



Built for Australian investors

Fact Sheet – June 2025

Fund Performance

as at 30 June 2025¹ (%)

| 1 Month | 3 Month | 6 Month | 1 year | 3 year | 5 year |
|-------------|-------------|-------------|-------------|-------------|--------------|
| 0.60 | 1.79 | 3.56 | 7.27 | 6.72 | 15.78 |

The Fund objective is to own direct property with a focus on stable monthly distributions with potential for capital growth.

To date the fund has targeted neighbourhood shopping centres with a non-discretionary focus, ensuring the properties are in highly populated areas with growth potential.

Fund Summary

- > Key Capital Property Fund
- > APIR: KEY1745AU
- > Retail, open-ended
- > Asset Allocation – 80% Direct, 20% Cash and Listed
- > Monthly income
- > Quarterly liquidity (after 12 months)
- > 5 assets, 3 states, 47 tenants
- > WALE 4 years by Income
- > Minimum investment \$20,000 (less via platform)
- > Invest via Netwealth, Citi, Mason Stevens and direct
- > Wangaratta Co-Store (below) settled in April



Property Exposure

as at 31 May 2025

| | Value | Major Tenants |
|---|---------------------|---------------------|
| Bellerive Shopping Centre | \$11,100,000 | Dan Murphy's |
| Kings Meadows Shopping Centre | \$6,100,000 | Liv Eat, Government |
| The Butter Factory – Shepparton Shopping Centre | \$15,000,000 | Dan Murphy's |
| The Co-Store – Wangaratta Shopping Centre | \$25,000,000 | Target, Reject Shop |
| Naracoorte Reject Shop (Under Offer) | \$1,800,000 | Reject Shop |
| Total Exposure | \$59,000,000 | |

Monthly Distribution

Minimum Distribution

7% pa paid monthly

Cents Per Unit (CPU)

| Jun 25 | May 25 | Apr 25 | Mar 25 | Feb 25 | Jan 25 |
|--------|--------|--------|--------|--------|--------|
| 0.2014 | 0.2081 | 0.2014 | 0.2081 | 0.1879 | 0.2081 |

Our existing properties



10 Percy Street, Bellerive, TAS

Sector: Retail

Occupancy: 100% leased



139-143 Hobart Road, Kings Meadows, TAS

Sector: Medical/Retail

Occupancy: 100% leased



The Butter Factory 440-452 Wyndham Street, Shepparton, VIC

Sector: Retail

Occupancy: 100% leased



The Co-Store, Reid Street, Wangaratta, VIC

Sector: Retail

Settled: April 2025



86-88 Smith Street Naracoorte, SA

Sector: Retail

Occupancy: 100% leased

Corporate/Media Enquiries

Stephen Nicholls
Managing Director
0417 568 609
stephen@keycapital.com.au

Financial Advisers

Elva Steyn
Head of Adviser Distribution
0410 481 042
elva@investmentaccess.com.au

Investors

Brad Hateley
Business Development Manager
0412 933 883
brad@keycapital.com.au

Disclaimer

This Fact Sheet provides information to help investors and their advisers assess the merits of investing in the Key Capital Property Fund. We strongly advise investors and their advisers to read the Fact Sheet and Product Disclosure Statement carefully. The information in this Fact Sheet does not constitute personal advice and does not take into account your investment objectives, financial situation or needs. It is therefore important that if you are considering investing in the Key Capital Property Fund you determine whether it is suitable for your needs, objectives and financial circumstances. You should also consider seeking independent financial advice before making an investment decision. Please note that the target market determination (TMD) is available from the Key Capital website. The PDS should also be considered before making any investment decision.

Key Capital Limited does not guarantee or underwrite the success of any investments, the achievement of investment objectives, the repayment of capital or payment of particular rates of return on investments. Past performance is not necessarily a reliable indicator of future performance. Key Capital Limited has published information in this Fact Sheet that to the best of its knowledge is current at the time of publication and is not liable for direct or indirect losses attributable to any omissions from the Fact Sheet, information being out of date, inaccurate, incomplete or deficient in any other way. Investors and their advisers should make their own enquiries before making investment decisions.

