Group's Global Transactional Credit Committee which approved the Bank's largest transactions. He was also responsible for developing and implementing the Group Risk Oversight and Monitoring Framework and Testing across the globe.

Tony is the Founder and Managing Director of Bayburt & Woods a specialist risk advisory business which provides strategic risk advice to corporations, fund managers and family offices by specialising in property lending and financing.



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# Investment Committee

The investment committee, which is responsible for approving investments of the Master Fund, will initially be comprised of the following members and such other persons determined by the Manager from time to time.

## EXECUTIVE MEMBERS

### Farrel Meltzer

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Farrel is recognised as one of Australia's outstanding financial service innovators and business builders.

Farrel founded Wingate in 2004 after a highly successful career as an investment banker, including holding positions as head of ANZ Private Bank and the Group Managing Director of Investec Bank (Australia) Ltd.

Farrel's experience spans property investment and financing, listed equities, corporate and consumer debt and private equity.

### Richard Blumberg

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Richard has over 27 years' experience in financial markets, including advisory and principal investing roles in equity and debt markets in Australia and internationally.

Richard's career has included senior roles at ING Barings, Investec Bank, Hindal Group and River Capital where he developed a strong track record in investment management and business building.

Richard's experience spans credit markets, structured debt, consumer credit as well as private equity both in Australia and offshore.

### Larry Rudman

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Larry is an experienced business leader with an accomplished career in financial and professional services.

His expertise spans strategy, technology and finance.

He has formally held the roles of CFO of HBF Health Insurance, technology executive at Link Group and also CFO and Deputy CEO of GESB, Western Australia's largest, locally based superannuation fund.

Larry has worked both in Australia and internationally and was a Senior Manager at PwC prior to joining GESB in 2004.

### Eric Williamson

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Eric is a seasoned executive in financial services with over 30 years' experience, spending the bulk of his career at National Australia Bank, where he held various positions including Group Treasurer, Chief Risk Officer and EGM Corporate Finance.

Most recently, Eric served as a Senior Advisor to Cerberus Capital Management with active involvement in strategy and acquisition activity and a Board member of various financial services portfolio companies.

Eric was appointed as CEO of Wingate in March 2022. He is responsible for the overall strategic management of Wingate, its growth aspirations and leadership of its people.

## NON-EXECUTIVE MEMBERS

### Geoffrey Tomlinson

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Geoff has an extensive commercial background spanning more than 40 years.

His executive experience has been gained within the financial services industry, in Australia and a number of other countries including Hong Kong, USA and UK.

For the past eighteen years, he has been active as a non-executive director covering a broad range of industries including banking/wealth management, property and property maintenance, technology, spring water bottling and distribution, and mining services and infrastructure.

### Antony Cohen

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Antony is a globally focussed Commercial Senior Executive with over 30 years of experience.

During his 28 years at KPMG he held positions as a partner including Head of Valuations, Head of M&A, Head of Industry Restructuring & Privatisation, Head of Energy & Natural Resources and a member of the Board.

Antony was also CFO of Better Place Australia – an electric vehicle recharge network operator for three years and then its CEO. Antony has world recognised industry experience in energy and utilities along with many other industries including mining, retail, airlines, transport and logistics, media, manufacturing and real estate.





## Fees and Costs

The following section outlines the fees and costs (exclusive of GST) payable on an investor's investment in the Fund. The following fees will be borne by investors at the Master Fund level and distributions to investors will be net of Master Fund fees and costs. There will be no additional fees charged by the Fund.

### FEES WHEN INVESTING OR REDEEMING FROM THE FUND

Type of Fee	Amount	What is this fee used for	How and when will it be paid
Establishment Fee	Nil	Not Applicable	Not Applicable
Contribution Fee	Nil	Not Applicable	Not Applicable
Withdrawal Fee	Nil	Not Applicable	Not Applicable
Exit Fee	Nil	Not Applicable	Not Applicable

### FEES RELATING TO THE MANAGEMENT OF THE MASTER FUND

Type of Fee	Management Fee
Amount	1.15% p.a. of the Net Asset Value of the Master Fund
What is this fee used for	The Management Fee relates to the ongoing management requirements at a fund level and on an individual asset level. Wingate employs more than 30 dedicated Property professionals to ensure prudent oversight and management of all investment opportunities. This is supported by Wingate's strong track record across over 130 senior debt transactions. In addition to the Property team, Wingate has a substantial Funds Management, Finance and Operational team that supports the ongoing management requirements for the Fund.
How and when will it be paid	From the Master Fund's first closing date, this fee accrues daily and is payable monthly in arrears to the Manager from the assets of the Master Fund

Type of Fee	Committed Line Fee
Amount	0.15% p.a. of total committed facility limit for a transaction (only payable on facilities involving progressive drawdowns in the Master Fund)
What is this fee used for	This fee relates to the ongoing capital management requirements in administering facilities with future capital commitments (typically construction facilities). This fee will not be charged on every asset in the Master Fund, it will only be charged on assets which commit to future capital that is progressively drawn. For transactions involving progressive drawdowns (for example, construction loans) an underlying borrower will be charged a fee typically in the range of 1.5% - 3.5% p.a. of the total committed facility, which will be paid to the Master Fund. A Committed Line Fee of 0.15% p.a. on the total committed facility of these loans, will be charged to the Master Fund and is payable to the Manager.
How and when will it be paid	This fee accrues daily and is payable monthly in arrears to the Manager from the assets of the Master Fund

### COSTS RELATING TO THE OPERATION AND MANAGEMENT OF THE FUND AND MASTER FUND

Type of Cost	Administration Cost Recovery
Amount	Estimated to be 0.20% p.a. of the Net Asset Value of the Master Fund
What is this cost in respect of	These costs relate to the Fund's and Master Fund's initial and ongoing administration including legal, accounting and third-party costs and excludes investment related costs and taxes.
How and when will it be paid	This will be paid by the Fund as and when these costs are incurred.



The above fees relating to the management of the Fund and Master Fund are exclusive of GST and will be increased by an additional amount on account of any GST.

The Fund will bear its proportionate share of costs and expenses incurred in relation to the investments of the Master Fund. The Fund will also pay costs properly incurred in the establishment, management and administration of the Fund and the Master Fund, including legal, accounting and other third-party costs and taxes – the Manager estimates these costs to be approximately 0.20% p.a. over the life of the Master Fund (excluding investment related costs and taxes), however these may be more or less contingent on a variety of factors.

### EXAMPLE OF FEES AND COSTS

The following provides an example of how fees and costs are charged to Australian Fund investors over a one-year period.

The following assumptions are applied:

- \$100,000 investment by an investor;
- 80% of the Master Fund consists of facilities without progressive drawdown;
- 10% of the Master Fund consists of facilities with progressive drawdowns; and
- 10% of the Master Fund is held in cash.

