

Information Memorandum

MDC Trilogy Wholesale Yield Fund I

Trustee & Custodian

Specialised Investment and Lending Corporation Ltd (SILC)
ACN 149 520 918 AFSL 407100

Investment Manager

MDC Trilogy Investment Management I Pty Ltd ATF MDC Trilogy Investment Management I Trust
ABN 69 286 785 943

Date of issue: 7 September 2023



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Notice

This Information Memorandum (**IM**) is dated 7 September 2023 and is issued by Specialised Investment and Lending Corporation Ltd, ACN 149 520 918, holder of AFSL number 407100, (**Trustee**), as the trustee of the MDC Trilogy Wholesale Yield Fund I (**Fund**). The Fund is established under a trust deed dated 29 September 2021 (amended by supplemental deed dated 8 July 2022 and replaced by deed dated 20 September 2022) (**Trust Deed**).

The purpose of this IM is to provide information for prospective investors to decide whether they wish to invest in the Fund.

The Trustee has appointed MDC Trilogy Investment Management I Pty Ltd (ACN 658 250 303) (**Investment Manager**) as the investment manager of the Fund under the Investment Management Agreement. The Investment Manager is a corporate authorised representative (number 001298231) of Gibraltar Capital Pty Limited, ACN 610 194 986 AFSL number 493813.

Interests in the Fund

The Trustee will issue interests in the Fund as units. The Trustee will only issue interests in the Fund on receipt of a validly completed Application Form (issued together with this IM), and the receipt of cleared funds.

By applying for Units in the Fund, the recipient agrees to be bound by the terms and conditions set out in the Trust Deed, this IM, and the Application Form for those Units.

Fund not registered

The Fund, at the date of this IM, is not required to be, and is not, registered as a managed investment scheme pursuant to section 601ED of the Act.

Restrictions on distribution

The distribution of this IM and the offering of interests in the Fund may be restricted in certain jurisdictions. No recipient of this IM in any jurisdiction may treat it as constituting an invitation or offer to apply for interests in the Fund unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that recipient in compliance with applicable law.

No action has been taken to register or qualify interests in the Fund, the invitation to participate in the Fund, or to otherwise permit any offering of Fund interests in any jurisdiction other than Australia.

Prospective investors should inform themselves as to the legal requirements and consequences of applying for, holding, transferring and disposing of Units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, domicile or place of business. It is the responsibility of a prospective investor outside Australia to obtain any necessary approvals in respect of applying for, or being issued with Units.

By receiving and viewing this IM, the recipient warrants that they are legally entitled to do so and the securities laws of their relevant jurisdiction do not prohibit them from acquiring interests in the Fund. Further, the person receiving and viewing this IM warrants to the Trustee that they are a wholesale client as defined in section 761G of the *Corporations Act 2001* (Cth) (**Act**) (**'Eligible Investor'**).

The Fund, the Trustee and the Investment Manager do not bear any liability or responsibility to determine whether a person is able to apply for Units pursuant to this IM.

In particular, this product has not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account of, any "US Person" (as defined in Regulation S under the US Securities Act). Neither this IM nor any Application Form nor other material relating to this product may be distributed in the United States.

This IM has been prepared on the basis that prospective investors are wholesale clients or sophisticated investors, and not retail clients (all within the meaning of the Act).

Accordingly, this IM is not a product disclosure statement and does not contain all of the information that would be included in a product disclosure statement issued under the Act. This IM has not been lodged with the Australian Securities and Investments Commission (**ASIC**) or any other government body.

Not responsible for contents of documents

The Trustee, the Investment Manager, or their related parties, officers, employees, consultants, advisers or agents have not carried out an independent audit or independently verified any of the information contained in this IM, nor do they give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in this IM, nor do they, to the maximum extent permitted by law, accept any liability whatsoever, however caused to any person, relating in any way to reliance on information contained in this IM or any other communication relating to the issue of Units in the Fund.

This IM does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund.

This IM must be read in conjunction with the Trust Deed. Prospective investors should review the Trust Deed for further information regarding the rights and obligations of Unitholders.

Not regulated by APRA

The Trustee is not authorised under the *Banking Act 1959* (Cth) and is not supervised by APRA. Investments in the Fund are not covered by the deposit or protection provisions available to depositors who make a deposit with an Australian Authorised Deposit taking Institution (**ADI**).

Applications

The Trustee reserves the right to evaluate any applications for Units and to reject any or all applications submitted, without giving reasons for rejection. The Trustee and the Investment Manager are not liable to compensate the recipient of this IM for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund, in the course of submitting an application for Units or otherwise.

No cooling off rights

Unitholders do not have any cooling off rights in respect of Units issued in the Fund.

Information is general advice only

In providing this IM, the Trustee has not taken into account the recipient's objectives, financial situation or needs and accordingly the information contained in this IM does not constitute personal advice for the purposes of section 766B(3) of the Act (**personal advice**). Neither the Trustee, the Investment Manager, nor their related parties, officers, employees, consultants, advisers, or agents warrant that an investment in the Fund is a suitable or appropriate investment for the recipient.

Forward looking statements

All statements of opinion and/or belief contained in the IM and all views expressed and all projections, forecasts or statements relating to expectations regarding future events, or the possible future performance of the Fund represent the Trustee's or Investment Manager's own assessment and interpretation of information available to them as at the date of this IM and are provided for illustrative purposes only. In particular, the Trustee notes that past performance is not indicative of future performance. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that the objectives of the Fund will be achieved. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts and no responsibility is accepted by the Trustee, the Investment Manager and/or their advisers in respect thereof. Prospective investors are strongly advised to conduct their own due diligence including, without limitation, on the potential financial, legal and tax consequences to them of investing in the Fund.

No guarantee

Neither of the Fund, the Trustee, the Investment Manager, nor their related parties, officers, employees, consultants, advisers, or agents, guarantee the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund or an investment in the Fund generally. As with any investment there are inherent risks in investing in the Fund, including the risk that an investment in the Fund is speculative, that the investment may result in a reduction in, or total loss of, the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital or the distribution of income.

See Section 5 (Risk Factors) for further information about the risks involved in making an investment in the Fund.

Trustee limitation of liability

Except in certain circumstances (including fraud, negligence or breach of trust by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund out of which it may be indemnified.

Confidentiality

The contents of this IM are:

- not intended to be disclosed to any person other than the person to whom this IM has been provided to by the Trustee;
- strictly confidential; and
- not to be reproduced, either in whole or in any part or parts, without the Trustee's prior written consent and, if such written consent is given, only in accordance with that consent.

No unauthorised statements or representations

The Trustee and the Investment Manager are not responsible for any advice or information given, or not given, to potential investors by any other party distributing this product and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from potential investors relying on any information that is not in this IM when investing.

Definitions

Certain capitalised words and expressions used in this IM are included in Section 10 (Glossary).

All references to \$ amounts are references to Australian Dollars (AUD).

Any photographs, images or illustrations in this IM or the Application Form are included for illustrative purposes only and do not depict any assets held or to be held by the Fund.

Important

Historical returns are not a reliable guide to future returns. Any returns noted in this IM represent past performance only and may not reflect the current and future returns of the Trust. You should not base your decision to invest in the Trust on past returns.

This IM supersedes all previous IMs issued for the Trust. No investments will be accepted on the basis of this document once it is replaced by a later IM. Unitholders who invested in the Trust under a previous IM should read this IM in full to ensure that this Trust continues to meet their investment objectives.

Message from the Investment Manager

Dear prospective investor,

It is my pleasure to invite you to subscribe for Ordinary Units (**Units**) in the MDC Trilogy Wholesale Yield Fund I (**Fund**) pursuant to this Information Memorandum (**Offer**).

The Offer is only open to Wholesale Clients, as defined in the Corporations Act. The Trustee of the Fund intends to issue one class of Units, being Ordinary Units, at an initial offer price of \$1.00 per Unit.

The Trustee has appointed MDC Trilogy Investment Management I Pty Ltd (ACN 658 250 303), part of the MDC Trilogy Group, as the investment manager (**Investment Manager**) of the Fund. That company is also the investment manager (**Portfolio Manager**) of MDC Trilogy Property Management I Pty Ltd (ACN 659 364 851) (**Portfolio Owner**), which is also part of the MDC Trilogy Group. The Portfolio Manager has a mandate to acquire or invest in, for the MDC Trilogy Group, property management assets (predominantly consisting of residential property management agreements), including but not limited to rent rolls and like property management investments.

The genesis of the Fund is to provide funding for the ownership by MDC Trilogy Group of property management assets such as rent rolls, with the source of expected returns designed with the aim of exhibiting both low volatility and low correlation to other asset classes. The Fund will provide debt financing to the MDC Trilogy Group via investment in loan notes which are expected to generate returns from interest (income) payments, supported by the underlying property management assets of the MDC Trilogy Group.

Through its working arrangement with The Agency Group Australia Limited (ASX:AU1), the Portfolio Manager seeks to acquire, for the MDC Trilogy Group, individual assets and implement a value-add management improvement process that could enhance the value of the assets and increase the potential income available to the MDC Trilogy Group that can in turn be used to satisfy amount under the terms of the Loan Notes.

The MDC Trilogy Group is initially targeting strategic investments throughout NSW, QLD, and Victoria, with an emphasis on mispriced assets located in areas with favourable demographics, strong rental appreciation potential and high demand from both renters and investors.

There has been a realisation that the cost burden of maintaining an office and paying fixed overheads is no longer essential to have a profitable and well-run property agency. The agencies which have the systems and scale to adapt are likely to emerge as setting a new standard within the industry. The residential real estate industry is primed for consolidation, and we believe that The Agency has the systems, scale and management team in place for MDC Trilogy to align with them.

Overseeing the acquisition and management of the property management assets is a highly experienced Investment Committee. Although the Portfolio Manager has a rigorous process around due diligence, corporate governance, and the ongoing management of assets, we believe that it is important to draw on as much experience as possible to help generate risk adjusted returns. The team has broad funds management experience and together have a focus on due diligence, investment communication and transparency.

Various members of the Investment Committee have experience in the real estate sector across Australia and various regions in Asia Pacific. The Investment Committee's responsibilities include:

- 1) Oversight over the investment in property management assets of the MDC Trilogy Group, predominantly consisting of residential management assets;
- 2) Set appropriate policies and procedures for assessing the performance of service providers including the establishment of key performance indicators and that the investments are operating at or above the acquisition benchmark level; and
- 3) Provide assurance that the Portfolio Manager is adequately managing risk relating to corporate governance and is maintaining internal operational controls across all acquisitions to ensure consistency of service levels.

We believe that MDC Trilogy Group's commercial arrangement with The Agency, coupled with our due diligence process and focus on risk management in this sector of the property industry, will enable MDC Trilogy Group to consolidate assets, disrupt the property management industry, which will in turn support the distribution to Unitholders in the Fund under the investment in loan notes.

Yours faithfully,



Michael Birch
Director, Investment Manager

Section 1.

Summary of the Offer

The following information is a summary of certain key features and terms of the Fund. You must read the whole of this IM to obtain more detailed information before making any decision to invest in the Fund.