Key Capital Limited

Investor services hotline: 03 7022 6758
15/ 1 East Ridge Drive, Chirnside Park VIC 3116
ACN 112 191 198 | AFSL 287725 | ARSN 121 439 129

keycapital.com.au



RG 46 update

30 November 2024



SUMMARY OF ASIC DISCLOSURE PRINCIPLES AND BENCHMARKS

ASIC has established eight disclosure principles and six benchmarks that Responsible Entity's of unlisted property schemes are required to disclose against. These principles and benchmarks are set out in ASIC Regulatory Guide 46 (RG 46).

These disclosure principles were introduced to help investors to understand the key characteristics of unlisted property schemes and assess associated risks by clarifying the disclosure requirements of the law.

The Responsible Entity aims to provide clear, concise and effective disclosure.

| BENCHMARK AND DISCLOSURE PRINCIPLES | DESCRIPTION |
|--|---|
| <p>GEARING</p> <p>Benchmark 1 addresses a scheme's policy on gearing at an individual credit facility level.</p> <p>Disclosure principle 1 addresses disclosure of the gearing ratio of the scheme, the calculation of the ratio and its explanation.</p> | <p>Benchmark 1: Gearing Policy</p> <p>Key Capital has a written policy that governs the level of gearing at an individual credit facility level for the Fund. The policy provides that the gearing of the Fund will be managed carefully and must not exceed 65%, with gearing being calculated as borrowings divided by the current valuation of the Property.</p> <p>Disclosure Principle 1: Gearing ratio</p> <p>The gearing ratio of the Fund is 53%. The gearing ratio represents the extent to which the assets of a Fund are financed by debt. The higher a Fund's gearing ratio the greater its reliance on external liabilities (primarily borrowings) to finance the assets. A higher gearing ratio may also expose a Fund to increased costs if interest rates rise or property values decrease. A highly geared Fund generally has a lower asset buffer to rely upon in times of financial stress.</p> <p>The Fund's gearing ratio is calculated as:</p> <div><div>Gearing ratio =</div><div>Total interest bearing liabilities / Total Assets</div></div> <p>Investors can use the gearing ratio to assess the potential risks associated with an investment in a Fund in the event interest rates rise or property values decrease; and to compare the risk associated with a Fund's return on investment to other similar products.</p> <p>The Fund does not have any off-balance sheet financing.</p> |
| <p>INTEREST COVER</p> <p>Benchmark 2 addresses a scheme's policy on the level of interest cover at an individual credit facility level.</p> <p>Disclosure principle 2 addresses disclosure of the Interest Cover Ratio of the scheme, the calculation of the ratio and its explanation.</p> | <p>Benchmark 2: Interest cover policy</p> <p>Key Capital has a written policy that governs the level of interest cover at an individual credit facility level for the Fund.</p> <p>The Westpac policy provides that the Key Capital will not undertake any borrowing which would cause the Fund's interest cover ratio to fall below 1.30 times.</p> <p>The Fund is currently complying with the policy.</p> <p>Disclosure Principle 2 — Interest cover</p> <p>The Fund's interest cover is estimated to be 1.36 times calculated using Westpac credit approval as at May 2024. The figure indicates that the Fund has sufficient earnings to satisfy interest payments in the forecast period.</p> <div><div>Interest cover ratio =</div><div>EBITDA-unrealised gains+unrealised losses / Interest Expense</div></div> <p>EBITDA means earnings before interest, tax, depreciation and amortisation. The EBITDA calculation used relates to the Property EBITDA as reviewed and measured by the Lender.</p> <p>Investors may use an interest cover ratio to assess a Fund's ability to meet ongoing interest payments and therefore service debt. The lower the interest cover, the higher the risk a Fund will not be able to meet its interest payments. A Fund with a low interest cover only needs a small reduction in earnings (or a small increase in interest rates or other expenses) to be unable to meet its interest payments.</p> |

BENCHMARK AND DISCLOSURE PRINCIPLES**DESCRIPTION****INTEREST CAPITALISATION**

Benchmark 3 addresses whether the interest expense of a scheme is capitalised.

Benchmark 3: Interest capitalisation

The interest expense of the Fund is being paid from rental revenue paid from tenants from the Property held by the Fund. Interest expense of the scheme is not normally capitalised.