Fee Type	Amount (%)	Amount (\$)
Total Investment	100%	\$100,000
Management Fee	1.15% p.a. of the Net Asset Value of the Master Fund	\$1,150
Committed Line Fee	0.15% p.a. of total committed facility limit for a transaction (only payable on facilities involving progressive drawdowns in the Fund i.e. in this example 10% of the Master Fund consists of facilities with progressive drawdowns)	\$15
Administration Cost Recovery	estimated to be 0.20% p.a. of the Net Asset Value of the Master Fund	\$200
<b>Total fees and costs</b>		<b>\$1,365</b>



# Investment Terms

**The Fund provides investors with exposure to the Master Fund, a specialist, private investment trust designed to provide investors with access to senior property debt investments.**

The key characteristics and investment terms to which investors will be exposed through an investment in the Fund are set out below and are subject to the Trust Deed, the Master Trust Deed and any other documents relating to the Fund and the Master Fund, including this Information Memorandum, the Management Agreement and Application Form. To the extent of any inconsistency between these investment terms and the Trust Deed and Master Trust Deed, the Trust Deed and Master Trust Deed will prevail.

<b>ABOUT THE FUND</b>	<p>The Fund is an open-ended Australian domiciled unregistered unit trust, primarily designed to give platform investors exposure to the investment strategy of the Master Fund through an investment in the Fund.</p> <p>The Master Fund, in which the Fund will be investing, is an open-ended Australian domiciled unregistered unit trust.</p> <p>The Fund may qualify as a managed investment trust (<b>MIT</b>) for Australian taxation purposes if certain conditions are satisfied and may elect to be treated as an attribution managed investment trust (<b>AMIT</b>). The Master Fund presently qualifies as an AMIT. Note that whether the Fund qualifies as a MIT (or AMIT) should not materially alter the tax treatment for investors in the Fund (see the tax section at page 40).</p>
<b>TRUSTEE</b>	<p>Wingate Financial Services Pty Ltd ABN 69 106 480 602, AFSL No. 276899. The Trustee is also trustee of the Master Fund.</p>
<b>AUDITOR</b>	<p>EY Australia</p>
<b>REGISTRY</b>	<p>Wingate will manage the unit registry on behalf of investors. Wingate has significant experience in managing unit registries including for a fund with over \$1bn in FUM and over 1,000 investors. The unit registry may be outsourced at the discretion of Wingate.</p>
<b>MANAGER</b>	<p>Wingate Property Funds Management Pty Ltd ACN 612 109 556, a corporate authorised representative of Wingate Financial Services Pty Ltd ABN 69 106 480 602, AFSL No. 276899.</p> <p>The Trustee has appointed the Manager under an investment management agreement (<b>Management Agreement</b>) to manage, operate, market, and administer the Fund. The Trustee and Manager are both wholly owned subsidiaries of Wingate Group Holdings Pty. Ltd. ACN 128 511 035.</p> <p>The Manager is also the investment manager of the Master Fund.</p>
<b>TRUSTEE DIRECTORS</b>	<p>The Trustee has overall responsibility under the Trust Deed for operating and administering the Fund. The current directors of the Trustee are:</p> <ul style="list-style-type: none"><li>• Adam Carew</li><li>• Franco Dogliotti</li><li>• Antony Cohen</li><li>• Geoff Tomlinson</li></ul>
<b>INVESTMENT MANDATE</b>	<p>The Fund will give investors exposure to the investment strategy of the Master Fund by investing in the Master Fund. It is not envisaged that the Fund will hold direct interests in debt transactions. The Master Fund will invest, directly or indirectly, in first registered mortgage debt securities secured against Australian real estate which may include:</p> <ul style="list-style-type: none"><li>• Land Finance</li><li>• Land Subdivision</li><li>• Residential Construction</li><li>• Commercial Construction</li><li>• Residual Stock</li><li>• Office Assets</li><li>• Retail Assets</li><li>• Hotel/Leisure Assets</li><li>• Industrial Assets</li></ul> <p>In addition to the above, investors may also be exposed to cash and other money market investments.</p> <p>The Master Fund may also invest in entities (such as funds including those managed by the Manager) that invest in the above investments.</p> <p>The Master Fund endeavours to spread its portfolio across multiple loan types to achieve portfolio diversification. As a function of market opportunities and movements in asset type risk dynamics, the portfolio will be skewed to particular property types from time to time. The Investment Limits and LVR limits may change subject to review provided conservative positions for the Master Fund are maintained. Target debt investments will typically have an average duration of 12-24 months.</p>



The Manager may retain a certain amount of cash at the Fund level to meet Fund expenses, fees and redemptions – see the Manager’s Cash Allocation Policy in respect of the Fund below for further information.

<b>INVESTMENT LIMITS</b>	<p>The Investment Limits will be based on Investment Guidelines and are subject to change from time to time at the discretion of the Trustee. Some of the key concentration limits in the initial guidelines will include the following:</p> <ol style="list-style-type: none"><li><b>Outside of the Stabilisation period, once Master Fund size reaches \$100m</b> – a minimum of 6 individual transactions or counterparties with a maximum investment size for a single investment of \$25m</li><li><b>Master Fund size from \$100m-\$500m</b> – no single transaction or counterparty to be larger than the greater of \$25m or 10% of the Master Fund</li><li><b>Master Fund size over \$500m</b> – no individual investment or counterparty to be larger than the greater of \$50m or 7.5% of the Master Fund</li></ol> <p>The concentration limits will be monitored and reviewed by the Trustee as the Master Fund scales. Further concentration limits relating to sector, borrowers and geography will be monitored in accordance with the Investment Guidelines.</p>						
<b>TARGET LVR</b>	<p>Residential range: expected 60% - 75%, with a target portfolio average of ~65%</p> <p>Non-residential range: expected 55% - 70% with a target portfolio average of ~62.5%</p>						
<b>CO-INVESTMENT</b>	<p>The Master Fund will generally invest alongside the Wingate balance sheet, other Wingate managed funds (where the investment is within the Master Fund’s mandate) and other co-investors.</p> <p>The allocation between the Master Fund and other co-investors will be determined by reference to Wingate’s Investment Allocation Policy in conjunction with the Wingate Funding Committee for Wingate Property transactions. The Wingate Funding Committee includes representatives of Wingate’s sources of capital and meets when required to determine the optimum allocation between different investors. The Wingate Funding Committee is guided by the allocation policies of the various Wingate managed funds.</p>						
<b>ALIGNMENT</b>	<p>Wingate will commit capital to and co-invest in the Master Fund with other investors.</p> <p>The voting rights of Wingate, the Manager or its associates will be restricted as set out in the Master Trust Deed.</p>						
<b>INVESTORS SHARE OF ORIGATION FEES</b>	<p>Wingate, the Trustee, or other members of Wingate are entitled to fees or payments paid by borrowers in connection with the origination of the investments in which the Master Fund invests. Wingate will pay 25% of the net origination fees it receives from loans relating to the Master Fund (calculated net of any applicable tax and after paying brokerage and other fees of a similar nature). Wingate will retain any excess. Wingate may not receive an origination fee in respect of every loan and this payment will only apply to new loans originated by Wingate.</p>						
<b>TARGET FUND RETURNS &amp; DISTRIBUTIONS</b>	<p><b>Target return:</b> 6% - 8% p.a. net pre-tax investor return (after all fees and costs). This remains a target and the Master Fund may not be successful in meeting its objectives.<sup>8</sup></p> <p>The Trustee may adjust the Target Return from time to time to reflect changing market conditions.</p> <p><b>Distributions:</b> Distributions are made monthly from the Master Fund and will be net of fees and costs. Where there is sufficient certainty of realisation and sufficient distributable cash reserves, the Master Fund may also distribute unrealised returns. Distributions are net of applicable fees, fund-level taxes and costs. Distributions may be reinvested or paid in cash depending on the election made by an investor.</p>						
<b>TARGET ASSET ALLOCATION</b>	<p>The following table provides the Master Fund’s asset allocation targets and ranges:</p> <table border="1"><thead><tr><th>Asset</th><th>Target Allocation</th><th>Target Range</th></tr></thead><tbody><tr><td>Property Loans</td><td>95%</td><td>85% - 100%</td></tr></tbody></table> <p>The asset allocation targets are only used as guides and may vary from time to time.</p>	Asset	Target Allocation	Target Range	Property Loans	95%	85% - 100%
Asset	Target Allocation	Target Range					
Property Loans	95%	85% - 100%					
<b>FUND SIZE</b>	<p>The Fund and the Master Fund have no maximum size and intend to continue to raise subsequent tranches of capital.</p>						
<b>ELIGIBLE INVESTORS</b>	<p>All investors must be Wholesale Clients as defined in the Corporations Act. The Fund is primarily designed to give platform investors exposure to the investment strategy of the Master Fund but is open to existing Wingate investors and their related and/or associated entities, as well as other co-investors who are invited to invest (at the Manager’s discretion).</p>						