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| Fund name | MDC Trilogy Wholesale Yield Fund I |
| Units offered | Fully paid Ordinary Units are being offered pursuant to this IM |
| Trustee | Specialised Investment and Lending Corporation Ltd ACN 149 520 918 is the trustee of the Fund, and will be responsible for holding the title to the Fund's investments (Equity Notes issued by MDC Trilogy Holdings – see below). The Trustee is holder of Australian Financial Licence (AFSL) number 407100 |
| Administration Manager | SILC Funds Administration Pty Ltd ACN 628 993 386 (a related entity of the Trustee) is the administration manager of the Fund, and is responsible for, amongst other things, investor administration process (including applications for Units and maintaining the Unit registry) and Fund accounting. |
| Investment Manager | <p>MDC Trilogy Investment Management I Pty Ltd, ACN 658 250 303 has been appointed as the investment manager of the Fund pursuant to an Investment Management Agreement with the Trustee and is responsible for managing the Fund's investments and assisting the Fund to achieve its investment objective.</p> <p>It is also the investment manager of the Portfolio Owner, responsible for selecting and managing the property management assets to be held by the Portfolio Owner.</p> <p>The Investment Manager is a corporate authorised representative (CAR) number 1298231 of Gibraltar Capital Pty Ltd ACN 610 194 986 AFSL 493813</p> |
| MDC Trilogy Group | <p>MDC Trilogy Group is a group of companies owned by Trilogy Funds and Murray Darling Capital. It has been formed to acquire and manage property management assets.</p> <p>MDC Trilogy Group includes the Investment Manager, the Portfolio Owner and MDC Trilogy Holdings.</p> |
| Portfolio Owner | MDC Trilogy Property Management I Pty Ltd (ACN 659 364 851), part of the MDC Trilogy Group. This company has been established to acquire and own (or to provide funding to other MDC Trilogy Group companies for the acquisition of) the property management assets for the MDC Trilogy Group, which it or the other companies will purchase using money provided by the Fund, through the issue of Loan Notes to the Fund. |
| Minimum suggested Investment Timeframe | <p>Three to five years from the date Units are issued. All Units are subject to a minimum 12 month lock up period and withdrawal offers that are intended to be issued quarterly.</p> <p>Unitholders should note there is no guarantee that there will be sufficient liquidity to make quarterly withdrawal offers or to accept all withdrawal requests received in response to a withdrawal offer. As such, Unitholders should note any investment should be seen as a longer term investment.</p> |

Investment objective

The Fund aims to deliver a Target Return (net of Fund fees and expenses) of 10.00% per annum.

The Target Return is not a forecast and may vary depending on the performance of the underlying Fund investment (the Equity Notes), which will in turn depend on the performance of the underlying property management assets of MDC Trilogy Group. The Fund may not be successful in achieving the Target Return. The Trustee and the Investment Manager do not guarantee any returns or any level of performance.

The Fund's ability to deliver the Target Return is dependent upon MDC Trilogy Holding's ability to service the interest on the Loan Notes, which is dependent upon interest under the Equity Notes being paid. The rate of interest under the Equity Notes is at the discretion of the issuer of the Equity Notes (the Portfolio Owner or its subsidiaries) and, whilst the issuer intends to pay sufficient interest such that MDC Trilogy Holdings can pay interest at the interest rate under the Loan Notes, there is no guarantee. Where the issuer of the Equity Notes does not pay sufficient amounts for MDC Trilogy Holdings to pay interest on the Loan Notes, MDC Trilogy Holdings will be in default but the Portfolio Owner and its subsidiaries will not be and there is no obligation on them to pay additional amounts. This limits the Fund's ability to recover amounts owing under the Loan Notes. Nevertheless, the Fund does have limited security over the shares in the Portfolio Owner.

Investment Strategy & structure

The investment strategy of the Fund is to provide funding for the acquisition of property management assets by the MDC Trilogy Group. To achieve this, the Fund will subscribe for Loan Notes (a form of loan) issued by MDC Trilogy Holdings I Pty Ltd (MDC Trilogy Holdings). MDC Trilogy Holdings will in turn provide that money to the Portfolio Owner (via equity notes), which intends to use that money to then acquire property management assets, (or to provide funding to other MDC Trilogy Group companies to acquire those assets) predominantly consisting of residential management assets (e.g., tenancy management agreements, rent rolls) (Assets) in Australia. These acquisitions are intended to be funded with a combination of external borrowings and debt raised via the issuance of Loan Notes to the Fund from MDC Trilogy Holdings.

The Portfolio Owner has engaged The Agency MDC Pty. Ltd. ACN 616 297 753, under a Rent Roll Services Agreement, to provide the management services to property landlords on a day-to-day basis, for MDC Trilogy Group.

The Fund's returns will be derived from the interest income it receives under the Equity Notes, from MDC Trilogy Holdings. Note – the Fund will not own the Assets.

The initial investments that are being targeted for MDC Trilogy Group are focused on growth corridors of New South Wales and Queensland which the Investment Manager considers have seen little negative impact from Covid-19, with rental yields rising and vacancies remaining low as at the date of this IM.

The Portfolio Manager has put in place an organic growth strategy targeted at maintaining value across the life cycle of the assets of the MDC Trilogy Group. Within the Rent Roll Services Agreement, in order to grow the portfolio, the Portfolio Manager has mandated with The Agency an extensive referral arrangement that includes bringing in new sales agents, BDMs and positioning for an integrated marketing strategy.

The Investment Manager has focused on ensuring that it has 1) a process to identify potential target Assets for MDC Trilogy Group, 2) a due diligence process for acquisitions, 3) a Rent Roll Services Agreement in place with The Agency that provides framework for service and operational arrangements and 4) service providers with a technology advantage to manage the Assets more efficiently than incumbent players, with the aim of improving industry standards through scale and consolidation of the market.

The strategy of the Portfolio Manager in acquiring assets and implementing a value-add management improvement process, including consolidating assets under a more efficient cost structure, is expected to provide the MDC Trilogy Group with the income to meet the payment obligations under the Loan Notes and thus allowing the Fund to provide a return to Unitholders.

The Investment Manager expects the Fund to pay quarterly distributions, in line with interest payments which are required to be made quarterly under the terms of the Loan Notes. Management fees are usually collected each month from underlying property owners.

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| Investment Strategy & structure (Continued) | <p>As attractive opportunities arise, the Portfolio Manager may consider the use of additional leverage and borrow money from an external lender outside of the MDC Trilogy Group to acquire assets that meet or exceed its return expectations. The acquisitions may be fully funded by debt (both external borrowings and the Loan Notes or Equity Notes), this means the total loan to value ratio for an acquisition will be up to 100%. Any external borrowings would rank ahead of the Loan Notes (held by the Fund).</p> |
| Loan Notes (held by Fund) – key terms | <p>Issuer: MDC Trilogy Holdings</p> <p>Application price (face value): \$1.00 per Loan Note</p> <p>Term (maturity): 9 years, 360 days from issue of each Loan Note</p> <p>Early repayment: Early prepayment of the Loan Notes is permitted, without penalty</p> <p>Interest rate (coupon): 10% per annum, payable quarterly</p> <p>Discretionary additional interest payments: Ability for the issuer, MDC Trilogy Holdings, to pay (at its discretion) to the Fund an additional amount equal to 15% of its gross revenue for a quarterly period, subject to a maximum cap of 6% per annum of the Loan Note amount. Note: this additional payment is entirely at the discretion of the issuer of the Loan Notes (MDC Trilogy Holdings) and is not guaranteed.</p> <p>Remedy period: Where a default occurs under the Loan Notes, including a failure to pay interest, that is not due to the action or failure to act by the company, then the Trustee will have no right to enforce the Loan Notes provided MDC Trilogy Holdings provides regular reports on the steps it is taking to remedy the default during the remedy period of 90 days.</p> <p>Security: The Investment Manager will provide security over the shares it holds in the Portfolio Owner. After the remedy period, should the default still not be remedied, the Trustee can exercise its security over the shares in the Portfolio Owner.</p> |
| Equity Notes* – key terms <small>*Held by MDC Trilogy Holdings and (in relation to Equity Notes issued by subsidiaries of the Portfolio Owner) held by the Portfolio Owner</small> | <p>Issuer: The Portfolio Owner, MDC Trilogy Property Management I Pty Ltd (and its subsidiary companies)</p> <p>Application price (face value): Determined at time of issue</p> <p>Term (maturity): Determined at time of issue</p> <p>Early repayment: Early prepayment of the Equity Notes is permitted, without penalty</p> <p>Interest rate (coupon): Determined by the issuer prior to each coupon payment date, usually payable quarterly</p> <p>Security: Equity Notes are unsecured</p> <p>Please refer to Section 3 for further information.</p> |
| Term | <p>The Fund will be open-ended.</p> |
| Minimum Initial Investment Amount | <p>The Minimum Initial Investment Amount is \$250,000 for Units in the Fund, with the Trustee having absolute discretion to accept applications for lesser or greater amounts without notice to Unitholders.</p> <p>There is no minimum subscription amount for subsequent investments in the Fund.</p> |
| Issue of Units | <p>The issue of Units will take place within 5 Business Days after the end of the week in which the application and application monies for Units are received and accepted by the Trustee.</p> <p>The Trustee, may at its discretion, elect to issue Units at other times.</p> <p>The Application Price is calculated deducting the accrued income of the Fund from the net asset value of the Fund (adjusted for Transaction Costs) and then dividing that number by the number of Units on issue. It is expected to be \$1.00 throughout the Term, but there is a possibility that the Application Price may be lower than \$1.00.</p> |