The loan is \$15,115,000 for the Fund as at 30 June 2024. The approved limit is \$15,635,000

SCHEME BORROWING

Disclosure principle 3 addresses disclosure of the scheme's credit facilities, including the circumstances in which credit facility covenants will be breached.

Disclosure Principle 3: Scheme borrowing

The Fund will secure a Business Markets – Flexible Rate Loan from Westpac Bank. The total facility limit will be \$15,635,000 when fully drawn.

The facility will be secured by first mortgage held over the Property and a General Security Agreement in respect of all the assets of the Fund. Key Capital is compliant with the interest times cover loan covenant imposed by the Fund's lender in relation to the Fund's borrowings and our policies. Key Capital is required to maintain an interest time's cover of no less than 1.3 times in the loan agreement.

Investors' interests in the Fund will rank behind lenders and unsecured creditors of the Fund. This means, if the Fund was to be wound-up, then the Fund's lenders and unsecured creditors would be repaid first, before any capital or outstanding distributions were paid to investors.

The bank loan is a variable interest rate and between 6.00% to 6.50% excluding bank fees. The Constitution and the Corporations Act give Unit Holders certain powers. In particular, the requisite number of Unit Holders may call a meeting to consider resolutions to amend the Constitution, terminate the Fund or remove Key Capital as Responsible Entity. The exercise of those powers without the consent of the Bank will lead to events of default under the Fund's finance facility and in certain circumstances will give the Bank rights to, amongst other things, call for immediate repayment of the amounts outstanding.

VALUATIONS

Benchmark 4 addresses the way in which valuations are carried out by a Responsible Entity in relation to the scheme's assets.

Benchmark 4: Valuation policy

Key Capital has, and complies with, a valuation policy for the Fund. Amongst other things the policy provides that:

- a. the Fund's properties will be independently valued every three years or as when required by the Fund's credit provider;
- b. all independent valuations are to be carried out by appropriately qualified valuers, independent of Key Capital, who are registered in the relevant State or otherwise be a member of an appropriate professional body in that jurisdiction and have a minimum of five years relevant experience;
- c. valuers are to be instructed to undertake their valuation in accordance with industry standards; and
- d. to outline their valuation methodology within the valuation report; and
- e. valuers will not undertake more than two consecutive full valuations of the Property.

Key Capital believes that using independent valuers (with valuers being required to confirm their independence as part of their valuation report) and ensuring that the valuers are rotated in accordance with the valuation policy, will best address any potential conflicts of interest that might arise.

PORTFOLIO DIVERSIFICATION

DESCRIPTION

Generally, the more diversified a Fund's portfolio is, the lower the risk that an adverse event affecting one property, or one lease will materially affect the Fund's performance.

| PROPERTY | ASSET EXPOSURE | ASSET TYPE | Valuation |
|---|----------------|-------------------------------|------------------|
| Shepparton Dan Murphy's & Butter Factory Centre | \$ 14,300,000 | Neighbourhood shopping centre | Jun-24 |
| Bellerive Dan Murphy's & Shopping Village | \$ 11,350,000 | Neighbourhood shopping centre | Dec-22 |
| Kings Meadows Retail Centre | \$ 5,700,000 | Convenience Centre | Jun-24 |
| South Nowra Development - Withdrawn Nov-2024 | \$ 4,200,000 | Large Format Retail | Withdrawn |
| Wangaratta Co Store Centre * | \$ 25,000,000 | Neighbourhood shopping centre | Under Offer |

Please note: investment in Wangaratta is a Interest and up to 50%

Key Capital has a policy on related party transactions and conflicts of interest, to ensure related party transactions are assessed and monitored as rigorously as arm's length third party transactions.

Key Capital's related party transaction policy identifies instances where conflicts of interest may arise in relation to the Fund. Key Capital's policy includes an assessment and approval by the Board before related party transactions can be entered into.

Where a potential conflict is identified it must be reported to the Managing Director for assessment. The conflict will be assessed as either "minor", "intermediate" or "serious". The Chairman is then responsible for resolving the conflict but may refer the matter to the Board for a determination.