<sup>8</sup> The returns for the Fund may be less than those of the Master Fund and will generally be equal to the weighted average of the returns on the Master Fund and the returns received on any cash holdings in the Fund less Fund expenses.



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<b>MINIMUM INVESTMENT</b>	The minimum capital commitment an investor may make to the Fund is \$100,000. The Trustee may accept lower amounts at its discretion.
<b>APPLICATION FOR UNITS</b>	<p>Applications will be processed on a monthly basis. Investors' applications must be received by no later than 3 business days before the 1st day of each calendar month, and if an application meets the Fund's acceptance criteria it will either be accepted or rejected (in part or in full) at the Trustee's discretion.</p> <p>Application amounts are payable on submission of an application. Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest or deduction.</p>
<b>SOFT CLOSE</b>	<p>In order to manage the effect of excess cash on returns of the Fund, the Trustee may temporarily pause new applications at its discretion (<b>Soft Close</b>). Given Wingate's strong anticipated deal pipeline and experience in managing funds of this nature, a Soft Close is not expected to occur frequently.</p> <p>A Soft Close may occur where the Fund is forecast to hold more than 20% of NAV in cash for a period of longer than two months. Where such event occurs, the Manager will review the current and future commitments of the Fund and the Master Fund and determine whether to Soft Close the Fund for such period as it considers to be in the best interests of investors.</p> <p>If the Manager deems it appropriate to Soft Close the Fund, the Manager will endeavour to notify platforms and /or investors 7 days prior to the next anticipated application period (1st day of each calendar month).</p>
<b>UNIT PRICING</b>	Units issued on or within 20 business days of the Fund's first closing date will be issued at \$1.00. Units issued thereafter will be at NAV as at the date of issue plus any Transaction Costs.
<b>STABILISATION PERIOD</b>	Investors cannot redeem a Unit until 1 Jan 2023. The Trustee may accept a redemption request at its discretion during this period on a case-by-case basis.
<b>REDEMPTION</b>	<p>Following the Stabilisation Period, investors may apply to withdraw/redeem from the Fund on a monthly basis with at least 1 calendar month prior notice to the end of each month, or at such other times determined by the Trustee.</p> <p>Redemption requests will be paid out where the Fund and the Master Fund have sufficient available liquidity, the Trustee believes it is in the interests of investors as a whole and in a manner consistent with the Fund's Cash Allocation Policy.</p> <p>Accepted redemption requests will first be satisfied from available cash in the Fund and any excess from available cash of the Master Fund pro rata and pari passu to redemption requests of the Master Fund up to the Redemption Cap.</p> <p>The Trustee may accept Redemption Requests in excess of the Redemption Cap at its discretion. The Trustee has 60 days from the end of the month following an accepted redemption request to satisfy such request.</p> <p>Where the Fund or the Master Fund is illiquid or redemption requests are otherwise in excess of the Redemption Cap (when the Trustee has not agreed to pay redemptions above the Redemption Cap), such requests will automatically be cancelled. In respect of cancelled Redemption Requests, investors will be notified and will need to reapply to redeem their Units in a subsequent month.</p> <p>The Trustee may accept or reject a redemption request (in whole or in part) in its absolute discretion.</p> <p>Units will be redeemed at the Net Asset Value of the Fund less any Transaction Costs.</p>
<b>CASH ALLOCATION POLICY</b>	<p>Available cash of the Fund will be allocated by the Manager in the following order of priority:</p> <ul style="list-style-type: none"><li>• to meet present and future commitments in connection with the Fund's underlying investments (including the Master Fund)</li><li>• to fund outgoings (including administration expenses)</li><li>• where there is available cash in the Fund, to fund accepted redemption requests</li><li>• where there is no available cash in the Fund, accepted redemption requests will be funded from available cash of the Master Fund pro rata and pari passu to redemption requests of the Master Fund up to the Redemption Cap</li></ul>
<b>TRANSACTION COSTS</b>	Transaction Costs are estimates by the Trustee and Manager of the total amounts that the Master Fund would incur or otherwise bear if the Master Fund was required to acquire afresh or to sell (as applicable) the trust property. These amounts could include stamp duty, legal expenses, lost interest, or reduction in asset values from carrying values. Transaction Costs may be charged to ensure fair treatment of investors and may be applied even when assets do not need to be acquired or sold.
<b>BORROWING</b>	The Trustee is permitted under the Trust Deed to borrow money and encumber any Master Fund property in its absolute discretion for the purposes of cashflow management.