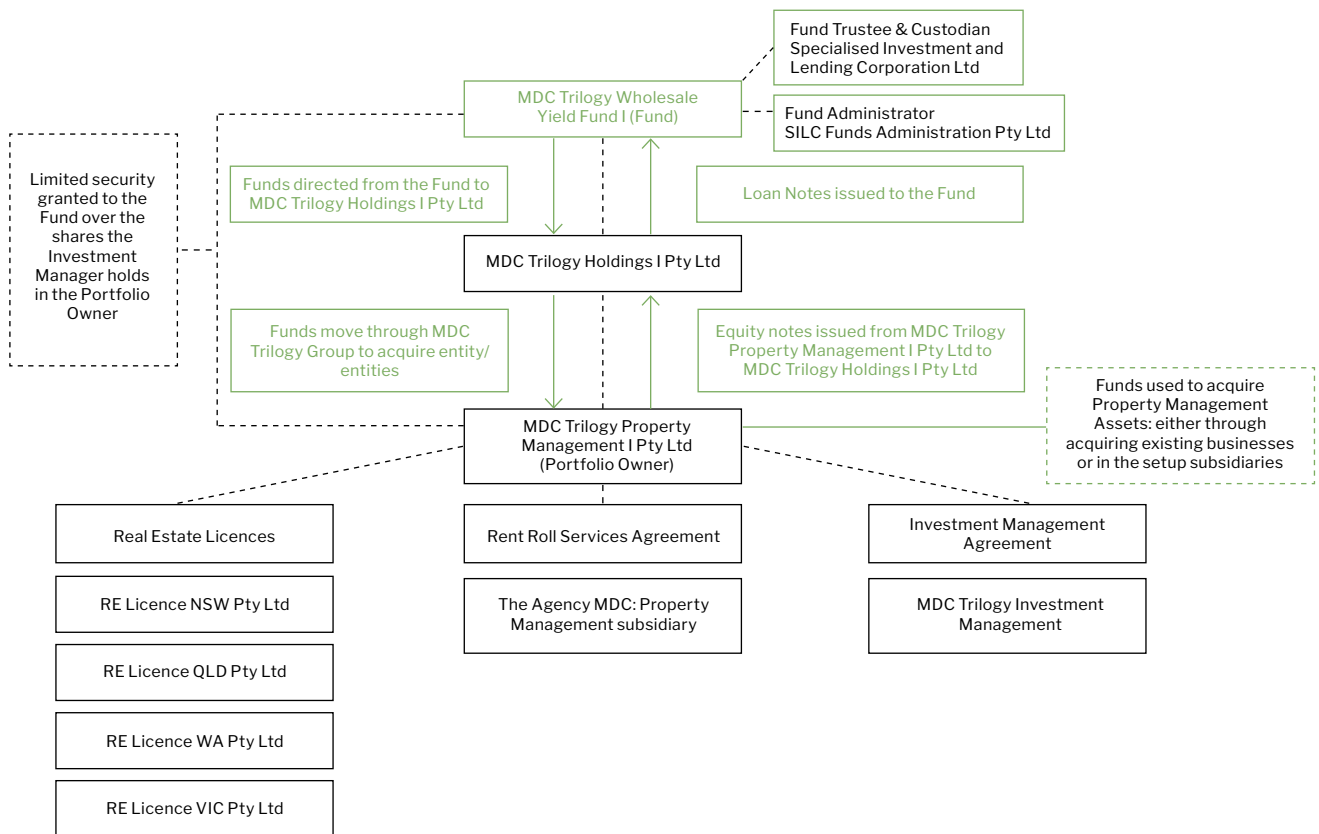
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|-----------------------------------|--|
| Fees and expenses | <p>Fees and expenses that Unitholders may be charged in relation to the management and operation of the Fund are set out in Section 6, which also contains details of other fees payable by the Portfolio Owner to the Investment Manager.</p> <p>Any Fund fees and expenses will be paid from the income and assets of the Fund. Unitholder returns and performance fees (as and when applicable) will be calculated net of these fees and expenses. However, the Investment Manager has agreed to pay these fees and expenses where the income of the Fund is not sufficient to meet the Target Return.</p> |
| Redemptions | <p>The Fund will not be liquid (as defined in the Corporations Act) and Unitholders have no right to withdraw from the Fund, other than in response to a withdrawal offer made by the Trustee. All units are also subject to a 12 month lock up period, which means that a Unitholder is not permitted to participate in a withdrawal offer made by the Trustee in respect of a Unit within the first 12 months of that Unit's issue date.</p> <p>Subject to sufficient liquidity being available and in the Trustee's absolute discretion, the Trustee intends to make a withdrawal offer, in respect of Units that have been on issue for greater than 12 months, at the end of each calendar quarter, on the terms described in Section 2 of this IM.</p> <p>Please refer to Section 2 for further information.</p> |
| Eligible Investors | <p>Investment in the Fund is only available to parties (individuals above 18 years of age, trusts or bodies corporate) who are Wholesale Clients. This includes prospective investors who:</p> <ul style="list-style-type: none"> • invest \$500,000 or more in the Fund; or • provide a certificate from a qualified accountant (available within the Application Form) or substantially in the form available on the Trustee's website www.silcgroup.com that states the prospective investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000; or • are a professional investor (including the holder of an Australian financial services licence, a person who controls more than \$10 million or a person that is a listed entity or a related body corporate of a listed entity). (Eligible Investor). |
| Related Party Transactions | <p>There are multiple related party transactions that will be entered into by the Fund. These transactions will generally not be on arms length terms and will include the following</p> <ol style="list-style-type: none"> 1) MDC Trilogy Investment Management I Pty Ltd is the investment manager for the Fund and for the Portfolio Owner. This means the same entity is recommending the acquisition of the asset to the Portfolio Owner and the debt funding of the asset by the Fund. 2) The Investment Manager is providing security to the Fund in connection with the Loan Notes. 3) MDC Trilogy Holdings, the issuer of the Loan Notes, is a related party of the Investment Manager. 4) The Portfolio Owner, the issuer of the Equity Notes, is a related party of the Investment Manager and MDC Trilogy Holdings. <p>This risk will be managed as follows</p> <ol style="list-style-type: none"> 1) Funding will only be provided by the Fund where the acquisition guidelines are satisfied. The Investment Committee will review each acquisition, focusing on matters including: <ol style="list-style-type: none"> a) the geographic diversity of the acquisition relative to the existing portfolio of property management assets; b) the ability for the acquisition and its intended organic growth strategy to deliver a return required to service an interest rate of the aggregate of both the simple rate and discretionary component; and c) the opportunity for the Portfolio Manager to implement organic growth strategies that will support the serviceability of the Loan Notes. 2) The Trustee, to the exclusion of the Investment Manager where necessary, will manage all defaults and potential defaults under the Loan Notes. |
| Key risks | <p>Investments in the Fund are subject to varying degrees of risks. Please see Section 5 for a further description of the risks relevant to an investment in the Fund.</p> |

Operational structure of the Fund and MDC Trilogly Group

- 1) Identification, due diligence, and management of underlying property management assets to be held by MDC Trilogly Group are undertaken and managed by a highly experienced Investment Manager team with both residential property management and broader funds management expertise.
- 2) The Fund is operated by a Trustee that is independent of the Investment Manager who will provide an enhanced level of oversight, ensuring that Fund investments (in Loan Notes) are made and managed in accordance with this IM and the Trust Deed.
- 3) Accounting, financial reporting and tax affairs of the Fund are managed by the Trustee to help ensure independence, transparency, and good governance.

Diagram

The MDC Trilogly Wholesale Yield Fund I will subscribe for Loan Notes issued by MDC Trilogly Holdings I Pty Ltd. The Fund will not own any direct interest in the underlying assets held by MDC Trilogly Property Management I Pty Ltd, which will ultimately hold the assets via subsidiaries; rather, the Fund will derive an economic interest via the return paid on the Loan Notes it holds issued by MDC Trilogly Holdings I Pty Ltd.



The above diagram is illustrative in nature only and is designed to show over-arching nature of the relationship between MDC Trilogly Holdings I Pty Ltd and MDC Trilogly Property Management I Pty Ltd and its subsidiaries. The subsidiaries (be it one or multiple per state or territory) of MDC Trilogly Property Management I Pty Ltd may change from time to time.

Section 2.

The MDC Trilogy Wholesale Yield Fund I

Overview

Fund structure

The Fund was established by a Trust Deed dated 29 September 2021 as amended by the Supplemental Deed dated 8 July 2022 and replaced by deed dated 20 September 2022.

The Fund is an unregistered managed investment scheme. The Trustee has appointed the Investment Manager as the investment manager of the Fund pursuant to the Investment Management Agreement.

The Fund assets (which will be the Loan Notes issued by MDC Trilogy Holdings) will be held in the name of the Trustee as trustee of the Fund or a custodian (if one is appointed by the Trustee) for the benefit of the Unitholders. The Fund's portfolio will consist substantially of Loan Notes issued by MDC Trilogy Holdings. Unitholders will not have specific ownership of assets in the Fund but will have a beneficial interest in the assets of the Fund as a whole.

Issue of Units

The issue of Units will take place within 5 Business Days after the end of the week in which the application and application monies for Units are received and accepted by the Trustee. However, the Trustee may issue Units more or less frequently in its absolute discretion.

Unit Pricing

It is intended that Units will initially be issued at \$1.00 prior to the First Closing Date, adjusted for Transaction Costs.

In each subsequent instance when the Trustee issues Units, the applicable Application Price for each new Unit will be calculated as at the last Business Day of the calendar month as the Fund's NAV (adjusted for any Transaction Costs) less any accrued income divided by the number of Units on issue. The Application Price will vary with any variation in the value of the assets in the Fund. However, given the nature of the Fund's investments (the Loan Notes), it is expected that in the normal course, the Application Price should remain around \$1.00.

Application money must be paid at the time an application for Units is submitted and the number of Units issued will be calculated by dividing the amount of application money received by the applicable Application Price.

Distributions

The Trustee intends to calculate and make distributions quarterly. Where a distribution is made by the Fund, it will be made for the period ending on the last Business Day of the relevant quarter (**Distribution Date**). Distributions to Unitholders are based on a "unit days" formula, which means they are based on the number of days that the Unitholder has held Units (as a proportion of the total number of days in a distribution period), and not on their holding at the end of the period. As a result, if a Unitholder acquires (or disposes of) Units part way through a distribution period, that Unitholder will only be entitled to a partial distribution for that period.

Distributions will be made up of interest income received by the Fund from the Loan Notes it holds. It is intended that the interest income attributable to the Loan Notes will in turn be paid by the Portfolio Owner from the interest/coupon paid on the Equity Notes. The interest/coupon will be determined by the Portfolio owner and will be derived from fee income the MDC Trilogy Group (specifically, the Portfolio Owner and its subsidiaries) earns from property management agreements held, together with a portion of sales fees from agents who either sell properties which are managed by MDC Trilogy Group or agents who, under the Rent Roll Services Agreement, are referred to The Agency by MDC Trilogy Group and are engaged by The Agency.

Distributions are expected to be paid to the Unitholder within 8 Business Days of each Distribution Date, after fees, costs and expenses have been paid. Distributions will be paid to the Unitholder's nominated bank account (which must be in the same name as the investor).

However, at the end of each financial year, due to the time required to prepare annual investor distribution statements and carry out the tax compliance obligations, the Trustee will endeavour to pay the final distributions (if any) for the financial year as soon as these requirements are met.

The Trustee has the discretion to make distributions more frequently and may do so from time to time on the recommendation of the Investment Manager.

Note – distributions from the Fund are not promised nor guaranteed and will solely depend on the ability of MDC Trilogy Group to receive the underlying fee income from the Portfolio Owner and its subsidiaries.

Redemption frequency

Unitholders do not have a right to have their Units redeemed.

However, generally, subject to liquidity available in the Fund, the Trustee intends to make a withdrawal offer at the end of each calendar quarter. Only Units that have been on issue for at least 12 months may be redeemed in response to a withdrawal offer. The liquidity for redemptions will be obtained through the following means:

- 1) Proceeds received from redemption of Loan Notes, which will usually occur after the sale of an asset of the Portfolio Owner (however, the Portfolio Owner is not obligated to repay the Equity Notes on sale of an assets so this funding is not guaranteed) or from excess earnings the Portfolio Owner may generate from time to time;
- 2) Loan Notes being repaid from external debt finance being obtained by the MDC Trilogy Group.

Unitholders wishing to redeem their Units under a withdrawal offer are required to submit a redemption request with the Trustee within 20 Business Day of the issue of the withdrawal offer.

If a withdrawal offer is made but there aren't sufficient funds available to satisfy all redemption requests made in response to the offer, then redemptions will be scaled back on a pro rata basis. Unitholders whose redemption request was only satisfied in part will need to wait until the next withdrawal offer is issued by the Trustee and submit a new withdrawal request.

In addition to lack of liquidity, there may be other circumstances where the Trustee will determine not to make a withdrawal offer for a quarter, such as:

- 1) in the Trustee's reasonable opinion, it is not reasonably practicable, or not in the best interests of Unitholders, to redeem Units at that time
- 2) due to circumstances outside of the Trustee's control, restricted or suspended trading or price fluctuations or uncertainty in any market, for such period as the Trustee reasonable determines; or
- 3) the Fund is in the process of being wound up.