All decisions in relation to conflicts of interest and all related party transactions must be documented, compliance with the policy must be considered by the Board quarterly and the related party transaction policy and all related party transactions must be reviewed annually.

Key Capital has entered into the following related party transactions:

- > Key Capital expects to appoint Retail Leisure & Life ("RL&L"), a related party, to manage any Direct Property purchased by the Fund
- > Key Capital Directors and related partys own 6,068,941 units

These related party transactions were entered into and are monitored in compliance with Key Capital's related party transactions and conflicts of interest policy. In the view of the Board of Key Capital, none of the transactions above have created any additional risk for the Fund's investors.

| BENCHMARK AND DISCLOSURE PRINCIPLES | DESCRIPTION |
|--|--|
| <p>DISTRIBUTION PRACTICES</p> <p>Benchmark 6 addresses a scheme's practices for paying distributions from cash from operations available for distribution.</p> <p>Disclosure principle 6 addresses where distributions are sourced from and whether forecast distributions are sustainable.</p> | <p>Benchmark 6: Distribution practices</p> <p>The Fund will in the long term only pay distributions from its cash from operations (excluding borrowings) available for distribution. The Responsible Entity may elect to use cash available from borrowings to pay distributions due to the timing constraints associated with the receipt of the rent and project leasing.</p> <p>Disclosure Principle 6: Distribution practices</p> <p>Key Capital forecast distributions from the Fund to members of 7.00% (annualised). This is in line with the distribution policy. The Fund is offering a 10%p.a. for 1 year introduction & reinvestment rate for a \$6,000,000 capital raise commencing September 2024.</p> <p>The Responsible Entity may elect to use cash from borrowings to pay distribution due to timing constraints associated with the receipt of the forecast rent, cash from operations (excluding borrowings) will be the source of distributions.</p> <p>The Responsible Entity considers that the forecast distributions are sustainable over the next 12 months assumptions. The Fund can offer a special introduction rate to new investors.</p> |
| <p>WITHDRAWAL ARRANGEMENTS</p> <p>Disclosure principle 7 addresses disclosure of the withdrawal arrangements within the scheme and risk factors that may affect the unit price on withdrawal.</p> | <p>Disclosure principle 7: Withdrawal arrangements</p> <p>The Fund is illiquid, there will be no 'cooling off' period relating to applications or any right to withdraw during the investors first year. Investors will have access to the Limited Withdrawal Facility each quarter in the investors 2nd year and any subsequent year. To find out more on the Limited Withdrawal Facility refer to Section 2.2 of the PDS.</p> |
| <p>NET TANGIBLE ASSETS</p> <p>Disclosure principle 8 addresses disclosure of the Net Tangible Asset (NTA) backing per unit of the scheme.</p> | <p>Disclosure Principle 8: Net tangible assets</p> <p>A net tangible asset ('NTA') is calculated using information from the Fund's latest audited financial statements and using the following formula:</p> $NTA = \frac{\text{Net assets} - \text{intangible assets} \pm \text{any other adjustments}}{\text{Number of units in the scheme on issue}}$ <p>As at 30 June 2024, the NTA per unit of \$0.35 when including add backs.</p> <p>The Fund's NTA expressed on a per Unit basis may be used as an approximate measure of what a Unit Holder could expect to receive for their Units if the Fund were wound up at that time. To the extent that the NTA at any time is less than the price paid for a Unit, it is also an approximate measure of the risk of a capital loss.</p> |

Updates about any material changes to the matters listed in this table will be provided at [keycapital.com.au](https://www.keycapital.com.au)

Contacts

For Financial Advisors and Brokers

Stephen Nicholls
Managing Director
0417 568 609
stephen@keycapital.com.au

For General investors

Brad Hateley
Business Development Manager
0412 933 883
brad@keycapital.com.au

Investor Services

03 7022 6758
investors@keycapital.com.au

Disclaimer

This Fact Sheet provides information to help investors and their advisers assess the merits of investing in the Key Capital Property Fund. We strongly advise investors and their advisers to read the Fact Sheet and Product Disclosure Statement carefully. The information in this Fact Sheet does not constitute personal advice and does not take into account your investment objectives, financial situation or needs. It is therefore important that if you are considering investing in the Key Capital Property Fund you determine whether it is suitable for your needs, objectives and financial circumstances. You should also consider seeking independent financial advice before making an investment decision.

