

The Lone Pine Tavern



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**BONDI
ASSET
MANAGEMENT**

Sydney Leisure, Gaming and Property Growth Fund (Lone Pine) No. 2

Information Memorandum

10 November 2016

Lone Pine Tavern

13-15 Rooty Hill Rd, Rooty Hill



Bondi Asset Management Pty Ltd - *Strictly Confidential*

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Information Memorandum

Sydney Leisure, Gaming and Property Growth Fund (Lone Pine) No. 2

Trustee

One AR Pty Ltd ACN 602 601 776

Manager

Bondi Asset Management Pty Limited ACN 607 221 438

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Notice

This Information Memorandum (IM) is dated 10 November 2016 and is issued by One AR Pty Ltd ACN 602 601 776, AFS authorised representative number 471702 (Trustee, we or us), which is the trustee of the Sydney Leisure, Gaming and Property Growth Fund (Lone Pine) No. 2 (SLGPG Fund (Lone Pine) No. 2) (Fund). 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 Bondi Asset Management Pty Limited ACN 607 221 438 (Manager) as the investment manager of the Fund.

This Information Memorandum (IM) relates to an offer of investment in the Fund. The Fund is an unregistered unit trust that owns all of the units in two unregistered unit trusts, the SLGPG Fund (Lone Pine - Property) No. 2 (Property Sub Trust) and the SLGPG Fund (Lone Pine - Business) No. 2 (Business Sub Trust). The Property Sub Trust will own title to the land on which the assets are located and will lease the Business to the Business Sub Trust.

NO PREVIOUS OFFERS

This IM represents the entire offer with respect to an investment in the Fund and supersedes any and all other offer documents or purported offer documents offering investment in the Fund.

NO DISCLOSURE REQUIRED

This IM is intended to provide potential Investors with information only and does not constitute a product disclosure statement or other disclosure document required by the *Corporations Act 2001* (Cth) (Act). This IM has not been lodged with the Australian Securities and Investments Commission (ASIC) or any other government body.

The Offer made under this IM is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act), or sophisticated investors (as defined in section 761GA of the Act), (collectively, Qualifying Investors). The Trustee will not issue Units in the Fund to a person unless it is satisfied that the person is a Qualifying Investor.

FOREIGN JURISDICTIONS

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than Australia or in circumstances in which such offer or solicitation is not authorised. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an offer to acquire Units in the Fund.

In particular, this product has not been and will not be registered under the United States Securities Act of 1933 (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 Securities Act). Neither this IM nor any Application Form or other material relating to this product may be distributed in the United States.

NO RESPONSIBILITY FOR CONTENTS OF DOCUMENT

To the maximum extent permitted by law, neither the Trustee nor the Manager, nor any of their associates, related parties, directors, officers, employees, advisors (including financial, accounting and legal advisors) or representatives make any recommendation in relation to the Fund, or make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM.

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 Fund's Constitution, a copy of which is available (free of charge) by contacting the Trustee on (02) 8277 0000. To the extent there are any inconsistencies between the Constitution and this IM, the Constitution will prevail.

FORWARD LOOKING STATEMENTS

Where this IM includes forward looking statements that include the words "believe", "intend", "estimate", "expect" and words of similar meaning, such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

Any forward looking statements are based on numerous assumptions regarding the Fund's operations and present and future business and investment strategies and the markets in which the Fund will operate in the future. These forward looking statements are made on the date of this IM. Accordingly, there can be no assurance that such statements, estimates or projections will be realised.

INDEPENDENT ADVICE RECOMMENDED

Prospective investors are not to construe the contents of this IM as tax, legal or investment advice. The information contained in this IM is general information only and does not take into account your objectives, financial situations or needs. An investment in the Fund should be regarded as speculative and may not be appropriate for all persons or entities. You should seek appropriate professional advice and should conduct your own independent investigation and analysis regarding any information contained in this IM. You should rely on your own enquiries, in particular in obtaining your own legal, investment and tax advice in determining whether to invest in the Fund.

NO GUARANTEE

An investment in the Fund is subject to investment risk, including the loss of income and capital invested. Neither the Trustee nor the Manager, nor any of their directors, officers, employees, advisors or representatives guarantee the rate of return or performance of the Fund, the meeting of the objectives of the Fund, nor do they guarantee the repayment of committed capital nor do they make any guarantees about the timing of repayment of committed capital, which may be significantly delayed.

TRUSTEE LIMITATION OF LIABILITY

Except in certain circumstances (including fraud, negligence or wilful default 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 (including the gross value of the assets of any Sub Entities).

DISCLOSURE OF INTERESTS

The Trustee, the Manager and their related entities may also acquire Units in the Fund on the same terms and with the same rights as other Investors in the Fund.

UPDATED INFORMATION

The information contained in this IM can change, and the IM may be updated or replaced from time to time. Unless the changed information is materially adverse to you, the Trustee may not always update or replace this IM to reflect the changed information. Updated information can be obtained by going to the Trustee's website www.oneinvestment.com.au/SLGPGF2 or calling the Trustee on (02) 8277 0000.

CONFIDENTIALITY

This IM is confidential and is being provided to prospective investors for them to consider investing in the Fund. Its use for any other purpose is not permitted. It may not be reproduced or redistributed, in whole or in part, and its contents may not be disclosed to any person.

GLOSSARY

Certain capitalised words and expressions used in this IM are defined in the Glossary. All references to dollar amounts in this IM are to Australian Dollars (AUD), unless otherwise stated.

DIRECTORY

Trustee

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Level 11, 20 Hunter Street

Sydney NSW 2000

Telephone: (02) 8277 0000

Website: www.oneinvestment.com.au

Email: enquiries@oneinvestment.com.au

Manager

Bondi Asset Management Pty Limited

ACN 607 221 438

Level 22, 101 Grafton Street

Bondi Junction NSW 2022

Telephone: +612 8095 6421

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1. Key Features

The table below is only a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. You must read the whole of this IM to obtain more detailed information before making a decision to invest in the Fund.

About the Fund		Section
Fund	SLGPG Fund (Lone Pine) No. 2	2.1
Trustee	One AR Pty Ltd ACN 602 601 776, AFS authorised representative number 471702.	4.1
Manager	Bondi Asset Management Pty Limited ACN 607 221 438.	4.2
Hotel Manager	Napoleon Hill Pty Ltd ACN 071 585 003 as trustee for the Napoleon Hill Trust (trading as The Eastern Hotels Group).	4.3
Development Manager	King Group Holdings Pty Ltd ACN 604 476 655.	4.4
Investment objective	<p>The Fund's objective is to do the following:</p> <ul style="list-style-type: none"> • Provide Investors with a regular income return underpinned by gaming and food and beverage revenue from the Business. • Provide Investors with the potential for capital growth upon disposal of the Investment or a portion of the Property. 	2.2
Investment strategy	<p>The Fund's investment strategy is to do the following:</p> <ul style="list-style-type: none"> • Purchase both the freehold and leasehold interests of the Property. • Engage the Hotel Manager to manage and improve the Business with a view to increasing earnings each year during the term of the Fund. • Potentially commission the Development Manager to undertake subdividing and other development strategies to improve the value of the Investment with a view to crystallising that improvement through the sale or development of a portion of the Property. 	2.3
The Investment	<p>Lone Pine Tavern</p> <p>13-15 Rooty Hill Road, Rooty Hill 165 car parking spaces.</p> <p>The Feros Group currently owns and operates the Investment and has agreed to sell the Investment to the Fund for \$26 million, based on an independent valuation dated 9 February 2016.</p>	3

About the Fund	Section	
The Manager has agreed to appoint the Hotel Manager to manage the Business on behalf of the Fund.		
The Fund	<p>The Fund is an unregistered unit trust. The Fund will own all of the units in the following two unregistered unit trusts:</p> <p>(a) The SLGPG Fund (Lone Pine - Property) No. 2 (Property Sub Trust).</p> <p>(b) The SLGPG Fund (Lone Pine - Business) No. 2 (Business Sub Trust).</p> <p>The Property Sub Trust will acquire and own title to the Property and will lease the Business to the Business Sub Trust.</p> <p>The Fund has been established to allow Investors the opportunity to invest in the Property and the Business (through the Property Sub Trust and Business Sub Trust), as well as the development potential associated with these assets.</p>	2.1
Who can invest in the Fund?	<p>The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act), (collectively, Qualifying Investors).</p> <p>The Trustee will not issue Units to a person unless it is satisfied that the person is a Qualifying Investor.</p>	2.4
Class of Units	The Units available for subscription under the Offer are ordinary units.	2.7
Minimum investment amount	The minimum initial investment is \$500,000, and thereafter in multiples of \$50,000. However, the Trustee may accept a lower amount from Investors who meet the criteria for a Qualifying Investor in its absolute discretion.	2.6
Minimum Offer Amount	\$12,947,850 or such lower amount the Trustee determines in its absolute discretion.	2.8
Total Offer Amount	\$12,947,850.	2.8
Issue of Units	Units will be issued on the Closing Date. However, if less than the Total Offer Amount is raised, then the Trustee may continue raising money under this IM and issue further Units after the Closing Date, until the Total Offer Amount is raised.	2.9
Unit Price	The price for Units issued under this Offer is \$1.00	2.6
Distributions	<p>The current intention as at the date of this IM is that income distributions will be paid quarterly to Investors, within five weeks of the end of each calendar quarter.</p> <p>The Fund will only pay distributions from cash from operations and</p>	2.10