If the Trustee receives a withdrawal request before it makes a withdrawal offer, then it may treat the request as an acceptance of the offer effective as at the time the offer is made. The Trustee will not process withdrawal requests other than in accordance with a withdrawal offer.

The Trustee may cancel or vary any withdrawal offer it has made at any time before the withdrawal offer closes by giving notice to the Unitholders.

Redemptions which have been accepted will usually be processed within 8 Business Days after the closing of the withdrawal offer, subject to the terms of the withdrawal offer and will be paid to the Unitholder's nominated bank account (which must be in the same name as the Unitholder).

Please note that a redemption of Units may have taxation consequences. See Section 7 of the IM for further information about taxation.

Minimum redemption amount

The minimum redemption amount for each redemption request submitted to the Trustee is \$50,000 (or such lesser amount as the Trustee may determine).

If the Trustee accepts a redemption request from a Unitholder which causes the Unitholder's investment to fall below the minimum investment holding amount of \$50,000 (or such lesser amount as the Trustee may determine), the redemption request may be treated by the Trustee as a full redemption request.

Redemption Price

The redemption price for a Unit is calculated as at the close of business on the relevant Redemption Date according to the following formula (up to two decimal places):

$$\text{Redemption Price} = \frac{\text{Fund's Net Asset Value} - \text{Accrued Income} - \text{Transaction Costs}}{\text{Total number of Units on issue}}$$

This price may be different from the Application Price originally paid for the Unit.

Transfers

There will not be any established secondary market for the sale or transfer of Units however, a Unitholder may transfer the ownership of their Units at any time provided that the transferee meets the requirements of an Eligible Investor and has been approved by the Trustee.

A transfer of Units is not effective until it has been recorded in the Fund unit register by the Trustee. The Trustee has the discretion to refuse any transfer of Units and is not obligated to accept or register a transfer of Units.

The Investment Manager may but is not obligated to provide assistance to procure a purchaser where requested by a Unitholder. The Investment Manager may charge a fee for such assistance.

Please note that a transfer of Units may have taxation consequences, and these remain solely the responsibility of the transferor and transferee.

Other

Borrowing Policy

The Fund itself will not borrow.

As appropriate opportunities arise, the Portfolio Manager may consider the use of additional leverage and borrow money from an external lender on behalf of the MDC Trilogy Group to acquire assets that meet or exceed its return expectations. External borrowings are not expected to exceed 40% of the aggregate value of the Acquisition Cost of each property management acquisition made by MDC Trilogy Property (including its subsidiaries). Within this limit, the level of external borrowings will be determined by the MDC Trilogy Group and the Portfolio Manager. There will be no equity contributed for the acquisitions and they will be fully funded by debt, this means the total loan to value ratio for an acquisition may be up to 100%.

Unitholders should note that any borrowings by the MDC Trilogy Group will remain repayable regardless of the performance of the underlying investment portfolio.

Valuation Methodology

Assets of the Fund will be valued in accordance with the following policies and principles (as relevant):

- 1) Loan Notes will be valued at their application price, unless the Trustee in consultation with the Investment Manager determines the issuer of the Loan Notes is in default.
- 2) Cash and cash equivalents (i.e. Deposits) will be valued at their cost, plus accrued interest; and
- 3) Subject to the Trust Deed, the Trustee may, at its discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects value.

Section 3.

The Investment Strategy / Methodology

Overview

The Fund aims to gain exposure to (indirectly, via Loan Notes issued by MDC Trilogy Holdings) property management agreements in relation to residential properties. The Investment Manager considers that property management:

- 1) provides a more diversified exposure to residential property than investing in individual properties, as returns are spread over many tenants;
- 2) is an industry that typically operates as a cottage industry without any dominant players;
- 3) has a relatively stable return profile as they are generally a fixed percentage of the income return generated by the property without the risk of volatility in market value; and
- 4) is un-correlated to many other asset classes.

Investment process

The Investment Manager of the Portfolio Owner has a consistent and repeatable process for considering acquisitions for the MDC Trilogy Group portfolio.

The due diligence process is broken into two phases.

Phase 1 where the vendor agency provides portfolio details, an organisation chart, details of office systems and processes and details of operating expenses to run the portfolio.

Phase 2 where more formal operational and financial due diligence is undertaken to agree pricing, determine details of retention periods (if any) and where pricing and transition plans are planned and agreed.

Over this process, potential acquisitions are eliminated if they do not meet criteria required to be included in the portfolio.

The due diligence process is undertaken in conjunction with an acquisition team at The Agency, whereby they confirm the operating metrics of the portfolio, ensure that the management agreements are compliant with relevant regulations and look to hire property management and sales staff into their business.

By aligning with The Agency's existing property management team, the Portfolio Owner gets benefits from:

- The Agency's long track record in managing properties, and as a leading sales agency;
- The Agency's existing scale in both systems and staff;

- experience in integrating acquisitions; and
- the team's prior experience in building a national integrated real estate business.

The Agency is ASX listed (ASX:AU1) and regarded as one of the fastest growing real estate agencies in Australia, with a growing balance sheet and is an experienced property management company in Australia.

While MDC Trilogy Group is focused on property management, by having The Agency manage the portfolio with a fully integrated team of salespeople, property managers and admin staff in each office, MDC Trilogy Group's investments are able to benefit from having a full service offering for its landlord and tenant clients, which benefits the Fund as the provider of funding for the underlying investments. This is expected to keep the operating metrics of the portfolio very strong, in addition to providing additional revenue streams for MDC Trilogy Group through referrals to real estate agents from the property management portfolio.

The full-service The Agency team provides multiple avenues for referrals into the rent roll. The referral channels include The Agency sales agents / BDM / advertising with The Agency and referrals from existing clients.

When there is an acquisition that is under due diligence by the MDC Trilogy Group and its external advisers, a utilisation request will be made by MDC Trilogy Holdings to the Fund, requesting additional funds be drawn down to assist in making either part or all of the acquisition, combined with any external debt. From time to time between acquisitions, for portfolio and cash management purposes, MDC Trilogy Holdings reserves the right to draw down any excess funds from the Fund to assist in organic growth strategies at the MDC Trilogy Group level.

Any acquisition will be signed off and approved by the Investment Manager's Investment Committee after reviewing the due diligence undertaken and assessing the acquisition on its return criteria, any acquisition-specific risk that may affect the existing portfolio and the opportunity to find technological and system improvements within the business. Should an acquisition pass suitably through the due diligence phase, the Investment Committee will recommend, on behalf of the Investment Manager, to the Trustee to provide acquisition funding after the relevant utilisation request is submitted to the Trustee of the Fund.

Loan Notes – key terms

The key commercial terms of the Loan Notes (issued by MDC Trilogy Holdings to the Fund) are as follows:

Issuer:

MDC Trilogy Holdings

Application price (face value):

\$1.00 per Loan Note

Term (maturity):

9 years, 360 days from issue of each Loan Note

Interest rate (coupon):

10% per annum, payable quarterly

Discretionary additional interest payments:

Ability for the issuer, MDC Trilogy Holdings, to pay (at its discretion) to the Fund an additional amount equal to 15% of the Portfolio Owner's gross revenue for a quarterly period, subject to a maximum cap of 6% per annum of the Loan Note amount.

Remedy period: Where a default occurs under the Loan Notes, including a failure to pay interest, that is not due to the action or failure to act by the company, then the Trustee will have no right to enforce the Loan Notes provided MDC Trilogy Holdings provides regular reports on the steps it is taking to remedy the default during the remedy period of 90 days.

Security: The Investment Manager will provide limited security over the shares it holds in the Portfolio Owner. After the remedy period, should the default still not be remedied, the Trustee can exercise its security over the shares in the Portfolio Owner.

Equity Notes – key terms

The key commercial terms of the Equity Notes are as follows. These notes are issued by the Portfolio Owner to MDC Trilogy Holdings (and by subsidiaries of the Portfolio Owner to the Portfolio Owner):

Issuer:

The Portfolio Owner, MDC Trilogy Property Management I Pty Ltd (and its subsidiary companies)

Application price (face value):

Determined at time of issue

Term (maturity):

Determined at time of issue

Interest rate (coupon):

Determined by the issuer prior to each coupon payment date, usually payable quarterly

Security:

Equity Notes are unsecured

MDC Trilogy Group Strategy

Managing risks still the most important contributor to success

Risk management remains the most critical factor to the success of Property Management. This includes steps to ensure that the portfolio continues to grow rather than fall, as properties are sold or removed from the rental market.

The Portfolio Manager believes that the three critical factors to managing risks are:

- 1) Working with a recognised brand.** Ensuring that property investors can have their properties managed with a brand that they trust as a real estate brand. For many investors, their investment property will be their largest asset outside of their primary residence. Whilst there will definitely be new players entering the market and specialist property managers, they will need to do a great deal of work to gain the same trust as a recognised brand with a strong sales channel.
- 2) Fostering a strong referral network.** The Portfolio Owner has engaged with a sales network where there is a high level of interaction with investment property owners and buyers. Having a strong sales and property management network is critical to replace properties lost through natural attrition or sales.
- 3) The Investment Manager has undertaken a high level review on new players / technology.** Based on the Investment Manager's intended business model, extensive referral network and existing systems, processes and scale, the Investment Manager does not currently believe that there are any new entrants that pose a threat to the return profile of the Fund or long-term capital value of the assets to be held by MDC Trilogy Group.

The Investment Manager believes that MDC Trilogy Group is well positioned to consolidate the property management market in Australia, as it has aligned itself with an established Real Estate Group with a long track record of success in managing properties. The Investment Manager has identified several technology operators with which the Investment Manager can create further synergies as MDC Trilogy Group's portfolio grows and intends to introduce these as the business case firms up to expand into further markets.

The Fund's investments

The Fund's role is to provide funding to MDC Trilogy Group, to enable MDC Trilogy Group to acquire and build a portfolio of property management assets, over time. The Fund's portfolio will consist substantially of Loan Notes issued by MDC Trilogy Holdings.

This funding is provided via the issue of Loan Notes to the Fund by MDC Trilogy Holdings. Loan Notes are a financial instrument which are the same as a loan.

MDC Trilogy Holdings will then provide funding to the Portfolio Owner, via Equity Notes issued by the Portfolio Owner. The nature of Loan Notes issued by MDC Trilogy Holdings to the Fund means the Fund will not have an ownership interest in the Assets. The Assets will be owned by the Portfolio Owner and subsidiary companies of the Portfolio Owner. The Fund's position will be in the nature of a lender to MDC Trilogy Group. In return, the Fund will receive interest income payments from MDC Trilogy Group.

The interest payable to the Fund will usually be 10 percent per annum on the amount of the Loan Notes, payable quarterly. However, under the Loan Note Subscription Agreement, MDC Trilogy Group (specifically, MDC Trilogy Holdings) has the ability to, at its discretion, also pay to the Fund an amount up to 15 percent of the gross revenue of the Portfolio Owner for a quarterly period (Loan Note Discretionary Payment). Where the interest received under the Loan Notes is not sufficient to provide the Target Return to Unitholders and pay the fees and costs of the Fund, the Investment Manager agrees to pay the fees and costs of the Fund until such time that the Investment Manager gives notice to the Trustee that it will no longer be paying the fees and costs from its own resources.

MDC Trilogy Holdings is not required to pay the Loan Note Discretionary Payment where:

- The amount payable (together with interest paid for the relevant quarter) would exceed a maximum cap of 16 per cent per annum (annualised)
- MDC Trilogy Holdings does not hold sufficient cash to pay the amount, or
- MDC Trilogy Holdings determines, in its absolute discretion, that it will not pay the amount.