Key Capital Limited does not guarantee or underwrite the success of any investments, the achievement of investment objectives, the repayment of capital or payment of particular rates of return on investments. Past performance is not necessarily a reliable indicator of future performance. Key Capital Limited has published information in this Fact Sheet that to the best of its knowledge is current at the time of publication and is not liable for direct or indirect losses attributable to any omissions from the Fact Sheet, information being out of date, inaccurate, incomplete or deficient in any other way. Investors and their advisers should make their own enquiries before making investment decisions.

Key Capital Limited

03 7022 6758
15/ 1 East Ridge Drive, Chirnside Park VIC 3116
keycapital.com.au

ACN 112 191 198 | AFSL 287725 | ARSN 121 439 129



Target Market Determination – Funds Management

Legal disclaimer

This Target Market Determination (TMD) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of **Key Capital Limited** design and distribution arrangements for the product.

This document is **not** a product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (**PDS**) for **Key Capital Property Fund** before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained by contacting investor services on 03 7022 6758 or by email to investors@keycapital.com.au.

Target Market Summary

This product is likely to be appropriate for a consumer seeking regular income with the potential for capital growth, and to be used as a core or satellite component within a portfolio where the consumer has a medium investment timeframe and a high risk/return profile.

Fund and Issuer identifiers

| | |
|-------------------------------|------------------------------------|
| Issuer | Key Capital Limited |
| Issuer ABN/ACN | ABN 81 112 191 198 ACN 112 191 198 |
| Issuer AFSL | 287725 |
| Fund | Key Capital Property Fund |
| ARSN | 121 439 129 |
| APIR Code | Not Applicable |
| ISIN Code | Not Applicable |
| Market Identifier Code | Not Applicable |
| Product Exchange code | Not Applicable |
| Date TMD approved | 30 September 2024 |
| TMD Version | Version 3 |
| <i>TMD Status</i> | Current |

Description of Target Market

This part is required under section 994B(5)(b) of the Act.

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

| | | |
|------------------|------------------------------|---------------------------------|
| In target market | Potentially in target market | Not considered in target market |
|------------------|------------------------------|---------------------------------|

Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a *High* or *Very High* risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is *Low* or *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

| Consumer Attributes | TMD Indicator | Product description including key attributes |
|---|---------------------------------|---|
| Consumer’s investment objective | | |
| Capital Growth | In Target Market | The Fund aims to provide investors with a regular income combined with the potential for capital growth. The Fund distributes income monthly. |
| Capital Preservation | Not considered in Target Market | |
| Capital Guaranteed | Not considered in Target Market | |
| Income Distribution | In Target Market | |
| Consumer’s intended product use (% of Investable Assets) | | |
| investSolution/Standalone (75-100%) | Not considered in Target Market | The Fund invests in a portfolio of direct commercial property assets and is suitable for investors seeking income, with the potential for capital growth who have a medium to long-term timeframe. The fund will have minor investment exposure to Cash and Real Estate Investment Trust (REIT) investments for liquidity needs. The fund from time to time may invest in property syndicates to gain direct property exposure. |
| Core Component (25-75%) | Potentially in Target Market | |
| Satellite/small allocation (<25%) | In Target Market | |
| Consumer’s investment timeframe | | |
| Short (≤ 5 years) | Not considered in Target Market | >5 years is the minimum investment timeframe. |
| Medium (> 5 years) | In Target Market | |
| Long (> 7 years) | In Target Market | |
| Consumer’s Risk (ability to bear loss) and Return profile | | |
| Low | Not considered in Target Market | The Fund has a Standard Risk Measure of 6 (High). The Fund has been operating since December 2006 and has delivered a negative return in 5 of the 16 financial years in operation. |
| Medium | Not considered in Target Market | |
| High | In Target Market | |
| Very High | In Target Market | |