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	<p>When utilised, the funds accessed under a facility are not expected to exceed 30% of Master Fund portfolio value. The Master Fund does not intend to obtain borrowings in its initial stages post launch until it reaches a meaningful scale.</p>
<b>TAXATION</b>	<p>The taxation of an investment in a unit trust, such as the Fund, can be complex and may change over time. Taxation implications will vary depending on an investor's individual circumstances. Potential investors should seek their own taxation advice prior to investing.</p> <p>The information provided in this section is of a general nature only and does not purport to be comprehensive. A summary of the relevant taxation issues for the Fund and its investors is set out on page 40.</p>
<b>TRUSTEE'S RIGHT TO COMPULSORILY REDEEM</b>	<p>The Trustee may compulsorily redeem some or all of an investor's Units in the Fund in the circumstances set out in the Trust Deed (which are typically for when Units are held in breach of prohibitions contained in the Trust Deed, applicable law or may subject the Trustee or Manager to taxation).</p>
<b>CREDIT COMMITTEE</b>	<p>Will comprise of Eric Williamson, Antony Cohen, Jeff Cohenca and Tony Woods as more accurately described on page 25. The Credit Committee members may be replaced from time to time with a person of a similar calibre.</p>
<b>INVESTMENT COMMITTEE</b>	<p>Will comprise Farrel Melter, Eric Williamson, Richard Blumberg, Larry Rudman, Geoffrey Tomlinson and Antony Cohen as more accurately described on page 26. The Investment Committee members may be replaced from time to time with a person of a similar calibre.</p>
<b>INVESTOR UPDATES</b>	<p>The Manager will provide monthly and annual updates or reports to investors in respect of the Fund and the Master Fund.</p>
<b>UNIT TRANSFERS</b>	<p>Investors will be able to transfer their Units to a third party in accordance with the Trust Deed.</p> <p>Sales and transfers of Units will be subject to prior written consent of the Trustee (other than for a transfer to an associate, replacement custodian or trustee of the investor), which may be withheld in the Trustee's absolute discretion. A transfer of Units will require the transferee to accede to the constituent documents, including by accepting liability to pay undrawn capital commitments to the Fund of the relevant transferor (where relevant).</p>
<b>TRUST DEED</b>	<p>Investments in the Fund will be governed by the terms of the trust deed establishing the Fund (<b>Trust Deed</b>). By making an investment in the Fund, investors accept and agree to be bound by the terms of the Trust Deed which will be made available on request.</p>
<b>ESTABLISHMENT COSTS</b>	<p>The Trustee and Manager are entitled to be reimbursed for all costs properly incurred in the establishment of the Fund.</p>
<b>TRUSTEE AND MANAGER INDEMNITIES</b>	<p>The Trustee is indemnified under the Trust Deed and entitled to be reimbursed from trust property, to the extent permitted by law, for costs incurred in properly performing its duties and exercising its powers, in the course of its office or in relation to the administration or management of the Fund.</p> <p>The Manager is indemnified out of the assets of the Fund against losses or liabilities reasonably incurred in acting under the management agreement except where the relevant loss or liability is caused by the gross negligence, fraud, wilful default or material breach of the Trust Deed by the Manager or its officers or agents.</p>
<b>TRUSTEE RETIREMENT</b>	<p>Investors do not have a right to remove the Trustee under the Trust Deed. The Trustee may retire on the condition that it provides at least 20 business days' notice to investors (or such shorter time as approved by special resolution of the investors) and appoints a replacement trustee that agrees to accept the appointment and be bound by the terms of the Trust Deed.</p>
<b>THE MASTER FUND'S ACCESS TO INVESTMENTS</b>	<p>Subject to any allocation policies, applicable tax, legal or counterparty requirements, the Master Fund is granted non-exclusive access to participate in Wingate transactions that fall within the Master Fund's investment mandate. The Trustee, in its absolute discretion, determines whether the Master Fund takes up an investment opportunity to which it is granted access. These investments are overseen by the Credit Committee and the Investment Committee. The Master Fund has priority access to eligible Wingate Property opportunities, subject to the Master Fund's Investment Guidelines, allocation policies, its size, diversity, and available liquidity.</p>
<b>ENVIRONMENT SOCIAL GOVERNANCE</b>	<p>Wingate is in the process of developing a responsible investment assessment framework as a part of a larger initiative to formalise its corporate ESG Framework. Once Wingate's responsible investment assessment framework is implemented, the Manager will follow Wingate's policies and guidelines regarding environmental, social, and governance considerations. Wingate and the Manager believe that formalising a process that embeds ESG considerations augments holistic risk mitigation, contributes to an overall benefit to the broader community, and will ultimately deliver better results to its investors.</p>
<b>RISKS</b>	<p>An investment in the Fund and the Master Fund is subject to risk. A non-exhaustive description of certain risks relating to an investment in the Fund is set starting on page 34.</p>

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# Fund Structure

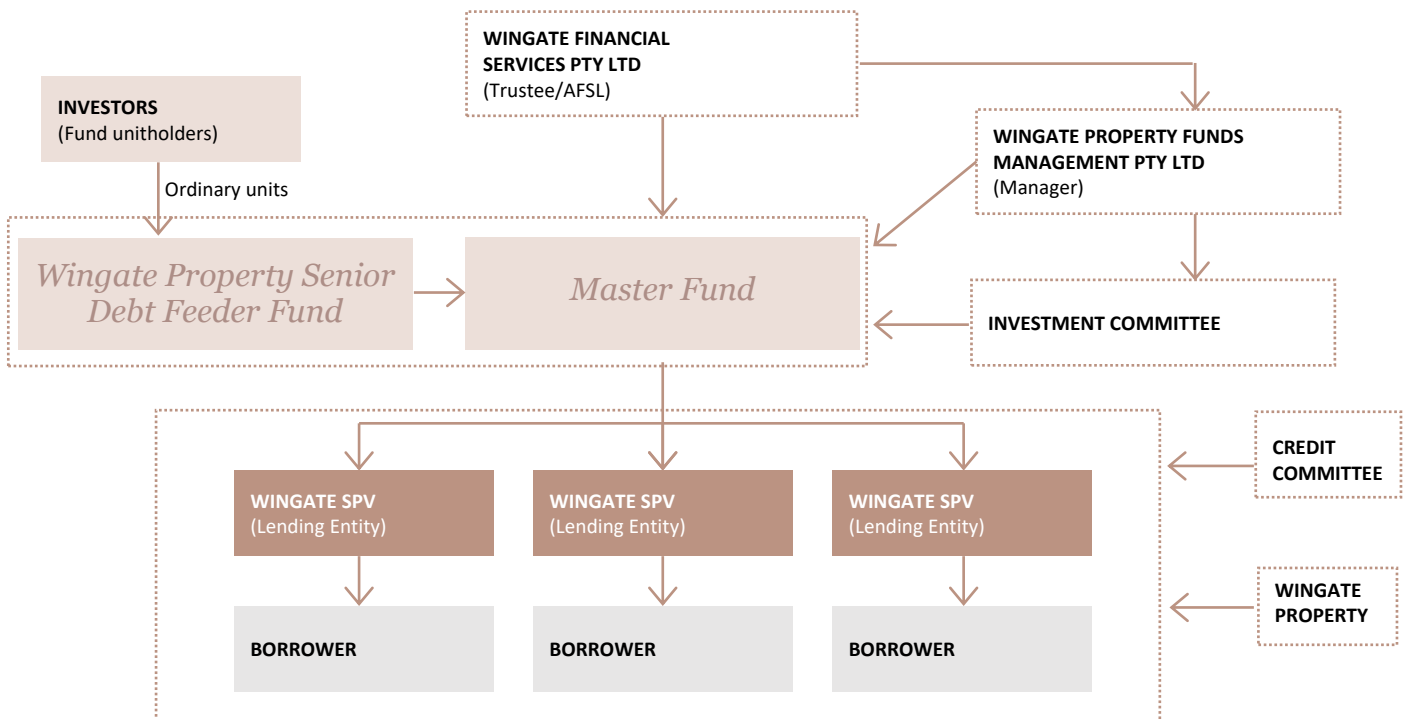
The Fund will be structured as an open-ended Australian domiciled unregistered unit trust. The Fund is to be known as the 'Wingate Property Senior Debt Feeder Fund'. The Fund is primarily designed to give platform investors exposure to the investment strategy of the Master Fund, known as the 'Wingate Property Senior Debt Fund' through an investment in the Fund. The Fund will primarily invest in the Master Fund.