Unitholders should therefore note that there is no guarantee MDC Trilogy Holdings will pay an additional interest amount to the Fund in any particular period.

Where an event occurs that prevents MDC Trilogy Holdings from paying interest (other than through the action or failure to act by MDC Trilogy Holdings),

the Trustee will not be able to enforce the Loan Notes where MDC Trilogy Holdings provides regular reports on the steps it is taking to remedy the default up until the expiry of the 90 day remedy period.

MDC Trilogy Holding's ability to service the interest on the Loan Notes is dependent upon interest under the Equity Notes being paid. The rate of interest under the Equity Notes is at the discretion of the issuer of the Equity Notes (the Portfolio Owner or its subsidiaries) and, whilst the issuer intends to pay interest at a rate sufficient for MDC Trilogy Holdings to pay interest at the interest rate under the Loan Notes, there is no guarantee. Where the issuer of the Equity Notes does not pay sufficient amounts for MDC Trilogy Holdings to pay interest on the Loan Notes, MDC Trilogy Holdings will be in default but the Portfolio Owner and its subsidiaries will not be and there is no obligation on them to pay additional amounts. This limits the Fund's ability to recover amounts owing under the Loan Notes.

To secure its obligations under the Loan Notes, the Investment Manager will provide security over the shares it holds in the Portfolio Owner. The Loan Notes will not hold security over any other assets of the MDC Trilogy Group.

The role of The Agency Group

The Agency is looking to drive growth in both sales and property management whilst maintaining a sustainable financial framework and driving further efficiencies across its business.

The MDC Trilogy Group (via the Portfolio Owner) has entered into a commercial agreement with The Agency, whereby the Portfolio Owner will invest in and acquire real estate businesses, however the property management teams and the day-to-day operational management of the sales agents will be managed by The Agency.

The management of these teams and the property management assets will be done on a cost recovery basis by The Agency to ensure that returns are maximised for investors.

Section 4.

Management of the Fund & of MDC Trilogy Group's portfolio

The Investment Manager

MDC Trilogy Investment Management I Pty Ltd, ACN 658 250 303 is the investment manager of the Fund and the investment manager of the Portfolio Owner. The Investment Manager is acting in its capacity as trustee for MDC Trilogy Investment Management I Trust. The Investment Manager's key role is to promote the Fund and the investment manager of the Portfolio Owner and to manage the investments undertaken by the Fund and by the Portfolio Owner. The Investment Manager is a corporate authorised representative (number 001298231) of Gibraltar Capital Pty. Ltd., ACN 610 194 986, AFSL number 493813.

The fees payable by the Fund to the Investment Manager are set out in Section 6.

Directors of the Investment Manager and associated MDC Trilogy Group entities

Michael Birch

Michael is a Director of Murray Darling Capital and has 25 years of capital markets experience as a highly regarded corporate advisor, fund manager and stockbroker.

Michael founded Huon Capital, a leading Australian hedge fund through the acquisition of MMC Asset Management in 2012, Huon Capital won the Best Emerging Hedge Fund category at the Australian Hedge Fund Awards in 2012.

Michael sits on listed and unlisted company Boards and the advisory Board of KYUP! Project, a registered domestic violence charity.

Philip Ryan

As co-founder and Managing Director of Trilogy Funds, Philip is responsible for leading a cohesive and high-performing team across Trilogy Funds' three offices, overseeing business compliance, and developing product offerings. He sits on the Board's Property Investment, Lending and Treasury Committees.

Philip has over 30 years of experience in the financial services industry, across financial planning and funds management. He was previously a partner in a Brisbane law firm, having been a solicitor admitted to the Supreme Court of Queensland and High Court of Australia for over 35 years. He is a Fellow of FINSIA, with qualifications at a post graduate level in mortgage lending and financial services.

Philip leveraged his Legal and Financial Services qualifications as a founding director in 1998 of the funds management entity which evolved into Trilogy Funds. He is a key instigator of Trilogy Funds' products, including the Trilogy Monthly Income Trust, Trilogy Enhanced Income Fund, Trilogy Wholesale Income Fund and various property trusts. Philip is passionate about creating financial products within the mortgage and property sectors that generate attractive income returns, as well as assisting younger generations to achieve their financial goals.

Henry Elgood

As a key member of Trilogy Funds' respective Treasury and Compliance Committees, Henry holds a wealth of knowledge and experience across governance and risk management. From a client-focused point, Henry has engaged in product creation and innovation for a variety of investors. Further to this, he carries a lengthy, successful track record of originating and executing corporate transactions with onshore and offshore partners, combined with significant experience in fixed income asset management.

Leveraging his experience in driving strategic initiatives across business units within the financial services sector, and separately as a company director of several private companies, his ability to align business risk appetite with strategic growth initiatives across the Trilogy Funds group is unparalleled.

Henry provides oversight of the Responsible Entity's AFSL requirements and engagement with the regulators. This is achieved through the development and implementation of appropriate risk management measures, ensuring there are appropriate controls and governance across our internal business functions.

Justin Smart (Company Secretary)

Justin commenced with Trilogy Funds as its Chief Financial Officer in 2007 and was later promoted to Chief Operating Officer in 2011. Justin is a company director of Trilogy Funds' private companies and is the public officer for the Trilogy Funds group. Justin has a comprehensive understanding of Trilogy Funds' systems and processes. His responsibilities include but are not limited to management of the group's operations, with a particular focus on process improvement and automation to provide quality services to stakeholders.

Justin is a Certified Practising Accountant, with extensive experience in financial services, technology, auditing, and strategic planning. Additionally, he retains strong financial knowledge and oversight of the Responsible Entity's AFSL requirements, including

Trilogy Funds' managed investment schemes. Utilising his vast knowledge of the statutory financial reporting requirements of the group and its managed investment schemes, Justin has attributed to the ongoing growth and operational success of Trilogy Funds, by implementing critical business systems and improvements. In doing so, he has been instrumental in providing the insights necessary to drive the business forward.

As a long-standing member of the Lending Committee, Workout Committee, and Investment Committee, Justin is passionate about continual improvement, through facilitating a supportive and collaborative company culture and searching for ways to improve how we provide services to our stakeholders. Prior to joining Trilogy Funds, Justin held various senior management roles within the financial services sector

Investment Committee Members

The Investment Committee is set and determined by the Portfolio Manager and its underlying shareholders. These shareholders are entities related to Trilogy Funds and Murray Darling Capital. The majority of Investment Committee members are representatives of Trilogy Funds, Murray Darling Capital and The Agency, it is not an independent committee. Its role includes doing the following in accordance with the Investment Committee guidelines:

- Review acquisitions and disposals of assets on behalf of the MDC Trilogy Group, including co-ordinating the due diligence process;
- Review transaction documents associated with relevant financing documents (i.e. bank funding terms etc); and
- Managing financial performance of acquisitions against target, monitoring performance of assets and reviewing risk mitigation strategies across the MDC Trilogy Group as to ensure ongoing serviceability of the Loan Notes.

Matt Lahood, CEO Sales, The Agency

Matt lives by his motto "great leaders are those that empower and inspire others".

Matt Lahood is synonymous with Australian real estate, during more than two decades at the forefront of the industry, he's honed his expertise in everything from property sales to auctioneering. Having personally coached and mentored many of the industry's finest sales agents to become million-dollar writers, Matt knows what it takes to significantly grow their businesses. Matt is also well known around Australia for his outstanding leadership skills and for building super sales and operational teams. He has been recognised with countless performance awards and is considered a thought leader within the Australian real estate space. Matt provides media commentary on a national level and is a regular keynote speaker at real estate and financial events.

Andrew Jensen

Andrew is Chief Operating Officer and Chairman of The Agency. Andrew is an accomplished CFO with

over 18 years of experience in senior finance and management roles.

Previously he served as a Non-Executive Director and Chairman for the Audit and Risk Committee for Freedom Insurance Group Ltd (ASX:FIG). Prior to this, Andrew was the CFO and Director of Australasia's largest real estate group Ray White, with over \$20Billion in annual sales and one of Australia's largest independent mortgage broking business. Andrew has also been the CFO of VGC Food Group Pty Ltd, CFO and COO of Digicel PNG (Papua New Guinea).

Andrew is a fellow of the National Institute of Accountants and member of the Institute of Company Directors.

Geoff Lucas

Geoff Lucas is one of the most highly regarded executives in the Australian property industry, with a distinguished track record of leadership in a number of corporate positions for an ASX-listed real estate group, as well as other major public companies.

With more than 25 years' commercial experience, Geoff has successfully grown several companies and uses his background in accounting and finance to develop and execute strategies for growth.

From 2008-2016 Geoff served as the Chief Operating Officer of McGrath Real Estate (ASX:MEA), later serving as Chief Executive Officer of the company. Prior to this, Geoff served as the CEO of ASX-listed financial services group Credit Corp Group (ASX:CCP) from 2004 to 2008.

Geoff is qualified as a Certified Practising Accountant (CPA) and is also a Fellow of the Australian Institute of Company Directors (FAICD).

John Barry

A founder of Trilogy Funds and member of the Board's Audit Committee, the Property Investment Committee, and Chairman of the Treasury Committee.

Previously, John was involved in the establishment and ultimate growth of Challenger into a broadly based financial services company which included a \$2.7 billion international property portfolio. John was an Executive Director at Challenger, Head of Property and responsible for the development of the Endowment Warrants to Instalment Receipts and the structure and establishment of Challenger's long-term annuities. Prior to Challenger John worked in corporate finance at Morgan Grenfell Australia and Rothschilds Australia and was an Executive Director of Rothschilds Australia.

Prior to Trilogy Funds John established ABN AMRO's reverse mortgage product and headed up its PPP social infrastructure division. John has also been the Independent Non-Executive Chairman of Westpac RE Limited, a wholly owned subsidiary of Westpac Banking Corporation.

Michael Birch

Michael is a Director of Murray Darling Capital and has 25 years of capital markets experience as a highly regarded corporate advisor, fund manager and stockbroker.

Most recently, Michael co-founded an investment advisory business and advises a number of Fintech and aspiring Neo Banks in addition to consulting to a number of listed and unlisted companies.

Michael founded Huon Capital, a leading Australian hedge fund through the acquisition of MMC Asset Management in 2012, Huon Capital won the Best Emerging Hedge Fund category at the Australian Hedge Fund Awards in 2012.

Michael sits on listed and unlisted company Boards and the advisory Board of KYUP! Project, a registered domestic violence charity.

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As co-founder and Managing Director of Trilogy Funds, Philip is responsible for leading a cohesive and high-performing team across Trilogy Funds' three offices, overseeing business compliance, and developing product offerings. He sits on the Board's Property Investment, Lending and Treasury Committees.

Philip has over 30 years of experience in the financial services industry, across financial planning and funds management. He was previously a partner in a Brisbane law firm, having been a solicitor admitted to the Supreme Court of Queensland and High Court of Australia for over 35 years. He is a Fellow of FINSIA, with qualifications at a post graduate level in mortgage lending and financial services.

Philip leveraged his Legal and Financial Services qualifications as a founding director in 1998 of the funds management entity which evolved into Trilogy Funds. He is a key instigator of Trilogy Funds' products, including the Trilogy Monthly Income Trust, Trilogy Enhanced Income Fund, Trilogy Wholesale Income Fund and various property trusts. Philip is passionate about creating financial products within the mortgage and property sectors that generate attractive income returns, as well as assisting younger generations to achieve their financial goals.