| Consumer Attributes | TMD Indicator | Product description including key attributes |
|--|---------------------------------|--|
| Consumer's need to withdraw money | | |
| Daily | Not considered in Target Market | The Fund does provide investors with the opportunity to redeem some, or all of their investment through the quarterly Limited Withdrawal Facility. The Limited Withdrawal Facility is capped at 2.50% of net assets of the fund each quarter (10% annually). Any withdrawal event will be determined by the Responsible Entity, at the relevant time, having regard to relevant circumstances. An investment in the Key Capital Property Fund is to be considered illiquid. |
| Weekly | Not considered in Target Market | |
| Monthly | Not considered in Target Market | |
| Quarterly | Potentially in Target Market | |
| Annually or longer | In Target Market | |

Appropriateness

Note: This section is required under RG 274.64–66.

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.

| Distribution Condition | Distribution Condition Rationale |
|---------------------------------------|----------------------------------|
| There are no distribution conditions. | Not applicable. |

| Review triggers |
|---|
| This part is required under section 994B(5)(d) of the Act. |
| Material change to key attributes, fund investment objective and/or fees. |
| Material deviation from benchmark / objective over sustained period. |
| Key attributes have not performed as disclosed by a material degree and for a material period. |
| Determination by the issuer of an ASIC reportable Significant Dealing. |
| Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product. |
| The use of Product Intervention Powers, regulator orders or directions that affects the product. |

| Mandatory review periods | |
|--|--|
| This part is required under section 994B(5)(e) and (f) of the Act. | |
| Review period | Maximum period for review |
| | <i>Note RG 274.110 Reasonable review periods are likely to be shorter when a product is complex and higher risk, or when an issuer has limited experience issuing similar products or is yet to establish a proven distribution network.</i> |
| Initial review | 12 months |
| Subsequent review | 36 months |

| Distributor reporting requirements | | |
|--|---|---|
| This part is required under section 994B(5)(g) and (h) of the Act. | | |
| Reporting requirement | Reporting period | Which distributors this requirement applies to |
| Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy. | Within 10 business days following end of calendar quarter. | All distributors |
| Significant dealing outside of target market, under s994F(6) of the Act. See Definitions for further detail. | As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing. | All distributors |

| | | |
|---|-----------------------------------|------------------|
| To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice. | Within 10 business days following | All distributors |
|---|-----------------------------------|------------------|

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to **Key Capital Limited** using the method specified below.

Complaints Distributors can report complaints to Key Capital Limited via email at investors@keycapital.com.au

Significant Dealings Distributors can report Significant Dealings to Key Capital Limited via email at investors@keycapital.com.au

Issued by Key Capital Limited ABN 81 112 191 198 AFSL 287725 (Issuer). Issuer is the responsible entity and issuer of units in the managed investment scheme referred to in this material. This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Definitions

| Term | Definition |
|--|--|
| Consumer's investment objective | |
| Capital Growth | The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate. |
| Capital Preservation | The consumer seeks to invest in a product to reduce volatility and minimise loss in a market down-turn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments. |
| Capital Guaranteed | The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products. |
| Income Distribution | The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments). |
| Consumer's intended product use (% of Investable Assets) | |
| Solution/Standalone (75-100%) | The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below). |
| Core Component (25-75%) | The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below). |
| Satellite (<25%) | The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below). |
| Investable Assets | Those assets that the investor has available for investment, excluding the residential home. |
| Portfolio diversification (for completing the key product attribute section of consumer's intended product use) | |
| Low | Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities. |
| Medium | 1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords". |

| Term | Definition |
|---|---|
| High | Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities). |
| Consumer's intended investment timeframe | |
| Short (≤ 5 years) | The consumer has a short investment timeframe and may wish to redeem within five years. |
| Medium (> 5 years) | The consumer has a medium investment timeframe and is unlikely to redeem within five years. |
| Long (> 7 years) | The consumer has a long investment timeframe and is unlikely to redeem within seven years. |
| Consumer's Risk (ability to bear loss) and Return profile | |
| <p>Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of the Standard Risk Measure (SRM) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <u>Standard Risk Measure Guidance Paper For Trustees</u>. SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p> | |
| Low | <p>The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p> |
| Medium | <p>The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p> |
| High | <p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p> |
| Very high | <p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p> |