About the Fund	Section
reserves (not borrowings)	
There is no guarantee that income distributions will be paid.	
Distribution reinvestment	2.11
As at the date of this IM, the Fund does not have a distribution reinvestment plan and it is not contemplated that there will be a distribution reinvestment facility made available to Investors.	
Borrowings	2.15
The Manager proposes to secure a debt facility at the sub trust level to acquire the Investment and has received an indicative non-binding proposal from Australia and New Zealand Banking Group Ltd ABN 11 005 357 522 (ANZ).	
The Fund's expected gearing level is 55 percent. It is expected that the borrowings will be subject to a floating rate set monthly at ANZ's Bank Bill Swap Bid Rate (BBSY) plus 160 basis points (bps).	
The prospective lender's term sheet is subject to due diligence and satisfactory documentation. The Manager intends to document and establish the debt facility prior to the Closing Date.	
Expected term of investment	2.5
The initial term of the investment is five years from the Closing Date.	
The investment can be extended for one further two year term in accordance with the Liquidity Event described in the section below.	
Liquidity Event	2.14
Prior to the end of the initial five year term, there will be a Liquidity Event, where the Trustee will provide Investors with the opportunity to realise their investment through the completion of a withdrawal request form. This form will allow each Investor to nominate the number of Units (if any) they wish to redeem at the conclusion of the initial five year term.	
If the Trustee receives withdrawal requests from Investors during the Liquidity Event in respect of more than 75% of the Units on issue, then the Fund will be wound up with the Trustee completing an orderly sale of the Investment.	
Alternatively, if the Trustee does not receive withdrawal requests from Investors in respect of more than 75% of the Units on issue, then the investment term may be extended for a further period of two years.	
If the investment term is extended, then the Trustee in consultation with the Manager will implement a liquidity strategy and use its best endeavours to satisfy the withdrawal requests received from those Investors who wish to exit.	
However there is no guarantee that any withdrawal request will be able to be satisfied and the strategy will have regard to what is in the best interests of all Investors at the time. The strategy for satisfying withdrawal requests may include raising equity, arranging debt finance, matching existing Investors who may wish to acquire further Units with those Investors who	

About the Fund	Section	
<p>wish to exit the Fund or using a combination of these options.</p> <p>If the initial five year investment term is extended, then once the two year extension expires the Fund will be wound up and the Trustee will complete an orderly sale of the Investment.</p>		
<p>Withdrawal rights</p>	<p>You will not have a right to withdraw your investment during the life of the Fund. Under the Liquidity Event you will be provided with an opportunity to lodge a withdrawal request and those withdrawal requests may be accepted by the Trustee, but there is no guarantee that they will be satisfied.</p> <p>This is a fixed-term investment with no ongoing liquidity.</p>	<p>2.12</p>
<p>Key risks</p>	<p>Like any investment of this type, there are risks associated with an investment in the Fund. It is important that you read and consider the risks associated with the Fund before deciding whether to invest.</p> <p>Distributions are not guaranteed, nor are any capital returns.</p> <p>For further information about the specific risks associated with the Fund, see section 5 of this IM.</p>	<p>5</p>
<p>Fees and other costs</p>	<p>There are fees and costs payable in relation to the management of the Fund, including the following:</p> <ol style="list-style-type: none"> 1. Initial fee <p>A fee equal to 2.8 percent of the amount of Application Money received by the Trustee is payable to the Manager and which comprises the following:</p> <ol style="list-style-type: none"> (a) Capital raising fee equal to 2 percent of the Application Money which is used by the Manager to pay introducers of capital to the Fund. The fee is payable out of the Application Money before investment in the Fund (b) Establishment fee equal to 0.8 percent of the amount of Application Money and which is payable from the Assets of the Fund on the date the Units relating to the Application Money are issued. <p>The Manager may waive the 2 percent capital raising fee in its discretion, including if prospective investors subscribe directly to the Fund and are not introduced via an intermediary such as a financial adviser.</p> 2. Management fee <p>A management fee of 1.25 percent (plus GST) per annum of the gross value of the Fund's assets (including the gross value of the assets of any Sub Entities) is payable to the Trustee.</p> 	<p>6</p>

About the Fund

Section

This fee is calculated daily and will accrue and is payable to the Trustee monthly in arrears. The Trustee will pay itself and the Manager out of this fee (excluding the initial fee which is in addition).

The minimum fee payable directly to the Trustee is \$60,000 per annum.

3. Performance fee

In consideration for the past and successful management of the Fund, the Manager is entitled to be paid a performance fee of 25 percent of all Fund Returns remaining after Investors receive a pre-tax annualised investment yield (from total Fund Returns) of 10 percent per annum on their Application Money where—

- (a) “Fund Returns” means the amount calculated in accordance with the following formula:

$$\text{Fund Returns} = \text{Total Asset Value} - \text{Liabilities}$$

- (b) “Total Asset Value” means (where the calculation is being performed on sale of the assets of the Fund (including the gross value of the assets of any Sub Entities) for the purpose of winding up the Fund) the total gross proceeds received or realised (or to be received or realised) by the Fund from the sale or disposal of each asset of the Fund (including assets of any Sub Entities).
- (c) “Liabilities” means the Trustee's calculation of (or reasonable estimation of) all of the actual, contingent or expected costs, expenses and liabilities of or in connection with the Fund (including but not limited to the management fee but before the performance fee and those costs anticipated in connection with the winding up of the Fund but excluding any income tax) at the date of the calculation.

The Manager will also be entitled to the performance fee in certain other additional circumstances, as detailed in section 6.4 of this IM.

4. Fund administration fee

This fee is for fund administration services in relation to the Fund and is paid to the Trustee. The fee is a fixed fee of \$1,250 per month. This fee is payable to the Trustee monthly in arrears.

The fund administration fee is an expense of the Fund and must be paid for out of the Fund's assets (including the assets of any Sub Entities).

The above is a summary only of the key fees payable in relation to the Fund. There are other expenses that may apply to an investment in the

About the Fund		Section
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Fund.

Additional fees may be payable from the assets of the Fund (including the gross value of the assets of any Sub Entities) if the appointment of the Trustee or Manager is terminated.

For full information about the fees and expenses payable, see section 6 of this IM.

Tax Information	Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances.	8
SMSF & Superannuation funds	Self-managed super funds and complying superannuation funds are able to invest in the Fund, subject to their own investment criteria.	

2. Investment Overview

2.1 *The Fund*

The Fund is an Australian unit trust. Unit trusts are vehicles which enable investors to pool their money with that of other investors. The pooling, amongst other reasons, enables you to invest in markets that may otherwise be difficult to access.

The Fund was established by its Constitution, which regulates the relationship between the Trustee and Investors. It is structured as an unregistered managed investment scheme under the Act. It is an unlisted managed investment scheme.

Money invested by you in the Fund will purchase a number of Units which represents your holding in the Fund. Each Unit in the Fund confers an equal and proportionate beneficial interest in the net assets of the Fund (including the assets of any Sub Entities). No Unit will give you an interest in any particular part of the Fund's assets (including the assets of any Sub Entities) or the investments, or an entitlement to exercise any right or power in respect of any such asset or investment, or an entitlement to participate in the management or operation of the Fund (other than through Investor meetings).

The working of the Fund is regulated by its Constitution and the general law of Australia. The Constitution sets out the conditions under which the Fund is to operate, the rights and liabilities of Investors, and the rights, powers, responsibilities and duties of the Trustee. Investors are bound by the provisions of the Fund's Constitution.

The Trustee has appointed the Manager as the investment manager of the Fund pursuant to the Investment Management Agreement.

2.2 *Investment objective*

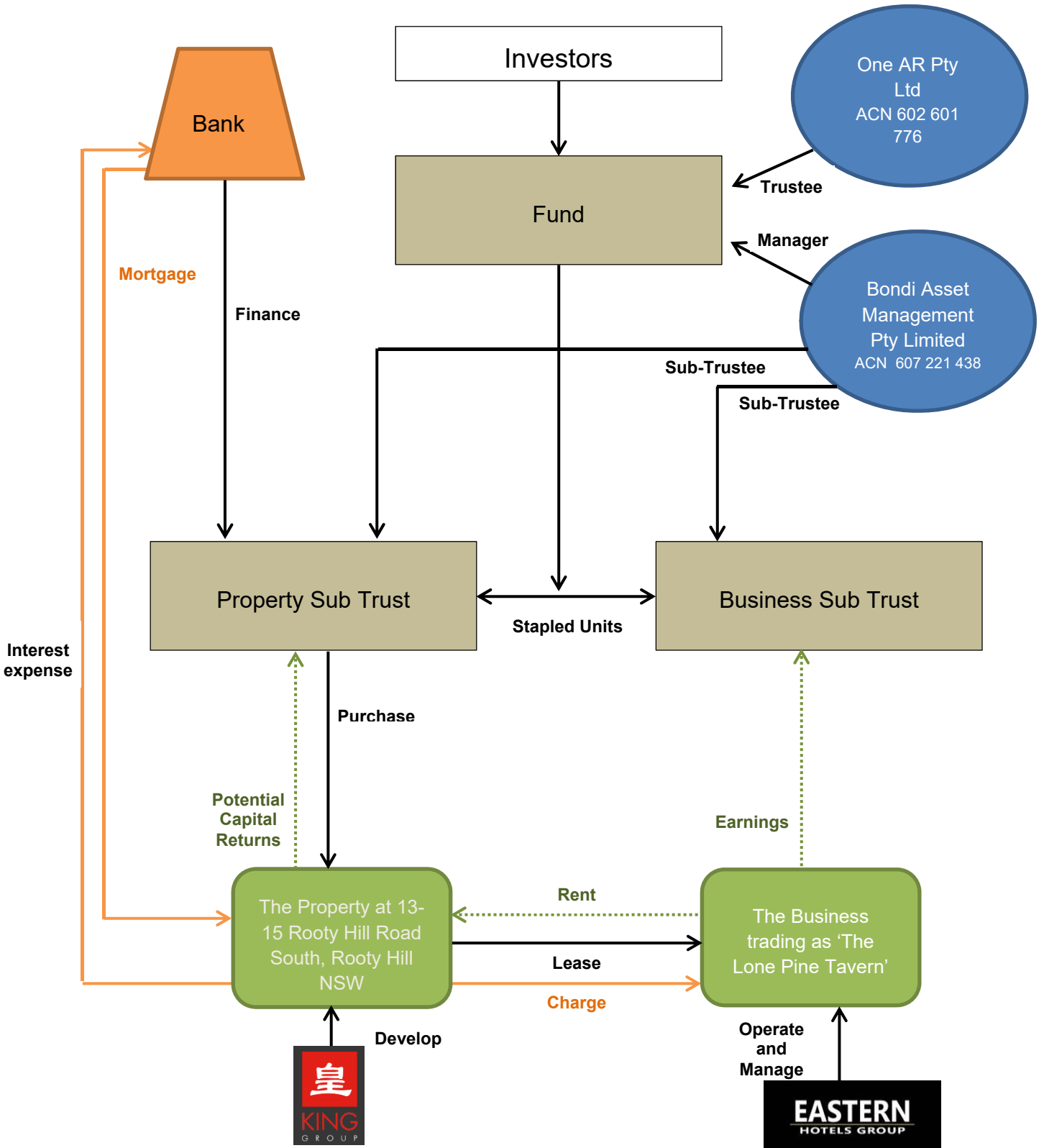
The Fund's objective is to do the following:

- (a) Provide Investors with a regular income return underpinned by gaming and food and beverage revenue from the Business, and
- (b) Provide Investors with the potential for capital growth upon disposal of the Investment or a portion of the Property. .