The Fund may qualify as a managed investment trust (MIT) for Australian taxation purposes if certain conditions are satisfied and may elect to be treated as an attribution managed investment trust (AMIT). The Master Fund presently qualifies as an AMIT. Note that whether the Fund qualifies as a MIT (or AMIT) should not materially alter the tax treatment for investors in the Fund.

The trustee of the Fund and the Master Fund is Wingate Financial Services Pty Ltd ABN 69 106 480 602; AFSL No. 276899. The Trustee has appointed Wingate Property Funds Management Pty Ltd ACN 612 109 556 (a corporate authorised representative of the Trustee) to provide

investment management services in respect of the Fund and the Master Fund under management agreements. The Trustee and Manager are both wholly owned subsidiaries of Wingate Group Holdings Pty. Ltd. ACN 128 511 035. All investment decisions of the Master Fund, to which Fund investors will be exposed, require approval of the Investment Committee and Credit Committee.

The Fund may gain exposure to investments via an investment in the Master Fund. Consistent with the Master Fund's Investment Mandate, it may invest directly into loans or indirectly via Wingate managed funds or special purpose investment vehicles.



# Risk Factors

The Master Fund will have a risk first approach to investment.



An investment in the Fund and the investment strategy of the Master Fund to which it will be exposed carries risk and there are many factors that may impact on the performance of an investment. Returns are not guaranteed and investors may receive a lower distribution than expected or lose capital if risks materialise.

Investors should consider whether the Units offered under this Information Memorandum are a suitable investment, having regard to their own individual investment objectives, financial circumstances and the risk factors set out in this section among any other relevant risks. Investors should seek advice on the matters contained in this Information Memorandum from a suitable professional advisor.

Risks can be specific to the investment strategy and Manager, the Fund, the Master Fund or the Fund's and the Master Fund's portfolio. There are also general market risks associated with investing in loans with exposure to the commercial real estate market. Many of these risks are outside the control of the Manager and their respective directors and officers. This means that the Units offered under this Information Memorandum have no guarantee in respect of distributions or return of capital.

This section highlights the more significant and material risks associated with the Fund. Investors should be aware that the list below may not cover all possibilities and should consider risks specific to their own situation. Should any or all of the risks in this section (or any other relevant risks) materialise, the financial performance of the Fund and the value of Units may be adversely affected. The risks set out below also apply to an investment in the Master Fund.

Some of the more significant risks associated with investing in the Fund, more properly described below, include:

- general investment risks;
- risks relating to the Investment Strategy and Manager;
- risks relating to the Fund and the Master Fund; and
- risks relating to the Fund's and the Master Fund's portfolio.

You should read this Information Memorandum in full before deciding whether to invest and consider consulting your financial and legal adviser, broker or other professional advisers should you require advice or clarification.

## 1 GENERAL INVESTMENT RISKS

### 1.1 ECONOMIC RISKS

The Master Fund's Investment Strategy, to which investors will be exposed, is underpinned by local real estate market conditions. These conditions can change because of factors outside of the control of the Manager. No guarantees can be given that market conditions will continue to be favourable for investing in secured real estate loans.

While not investing directly in real estate assets, the Fund, via the Master Fund, will be subject to general risks incidental to ownership of real estate assets, including but not limited to changes in demand and supply for a particular asset(s), the market for that particular asset(s) and competing assets, changes in interest rates, finance, changes in laws and regulations, environmental risk, credit risk, and insurance risk. More broadly, sector risks including commodity prices, the economic cycle of industry, shifts in consumer demands, lifestyle changes, technological advancements, and the state of the Australian and international economics may also be relevant. Adverse changes in any of these factors may have a negative impact on the value of the underlying security that supports the investment and/or the ability of borrowers to fulfil their

payment obligations. Many of these risks are relevant to any investment in any asset class.

### 1.2 TAXATION RISK

Changes to tax and duty laws, and the regulatory interpretation or enforcement of them, may adversely impact the Fund, the Master Fund and investor returns. Investors are responsible for their own tax liabilities. There may be tax implications arising from the application for Units, the distributions from the Fund and the disposal of Units. Investors should consult their own taxation advisor to ascertain the tax implications of any investment.

### 1.3 LITIGATION RISK

From time to time, the Manager or its associated entities may be involved in litigation. If a claim is pursued against the Manager or its associated entities, the litigation may adversely impact on the financial performance of the Fund or the Master Fund. Any claim, whether successful or not, may adversely impact on the Fund's Unit price and/or investment returns.



#### 1.4 CYBER RISK

The Manager's information and technology systems, or those of its suppliers or other counterparties, may be vulnerable to damage or interruption from infiltration by unauthorised persons and security breaches, technological failures, power outages and disaster. If these systems are compromised, the Manager and/or the Fund may have to make a significant investment to fix or replace them, and there could be significant interruptions to the Fund's operations. It is possible that this may result in a failure to maintain the security and confidentiality of sensitive data, including personal information relating to investors.

## 2 RISKS RELATING TO THE INVESTMENT STRATEGY AND MANAGER

### 2.1 FAILURE TO ACHIEVE INVESTMENT OBJECTIVES

The performance of the Fund relies principally on the performance of the Master Fund and the ability of the Manager to source and assist in the making and profitable realisation of investments of the Master Fund within a specific period, while managing and maintaining a portfolio of investments that achieves the Target Return. There is no assurance that suitable investments will be or can be acquired in a timely manner or that the investments will be profitable, nor is it guaranteed that the Fund or the Master Fund will be managed successfully and meet its objectives. Past performance is not necessarily a guide to future performance. There is no assurance that any investor will receive any distribution from the Fund.

### 2.2 KEY PERSON RISK

There is a risk of key staff departing from the Manager or related parties. The Fund and the Master Fund will depend upon the experience of the Manager and its senior management personnel. Members of the Wingate Property Credit Committee, the Master Fund Investment Committee or other key decision makers may change. As a result, the Fund and the Master Fund to which it is exposed may have a reduced capacity to develop and implement desirable investment strategies, identify investment opportunities, and execute investments. The Manager proposes to replace any departures with personnel with equivalent skills and experience.

## 3 RISKS RELATING TO THE FUND

### 3.1 NO OPERATING HISTORY

Notwithstanding the Manager has operated and continues to operate several similar funds, this Fund is a newly formed entity with no performance or operating history. This means

investors will be unable to assess the Fund's ability to achieve its investment strategy from past performance.

### 3.2 FAILURE TO PAY DISTRIBUTIONS

The Fund will only be able to pay distributions to investors if there is sufficient income from the Fund's investment in the Master Fund. There is no guarantee that the future earnings of the Fund will be adequate to allow it to make distributions to investors.

### 3.3 DEPLOYMENT RISK

The Investment Strategy of the Master Fund can only be fulfilled if there are sufficient investments available to deliver the Investment Objective. There is no guarantee that the Manager will find sufficient appropriate investments for the Fund or Master Fund at suitable returns in accordance with the investment strategy, hence affecting the Fund. Any inability to make investments is likely to have an adverse impact on the Master Fund and consequentially the Fund.