Henry Elgood

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Leveraging his experience in driving strategic initiatives across business units within the financial services sector, and separately as a company director of several private companies, his ability to align business risk appetite with strategic growth initiatives across the Trilogy Funds group is unparalleled.

Henry provides oversight of the Responsible Entity's AFSL requirements and engagement with the regulators. This is achieved through the development

and implementation of appropriate risk management measures, ensuring there are appropriate controls and governance across our internal business functions.

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Justin is a Certified Practising Accountant, with extensive experience in financial services, technology, auditing, and strategic planning. Additionally, he retains strong financial knowledge and oversight of the Responsible Entity's AFSL requirements, including Trilogy Funds' managed investment schemes. Utilising his vast knowledge of the statutory financial reporting requirements of the group and its managed investment schemes, Justin has attributed to the ongoing growth and operational success of Trilogy Funds, by implementing critical business systems and improvements. In doing so, he has been instrumental in providing the insights necessary to drive the business forward.

As a long-standing member of the Lending Committee, Workout Committee, and Investment Committee, Justin is passionate about continual improvement, through facilitating a supportive and collaborative company culture and searching for ways to improve how we provide services to our stakeholders. Prior to joining Trilogy Funds, Justin held various senior management roles within the financial services sector.

The Trustee and Administration Manager

Specialised Investment and Lending Corporation Ltd, ACN 149 520 918, AFSL 407100 is the Trustee of the Fund. The Trustee's key responsibilities are to operate the Fund in accordance with the Trust Deed and its duties and obligations under Australian law. The Trustee will have regard to the best interests of Unitholders in all decisions that it makes with respect to the Fund.

The Trustee holds professional indemnity insurance and, in connection with its AFSL, is further required to adhere to specific requirements such as ensuring it has minimum net tangible assets and is subject to independent financial audit.

The Trustee is led by a management team that has a breadth of experience in the banking, funds management and financial services sector.

The Administration Manager is a related party of the Trustee.

The fees paid by the Fund to the Trustee are set out in Section 6.

Section 5.

Risk factors

Like any investment, there are risks associated with investing in the Fund. There are a number of risk factors that could affect the performance of the Fund, the repayment of Unitholders' capital and the payment of distributions (returns). Many risk factors fall outside of the Trustee and the Investment Manager's control and cannot be completely mitigated.

The following is a non-exhaustive list of the main risks associated with investment in the Fund. Unitholders should consider and weigh them up carefully and make their own assessment as to whether the Fund is a suitable investment before applying to invest in the Fund. Prospective investors are strongly recommended to obtain independent professional advice before investing in the Fund.

Target Returns and distributions are not guaranteed and neither is the return of Unitholders' capital.

Risks specific to the Fund

Discretionary interest rate risk

The ability of MDC Trilogy Holdings to services its payment obligations under the Loan Notes is entirely dependent upon the Portfolio Owner (and/or its subsidiaries) paying interest at a rate of at least 10% under the Equity Notes. There is no set interest rate on the Equity Notes and it is at the discretion of the Portfolio Owner (and/or its subsidiaries) to determine the rate at which it will pay interest. If they do not determine a rate of at least 10%, then MDC Trilogy Holdings will not be able to meet its interest payments under the Loan Notes but will have no recourse against the Portfolio Owner and its subsidiaries.

Short operating history risk

The Investment Manager was formed in 2022 and has a short operating history. However, each of the principals have capital market experience in mergers and acquisitions, corporate advisory and funds management. The principals have been working and advising in the residential property industry for over five years and this Fund is the culmination of a great deal of experience in the sector.

The property management operator that MDC Trilogy Group has contracted with to manage the property management portfolio, The Agency, has a long track record of managing properties and the Investment Manager anticipates that as the property management operator gains more scale, it will be able to introduce further synergies to their process.

Significant redemptions risk

A risk exists that a significant number of requests for redemption of Units will be received. In such an event, it may not be possible to liquidate some of the Fund's

assets at the time that such redemptions requested are paid in full, or it may be possible to do so only at prices which do not reflect the true value of such investments, resulting in an adverse effect on the return to Unitholders. If the value of eligible redemption received for a quarter is greater than the cash the Investment Manager and Trustee deem is available for redemption, then the redemptions received will be pro-rated.

It is important to note that Unitholders will not have a right to have their Units redeemed, at any time.

Due diligence risks

It is possible that the Investment Manager does not identify risks relating to the condition of the underlying properties or the records maintained by the seller of a rent roll, or relating to property owners, or relating to the terms of or enforceability of management agreements.

Arrears and vacancy risk

Arrears and vacancy rates can be caused by factors outside of the Investment Manager's control, including interest rates, and general market and economic conditions. There is a risk that increased vacancy and arrears rates could result in lower than expected returns to the MDC Trilogy Group which could impact its ability to pay interest to the Fund or to repay the Equity Notes to the Fund.

Landlord leakage

There is no guarantee that landlords within the rent roll will remain on the rent roll after its acquisition.

Technology risk

The portfolio and management of the MDC Trilogy Group's assets may be subjected to risks from technology including a failure in operating systems, security risk and financial system risk.

Investment structure & Equity Notes risks

The investment structure involves the Fund investing in Loan Notes issued by MDC Trilogy Holdings. Loan Notes are a financial instrument which are the same as a loan. MDC Trilogy Holdings will then in turn provide the money to the Portfolio Owner, via Equity Notes issued by the Portfolio Owner or by the subsidiaries. The nature of Loan Notes means the Fund will not have an ownership interest in the Assets. The payment of interest to the Fund under the Loan Notes, and the repayment of the Loan Notes, will be dependent on the cashflows generated by, and the success of, the property management assets owned by MDC Trilogy Group. The structure means that an investment in the Fund comes with risks similar to an investment in a debt fund (a fund which lends money). MDC Trilogy Holdings might default in payments to the Fund

or otherwise default under the terms of the Loan Notes. Similarly, the Portfolio Owner might default in payments to MDC Trilogy Holdings under the terms of equity notes issued by the Portfolio Owner to MDC Trilogy Holdings. This could lead to the Fund being unable to pay distributions to Unitholders and/or a loss of capital of Unitholders.

Borrowing risks

MDC Trilogy Group might also borrow money from external lenders, to assist in providing funding to purchase assets for MDC Trilogy Group. These borrowings are likely to be on a secured basis, meaning lenders will hold security over assets of MDC Trilogy Group, including over assets of the Portfolio Owner and/or its subsidiaries. This security will mean that such lenders will rank ahead of the Fund for repayment of amounts under their loans.

Borrowings create leverage, which magnifies the potential or risk of capital gains and losses. There is the risk that adverse changes in interest rates may have an impact on the Fund's distributions. A fall in the value of some of the property management assets of MDC Trilogy Group or the net income derived from those Assets, including as a result of changes in interest rates, could result in a breach of a borrowing condition. If there is a default of a debt facility, the financier may enforce its security against the relevant MDC Trilogy Group assets.

Related party risk

The companies in MDC Trilogy Group are owned or controlled by Trilogy Funds and Murray Darling Capital. This includes the Investment Manager, MDC Trilogy Holdings and the Portfolio Owner. It may be possible that one or more members of the Trilogy Funds' group of companies from time to time may have or intend to have shares or other interests in The Agency. The Investment Manager is also the manager of the Fund and of the Portfolio Owner. Therefore there may be conflicts between the interests of MDC Trilogy Group and those of the Fund and its Unitholders. For example, if there is a default under the terms of the Equity Notes, the Fund may need to take action to enforce its rights under those notes. Under the terms of the Investment Management Agreement between the Fund and the Investment Manager, the Investment Manager is afforded a remedy period to resolve any default or potential default that subsists in relation to the Loan Notes.

General risks

Liquidity risk

There is a risk that MDC Trilogy Group's assets may decline in market value, including due to liquidity risks. For example, in unusual or volatile market conditions, some investments may become illiquid. This would impact MDC Trilogy Group's ability to sell these investments, and of the Fund to make redemption payments to Unitholders. In particular, there may not be a liquid market in which MDC Trilogy Group is readily

able to dispose of the rent roll for a fair market value. The Loan Notes which the Fund will acquire are also an illiquid investment as there is no clear secondary market for the Fund to dispose of these. In addition, there is no secondary market for the disposal by entities within the MDC Trilogy Group of the equity notes which may be issued from time to time.

Counterparty risk

The Investment Manager will use third parties to aid in the management of the property management assets. While the Investment Manager has undertaken extensive due diligence on its counterparties, if there were an adverse event in one of these counterparties, this could impact the performance of the portfolio and the payments to the Fund.

Return risk

The Fund seeks to deliver the Target Return to Unitholders. The Fund is targeting returns which are significantly higher than interest paid on basic deposit products. Unitholders should note that an investment in the Fund is not an investment in an ADI (such as a bank) regulated by APRA and an investment in the Fund carries more risk than an investment in a bank. As a general rule, higher potential returns have higher levels of uncertainty (high-risk) than investments with lower potential returns and low levels of uncertainty (low-risk).

The Target Return is not a forecast. The Fund may not be successful in meeting this objective. Returns are not guaranteed and there is a risk that the Fund may not be able to pay Unitholders any return or repay the capital invested.

Market risk

This is the risk that negative market movements will affect the price of assets within a particular market. By their nature, markets experience periods of volatility involving price fluctuations of varying magnitudes. This may occur as a result of factors such as economic conditions, government regulations, market sentiment, local and international political events, environmental and technological issues.

Regulatory and economic risk

There is the risk that the value of an investment may be affected by changes in domestic or international policies, regulations or laws (including taxation laws). There is also a risk that a downturn in domestic or international economic conditions may adversely affect investments.

These factors may increase costs, reduce profit margins, or delay processes in ways which may have a negative impact on the value of the MDC Trilogy Group's assets and the ability of MDC Trilogy Group to pay or repay amounts to the Fund. These factors are outside the control of the Trustee and the Investment Manager, but they may have a negative impact upon the operation and performance of the Fund.

Investment acquisition risk

There is a risk that issues arise through the acquisition and consolidation process. The investments identified and acquired by the Investment Manager for MDC Trilogy Group may not appreciate in value or may decrease in value with the consequence that the MDC Trilogy Group may not be able to make payments to the Fund or repay the money borrowed from the Fund.

Interest rate risk

Changes to interest rates can have a direct and indirect impact (negative or positive) on the value of the Fund's assets.

Risks associated with the performance of the Investment Manager

The success of the Fund is dependent on the Investment Manager identifying suitable investments for MDC Trilogy Group to make on terms which provide the Fund with an opportunity to meet its investment objective by providing funds to acquire those investments. If the Investment Manager and/or their investment professionals were not to continue in their respective roles, the Fund may not be able to achieve its objectives.

Risks associated with the solvency and financial position of the MDC Trilogy Group including the Investment Manager

The financial performance of the Fund investment may be impacted by the financial position and performance of the MDC Trilogy Group including the Investment Manager.

If the MDC Trilogy Group or the Investment Manager or Portfolio Owner either becomes insolvent or encounters financial difficulties, which means that it is unable to pay amounts to the Fund under the Equity Notes or perform its role under the Investment Management Agreement, then the Trustee may need to enforce its rights under the Loan Notes and/or terminate the Investment Management Agreement. If that were to occur, then the Fund may lose capital and the Trustee may need to find a replacement investment manager or wind up the Fund. This could result in investors suffering a loss of capital or a diminished return on their investment in the Fund.