2.3 *Investment strategy*

The Fund's investment strategy is to do the following:

- (a) Purchase both the freehold and leasehold interests of the Property.
- (b) Engage the Hotel Manager to manage and improve the Business with a view to increasing earnings each year during the term of the Fund.
- (c) Potentially commission the Development Manager to subdivide an excess portion of the Property, for sale of the excess portion to a neighbour of the Property or to a property developer.



2.4 Who can invest in the Fund?

The Offer is only available to persons who qualify as wholesale clients (as defined in section 761G(7) of the Act) or sophisticated investors (as defined in section 761GA of the Act), (collectively, Qualifying Investors), meaning an Investor who—

- (a) invests \$500,000 or more in the Fund
- (b) provides a certificate from a qualified accountant (substantially in the Application Form attached to this IM) that states the 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
- (c) is 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).

2.5 Expected term of investment

The initial term of the investment is five years from the Closing Date. The investment term can be extended for one further two year term (see Section 2.14 below).

2.6 Unit price and minimum investment amount

The price for Units issued under this Offer is \$1.00 per Unit.

The minimum investment is \$500,000, and thereafter in multiples of \$50,000. However, the Trustee may accept a lower amount from Investors who meet the criteria for a Qualifying Investor in its absolute discretion.

2.7 Class of Units

As at the date of this IM, it is envisaged that there will be only one class of Units in the Fund. The Units available for subscription under the Offer are ordinary units.

The Trustee may, in its absolute discretion, issue new classes of Units at any time. Different classes of Units may have different terms and rights attached such as different fees and investment amounts.

2.8 Minimum Offer Amount and Total Offer Amount.

The Minimum Offer Amount is \$12,947,850 or such lower amount the Trustee determines in its absolute discretion.

The Total Offer Amount is \$12,947,850.

2.9 Issue of Units

Units will be issued on the Closing Date. However, if less than the Total Offer Amount is raised, then the Trustee may continue raising money under this IM and issue further Units after the Closing Date, until the Total Offer Amount is raised.

Units will be issued to Investors whose completed Application Form and Application Money has been received and accepted by the Registrar on behalf of the Trustee.

The Trustee may refuse to accept an Investor's application in its absolute discretion including if the Trustee does not receive the Application Money in cleared funds and/or is not satisfied that it has received all relevant information required to process the Application Form.

2.10 Distributions

The current intention as at the date of this IM is that income distributions will be paid quarterly to Investors, within four weeks of the end of each calendar quarter.

The Fund will only pay distributions from cash from operations and reserves (not borrowings). Distributions are paid after all borrowing costs and fees have been paid.

There is no guarantee that income distributions will be paid.

2.11 Distribution reinvestment plan

The Fund does not have a distribution reinvestment plan.

2.12 Withdrawal rights

You will not have any right to withdraw your money from the Fund. You will have an opportunity to submit a withdrawal request under the Liquidity Event (refer to Section 2.14 for more details). There is, however, no guarantee that those withdrawal requests will be accepted.

Investment in the Fund is illiquid and the Trustee does not expect to make any withdrawal offers.

Therefore, once your Application Form has been accepted, you should expect that your investment will remain in the Fund until the end of the expected investment term or any extension to the term (see Section 2.14 below).

Under the Constitution, the Trustee has discretion to refuse to register any transfer of Units.

2.13 Potential reconstruction strategies

The Manager may explore reconstruction options during the term of the Fund. Reconstruction options that maybe considered will include a listing of the Fund on the ASX, a trade sale (i.e., the sale of some or all of the assets of the Fund (including the gross value of the assets of any Sub Entities)), a divestment of assets of the Fund (including the gross value of the assets of any Sub Entities) into a different ownership vehicle, a merger of the Fund (or either the Property Sub Trust or Business Sub Trust) with another trust, a de-stapling of the Property Sub Trust and Business Sub Trust, or other alternatives which are considered by the Manager to be suitable at the time. The ability to optimize value or enhance liquidity for Investors will be key considerations for the Manager when it reviews the reconstruction options available.

The Manager may pursue a reconstruction strategy at any time if it considers the strategy to be in the interests of Investors and the Trustee will, subject to its legal and fiduciary obligations, implement any such reconstruction strategy on the Manager's recommendation. However, if a formal reconstruction strategy has not been implemented or set in motion within 5 years from the Closing Date, then there will be a Liquidity Event as described in Section 2.14 below.

The Trustee and the Manager also reserve the right to register the Fund, the Property Sub Trust or the Business Sub Trust with ASIC as registered managed investment schemes, at any point in the future (although this is not a reconstruction strategy—the registration of the trusts will not in itself have any noticeable impact on Investors).

2.14 Liquidity Event

Prior to the end of the initial five year term, there will be a Liquidity Event, where the Trustee will provide Investors with the opportunity to realise their investment through the completion of a withdrawal request

form. This form will allow each Investor to nominate the number of Units (if any) they wish to redeem at the conclusion of the initial five year term.

If the Trustee receives withdrawal requests from Investors in respect of more than 75% of the Units on issue, then the Fund will be wound up with the Trustee completing an orderly sale of the Investment or procuring the sale of all Units.

Alternatively, if the Trustee does not receive withdrawal requests from Investors in respect of more than 75% of the Units on issue, then the investment term may be extended for a further period of two years.

If the investment term is extended, then the Trustee in consultation with the Manager will implement a liquidity strategy and use its best endeavours to execute the withdrawal requests received from those Investors who wish to exit. This strategy will have regard to what is in the best interests of all Investors at the time and may include raising equity, arranging debt finance, matching existing Investors who may wish to acquire further Units with those Investors who wish to exit the Fund or using a combination of these options.

If the initial five year term is extended, then once the two year extension expires, the Fund will be wound up and the Trustee will complete an orderly sale of the Investment.

Independent valuation

The Trustee will have the Investment valued by an independent valuer prior to the Liquidity Event. This valuation will not be more than six months old at the date of the Liquidity Event.

Information to be provided to Investors

At the Liquidity Event, the Trustee will communicate with Investors providing—

- details of the independent valuation of the Investment
- the Manager's recommendations as to whether the Fund should be wound up or the investment term extended for a further term of two years
- an outline of the liquidity strategy the Manager proposes in order to fund the withdrawal of redeeming Investors, and
- the price that Investors will receive if Investors redeem Units or the Fund is wound up, that estimated Unit price will reflect the NTA per Unit and estimated costs of selling the Investment and winding up the Fund.

Power of attorney

Upon a Liquidity Event, each holder of Units appoints the Trustee and its authorised officers and agents as their attorney to do any act or thing, including to execute, sign and deliver any document that the attorney considers necessary or desirable to implement the steps required to provide liquidity in accordance with this IM (including executing transfers, assignments, application forms, subscriptions and other assurances of the Units being transferred or issued).

2.15 Borrowings

The Manager proposes to secure a debt facility at the sub trust level to acquire the Investment and has received an indicative non-binding proposal from ANZ

Based on the proposal received, it is anticipated that the debt facility will be on the following terms:

Type of Loan	Cash advance facility
Total facility limit	\$14,300,000
Facility draw down	\$14,300,000
Gearing ratio	55 percent
Bank covenant	Less than or equal to 55 percent
Interest cover ratio	Expected to be greater than five times.
Bank covenant	Greater than three times.
Repayments	N/A
Term	2 years
Interest cost including margin	3.25 percent
Loan administration charge	\$195 per drawing
Security	<p>First registered mortgage over the Property.</p> <p>General security agreements over Bondi Asset Management Limited and any other entity agreed and acceptable to ANZ, as required.</p> <p>Cross guarantee and indemnity by and between Bondi Asset Management Limited and any other entity agreed and acceptable to ANZ, as required.</p> <p>Deed of Undertaking over liquor licences.</p>

2.16 ***Interest rate hedging***

The Manager has the ability to hedge interest rates in respect of borrowings where it considers it is in the best interest of Investors to do so. Hedging will be potentially undertaken via over-the-counter (OTC) and exchange traded interest rate hedging instruments, including ASX interest rate futures instruments and bank fixed rate swap agreements.

2.17 ***How to invest***

To invest in the Fund you must complete the Application Form, which is available on request from the Registrar on (02) 8188 1510 or info@oneregistryservices.com.au.

The completed Application Form, together with your Application Money and supporting documentation, must be forwarded to the Registrar at the address noted on the Application Form.