| Term | Definition |
|---|--|
| Consumer's need to withdraw money | |
| Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in completing this section. | |
| Daily/Weekly/Monthly/Quarterly/ Annually or longer | The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period. |
| Distributor Reporting | |
| Significant dealings | <p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or • they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • the nature and risk profile of the product (which may be indicated by the product's risk rating or withdrawal timeframes), • the actual or potential harm to a consumer (which may be indicated by the value of the consumer's investment, their intended product use or their ability to bear loss), and • the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer). <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> • it constitutes more than half of the distributor's total retail product distribution conduct in relation to the product over the reporting period, • the consumer's intended product use is <i>Solution</i> / <i>Standalone</i>, or |

| Term | Definition |
|------|---|
| | <ul style="list-style-type: none"> the consumer's intended product use is <i>Core component</i> and the consumer's risk (ability to bear loss) and return profile is <i>Low</i>. |



PROPERTY FUND

KEY CAPITAL
PRODUCT
DISCLOSURE
STATEMENT

30 JUNE 2022



"In difficult times the focus for every investor should be on reliable and regular cash-flow from capital invested.

Key Capital Property Fund will aim to generate income returns above cash, fixed interest and listed Real Estate Investment Trusts (REIT) while providing a liquidity feature.

In 2022/23 financial year, the forecast distributions will be 6.25% p.a. paid monthly.

Many investors have chosen Key Capital for investing in commercial property and we look forward to helping Australians invest for their future."

Stephen Nicholls

Managing Director – Key Capital

IMPORTANT INFORMATION

PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (**PDS**) relates to an offer to invest in Key Capital Property Fund ARSN 121 439 129 (**Fund**). The Fund is a registered managed investment scheme under the *Corporations Act 2001*.

This PDS is dated 30 June 2022. ASIC takes no responsibility for the contents of this PDS and expresses no view regarding the merits of the investment set out in this PDS.

This is an important document that needs your attention. You should read this PDS in full before deciding whether to invest in the Fund. If you are in doubt as to how to interpret or deal with this document, you should consider obtaining professional advice (such as from a financial adviser or stockbroker).

RESPONSIBLE ENTITY AND ISSUER OF THIS PDS

Key Capital Limited (ACN 112 191 198), AFSL 287725 (**KCL**) in its capacity as Responsible Entity of the Fund (**Responsible Entity**) is the issuer of this PDS and the Units offered under this PDS.

ELIGIBILITY

The offer of Units made in this PDS (**Offer**) is available only to those persons receiving this PDS (electronically or otherwise) within Australia. No action has been taken to register Units or otherwise permit a public offering of Units in any jurisdiction outside Australia.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this PDS who are not in Australia should seek advice on, and observe any such restrictions in relation to, the distribution or possession of this PDS. Any failure to comply with any such restrictions may constitute a violation of applicable securities law.

Other than as permitted by law, investments in the Fund will only be accepted following receipt of a properly completed Application Form.

NO COOLING OFF PERIOD

No cooling off rights apply to an application for Units.

WRAP ACCOUNTS

The Responsible Entity authorises the use of this PDS as disclosure to indirect investors who access the Fund through an Investor Directed Portfolio Service (IDPS) or IDPS-like scheme (commonly known as a Wrap Account) or nominee or custody service (Wrap Account) and those investors (Indirect Investors) may rely on this PDS.

Indirect Investors do not become, or have the same rights as, direct investors. However, Indirect Investors will have access to the complaints handling procedures set out in section 7.4 to the same extent as if

they were direct investors. The operator or custodian of the Wrap Account (Operator) will be recorded as the Unit Holder in the Fund's Unit Register and will be the person who may exercise the rights and receive the benefits of a Unit Holder. Reports and documentation relating to the Fund will be sent to the Operator instead of the Indirect Investor.

Indirect Investors may be subject to different rules and conditions from those set out in this PDS, particularly in relation to:

- > the application and transfer of Units;
- > fees and expenses; and
- > distribution calculation and timing of payments.

Indirect Investors using a Wrap Account should contact their adviser or Operator with any queries relating to an investment in the Fund.