Concentration risk

While the Investment Manager will seek to build diversified property management portfolios for MDC Trilogy Group, it is possible that assets of the group could become concentrated and the performance of one of more assets of the group may substantially affect the total return to the Fund. Consideration should be given to the absolute level of exposure to any individual opportunity or asset in the context of the investor's broader portfolio. In addition, the Fund's direct investments will be concentrated in nature, because they will consist entirely of Equity

Notes issued by MDC Trilogy Holdings. The Fund will therefore be relying upon the financial position and performance of that company.

Documentation risk

A deficiency in documentation could, in certain circumstances, adversely affect the return on an investment or the repayment of capital to investors. This may make it difficult for the Investment Manager to realise assets in respect of the portfolio of property management assets, if necessary.

Valuation risk

The valuation of an asset may be inaccurate or not accurately reflect its true value at the time the valuation is undertaken. If the valuation is incorrect, then it is possible that the investment is made on an overvalued basis.

Operational risk

Operational risk exists in all managed investments. This refers to the possibility the Investment Manager or the Trustee may fail to anticipate market movements, to manage the investment risks appropriately, or to properly execute the Fund's investment strategy. The Investment Manager or Trustee may also fail to adequately supervise and monitor key service providers or counterparty teams to ensure that they adequately manage risk and support the Fund's investment objective. This may be due to a failure of the Trustee's or the Investment Manager's business systems or processes, technology, key service providers or human resources.

There is also an inherent risk associated with the death or departure of the Trustee's, the Investment Manager's, or the property management counterparty's (The Agency's) key personnel.

Section 6.

Fees and Costs

This section sets out the fees and other costs that you may be charged, or which may be charged by the Investment Manager to MDC Trilogy Group. The fees and costs which are chargeable to the Fund may be deducted from, the returns on your investment or from the Fund's assets. Fees and costs chargeable to MDC Trilogy Group may indirectly affect returns from the Fund.

| Investment Management Fee | Nil | | | | | | | | |
|-------------------------------------|---|-------------------------------------|--------------------|--------------|--------|-------------|--------|-------------|--------|
| Performance Fee | Nil | | | | | | | | |
| Transaction costs | Unless otherwise determined by the Trustee, Transaction Costs can be up to 0.1% of the NAV of the Fund as at the time that the Application Price or Redemption Price is to be calculated. The NAV of the Fund is calculated by subtracting the liabilities of the Fund from the Fund's GAV. | | | | | | | | |
| Trustee fees | <p>The Trustee's fee, for operating the Fund, will be paid out of the Fund's assets.</p> <p>The Trustee is entitled to a fee calculated as the greater of:</p> <ul style="list-style-type: none"> • \$2,000* per month, or • a stepped fee of: <table border="1"> <thead> <tr> <th>Fund Gross Asset Value (GAV)</th> <th>% per annum</th> </tr> </thead> <tbody> <tr> <td>First \$100m</td> <td>0.200%</td> </tr> <tr> <td>Next \$100m</td> <td>0.175%</td> </tr> <tr> <td>Over \$200m</td> <td>0.150%</td> </tr> </tbody> </table> <p><i>*Subject to an annual increase of 3.5% per annum on the anniversary of the execution date of the Fund's Trust Deed.</i></p> | Fund Gross Asset Value (GAV) | % per annum | First \$100m | 0.200% | Next \$100m | 0.175% | Over \$200m | 0.150% |
| Fund Gross Asset Value (GAV) | % per annum | | | | | | | | |
| First \$100m | 0.200% | | | | | | | | |
| Next \$100m | 0.175% | | | | | | | | |
| Over \$200m | 0.150% | | | | | | | | |
| Fund administration | <p>The Administration Manager's fee will be paid out of the Fund's assets.</p> <p>The Administration Manager is entitled to a fee of:</p> <ul style="list-style-type: none"> • \$2,220* per month; plus • \$50 per distribution per investor; and • \$50 per unit registry activity (excluding applications, distributions and reinvestments) <p><i>*Subject to an annual increase of 3.5% per annum on the anniversary of the execution date of the Fund's Trust Deed.</i></p> | | | | | | | | |
| Other costs and expenses | <p>Both the Trustee and the Investment Manager have the right to pay or be reimbursed for all costs and expenses properly incurred in the operation of the Fund.</p> <p>These are expense recovery costs and typically include day-to-day expenses such as professional fees relating to accounting, tax and legal services, government charges, and Fund compliance costs. Where the Trustee is entitled to charge an additional fee for time spent on Fund operational matters, it will be at a rate of \$350* per hour or part thereof. These fees are paid out of the Fund's assets.</p> <p>Some of these fees are fixed and will fall as a proportion of the GAV of the Fund as the GAV of the Fund grows.</p> <p><i>*Subject to an annual increase of 3.5% per annum on the anniversary of the execution date of the Fund's Trust Deed.</i></p> | | | | | | | | |

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|--------------------------------------|--|
| Termination fee | <p>In the event that the Fund is terminated prior to the third anniversary of the issue date of this IM, a termination fee of 65% of the fees which would have been payable for the remaining term is payable to the Trustee.</p> <p>If the Trustee retires as the trustee of the Fund as requested by the Investment Manager and the relevant laws and the request to retire occurs within 3 years from the date of the issue of the IM (Minimum Term), the Trustee will be entitled to a termination fee calculated as 65% of the minimum fee that would have been payable to the Trustee for the remainder of the Minimum Term.</p> <p>The Investment Manager agrees to pay this termination fee in the event that it is not recoverable from the Fund.</p> |
| Payment by Investment Manager | <p>Until the Investment Manager notifies the Trustee otherwise, where the interest received under the Loan Notes is not sufficient to pay the Target Return, the Investment Manager has agreed to waive its right to have the costs and expenses properly incurred in the management of the Fund paid from the assets of the Fund and has also agreed to pay the fees and costs of the Trustee.</p> |

Fees payable by the MDC Trilogy Group to the Investment Manager

The following fees may be charged from time to time by the Investment Manager to the MDC Trilogy Group of companies and trusts, for services rendered. These fees and costs are covered under the Investment Management Agreement between the Investment Manager and the Portfolio Owner. They include the following.

1. Acquisition Fees

The Investment Manager is entitled to an acquisition fee calculated as 2.00% of the Acquisition Cost of any property management asset acquired directly or indirectly by the MDC Trilogy Group. This will be paid from the assets of MDC Trilogy Group at the time of settlement of any acquisition. The Investment Manager may, in its absolute discretion, accept lower fees that it is entitled to receive or may defer payment of those fees at any time. If payment is deferred, the fee will accrue until paid.

2. Investment Manager Fees

The Portfolio Manager is entitled to a monthly management fee calculated as 2.75% per annum of the gross asset value of the MDC Trilogy Group, which will accrue as at each month end and be paid from the assets of MDC Trilogy Group.

This fee is payable within 10 Business Days of the relevant month end. The Investment Manager may, in its absolute discretion, accept lower fees than it is entitled to receive or may defer payment of those fees at any time. If payment is deferred, the fee will accrue until paid.

General

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST.

Subject to the Act and the Trust Deed, the Trustee or Investment Manager may agree with any prospective investor any fee arrangements with that prospective investor which are different to the fees set out in this section.

Section 7.

Taxation Information

Neither the Trustee nor the Investment Manager provides tax advice, nor have they obtained taxation advice specific to the Fund. As such, this IM cannot address all of the taxation issues which may be relevant to you. Prospective investors must take full

and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

Section 8.

Additional information

Summary of material documents

The following is a summary of material documents relevant to the Fund. You should consider whether it is necessary to obtain independent advice in relation to any of the documents.

Trust Deed

The Trust Deed is dated 29 September 2021, as amended by the Supplemental Deed dated 8 July 2022, is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both the Trustee and Unitholders.

Each Unit gives Unitholders an equal and undivided interest in the Fund's assets.

Subject to the Trust Deed, a Unitholder has the following rights relating to the Fund:

- 1) the right to share in any distributions;
- 2) the right to attend and vote at meetings of Unitholders; and
- 3) the right to participate in the proceeds of winding up of a Fund.

The Trust Deed also contains provisions about convening and conducting meetings of Unitholders.

Subject to the Trustee's duties and obligations to Unitholders the Trustee can amend the Trust Deed without Unitholders' approval provided it reasonably considers the change will not adversely affect Unitholders' rights. The Trust Deed may also be amended by a special resolution passed by Unitholders (being a resolution passed by at least 75 percent of the votes cast by Unitholders entitled to vote on the resolution).

A copy of the Trust Deed is available free of charge by contacting the Trustee at investors@silcgroup.com.

Investment Management Agreement

The Investment Management Agreement is between the Investment Manager and the Trustee under which the Investment Manager is appointed to provide investment management services to the Fund.

It sets out the Investment Manager's obligations to the Trustee and to the Fund. The agreement also contains the arrangements in relation to the Fees and Costs that are summarised in Section 6.

The Investment Management Agreement will remain in force until the Fund is wound up unless the agreement is terminated earlier in the event the Investment Manager is in material breach of the agreement, and that breach has not been remedied after a certain time or if the Investment Manager becomes insolvent.

There is also a separate investment management agreement between the Investment Manager and the Portfolio Owner.

Rent Roll Services Agreement

The rent roll services agreement provides for the operational process and procedure between, and rights of, MDC Trilogy Group and The Agency (including eg veto rights of The Agency over proposed rent roll acquisitions and a right of first refusal to acquire the rights and beneficial title to the Rent Roll portfolio should MDC Trilogy Group (through the Portfolio Owner) decide to sell the legal and beneficial title in the portfolio of rent rolls held by MDC Trilogy Group companies and trusts.

Under this agreement, The Agency has agreed to provide the day-to-day property management services

to the owners of properties, on behalf of MDC Trilogy Group.

The Fund is not a party to this agreement.

Loan Note Subscription Agreement

This is the Agreement between the Trustee and MDC Trilogy Holdings under which the Fund has agreed to subscribe for the Loan Notes. It governs matters such as e.g. the procedures for the issue of Loan Notes, interest payment obligations and default provisions.

Loan Note Deed Poll

This is related to the Loan Subscription Agreement and allows MDC Trilogy Holdings to create and issue the Loan Notes.

Investor reports and communication

To ensure that Unitholders are kept abreast of their investment, the Trustee will provide Unitholders with the following information:

- 1) Confirmation of investments and redemptions
- 2) Annual statements of unit holdings and interest payments
- 3) Annual taxation distribution statements
- 4) Distribution statements

All communications including reports will be sent electronically unless otherwise instructed in writing by the Unitholder.

Unitholder meetings

Under the Trust Deed, the Trustee may elect to call a meeting of all Fund Unit holders.

Unit holders holding at least 25 percent of the issued Units can request for the Trustee to call and arrange such a meeting.

Related party transactions

The Trustee may from time-to-time face conflicts between its duties to the Fund as trustee, its duties to other funds that it manages and its own interests. The Trustee will manage any conflicts in accordance with its conflicts of interest policy, the Trust Deed, ASIC policy and the law.

The Investment Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Investment Manager are negotiated at arm's length between the parties.