3. The Investment

3.1 Rationale

The Investment has been chosen because it fits within the parameters of the Manager's chosen investment strategy of high yielding hotel assets within the Western Sydney growth corridor. In particular this asset has been chosen because of its high yield and the mix of business earnings currently weighted towards food and beverage operations which the Manager believes can be reweighted towards a higher percentage of gaming earnings. The Manager believes this increase in gaming earnings will offer a more stable form of income which should then be valued by the market using a lower discount rate for valuation purposes.

3.2 The Property and the Business—The Lone Pine Tavern

The Investment is at 13-15 Rooty Hill Road South, Rooty Hill NSW 2766, Lot 2 DP652407, a single level hotel totally refurbished and extended in 2009, comprising of a public bar, a lounge bar, internal and external gaming areas (28 machines), large bistro, beer garden, designated function room, an internal and external TAB area and drive through bottle shop. The hotel also has 165 car parking spaces.

The Feros Group currently owns and operates the Investment and has agreed to sell the Investment to the Fund for \$26 million, based on an independent valuation dated 9 February 2016.

The Manager has agreed to the appointment of the Hotel Manager to manage the Business on behalf of the Fund.

The key features of the Investment are as follows:

- (a) Large multi-revenue business with approximately \$9,500,000+ in annual gross revenue.
- (b) Strategic 9,789 square metres (approximately) site opposite Rooty Hill retail precinct and adjacent to Rooty Hill Train Station.
- (c) 28 Poker Machines, with only 8 machines currently situated in areas that conform to regulated smoking conditions and with outdated hardware and software.
- (d) Close proximity to Rooty Hill RSL, which is Australia's largest RSL club (726 gaming machine entitlements, \$84 million in revenue), which are strong business drivers.
- (e) Impressive hotel with modern fit-out in one of the fastest growing local government areas in Sydney (340,000,000 residents 2016, forecast 32 percent population growth by 2036)
- (f) Excellent further development potential with future accommodation/ residential potential (subject to council approval).

Valuation

The Manager has been provided with an independent valuation of the Investment by the Vendor of the Property. The Manager is familiar with, and has had past dealings with, the valuer, and is satisfied the valuer is sufficiently professional and independent. The valuation estimates the Investment's market value as being \$30,800,000 (exclusive of GST) as of 9 February 2016.

Current Zoning

Land Zoning: B2 – Local Centre

Height of building: Single storey

Floor Space Ratio: 0.16:1

3.3 Potential development opportunities

The Manager has not currently identified any development opportunities in relation to the Property. However, the Manager considers that a portion of the Property is in excess to the Business' needs. Accordingly, the Manager may consider development of the property by way of subdivision and sale of the excess portion of the Property.

Engagement in development activities is subject to the presentation of opportunities. Where a development opportunity arises, the Manager will undertake reasonable enquiries to determine the profitability of the development, including considerations of development costs, the sale price of the subdivided land and any other costs associated with the development and sale of the subdivided area.

The Manager will engage the Development Manager if it considers that a viable development opportunity has arisen. The Manager will appoint the Development Manager to subdivide the excess portion of the Property.

4. Management of the Fund

4.1 *One AR Pty Ltd ACN 602 601 776—the Trustee*

(a) About the Trustee

The Trustee has extensive experience as a corporate trustee and custodian, and is a professional trustee.

One AR Pty Ltd is a subsidiary of the One Investment Group (OIG). OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG's licensed entities hold over 200 responsible entity/trustee roles, administering a range of asset classes including hedge funds, real estate, private equity, fixed income, credit and equities. The total value of the assets within these trusts is in excess of \$10 billion.

The founders of OIG, Frank Tearle and Justin Epstein, have in excess of 30 years' collective experience in mergers and acquisitions, capital markets, funds management and corporate governance. OIG's compliance committee comprises a majority of independent members each with over 20 years' relevant experience in areas including funds management, investment banking, capital markets, chartered accounting and compliance.

(b) Capabilities

OIG's capabilities include—

- responsible entity services
- trustee services
- registry services
- fund administration and taxation services, and
- custody services.

(c) AFS licence

One AR Pty Ltd is an authorised representative licensee (authorised representative number 471702) of One Investment Administration Ltd (AFS licence number 225064).

4.2 *Bondi Asset Management Pty Limited ACN 607 221 438—the Manager*

(a) About the Manager

The Trustee has appointed the Manager as the investment manager of the Fund.

The Manager was set up in 2015 as an independent provider of best-in-class asset management solutions with a specific focus on hospitality and gaming assets in Western Sydney.

(b) Key people

Stuart King - Chief Executive Officer

- Bachelor of Commerce (Finance – with merit) UNSW – 1992
- Bachelor of Laws UNSW – 1992
- Admitted as a solicitor of the Supreme Court of NSW in 1993.
- Worked in investment banking for 15 years in London, Sydney and Tokyo for CSFB, Citi, WBC and CBA.
- Left investment banking in 2008 to pursue further business interests.
- Completed the Securities Institute of Australia course and initiated a Masters of Financial Analysis at UNSW.
- Founded and has been involved in several successful companies as owner and both executive and non-executive directorships including MJ Bale, Bio Processing Australia, Discover Jervis Bay and Dolphin Watch Cruises.
- Has been involved in numerous property investments via syndicates and direct ownership including Woolloomooloo Wharf Restaurants - \$27m, Eclipse (Medina apartments) Wollongong - \$49m, Forbes Street Commercial Darlinghurst - \$13m, Taren Point Retirement Village (Toyota plant) - \$36m, Casuarina Resort - \$32m.
- As CEO, Stuart brings legal, financial and commercial experience to the Fund.

Darren Perry – Chairman

- Bachelor of Arts - University of Sydney – 1993
- Bachelor of Laws (Honours) – University of Sydney – 1995
- Admitted as a solicitor of the Supreme Court on NSW and High Court of Australia 7 April 1997.
- Darren is an experienced commercial lawyer with 20 years of practising in top tier firms. Currently, he is the Australia Managing Partner of Seyfarth Shaw LLP where he leads a team of around 50 professionals. Prior to this Darren was a partner at Freehills (later Herbert Smith Freehills) for 12 years.
- Darren's clients are leading organisations in a range of industries including banking, asset management, media, healthcare, transport and logistics. He is well known for his work in the corporate governance area, and has worked on hundreds of corporate transactions.
- Darren is a director of Windward Partners Pty Limited, a boutique venture capital fund. .

Andrew Lazarus – Director

- Bachelor of Commerce (Accounting) – UNSW – 1984
- Investment Banking 1985 – 1998
- Pub management Eastern Hotels Group 1996 – present

4.3 *Napoleon Hill Pty Ltd ACN 071 585 003 as trustee for the Napoleon Hill Trust (trading as The Eastern Hotels Group)—the Hotel Manager*

(a) About the Hotel Manager

- The foundations of The Eastern Hotels Group (EHG) were first laid when Peter Parras purchased The Victoria on Park, Enmore in 1972.
- Peter's son Colin and son in law Andrew Lazarus are today the directors of EHG.
- EHG have owned iconic hotels including the Cock n Bull Bondi Junction, sold on December 2014 for \$30 million.
- EHG has excelled with different styles of hotels, from Gastro Pubs such as The Eastern in Bondi Junction which is the home of brands El Topo Mexican, Good Time Burgers and Bondi Harvest.
- Entertainment Hotels include The Cock N Bull in Bondi Junction and The Soho Bar in Kings Cross and Gaming Hotels include Vauxhall Inn, Granville and Macquarie Hotel, Liverpool

(b) Awards

- Eastern Hotel- Best redeveloped Hotel, AHA awards 2006.
- Eastern Hotel- Best Entertainment Venue(Joint winner with Pasha @ Ivy), AHA Award 2014.
- Cock N Bull- Best Irish Pub in Australia 2011 and 12.
- Soho Bar- Best Nightclub NSW 2012 and 13 ITM Award.
- Vauxhall Inn- In March quarter 2015 was the biggest improver in the Top 100 Gaming Profit rankings moving from position 111 to 45.

(c) Current focus

- EHG has in more recent times focused its efforts on the growing Western Suburbs Gaming market acquiring the Macquarie Hotel Liverpool and El Toro Hotel and Motor Inn Warwick Farm.
- EHG has identified development opportunities with many hotels that sit on large land holdings including the Vauxhall Inn and El Toro that have a combined land holding of 17 500sq meters.
- The high cost of Sydney housing is also providing an opportunity in the accommodation market which EHG is equipped to supply through its hotels where it has plans to add 110 long term stay rooms in 2015-16 through its current property holdings.

4.4 *King Group Holdings Pty Ltd ACN 604 476 655—the Development Manager*

(a) About the Development Manager

- King Group Holdings Pty Ltd (King Group) was founded on experience, acquaintance, and a desire to be a leader in the property industry.
- King Group offers an executive team of knowledge, experience, skills and passion, with a mandate to both preserve and grow stakeholder equity and profitability through property investment transactions. It is through our deep knowledge of the markets, intimate networks, and decades of industry participation that our clients and investors benefit from the association with our team.

- As a truly integrated property advisory and development company, King Group can exercise total control over part or the entire development process, depending on the brief and scope of our clients and investor's needs.

(b) Capabilities

- Feasibility analysis.
- Architecture & Design.
- Town Planning/Approval Coordination.
- Project & Construction Management.
- Project Finance.

(c) Key people

Michael Touma

Michael has over 30 years' experience in the property development sector, using development management and advisory skills he has amassed more than \$1 billion worth of successful projects specialising in high rise residential apartments and multi-unit developments. Michael has successfully been involved in over 100 projects.

Charlie Touma

Charlie has over 20 years of entrepreneurial skills and extensive knowledge in the property markets. His expertise involves implementing and advising developers on effective project sales and marketing strategies to achieve optimal results.

5. Risks

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 and the repayment of an Investor's capital. Many risk factors fall outside of the Trustee's and the 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. Investors should consider and weigh them up carefully and make their own assessment as to whether they are comfortable with them.

Distributions are not guaranteed and neither is the return of Investors' capital.