### 3.4 ALLOCATION RISK

The Master Fund's investment strategy to which the Fund will be exposed relies on the Manager's flexible mandate to allocate funds to underlying debt facility investment opportunities. Any delay in the Manager's allocation of funds to investments will delay the Fund's and the Master Fund's ability to achieve the Target Return (which is not guaranteed).

Contributions and withdrawals of other investors (in both the Fund and the Master Fund) may also adversely affect the Fund's and the Master Fund's performance. Units in the Fund may be compulsorily redeemed by the Trustee where, in the Trustee's opinion, doing so is in the best interests of investors. This may extend to the Trustee delaying or staggering the exercise of redemption of Units.

The Manager has a policy in place for the purpose of allocation of assets and available cash, including the procedures to appropriately manage any conflicts of interest that may arise where there are competing investment opportunities.

### 3.5 POTENTIAL CONFLICTS OF INTEREST

The Trustee, the Manager and their associates may encounter conflicts of interest in connection with the activities of the Fund and the Master Fund. For example, there may be conflicts of interest with Wingate on its personal account, other direct co-investors, and Wingate's other managed funds (together, **Other Wingate Investors**). This may occur in relation to, among other things, the allocation of investment opportunities between the Master Fund and Other Wingate Investors and the ongoing



management of investments in which both the Master Fund and Other Wingate Investors invest. It is possible that the Manager may, in the course of its business, not manage the conflicts identified above effectively and as such, may be detrimental to the Fund, the Master Fund and their investors.

### 3.6 REGULATORY APPROVALS

The Manager has obtained all regulatory approvals for the continued operation of the Fund and the Master Fund, including licenses or exemptions from licensing. If any of the regulatory approvals are amended, cancelled or suspended, then the Fund and the Master Fund may be adversely affected. The Manager is not aware of any circumstances which might give rise to the cancellation or suspension of any of those regulatory approvals.

### 3.7 LEVERAGE RISK

The Fund, the Master Fund or a class of the Fund or the Master Fund may be exposed to leverage for the purposes of cashflow management. Investment losses may be magnified by the use of leverage, resulting in greater losses to investors of the Fund or the relevant class. The Fund, the Master Fund or a class may also be exposed to borrowing costs which may reduce returns.

Where leverage is used in respect of a class of Units or units in the Master Fund, there is a risk that recourse may be unable to be appropriately limited to the assets of that class – in such circumstances, there is a risk that a financier may have recourse to the assets of another class.

## 4 RISKS RELATING TO THE PORTFOLIO

### 4.1 INVESTMENT UNDERPERFORMANCE

Investments made by the Fund and the Master Fund may underperform for a variety of reasons outside of the control of the Manager and/or the Fund and the Master Fund, for example, if a counterparty fails to pay principal or interest or breaches an agreement with the Master Fund. In such a scenario, the Manager and/or the Master Fund may be required to negotiate or restructure a transaction, which may entail, among other things, unrecoverable costs, a reduction in the interest paid, a write-down of the principal of such loan and/or a change in the terms with respect to such defaulted loan, any of which may be minor or substantial. In any such scenario, there is a risk that replacement “take-out” financing will not be available at the end of the relevant loan, where such an exit is part of the mortgagor’s strategy.

It is possible that the Master Fund may find it necessary or desirable to pursue (either itself or through the appropriate counterparty) enforcement of an underlying

security if a counterparty defaults. Any enforcement process can be lengthy and expensive, and it is not unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal relating to the relevant investment.

The level of defaults in the Master Fund’s portfolio and associated losses may increase in adverse financial or credit market conditions. The ability for the Master Fund to sell down defaulted investments may also be limited, and to the extent that defaulted investments are sold, it is possible that the sale proceeds may not be sufficient to recover the amount of unpaid principal and interest.

### 4.2 DEFAULT RISK

There are a variety of factors which could adversely affect the ability of counterparties to fulfil their payment obligations or otherwise cause the counterparty to default on one or more of their obligations. These include but are not limited to changes in financial and other market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances.

In these circumstances, the Master Fund’s and conversely the Fund’s income may reduce, adversely impacting the ability of the Fund to pay out distributions. Additionally, there may be charges required to exercise any contractual rights of enforcement that it has against the counterparty to recover its investment. There is no guarantee that the Master Fund will be able to recover its investment.

### 4.3 DUE DILIGENCE RISK

The due diligence undertaken by the Manager in connection with the relevant investments to identify and mitigate risks where possible may not reveal all facts that may be relevant to an investment. The Manager will be required to rely on the resources available to it, including information provided by others, which may be limited or incomplete.

The Manager cannot guarantee that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be relevant to the investment opportunity. There is a risk that this could result in inappropriate investment decisions.

### 4.4 SECURITY RISK

If a counterparty defaults, the value of the Master Fund’s investments with respect to any debt financing arrangement may exceed the value of recovery possible under the collateral or security arrangements that support that investment, resulting in the inability to fully recover an investment.



#### 4.5 CONSTRUCTION LOANS

The Master Fund may invest in secured real estate construction loans. Construction lending is generally considered to involve a higher degree of risk than other types of real estate lending due to a variety of factors. These include:

- difficulties in estimating construction costs and anticipating construction delays due to weather conditions, industrial relations disputes, changes in government regulations, and government mandated site shutdowns;
- the potential for cost overruns due to unforeseen circumstances and developer and builder variations;
- risks associated with developer solvency to fund cost overruns of the project;
- risks associated with cost increases and deliverability issues associated with supply chain disruptions;
- risks associated with builder solvency for the deliverability of the project;
- obtaining and completing sales within a development project (the proceeds of which are used to repay the loan);
- a change in market conditions could result in the project's completed value being less than previously anticipated; and
- a wide range of other risks including planning risk (in relation to development and other approvals) and site conditions (including geotechnical, land contamination and environmental conditions).

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

#### 4.6 INTEREST RATE RISK

The Manager's ability to achieve the investment objectives may be impacted by movements in interest rates. For example, if a loan has a fixed interest rate, in an environment where interest rates increase, the Master Fund's return on that facility may be lower than returns that may be available to investors from other variable rate-based investments.

Conversely, if a loan has a variable interest rate, in an environment where interest rates decrease, the Master Fund's return on that facility may be lower than returns that

may be available to investors from other fixed rate-based investments.

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

#### 4.7 PREPAYMENT RISK

The investments of the Master Fund, to which the Fund will be exposed, will have exposure to loans which are expected to generally have maturities ranging from 12 months to 24 months. It is possible that some of these loans may be repaid early, meaning that the actual maturity of the loan is shorter than its forecasted maturity, impacting the repayment schedule. This may be due to a number of factors including earlier construction completion than anticipated, stronger sales, competitive lender pricing, or the Master Fund seeing repayment of the loan due to a counterparty's breach or default. Such prepayment may result in a reduction of income until such time as the capital is reinvested.

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

#### 4.8 ILLIQUID SECURITY RISKS

By their nature investments in real estate are relatively illiquid. Investor appetite for real estate may be dampened by any dislocation of the global financial market factors and limited availability of financing. Any resulting lack of liquidity in real estate markets may inhibit the Fund's ability to dispose of security property in a timely manner if a counterparty defaults, and any such disposal may be at a lower price than prevailing indicative market prices or the assumed valuation which the Manager relied upon in assessing the merits of the loan.