The Trustee may from time-to-time enter into transactions with related entities (such as with the Administration Manager). All transactions will be effected at market rates or better.

The Trustee and the Administration Manager are related parties.

There are multiple related party transactions that will be entered into by the Fund. These transactions will

generally not be on arms length terms and will include the following:

- 1) MDC Trilogy Investment Management I Pty Ltd is the investment manager for the Fund and for the Portfolio Owner. This means the same entity is recommending the acquisition of the asset to the Portfolio Owner and the debt funding of the asset by the Fund.
- 2) The Investment Manager is providing limited security to the Fund in connection with the Loan Notes.
- 3) MDC Trilogy Holdings, the issuer of the Loan Notes, is a related party of the Investment Manager.
- 4) The Portfolio Owner, the issuer of the Equity Notes, is a related part of the Investment Manager and MDC Trilogy Holdings.
- 5) It may be possible that one or more members of the Trilogy Funds' group of companies from time to time may have or intend to have shares or other interests in The Agency.

Disclosure of interest

Related parties (including directors and employees) of either the Trustee or the Investment Manager may invest in the Fund. None of these parties will have preferential treatment over other Unitholders.

Privacy

In applying to invest, you are providing the Trustee and the Investment Manager with certain personal details (your name, address etc). The Trustee uses this information to establish and manage that investment for you. If you do not provide the Trustee with your contact details and other information, then it may not be able to process your application to invest.

Under the *Privacy Act 1988* (Cth), you can access personal information about you held by the Trustee, except in limited circumstances. Please let the Trustee know if you think the information is inaccurate, incomplete or out of date. You can also tell the Trustee at any time not to pass on your personal information by advising it in writing.

Under various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office or the Australian Transaction Reports and Analysis Centre (AUSTRAC).

By applying to invest, you give the Trustee permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with AML/CTF law or in connection with the holding of Application Money. Subject to relevant law, the Trustee may also use your information to provide you with details of future investment offers made by it or the Investment Manager.

Anti-money laundering law

The Trustee is required to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML/CTF Law)*. This means that the Trustee will require potential investors to provide personal information and documentation in relation to their identity when they apply to invest in the Fund. The Trustee may need to obtain additional information and documentation from prospective investors to process applications for Units or to undertake subsequent transactions or at other times while a person is an investor in the Fund.

The Trustee may need to identify:

- 1) a prospective investor prior to purchasing Units in the Fund. The Trustee will not issue Units until all relevant information has been received and a prospective investor's identity has been satisfactorily verified; and
- 2) anyone acting on behalf of a prospective investor, investor, or a deceased investor, including a power of attorney or a legal personal representative if an investor dies while a member of the Fund.

In some circumstances, the Trustee may need to re-verify this information.

By applying to invest in the Fund, prospective investors and investors also acknowledge that the Trustee may decide to delay or refuse any request or transaction, including by suspending the issue or withdrawal of Units in the Fund, if it is concerned that the request or transaction may breach any obligation of, or cause the Trustee to commit or participate in an offence under, any AML/CTF Law, and the Trustee will incur no liability to prospective investors or investors if it does so.

Common Reporting Standards (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (**OECD**) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Trustee will be a 'Reporting Financial Institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain investors to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Unitholders will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable).

Foreign Account Tax Compliance Act (FATCA)

The Trustee considers that the Fund will be required to comply with FATCA, United States (**US**) tax law which was enacted for the purpose of improving tax

information reporting regarding US persons in respect of their offshore investments to the US Internal Revenue Service (**IRS**). Certain obligations relating to the FATCA have been given force of law in Australia.

In order to comply with FATCA requirements, the Trustee:

- 1) may require Unitholders to provide certain information regarding their identification and will undertake certain due diligence procedures with respect to Unitholders to determine their status for FATCA reporting purposes - this information may be required at the time an application is made for the issue of Units or at any time after the Units have been issued; and
- 2) will report annually to the IRS, via the Australian Taxation Office (ATO), in relation to relevant Unitholders' financial information required by the ATO (if any) in respect of any investment in the Fund.

Accordingly, by making an application to invest in the Fund, prospective investors agree to provide the Trustee with certain identification and related information in order to enable it to comply with its obligations in connection with FATCA.

Indemnification

Subject to the IM and unless otherwise agreed with the Trustee, the Trustee is entitled to be indemnified out of the Fund for all expenses, liabilities, costs and any other matters except in the case of the Trustee's own fraud, gross negligence or wilful default.

The Investment Manager and the Administration Manager are similarly entitled to be indemnified by the Trustee (out of the assets of the Fund) for all claims, losses, liabilities, damages, costs and expenses (**Costs**) incurred by them in relation to the proper performance of their role as Investment Manager and Administration Manager respectively. However, the Investment Manager and Administration Manager are not entitled to be indemnified by the Trustee and will be liable to the Fund for any liability arising as a result of their fraud, gross negligence, wilful default or material breach of the agreement under which they are appointed.

Questions and complaints

If a Unitholder has any questions or complaints, the Unitholder should contact the Trustee in writing. The Trustee will acknowledge an Unitholder's query or complaint in writing within 14 days. The Trustee will then give proper consideration to the complaint and advise the Unitholder of the outcome within 45 days after receipt of the complaint. The Trustee's contact details are in Section 11.

Section 9.

Application process

General

After reviewing this IM, prospective investors can invest in Units by completing the Application Form accompanying this IM and remitting their Application Money (being the Application Price payable as advised by the Investment Manager) into the Fund's bank account detailed within the Application Form.

Incomplete applications (including where required identification documentation is not provided or payment of Application Money is not paid) will not be processed until such time the complete information pertaining to that application is provided and Application Money is received by the Trustee. Any funds held during this time will not earn any interest.

Application Monies are held in the Fund's application account prior to being allocated Units in the Fund and may not be withdrawn.

Investors will be notified when Units are issued. However, where the Trustee rejects an application, it will provide a notice to the applicant and return Application Money (if any received) without interest within 20 Business Days of receipt of that application.

Step 1 – Read this document, and consider the offer

You should read this IM in full before deciding whether to invest in the Fund. Pay particular attention to the risks set out in Section 6 and other information concerning units, the Fund and its assets. The risks need to be considered in light of your particular investment objectives, financial situation and needs. You should seek your own financial advice from a licensed adviser before investing.

Step 2 – Complete the Application Form

To make an investment, complete and lodge the Application Form with your application money. Please take care to ensure that you complete all sections of the Application Form correctly and return it together with documentation required. We will accept the payment methods listed on the Application Form.

Step 3 – Lodge your Application Form

Please see the instructions on the Application Form for details about lodging the form with investorrelations@trilogyfunds.com.au

Section 10.

Glossary

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| Acquisition Cost | The total cost of an acquisition to MDC Trilogy Group including the purchase price, commission, stamp duties, borrowing and financial accommodation costs in relation to the acquisition, legal costs incurred in the acquisition and other costs and disbursements and expenses incurred or to be paid by MDC Trilogy Group in connection with the acquisition of that investment. |
| Corporations Act | Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act. |
| ADI | Authorised deposit-taking institution. |
| Administration Manager | SILC Funds Administration Pty Ltd, ACN 628 993 386. |
| AFSL | Australian Financial Services Licence issued under Part 7.6 of the Corporations Act. |
| Application Form | The application form issued together with and accompanied by this IM. |
| Application Money | The money paid by an applicant for Units. |
| ASIC | Australian Securities and Investments Commission. |
| ASX | Australian Securities Exchange. |
| Business Day | A day on which banks are open for business in Melbourne, except a Saturday, Sunday or public holiday. |
| Distribution Date | The last Business Day of each quarter. |
| Eligible Investor | A person to whom the Offer is available, being a person who is a wholesale client as defined in section 761G of the Act. |
| Fees and Costs | The following amounts: The fees payable from the Fund as set out in Section 6; and The expenses associated with the operation of the Fund, such as the costs associated with the administration of distribution of income and other expenses properly incurred by the Trustee, Investment Manager and the Administration Manager in connection with performing their duties and obligations in the day-to-day operation of the Fund. |
| First Closing Date | 30 September 2022 or earlier, at the discretion of the Trustee. |
| Fund | MDC Trilogy Wholesale Yield Fund I. |
| GAV | The gross asset value of the Fund, determined in accordance with the Trust Deed. |
| GST | Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth), as amended. |
| IM | This Information Memorandum. |
| Investment Agreement | The Investment Management Agreement between the Trustee and the Investment Manager dated 20 September 2022. |

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| Investment Manager | MDC Trilogy Investment Management I Pty Ltd, ACN 641 841 698 A corporate authorised representative (number 001298231) of Gibraltar Capital Pty Ltd, ACN 610 194 986, AFSL 493813 |
| Application Price | The application price for each Unit as calculated in Section 2. |
| MDC Trilogy Group | The group of companies which are controlled by Trilogy Funds and Murray Darling Capital, including the Investment Manager, the Portfolio Owner, and MDC Trilogy Holdings. |
| NAV | The net asset value of the Fund, determined in accordance with the Trust Deed. |
| Offer | The offer of Units in the Fund pursuant to this IM. |
| Ordinary Units | The class of units in the Fund known as “Ordinary Units”. |
| Portfolio Owner | MDC Trilogy Property Management I Pty Ltd (ACN 659 364 851). |
| Redemption Price | The redemption price for each Unit as calculated in Section 2. |
| Wholesale Client | A person or entity who/which is a wholesale client as defined in section 761G of the Act, or to whom/which regulated disclosure is otherwise not required to be given under the Act. |
| Rent Roll Services Agreement | An agreement signed on 1 September 2022 between MDC Trilogy Property Management I Pty Ltd and The Agency MDC Pty Ltd, ACN 616 297 753 in connection with managing the properties of MDC Trilogy Group, as amended from time to time. |
| Target Return | The Target Return of the Fund is ~10.00% per annum (net of Fund Fees and expenses). The Target Return is not a forecast and may vary depending on the performance of the underlying Fund investment. The Fund may not be successful in achieving the Target Return. The Fund, the Trustee and the Investment Manager do not guarantee any returns. |
| Transaction Costs | Has the meaning given to that term in Section 6. |
| Term | Has the meaning given to that term in Section 1. |
| The Agency | The Agency Group Australia Limited ACN 118 913 232. |
| Trilogy Funds | Trilogy Funds Management Limited |
| Trust Deed | The Trust Deed dated 29 September 2021 as amended by the supplemental Deed dated 8 July 2022 and replaced by deed dated 20 September 2022. |
| Trustee | Specialised Investment and Lending Corporation Ltd., ACN 149 520 918, AFSL 407100. |
| Unit | Ordinary Units in the Fund. |
| Unitholder | A registered holder of a Unit. |

Section 11.

Corporate Directory

Trustee

Specialised Investment and Lending Corporation Ltd.
Level 14, 356 Collins St
Melbourne VIC 3000
T: +613 9600 2828
E: investors@silcgroup.com

Investment Manager

MDC Trilogy Investment Management I Pty Ltd
Level 26, 10 Eagle Street
Brisbane QLD4000
T: +617 3039 2833
E: investorrelations@trilogyfunds.com.au

Administration Manager

SILC Funds Administration Pty. Ltd.
Level 14, 356 Collins St
Melbourne VIC 3000
T: +613 9600 2828
E: investors@silcgroup.com

Fund Legal Advisers

McMahon Clarke
Level 7, 100 Creek Street
Brisbane QLD 4000