We strongly recommend that Investors obtain independent financial advice before investing in the Fund.

5.1 General investment considerations and risks

An investment in the Fund includes an investment in property and an investment in an operating business. Property values can fall as well as rise, leading to capital losses or capital gains.

General risks which could affect the performance of the Fund include, without limitation:

- a downturn in the economy
- a downturn in the value of property, or in the property market in general
- movements in interest rates and inflation
- amendments to statutes and regulations affecting the Fund, including changes in taxation law and changes to laws and regulations affecting hotels and gaming, and
- increased competition from new or existing hotels.

Some of these risks, and other risks, are discussed in more detail below.

5.2 Property investment and development risks

Buoyant market risk

The Fund is buying into a buoyant property market and this market may decline.

Valuation and sale price

The ongoing value of a property is influenced by changes in property market conditions including supply, demand and capitalisation rates. There is no guarantee that the Property will achieve a capital gain on sale nor is there a guarantee that the Property will not fall in value as a result of assumptions upon which the relevant valuation is based proving to be incorrect.

Property income risk

There is a risk income could be adversely impacted if the trading patterns of the Business change, or if the Business does not perform to budget. Overall expenses can increase due to increases in major expense items, including wages, rates and taxes, electricity, gas, insurance or tax rates on gaming.

Property due diligence and use of experts

The Manager is aware of council approval of a proposed development on the adjoining block to the Property. The Manager has commissioned an acoustic report in anticipation of potential noise complaints from residents of the new development.

In acquiring the Investment, the Manager has otherwise not engaged experts to prepare reports as part of the Manager's due diligence enquiries for the Property and the Business. Whilst the Manager has no reason to believe its enquiries were not appropriate and complete, we cannot guarantee that all risks and potential problems associated with this investment were identified and have been properly dealt with.

Capital expenditure risk

Despite the Manager carrying out due diligence prior to assuming control of the Investment, it is possible that unforeseen capital expense could occur due to environmental reasons or due to changes in building requirements arising from regulatory or customer considerations. This may have an impact on the returns to Investors.

Insurance risk

Various factors might influence the cost of maintaining insurance over the Investment, or the extent of cover available. Increased insurance costs, or limits on cover, can have a negative impact on the performance of the Fund. There are also some potential losses that cannot be insured including force majeure events.

Force majeure events

There is a risk that force majeure events, such as natural phenomena and terrorist attacks, may affect the Investment for which insurance is not available or for which the Fund does not have insurance cover. Should such an event occur, a loss will result which will have a negative impact on the income and capital value of the Fund.

Development risk

The Manager has not currently identified any development opportunities in relation to the Property. However, the Manager considers that a portion of the Property is in excess to the Business' needs. Accordingly, the Manager may consider development of the property by way of subdivision and sale of the excess portion of the Property.

Engagement in development activities is subject to the presentation of opportunities. Where a development opportunity arises, the manager will undertake reasonable enquiries to determine the profitability of the development, including considerations of development costs, the sale price of the subdivided land and any other costs associated with the development and sale of the subdivided area.

It is a risk that development costs can be higher than expected.

Development Manager risk

If appointed, the Development Manager will be responsible for providing subdivision services to the Fund. If the Development Manager fails to do so effectively, then this could negatively affect the Fund's performance.

5.3 Fund investment risks

Manager risk

The Manager is responsible for providing investment management services to the Fund and for managing the Fund's investments on a day to day basis. If the Manager fails to do so effectively, then this could negatively affect the Fund's performance.

In particular, there is a risk that the Manager may fail to anticipate movements in the property market, fail to manage the investment risks appropriately or fail to properly execute the Fund's investment strategy. These factors could have an adverse impact on the financial position and performance of the Fund.

New fund risk

The Fund is a newly established managed investment scheme and has no track record or past performance. However, the Manager's investment management team possess broad funds management and property asset and development experience gained over a number of years.

Concentration risk

The Fund has no geographic diversification. The Fund is entirely dependent on the success of the Property and the Business located in Rooty Hill, New South Wales. As such, the Fund's performance depends on the performance of the hotel and tavern market in that region and the continued good patronage of the Business.

Liquidity risk

An investment in the Fund should be considered long term and illiquid. The Trustee and the Manager provide no guarantee or assurance that Investors will be able to dispose of their Units or withdraw from the Fund.

Investment term risk

The Trustee and the Manager give no guarantee that potential exit or reconstruction strategies will be implemented within any particular period of time.

Gearing risk

The use of debt (i.e. borrowings) by the Fund involves a higher degree of risk than if debt was not used, as the impact of good and poor performance is magnified when debt is used. There is a risk that the Manager may not be able to secure a debt facility on terms acceptable to it before settlement of the Property. In this event, the cost of any debt facility that the Manager secures may be on terms materially different and less favourable to the Fund and this could impact Fund distributions.

Interest rate risk

Increases in interest rates can increase the cost of debt to the Fund, reducing profitability. This may result in a reduction to the distributions available to Investors, or failure by the Fund to meet interest obligations on its borrowings. Where any fixed rate borrowings reach their maturity, interest rates may have increased and the Manager may not be able to extend or refinance those borrowings at the same fixed rates. This would lead to increased interest costs for the Fund and therefore it may have a negative impact on Investors' returns. Furthermore, if a derivative is entered into to hedge interest rate risk, then break fees may apply if the derivative needs to be terminated early.

Breach of debt covenants risk

The terms of the Fund's debt facility will include debt covenants and income and asset value tests. Falling asset values, declining Business revenue or other unforeseen circumstances may cause covenants under the Fund's debt facility to be breached.

A breach of a debt facility covenant may result in a lender enforcing its security over the Investment. The lender may require repayment of the debt facility, possibly prior to its expected expiry. This could result in an early sale of the Investment at a less than optimal sale price, for instance, in a depressed market; additional equity being required; or distributions being reduced or suspended to repay the borrowings.

Dilution risk

An existing Investor's proportional investment in the assets of the Fund (including the assets of any Sub Entities) may be reduced if they do not participate in future capital raisings.

Fundraising risk

If the Minimum Offer Amount is not raised, then the Manager may not proceed with the Offer in which case the Application Money will be returned to applicants, without interest. If the Total Offer Amount is not raised, the Offer may proceed through the use of surplus debt capacity to settle the acquisition of the Investment.

Legal and counterparty risk

The Fund may, in the ordinary course of business, be involved in possible litigation and disputes, for example, tenancy disputes, environmental and occupational health and safety claims, industrial disputes and any legal claims or third party claims. A material or costly dispute or litigation may affect the value of the Fund's assets (including the assets of any Sub Entities) or the expected income of the Fund.

Tax and stamp duty risk

Changes to tax law and policy (including any changes relation to how income of the Fund is taxed or to the deductibility of expenses or stamp duty law) might adversely impact the Fund and Investors' returns. You should obtain independent tax advice in respect of an investment in the Fund.

Due to the heavy reliance on gaming revenue from the Business for the income and valuation of the Investment, the legislation governing gaming in NSW presents a significant risk to the Fund's returns.

Forward looking statements

There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Trustee or the Manager.

Significant investor risk

It is possible that a significant investor or associates may subscribe for 50 percent or more of the Units in the Fund. If this occurs, the significant investor may become liable for the payment of stamp duty on the Units acquired (if the Investor acquires the Units after the Property has been acquired). The significant investor will be able to materially influence decisions and resolutions regarding the Fund, including the sale of the Property prior to the end of the term of the Fund, removal of the Trustee, and any change to the Constitution.

5.4 Hotel business risks

Performance risk

Operating a hotel business is inherently more risky than owning investments with long term leases in place to established tenants. A hotel's performance is subject to the impacts of trends in consumer demand and taste, movements in stock acquisition and subsequent sale pricing, performance of management, location and condition of premises and, competition, amongst many other things.

Consumer preference risk

The profitability of the hotel industry is dependent upon consumers' preference for the products and services that hotels provide, versus other leisure and entertainment alternatives. A decline in consumer preference towards consumption of food and beverage in hotels, or a decline in general expenditure on alcohol and out of home dining, could adversely impact the performance of the Fund.

Gambling and gaming expenditure risk

The returns of the Fund are likely to be leveraged to the performance of the gaming machines at the Property. A decline in gambling expenditure as a proportion of disposable income, and more particularly a decline in gaming expenditure, will likely have a negative effect on the performance of the Business and the Fund's returns to Investors.

Competition

The Business may experience competition from other existing or new venues which may have an effect on profitability.

Hotel management risk

The Hotel Manager will be appointed to manage the Business on the Fund's behalf. The Hotel Manager will appoint individual hotel management and staff, to properly manage the Business. The loss of key hotel management or operational staff, and an inability to rehire suitably qualified staff, could negatively impact the performance of the Fund.

Additionally, because the Hotel Manager is primarily responsible for the liquor and gaming aspects of the Business the Hotel Manager will hold the liquor licence and as a consequence the gaming machine permits and gaming machine entitlements relating to the Business (Hotel Licences). In these circumstances, while the Business Sub Trust maintains the beneficial ownership of the Hotel Licences, the Hotel Manager will hold the legal title to them and have day to day control over them. While there is a significant level of regulatory control over dealings with the Hotel Licences, there is the risk the Hotel Manager could take some step, without the knowledge of the Manager, which could have the impact of diminishing the value of the Hotel Licences and as a consequence the value of the Business. To assist in managing this risk, the hotel management agreement to be entered into between the Business Sub Trust and the Hotel Manager includes provisions requiring the Hotel Manager to obtain the Manager's written consent in relation to any dealings with the Hotels Licences (including any amendments to the terms of the Hotel Licences). The Manager will also ensure the Office of Liquor and Gaming Regulation has been given the appropriate notification of the Business Sub Trust's interest and Property Sub Trust's interest (as freehold owner) in the Hotel Licences. These notifications should mean the Office of Liquor and Gaming Regulation will be required to consult with the Manager prior to any material dealings being approved in relation to the Hotel Licences.