#### 4.9 VALUATION RISK

Real estate valuations are subject to uncertainty due to the inherent subjectivity of the assessment of each asset. In determining market value, valuers are required to make certain assumptions, which may prove to be inaccurate. Valuations may not represent true market value, because they tend to be derived on past comparable transactions. This is particularly so in periods of volatility or when there is limited real estate data against which real estate valuations can be benchmarked.

Any deviations in the market value of an underlying security property may adversely impact the Master Fund's ability to recover the value of its investment.





#### 4.10 FORCE MAJEURE/INSURANCE RISK

Real estate is exposed to risks relating to catastrophe events such as fires, floods, hurricanes, earthquakes, wars, strikes and acts of terrorism, as well as events of force majeure in contracts with counterparties related to the Master Fund's investments. Despite having requisite insurances in place, losses from such events may be uninsurable and, if such events occur, they may have adverse effects on the Fund or its investments.

#### 4.11 REGULATORY RISK

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

#### 4.12 FRAUD

The Master Fund is exposed to the risk that the counterparties, including borrowers, to its investment exposure, may seek to commit fraud against the Master Fund or the lender.

The Master Fund and the Fund relies on the Manager and its internal policies and procedures to identify fraud. Failure of these internal controls could result in damage to the Fund, the Master Fund and Wingate's reputation, which can ultimately impact their ability to attract new clients and investment opportunities.

#### 4.13 DOCUMENTATION RISK

A deficiency in documentation could, in certain circumstances, adversely affect the return on a loan within the Master Fund's portfolio to which the Fund is exposed. This may make it difficult for the Master Fund to enforce a loan, its real property mortgage and other security or penalties (if any) in respect of the loan.

#### 4.14 PANDEMIC RISK

Pandemics such as COVID-19 and any associated government response may cause widespread economic and social disruptions. The earnings of the Fund, the Master Fund and the value of their assets may be negatively impacted by these types of disruptions due to associated disruptions to the property market generally. The Manager's ability to administer the Fund and the Master Fund may also be disrupted, leading to delays or lost opportunities.

Many of the other risks described in this section may be triggered or exacerbated by any civic shutdown imposed to limit the spread of a pandemic.

#### 4.15 CONCENTRATION RISKS

Concentration risk is the risk that the investment portfolio of the Master Fund may demonstrate a suboptimal diversification of assets. The Master Fund will be invested in a range of debt facilities secured by first-ranking mortgages and other forms of security in relation to property assets across Australia. There is a risk that from time to time the Master Fund's assets may not be sufficiently diversified by sector, geography, risk profile or number of borrowers, or certain debt facilities may expose the Fund and the Master Fund to events which have an adverse effect on the value of those assets, the Fund or the Master Fund more generally. Additionally, from the commencement of the Master Fund it may take some time before a sufficient number of debt facilities are entered into to provide genuine diversification of investments.

#### 4.16 LIQUIDITY

There are restrictions on withdrawals from the Fund and the Master Fund. See the Investment Terms section on page 29 (Redemptions) for more information. The Fund is an illiquid investment. Investors may only withdraw in accordance with the terms of issue of the Units. There may be a delay from the time the Trustee accepts a withdrawal request and when the investor's units are redeemed. This may impact the price of the redeemed Units.

There is currently no secondary market for Units in the Fund and it is unlikely that any active secondary market will develop. There are substantial restrictions on the transferability of Fund interests under the Trust Deed and applicable securities laws.

Available cash of the Fund will be utilised to fund redemptions in accordance with the Manager's Cash Allocation Policy.

## Important Notice



This Information Memorandum has been prepared and issued by the Trustee to provide the recipient with information relating to an application for Units in the Fund. The Fund will give investors exposure to the investment strategy of the Master Fund by primarily investing in the Master Fund.

This Information Memorandum is provided for information purposes only and is incomplete without reference to, and should be viewed in conjunction with, the Trust Deed and the application form attached to or accompanying this Information Memorandum (**Application Form**, together the **Constituent Documents**). To the extent there is any inconsistency between the Information Memorandum and the Constituent Documents (including the Master Trust Deed), the latter prevails.

The recipient should not treat the contents of this document as advice relating to legal, taxation or investment matters. No financial product advice is provided in this Information Memorandum and nothing in this Information Memorandum or in any other written and oral information provided by the Trustee, the Manager or their respective associates, directors, officers, employees, partners and consultants (**Related Parties**) should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making an investment decision. Any advice given by the Trustee or the Manager in connection with the Fund is general advice only.

This Information Memorandum has been prepared without taking account of any person's objectives, financial situation or particular needs. Before making an investment decision, the recipient must make its own independent assessment and investigation of the appropriateness of investing in the Fund having regard to its own objectives, financial situation and needs and seek investment, legal, accounting and taxation advice appropriate to their jurisdiction and personal circumstances.

Neither the Trustee, the Manager nor any of their Related Parties, guarantee the performance of the Fund, the Master Fund or any investment proposed to be made by the Trustee. An investment in the Fund and the Master Fund are subject to known and unknown risks, some of which are beyond the control of Wingate. Investors in the Fund may lose some or all of their capital and must be prepared and able to bear such a loss.

The Trustee, the Manager and their Related Parties do not make any representation or warranty, express or implied, to the recipient as to the accuracy, reliability, currency or completeness of, or accept any responsibility for errors or omissions in, this Information Memorandum or any other written and oral information provided in connection with the Fund or the Master Fund.

To the maximum extent permitted by law, the Trustee, the Manager and their Related Parties exclude and disclaim all liability (including liability to any person by reason of negligence or negligent misstatement) for any expenses, losses, damages or costs incurred by the recipient as a result of its participation in the investment and for the inaccuracy or incompleteness of any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or for any omissions from this Information Memorandum, or such other

information provided to the recipient or its advisers in connection with this Information Memorandum, the Fund or the Master Fund.

This Information Memorandum includes certain statements, estimates, forecasts and projections that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'anticipate', 'estimate', 'intend', 'continue' or 'believe' or the negatives or other variations of such words or comparable terminology that reflect various assumptions that may or may not prove to be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Due to various risks and uncertainties, actual results or performance may differ materially from the forward-looking statements in this Information Memorandum. The recipient must make its own independent assessment and investigation of those assumptions. Any forecasts and projections in this Information Memorandum are illustrative only and should not be taken as a certain indication of possible future returns. In considering information in this Information Memorandum regarding past performance, the recipient should bear in mind that past performance is not indicative of future results, and there can be no assurance that the Fund or the Master Fund will achieve comparable results, that returns referred to in this Information Memorandum will be met, or that the Fund or the Master Fund will be able to make investments similar to the historical investments or potential pipeline investments referred to in this Information Memorandum.

The Manager may, at its absolute discretion, but without being under any obligation to do so, update, amend or supplement this Information Memorandum or any other information provided to the recipient.

This Information Memorandum is for distribution only to, and investment in the Fund will only be available for subscription by, wholesale clients as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**). The Fund will not be registered as a managed investment scheme under the Corporations Act. The provision of this Information Memorandum to any person does not constitute, and may not be used for the purposes of, an offer or issue of securities or interests of any kind. Any such offer or invitation will only be extended to a person who has satisfied the Manager that it is a "wholesale client" or "sophisticated investor" and would not contravene applicable law.