Regulatory (including liquor licensing) risk

Changes in legislation and government policies in relation to the regulation of liquor revenues and gaming venues may adversely impact on the profitability of the Business and therefore an investment in the Fund. By way of example, restrictions on trading hours, smoking restrictions, advertising restrictions and changes to gaming taxes may negatively impact on the profitability of the Business. Conversely, the reduction or removal of regulatory barriers to entry into the industry may also negatively impact on the profitability of the Business through increased competition.

It should be noted that the performance of this investment, the repayment of capital or of any particular rate of return, is not guaranteed by the Trustee, the Manager, their directors or their associates. Property

investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Fund will not decrease in value and that Investors will not suffer losses.

6. Fees and costs

6.1 *Initial fee*

The Manager is entitled to a fee equal to 2.8 percent of the amount of Application Money received by the Trustee which comprises a capital raising fee of two percent and an establishment fee of 0.8 percent. The capital raising fee is payable out of the Application Money before investment in the Fund and the establishment fee is payable from the assets of the Fund (including the assets of any Sub Entities) on the date the Units relating to the Application Money are issued. The Manager may waive the 2 percent capital raising fee in its discretion.

6.2 *Management fee*

This fee is for management services in relation to the Fund and is paid to the Trustee. The fee is 1.25 percent (plus GST) per annum of the gross value of all Fund assets (including the gross value of all assets of any Sub Entities). This fee is calculated daily and will accrue and is payable to the Trustee monthly in arrears. The Trustee pays itself and the Manager out of this fee (excluding the initial fee which is in addition). The minimum fee payable directly to the Trustee is \$60,000 per annum.

The management fee is an expense of the Fund and must be paid for out of the Fund's assets (including the assets of any Sub Entities).

6.3 *Fund administration fee*

This fee is for fund administration services in relation to the Fund and is paid to the Trustee. The fee is a fixed fee of \$1,250 per month. This fee is payable to the Trustee monthly in arrears.

The fund administration fee is an expense of the Fund and must be paid for out of the Fund's assets (including the assets of any Sub Entities).

6.4 *Manager performance fee*

In consideration for the past and successful management of the Fund, the Manager is entitled to be paid a performance fee of 25 percent of all Fund Returns remaining after Investors receive a pre-tax annualised investment yield (from total Fund Returns) of 10 percent per annum on their Application Money where—

- (a) "Fund Returns" means the amount calculated in accordance with the following formula:

$$\text{Fund Returns} = \text{Total Asset Value} - \text{Liabilities}$$

- (b) "Total Asset Value" means (where the calculation is being performed on sale of the assets of the Fund (including the assets of any Sub Entities) for the purpose of winding up the Fund) the total gross proceeds received or realised (or to be received or realised) by the Fund from the sale or disposal of each asset of the Fund (including assets of any Sub Entities).
- (c) "Liabilities" means the Trustee's calculation of (or reasonable estimation of) all of the actual, contingent or expected costs, expenses and liabilities of or in connection with the Fund (including but not limited to the management fee but before the performance fee and those costs anticipated in connection with the winding up of the Fund but excluding any income tax) at the date of the calculation.

As an example, if after selling the Investment for the purpose of winding up the Fund, it is calculated that Investors would receive a Fund Return of 27 percent (after payment of fees) from their investment in the Fund since the Closing Date, then the Fund Return will have exceeded the 10 percent (after payment of

fees) benchmark by 17 percent, in which case the Manager's performance fee will be 25 percent (plus GST) of that 17 percent excess. If the 17 percent excess equalled \$500,000 in dollar terms, then the performance fee payable to the Manager would be \$125,000 (plus GST).

This example is provided for information purposes only and should not be considered a forecast of the Fund's performance.

The Manager will also be entitled to the performance fee in the following circumstances:

- The Manager will be entitled to an interim payment of the performance fee at the time of the Liquidity Event if the term of the Fund is extended. Any interim payment will be deducted from the total performance fee payable on the sale of the Investment for the purpose of winding up the Fund.
- The Manager will be entitled to the performance fee if it is removed as the investment manager of the Fund at any time other than for gross negligence or for a material breach of a fiduciary duty to Investors which causes them substantial loss.
- The Manager will be entitled to the performance fee or to an interim payment of the performance fee, as the case may be, at the time a reconstruction strategy is implemented by the Trustee on the recommendation of the Manager. Any interim payment will be deducted from the total performance fee payable on the sale of the Investment for the purpose of winding up the Fund.

In the above circumstances, the Manager would be entitled to a performance fee based on the value of the Fund's assets (including the assets of any Sub Entities) at the relevant time and using that value to work out what the Fund Returns to Investors would be if the assets were sold for that value at that point in time. The value of the assets in these circumstances would be determined by a valuation undertaken by an independent suitably qualified valuer appointed by the Trustee for that purpose.

In the case of the Manager being removed as the investment manager, the valuation will take into account any development applications that have been made by the Manager at the time of removal that could be expected to improve the value of the Investment and have a material impact on the value of the assets.

6.5 Trustee removal fee

The Trustee is entitled to be paid a removal fee if—

- (a) it is removed as trustee of the Fund within four years of the issue of the first Unit under this IM, other than for gross negligence or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
- (b) it retires as trustee of the Fund within four years of the issue of the first Unit under this IM at the request of the Manager in accordance with the Investment Management Agreement.

The amount of the fee is the amount of fees the Trustee would have received if it had remained the trustee of the Fund for four years from the issue of the first Unit in the Fund under this IM. The amount of the balance of the ongoing management fee that the Trustee is entitled to be paid is the greater of \$60,000 per annum with annual CPI increases or 0.1 percent per annum of the gross value of the Fund's assets (including the gross value of the assets of any Sub Entities) plus GST. . The fee is determined based on the gross value of the Fund's assets (including the gross value of the assets of any Sub Entities) at the time that the Trustee is removed or retires.

If the removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the Fund's assets (including the assets of any Sub Entities).

6.6 *Manager removal fee*

Under the Investment Management Agreement, the Manager is entitled to be paid a removal fee if it is removed as the investment manager of the Fund at any time other than for gross negligence or for a material breach of a fiduciary duty to Investors which causes them substantial loss.

The amount of this fee is the amount of the management fee that the Manager would have received (which is 1.25 percent per annum of the gross value of the Fund's assets (including the gross value of the assets of any Sub Entities) at the time of removal less the Trustee's portion of the management fee) if it had remained the investment manager of the Fund for four years of the date of this IM. If the removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the Fund's assets (including the assets of any Sub Entities).

This fee is payable in addition to any performance fee payable to the Manager on its removal.

6.7 *Expenses*

The Trustee is entitled to be paid or reimbursed for expenses associated with the operation of the Fund, such as the costs associated with the administration or distribution of income, registry fees, custody fees, fees for the audit of the Fund, and other expenses properly incurred in connection with performing its duties and obligations in the day to day operation of the Fund.

The Manager estimates that the expenses of the Fund will be 1.25 percent per annum of the gross value of the Fund's assets (including the gross value of the assets of any Sub Entities). However, during the initial start-up phase of the Fund, the expenses are likely to be higher.

The expenses will be an expense of the Fund and must be paid for out of the Fund's assets (including the assets of any Sub Entities).

6.8 *Fees payable to parties related to the Manager*

Bondi Asset Management Pty Limited, as trustee of the Property Sub Trust has nominated a related party, King Group Holdings Pty Ltd ACN 604 476 655, as the development manager of the Property. The Development Manager's services may not be required. However, in the case that a development opportunity is identified, such as the sub-division of land on the Property excess to the Fund's needs, then a fee will be payable to the Development Manager.

Bondi Asset Management Pty Limited, as trustee of the Business Sub Trust will appoint a related party, Napoleon Hill Pty Ltd ACN 071 585 003 as trustee for the Napoleon Hill Trust (trading as The Eastern Hotels Group), as the hotel manager of the Business. The fee payable to the Hotel Manager under the management agreement is expected to be 10 percent of EBITDA from the Business trading account, payable quarterly in arrears out of the revenue of the Business.

6.9 *Goods and services tax*

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

The Fund may not be entitled to claim a full input tax credit in all instances.

6.10 *Fee changes*

The Constitution allows for higher fees to be charged than those detailed and specifies circumstances where additional fees may be charged. The Trustee will provide Investors with at least 30 days' written notice of any such fee imposition or increase.

6.11 *Waiver, deferral or rebate of fees*

The Trustee or the Manager may, in its absolute discretion, accept lower fees and expenses than it is entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. In addition, the Manager or Trustee may waive, negotiate or rebate their fees, for example, in the case of a large investment amount.

6.12 *Other payments and benefits*

The Manager may make payments or give other benefits to parties who refer prospective Investors to the Fund. These payments and benefits are not paid by the Fund or by you.

7. Financial information

7.1 *Basis of preparation*

The financial information in this section consists of the following:

- Sources and applications of funds
- Estimated income and distribution statements
- Estimated taxation allowances
- Pro forma balance sheet
- Best estimate assumptions
- Pro forma transactions
- Statement of significant accounting policies
- Sensitivity analysis

(collectively, Financial Information)

The Financial Information set out below has been prepared to illustrate the financial position of the Fund following completion of the Offer and expenditure of funds associated with the Offer.

The Financial Information has been prepared to ensure the target distribution information is accurate and as close the actual position of the Fund following completion as possible. However, they are intended to be illustrative only and may not reflect the actual position and balances as at the date of this IM or at the completion of the Offer.

The pro forma Balance Sheet has been prepared in accordance with the significant accounting policies set out below, the recognition and measurement principles prescribed in Australian Accounting Standards and the Corporations Act and should be read in conjunction with those accounting policies and the risk factors set out in Section 5 of the IM.

The pro forma Balance Sheet has been presented in an abbreviated form. It does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

You should review the Financial Information and make your own independent assessment of the future performance and prospects of the Fund. We have adopted the Financial Information based on our knowledge of the property industry, which is supported by experts' reports.

Whilst the Manager considers that the assumptions on which the Financial Information contained within this section are reasonable as at the date of this IM, Investors should be aware that there are many factors, outside of the Manager's control, which may affect the best estimates, either positively or negatively, and which may not be capable of being foreseen. As such, actual results may differ from the best estimates.

7.2 Sources and applications of funds

Source of Funds	Notes	Amount
Total cash from Investors	1	12,947,850
Debt facility		14,300,000
Total funds raised	2	27,247,850

Application of Funds		
Acquisition of Property		26,000,000
Stamp Duty		700,490
Acquisition and Other Costs	3	213,604
Capital works program		333,756
Total		27,247,850

Notes

1 It is assumed the Minimum Offer Amount is raised and the settlement of the Property occurs after the Allotment of the Minimum Offer Amount.

2 The total funds raised includes an estimate of costs. These estimates have been based on written quotes and indicative costings provided by third party providers.

3 Acquisition and other costs includes initial establishment fees including legal, accounting, due diligence costs, IM preparation costs etc.

7.3 Estimated income statement

Set out below is the estimated income statement of the Lone Pine Tavern representing two full years of trading. Whilst we anticipate settling the acquisition prior to 30 June 2017 the financial information has been presented as two full years on the basis it is more relevant to investors. This statement should be read in conjunction with the best estimate assumptions and key accounting policies set out in this Section and the risks set out in Section 5.

	Notes	Year 1	Year 2
Net Operating Income	1	3,532,078	4,078,528
Fund Expenses	2	678,208	809,225
Finance costs		464,750	464,750
Other Formation Costs		213,604	-
Total Expenses		1,356,562	1,273,975
Profit before fair value adjustments		2,175,516	2,804,553

Net gain/(loss on fair value adjustments)			
Investment Property	3	(700,490)	-
Gain/(Loss) attributable to unit holders		1,475,026	2,804,553

7.4 **Estimated distribution statement**

Set out below is the estimated distribution statement for the Fund for two financial years. This statement shows the expected profit available for distribution to investors by adjusting profit before fair value adjustments for certain non-cash and significant items.

	Notes	Year 1	Year 2
Profit before fair value adjustments		2,175,516	2,804,553
Adjustments			
Acquisition and Other Costs		213,604	-
Profit available for distributions	3	2,389,120	2,804,553
Cash Distribution Yield		18.45%	21.66%

Notes

1 Net Operating Income represents the net trading income from gaming and beverage operations.

2 Fund Expenses includes management fees, trustee fees, hotel management fees and development fees.

3 All available cash is returned to investors, no debt amortisation and assumes no significant capital expenditure

7.5 **Estimated Taxation Allowances**

Taxation allowances will be available to unit holders on distributions and have not been prepared for this document.

7.6 **Pro forma balance sheet at acquisition**

The pro forma balance sheet has been prepared as at the acquisition date assuming the transactions and events contemplated in this IM occurred on that date.

Assets	Amount
Property Asset	26,000,000
Working Capital	333,756
Total Assets	26,333,756
Liabilities	
Borrowings	14,300,000
Net Assets Attributable to unit holders	12,033,756
Total Liabilities	26,333,756

Number of Units on Issue	12,947,850
NTA per unit	0.93

7.7 **Best estimate assumptions**

The Manager has made the following assumptions in preparing the financial information for this IM.

(a) Operating Income and expenses

Operating income from the asset is currently balanced between gaming and food and beverage. The manager intends to increase the concentration of operating income from gaming. Gaming revenue is being forecast to increase by 25 percent per year for the next two years. The revenue and revenue growth are based on the assumption that there are no negative changes to the current gaming laws.

Expenses have been forecast on the basis of financial statements for the 2015 and 2016 financial years received from the vendor, who has been in possession of the Lone Pine Tavern since 2009. Given the relatively comprehensive development of the Lone Pine Tavern in 2009, the operating expenses are expected to remain in line with that of the previous financial years.

(b) Finance costs

Finance costs have been forecast on the basis of borrowing rates of 3.25 percent as provided by the mortgagee bank, Australia and New Zealand Banking Group ABN 11 005 357 522 (ANZ), at the time of writing of the IM. These borrowing rates are subject to change and the Manager does not intend to lock in fixed rates on the borrowings immediately. The finance costs are based on the ready availability of finance on the back of a stable economic environment

(c) Working capital and retained earnings

Given the relatively comprehensive development of the hotel in 2009, the Manager has allocated \$334,000 to undertake an upgrade of facilities to bring the Lone Pine Tavern up to a standard that it believes is necessary to achieve ongoing improvements in revenue. These capital works will include the implementation of a smoking solution to include all 28 of the gaming machines.

The initial spend on capital works is expected to negate the need for any significant repairs and maintenance costs in year one although these costs have been re-introduced in year two and onwards.

(d) GST

The Financial Information has been prepared net of GST where appropriate. The Fund will be registered for GST and will generally be able to claim input tax credits in respect of GST paid. It is assumed that GST will remain at current levels in the foreseeable future and that there will be no significant changes to the existing GST laws.

The Fund may not be entitled to claim a full input tax credit in all circumstances. The impact of any restricted entitlement is not anticipated to be significant.

7.8 **Pro forma transactions**

The issue of 12,947,850 fully paid Units at \$1.00 each to raise \$12,947,850 being the minimum subscription. Debt funding to be raised of \$14,300,000 and acquisition of the property for \$26,000,000. Expenses associated with the Offer including stamp duty and to be paid by the Fund are estimated to be

\$914,094. The expenses of the Offer include fees payable for legal, accounting, valuation fees and preparing the IM and printing.

7.9 **Statement of significant accounting policies**

The principle accounting policies that will be applied in preparing the financial reports of the Fund, and which have been adopted in the preparation of the estimated income and distribution statement and pro forma Balance Sheet, is a going concern basis adopting the accruals and historical cost basis of accounting except for investments in properties which are at fair value and in accordance with the recognition and measurement principles of Australian Accounting Standards and interpretations and the Corporations Act.

The significant accounting policies are:

(a) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of gaming service is recognised upon delivery of the service to the customers. Gaming revenue is recognised as net funds (cash invested less payments to players) net of government taxes and charges.

(b) Expenses

Expenses are brought to account on an accruals basis. Ongoing fees payable to the Trustee and Manager are recognised as expenses when the services are received. A performance fee is only recognised once it is assessed as probable that the amount will be payable in the future based on the Fund's performance

(c) Distributions per Unit

Distributions per Unit will be determined by dividing the total Distributable Income for the period by the number of Units on issue on the last day of the distribution period.

(d) Property

Property, plant and equipment refer to the Fund's freehold going concern ownership of hotels, gaming machine entitlements and liquor licences together with any plant and equipment used in operating the hotels. Property, Plant, Equipment and Intangibles have been valued on a composite asset basis as each of the components of property, plant, equipment and intangibles are fundamental to the nature of being able to earn income from the integrated hotel property owning and operating business.

The basis of valuation of the property, plant, equipment and intangibles is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(e) Borrowings

Borrowings are initially measured at cost, being consideration received net of establishment costs incurred. Borrowings will subsequently be measured at amortised cost using the effective interest

rate method. Unless there is an unconditional right to defer settlement of the liability for at least 12 months after balance date, borrowings will be treated as current.

(f) Income Tax

Under current law, the Fund is not liable for income tax provided Investors are entitled to all the Distributable Income of the Fund each year. Investors will be liable for tax on the distributions they receive at rates applicable to each individual Investor's personal tax circumstances.

7.10 Sensitivity analysis

The target return estimates have been based on certain economic and business assumptions about future events. The estimated profit, profit available for distribution and distributions payable for each period during the estimate period are sensitive to a number of factors.

A summary of the possible impact of different outcomes in the key assumptions underlying the estimates is set out in the table below. However, the disclosed movements in these key assumptions are not intended to be indicative of the complete range of variations that may occur.

Change in the net operating income impact on property valuation and Net Distributable Income

Valuation Scenarios	Earnings growth -15%	Earnings growth -10%	Earnings growth 0%	Earnings growth 10%	Earnings growth 15%
Year 1					
Projected Earning			3,532,078		
Earnings on growth scenario	3,002,266	3,178,870	3,532,078	3,885,286	4,061,890
Property Valuation at 9% Cap rate	33,358,514	35,320,780	39,245,311	43,169,842	45,132,108
Net Distributable Income	1,820,308	1,954,723	2,223,554	2,492,384	2,626,799
IRR % (after performance fee adjustment)	47.20%	59.35%	83.64%	107.93%	120.07%
Year 2 (FY2017)					
Projected Earning			4,078,528		
Earnings on growth scenario	3,466,749	3,670,675	4,078,528	4,486,381	4,690,307
Property Valuation at 9% Cap rate	38,519,433	40,785,283	45,316,981	49,848,679	52,114,528
Net Distributable Income	2,173,831	2,329,042	2,639,463	2,949,884	3,105,095
IRR % (after performance fee adjustment)	38.72%	43.96%	53.90%	63.23%	67.71%

Change in the Capitalisation Rate Impact on Total Return

Notes	Year 1	Year 2
Net Operating Income	3,532,078	4,078,528
Valuation of Property at 8% Cap rate	44,150,975	50,981,603
Internal Valuation of Equity	32,026,491	41,661,672