This Information Memorandum is not a disclosure document or product disclosure statement for the purposes of the Corporations Act (nor any similar disclosure document under any applicable law) and does not contain all information which would be required for such documents, or all the information that a prospective investor may desire or obtain in order to make an informed investment decision. This Information Memorandum has not been, and is not required to be, lodged with the Australian Securities and Investments Commission.

This Information Memorandum is not provided to any person located in a jurisdiction where its provision or dissemination would be unlawful. Any person who receives a copy of this





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

The information contained in this Information Memorandum is strictly confidential and is provided for the exclusive use of the recipient to whom this copy has been issued for the purposes of considering an investment in the Fund. It may not be copied or distributed (except to the recipient's professional advisors, who must be informed of its confidentiality), and the recipient and its professional advisors must keep confidential all matters contained in it which are not already in the public domain or subsequently become public other than through the fault of the recipient or its advisors. By receiving and retaining this Information Memorandum, potential investors agree to be bound by these confidentiality restrictions.

## PRIVACY

By subscribing for Units in the Fund applicants will be providing personal information. The Privacy Act 1988 (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The Trustee and Manager will collect information about each applicant as provided on an application for the purposes of evaluating and processing the application and, if successful, to administer the investor's holding in the Fund. If the Fund, Trustee or the Manager is obliged to do so by law, the Fund investors' personal information will be passed on to other organisations such as the ATO or the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), strictly in accordance with legal requirements.

By submitting an application, each applicant agrees that the Trustee and the Manager may use the information provided by the applicant on the application for the purposes set out in this section and may disclose it for those purposes to affiliates of the Fund, the Trustee, the Manager and related bodies corporate, agents, contractors and third-party service providers, including professional advisers, and any applicable regulatory authority.

An investor has a right to gain access to the information that the Trustee and the Manager hold about that investor subject to certain exemptions under law. Access requests must be made in writing to the Trustee.

## ANTI-MONEY LAUNDERING

*The Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML Act**) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Trustee (**AML Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by AUSTRAC.

The Trustee and the Manager as its agent may request such information from investors as is necessary to verify the identity of a potential or current investor and the source of the payment before applications can be processed. In the event of delay or failure by the investor to produce this information, an application may be refused and the application monies relating to such application may be returned. The Trustee, the Manager and their service providers will not be liable to a potential or current investor for any loss suffered as a result of the rejection or delay of any application.

The Trustee has certain reporting obligations under the AML Requirements and is prevented from informing investors that any such reporting has taken place. Where required by law, the Trustee may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Trustee is not liable for any loss an investor may suffer as a result of its compliance with the AML Requirements.

## TAXATION

This section provides a summary of the Australian income tax consequences for investors who are Australian tax residents or non-residents who hold their interests in the Fund on capital account for tax purposes.

This summary does not consider the tax consequences which may arise for holders who are in the business of trading in similar interests or otherwise hold their interests in the Fund as trading stock or revenue assets for tax purposes.

This summary is based on the Australian tax law and administrative practices in force as at the date of this Information Memorandum.

It is necessarily general in nature and is not intended to be definitive or exhaustive of the issues that may arise for holders of Units.

Accordingly, each holder is strongly advised to seek their own tax advice that is specific to their particular circumstances.

### General tax treatment

It is intended that income derived by the Fund will be distributed to investors by way of monthly distributions (subject to receiving distributable income from the Master Fund). Under current Australian legislation, this means that the Fund should not be liable for any income tax and hence the tax liability rests with each investor.

### Managed Investment Trust (MIT) and Attribution Managed Investment Trust (AMIT) regimes

The Fund is a wholesale Australian unit trust, and subject to satisfying applicable requirements during the relevant period, may be treated as a Managed Investment Trust (**MIT**) for tax purposes. If the Fund qualifies as a MIT it may elect to be treated as an Attribution Managed Investment Trust (**AMIT**).

The Master Fund, in which the Fund will invest, presently qualifies as an AMIT.

The remainder of these tax comments assume that the Master Fund will continue to qualify as an AMIT. Note that whether the



Fund also qualifies as a MIT (or AMIT) should not materially alter the tax treatment for investors in the Fund (as described below).

### **Taxation of Financial Arrangements (TOFA)**

The Master Fund is expected to be subject to the TOFA rules. Where the TOFA rules apply to the Master Fund, this will result in income from certain investments of the Master Fund being brought to account on an accruals basis (rather than a due and payable or realisation basis). As the Fund will be an investor in the Master Fund, this may mean that investors in the Fund could be taxed on amounts of income before they receive cash distributions from the Fund.

### **Australian resident investors**

Australian resident investors will be subject to Australian tax at their relevant rate on their share of the taxable income of the Fund for each year.

If the Master Fund makes New Zealand investments, a portion of the interest income that flows through the Fund to investors may have been subject to New Zealand interest withholding tax (**WHT**). In these circumstances, Australian investors may be eligible for a foreign income tax offset in respect of the New Zealand WHT paid on that income.

If Australian investors dispose of their Units in the Fund, they may realise a capital gain or a capital loss on the disposal depending on their individual circumstances. The capital gains tax (**CGT**) discount may apply to Units held for more than 12 months by investors who are Australian resident individuals, Australian resident trusts or complying superannuation funds.

### **Non-resident investors**

Interest income received from the Master Fund which flows through the Fund to non-resident investors would generally be subject to Australian interest WHT at the rate of 10%, but that rate may be reduced if the investor is resident in a country with which Australia has a double tax agreement (**DTA**).

Other types of Australian sourced income (such as line fees, commitments fees etc.) which are received from the Master Fund and flow through the Fund to non-resident investors should be subject to MIT WHT at a rate of 15% (in the case of an investor who is tax resident in a jurisdiction with which Australia has concluded an exchange of information agreement) and 30% for all other non-resident investors.

Based solely on the investments to be made by the Master Fund (in which the Fund will invest), non-resident investors are unlikely to be subject to tax on the disposal of their Units in the Fund on the basis that they are not taxable Australian property.

### **GST**

The Fund is registered for GST. The issue and redemption of Units in the Fund and receipt of distributions from the Fund should not be subject to GST.

However, the Fund may incur GST on fees and expenses that it pays. The Fund may be entitled to claim ITCs or RITCs in respect of certain of these fees and expenses. Any fees and expenses in respect of which the Fund cannot claim full ITCs will be a cost to

the Fund, which may affect the net income of the Fund and the distributions made by the Fund to investors.

### **TAX FILE NUMBER (TFN)/AUSTRALIAN BUSINESS NUMBER (ABN) WITHHOLDING**

If an investor does not provide its TFN or ABN to the Trustee, or claim a valid exemption, the Trustee may be required to withhold tax at the top marginal tax rate from payments to the investor. The investor may be entitled to a credit for such tax withheld in their tax return for the relevant year.

### **RETURNS**

Unless specified otherwise in this Information Memorandum, contents of this Information Memorandum regarding the returns are presented on a pre-tax net return basis after management fees, and other fund-level costs and expenses.