Sydney Leisure, Gaming and Property Growth Fund (Lone Pine) No. 2

IRR %	147.35%	79.38%
Performance Benchmark @ 10%	14,242,635	15,666,899
Performance above benchmark	17,783,856	25,994,774
Performance Fee	4,445,964	6,498,693
Internal Valuation of Equity post fee	27,580,527	35,162,979
IRR %	113.01%	64.79%
Valuation of Property at 9% Cap rate	39,245,311	45,316,981
Internal Valuation of Equity	27,120,827	35,997,050
IRR %	109.46%	66.74%
Performance Benchmark @ 10%	14,242,635	15,666,899
Performance above benchmark	12,878,192	20,330,151
Performance Fee @ 25%	3,219,548	5,083,001
Internal Valuation of Equity post fee	23,901,279	30,914,512
IRR %	84.60%	54.52%
Valuation of Property at 10% Cap rate	35,320,780	40,785,283
Internal Valuation of Equity	23,196,296	31,465,352
IRR %	79.15%	55.89%
Performance Benchmark @ 10%	14,242,635	15,666,899
Performance above benchmark	8,953,661	15,798,453
Performance Fee @ 25%	2,238,415	3,949,613
Internal Valuation of Equity post fee	20,957,881	27,515,738
IRR %	61.86%	45.78%
Valuation of Property at 11% Cap rate	32,109,800	37,077,530
Internal Valuation of Equity	19,985,316	27,757,599
IRR %	54.35%	46.42%
Performance Benchmark @ 10%	14,242,635	15,666,899
Performance above benchmark	5,742,681	12,090,700
Performance Fee @ 25%	1,435,670	3,022,675
Internal Valuation of Equity post fee	18,549,646	24,737,924
IRR %	43.26%	38.22%

8. Taxation information

Neither the Trustee nor the Manager provides tax advice, nor have they obtained taxation advice specific to the Offer. As such, this IM cannot address all of the taxation issues which may be relevant to you. Investors must take full and sole responsibility for their investment in a Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

9. Additional Information

9.1 Summary of Important Documents

The following is a summary of material documents relevant to the Fund. The material documents are:

1. Constitution.
2. Investment Management Agreement.
3. Hotel Management Agreement.

You should consider whether it is necessary to obtain independent advice on any of the documents.

1. Constitution

The Constitution 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 Investors.

Each Unit gives you an equal and undivided interest in the Fund. However, a Unit does not give you an interest in any particular part of the Fund. Subject to the Constitution, as an Investor you have the following rights:

- The right to share in any distributions.
- The right to attend and vote at meetings of Investors.
- The right to participate in the proceeds of winding up of the Fund.

The Constitution contains provisions about convening and conducting meetings of Investors.

The Trustee can amend the Constitution without Investors' approval if the Trustee reasonably considers the changes will not adversely affect Investors' rights.

A copy of the Constitution is available free of charge by contacting the Trustee on (02) 8277 0000.

2. Investment Management Agreement

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

The Investment Management Agreement sets out the Manager's obligations to the Trustee and to the Fund. The agreement also contains the fees payable to the Manager for its services (summarised in section 6 of the IM).

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Manager is in material breach of the agreement, and that breach has not been remedied after a certain time. There are also provisions allowing the Trustee to terminate if, for example, the Manager becomes insolvent.

The Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

3. Hotel Management Agreement

Bondi Asset Management Pty Limited, as trustee of the Business Sub Trust will appoint a related party, Napoleon Hill Pty Ltd ACN 071 585 003 as trustee for the Napoleon Hill Trust (trading as The Eastern Hotels Group), as the hotel manager of the Business. The Hotel Manager will manage the Business and is required to perform the following services:

- (a) The day to day management and conduct of the Business.
- (b) Security of the Property.
- (c) Supervision for the accounting, staffing and other administrative tasks necessary to conduct the Business.
- (d) Paying premiums for such insurances of the Property and the Business as the Trustee shall require and for which invoices are rendered to the Manager.
- (e) Custody of all moveable assets located in the hotel located on the Property, including the stock-in-trade of the Business.
- (f) The appointment of a general manager of the Business.
- (g) The hiring, termination, training and supervision of all staff engaged in the operation of the Business.
- (h) The day-to-day conduct of the trading account with the bankers.
- (i) Collection of the gross receipts of the Business which the Manager must bank in the trading account and the payment from the gross receipts of all operating costs.
- (j) Complying with the conditions of the Hotel Licences and all laws relevant to the conduct of licensed businesses and properties including the conduct of gaming as part of the Business.
- (k) Ensuring that all staff are trained in and aware of responsible service of alcohol and responsible gaming requirements.
- (l) On behalf of the Trustee, purchase and acquire goods, services and supplies for the Business for sale and use in the conduct of the Business and keep a detailed record thereof.
- (m) Provide monthly trading accounts consisting of profit and loss statements with budget comparisons on a monthly basis.
- (n) On request by the Trustee, assist and make the Manager's bookkeeper available to assist the accountants of Trustee to prepare annual financial statements, tax returns and other statutory returns.
- (o) Prepare and manage promotional public statements and advertising required in the ordinary course of operating the Business.
- (p) Make reasonable endeavours to enhance the trading performance of the Business.
- (q) Ensuring that the Property complies with all laws and regulations that relate to them as licensed premises and generally.
- (r) To maintain and keep in place the Hotel Licences, and not to take any steps which may have the effect of diminishing the value of the Hotel Licences.
- (s) Not to seek any material variation to the Hotel Licences without the consent of the Manager.

- (t) Insuring the Property and the Business, including maintaining all insurances including the appropriate level of public liability insurance cover in the joint name of the Trustee, and the Manager (if required).

The fee payable to the Hotel Manager under this agreement is expected to equal to 10 percent of the EBITDA, from the Business trading account, payable quarterly in arrears out of the revenue of the Business.

9.2 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 Constitution, ASIC policy and the law.

The Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Manager are negotiated at arm's length between the parties. The Manager is the trustee of the Property Sub Trust and the trustee of the Business Sub Trust and, in these capacities, will appoint the Hotel Manager, and may appoint the Development Manager, to perform services to the Fund. The Manager, the Development Manager and the Hotel Manager are related parties. The relevant officers of the Development Manager and the relevant officers of the Hotel Manager are shareholders of the Manager.

The Trustee may from time-to-time enter into transactions with related entities. All transactions will be effected at markets rates or at no charge.

The Trustee has appointed the Administrator, an affiliate of One Investment Group, as the administrator of the Fund pursuant to the Fund Administration Agreement.

The Trustee has appointed, pursuant to the Registry Services Agreement, One Registry Services Pty Ltd to perform registry services for the Fund. One Registry Services Pty Ltd is a related body corporate of the Trustee.

9.3 Privacy

In applying to invest, you are providing the Trustee and the Manager with certain personal details (your name, address etc). The Trustee uses this information to establish and manage that investment for you.

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.

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 various laws and regulatory requirements, the Trustee may have to pass-on certain information to other organisations, such as the Australian Tax Office (ATO) 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 Anti-money launder and counter terrorism financing (AML/CTF) law or in connection with the holding of Application Money. The Trustee may also use your information to provide you with details of future investment offers made by it or the Manager.

9.4 AML/CTF law

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) requires the Trustee to verify your identity prior to accepting your investment. You will be required to provide the identification information set out in the Application Form. The Trustee will not issue you with Units unless satisfactory identification documents are provided.

9.5 Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the ATO. In order for the Fund to comply with its obligations, we will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). We will only use such information for this purpose from the date the Fund is required to do so.

10. Glossary

Act	Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.
ADI	Authorised deposit-taking institution.
Administrator	Unity Fund Services Pty Limited ACN 146 747 122.
Application Form	The application form included in or accompanied by this IM.
Application Money	The money paid by an applicant for Units.
ASIC	Australian Securities and Investments Commission.
Business	The hotel and gaming business trading as 'The Lone Pine Tavern' and operating from the Property.
Business Day	A day on which banks are open for business in Sydney, except a Saturday, Sunday or public holiday.
Business Sub Trust	SLGPG Fund (Lone Pine - Business) No. 2.
Closing Date	Expected to be on or about 22 December 2016, unless otherwise determined by the Trustee in its discretion.
Constitution	The constitution of the Fund dated 27 October 2016, as amended from time to time.
Development Manager	King Group Holdings Pty Ltd ACN 604 476 655.
Fund	Sydney Leisure, Gaming and Property Growth Fund (Lone Pine) No. 2.
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended
Hotel Licences	The liquor licence, gaming machine permits and gaming machine entitlements relating to the Business.
Hotel Manager	Napoleon Hill Pty Ltd ACN 071 585 003 as trustee for the Napoleon Hill Trust (trading as The Eastern Hotels Group).
IM	This information memorandum.
Investment	The Property and the Business.
Investor	A holder of Units.
IRR	Internal rate of return, which is the discount rate that makes the present value of a series of cash flows over a period of time equal to the value of the

	investment at the start of the measurement period.
Liquidity Event	The process by which the Trustee will— <ul style="list-style-type: none"> • outline its recommendation as to whether the Fund should be wound up or extended in light of the Investment and property market conditions • determine the wishes of Investors, and • provide liquidity for those Investors wishing to exit the Fund.
Manager	Bondi Asset Management Pty Limited ACN 607 221 438 (BAM). BAM is also the trustee of both the Business Sub Trust and the Property Sub Trust.
Minimum Offer Amount	The minimum amount of equity that must be raised from Investors under the Offer which is \$12,947,850 or such lesser amount determined by the Trustee in its absolute discretion.
NTA	Net tangible asset.
NTA per Unit	The NTA divided by the aggregate number of Units on issue.
Offer	The offer under this IM to acquire Units.
Property	The Lone Pine Tavern at 13 – 15 Rooty Hill Road, Rooty Hill, New South Wales.
Property Sub Trust	SLGPG Fund (Lone Pine - Property) No. 2.
Qualifying Investor	A wholesale client as defined in section 761G(7) of the Act or a sophisticated investor as defined in section 761GA of the Act.
Sub Entity	A trust, company or other entity which was established by or is managed by the Trustee or by an associate or related body corporate of the Trustee and in which the Fund has a direct or indirect interest, including the Property Sub Trust and the Business Sub Trust.
Trustee	One AR Pty Ltd ACN 602 601 776, AFS authorised representative number 471702.
Unit	A fully paid unit in the Fund.



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