GENERAL INFORMATION ONLY

The information contained in this PDS is not financial product advice. The information contained in this PDS is general information only and does not take into account your investment objectives, financial situation and particular needs. It is therefore important that you read this PDS in full before deciding whether to invest in the Fund and take into consideration your investment objectives, financial situation and particular needs. If you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers.

DISCLAIMER

An investment in Units is not an investment in, or a deposit with, or other liability of, the Responsible Entity and is subject to investment and other risks including possible delay in repayment and loss of income and capital invested. None of the Responsible Entity or any of its Directors, Officers or associates gives any guarantee or assurance as to the performance of the Fund or the underlying assets of the Fund, or the repayment of capital from the Fund or any particular rate of capital or income return.

You should only rely on the information in this PDS when deciding whether to invest in the Fund. No person is authorised to give any information, or to make any representation, in connection with the Fund that is not contained in this PDS. Any information or representation not contained in this PDS may not be relied upon as having been authorised by the Responsible Entity in connection with the Fund.

PDS AVAILABILITY

This PDS may be viewed online at, or downloaded from, the Responsible Entity's website keycapital.com.au

If you access the electronic version of this PDS, you should ensure that you download and read this PDS in full.

A paper copy of this PDS is available free of charge to any person in Australia by calling the Responsible Entity on (03) 7022 6758.

UPDATED INFORMATION

The information in the PDS is current as at the issue date but may change from time to time. Where information that changes is not materially adverse to investors, the Responsible Entity will update this information by publishing changes at keycapital.com.au

A paper copy of any updated information is available free of charge on request. The Responsible Entity will update the PDS if there is a materially adverse change to information contained in the PDS.

CONTINUOUS DISCLOSURE

In accordance with ASIC Regulatory Guide 198 "Unlisted disclosing entities: Continuous disclosure obligations", the Responsible Entity advises that it will fulfil its continuous disclosure requirements by way of website disclosure which complies with ASIC's good practice guidance. Unit Holders may access material information regarding the Fund from the Responsible Entity's website at keycapital.com.au

DATE OF INFORMATION

Unless otherwise specified, all financial and operational information contained in this PDS is stated as at the date of this PDS.

FORWARD-LOOKING STATEMENTS

This PDS contains forward-looking statements which are subject to 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 those expressed or implied in such forward-looking statements.

Past performance is not a reliable indicator of future performance. The distribution forecasts are subject to change and investors should read Section 4 - Risks.

DEFINED TERMS

Definitions of certain terms used in this PDS appear in the glossary at Section 8.

References to currency are to Australian currency unless otherwise specified.

Key Capital was established in 2004 and has a track record of managing direct property investments.

CHAIR'S LETTER



The objective of the Key Capital Property Fund is to provide investors with a monthly tax effective income stream from a diversified portfolio of Australian properties.

The Fund owns properties directly, and via investment in unlisted and listed property trusts. The portfolio has a long-weighted average lease profile as measured by years and generates rental income predominantly from quality tenants.

The Fund's investment mandate is to invest in both Key Capital and externally managed investments to add diversification. When investing in the Fund you will benefit with ownership of real property with long leases, stable rental income and diversification by property asset class and geography.

Over the medium to long term, we expect the portfolio to generate capital growth. To ensure you benefit from this potential, the recommended minimum investment period is five years.

The Fund invests in listed securities and cash holdings to provide limited withdrawals just in case your circumstances change. Over the investment timeframe of 5 to 7 years the manager will from time to time offer extended liquidity and return of capital options ensuring you will have ways to access your money.

In considering an investment in the Key Capital Property Fund, please read this PDS carefully and consult your financial adviser to ensure it is appropriate for your objectives, financial circumstances, and needs.

George Nikakis
Executive Chairman
Key Capital Limited

CONTENTS

| | | | |
|--|-----------|--|-----------|
| CHAIR'S LETTER | 4 | 5. TAX INFORMATION | 26 |
| 1. KEY FEATURES | 6 | 5.1 Important information for Tax | 26 |
| Investment Overview | 7 | 5.2 Tax treatment of the Fund | 26 |
| Investors need to know | 9 | 5.3 Tax treatment of Unit Holders | 26 |
| Fees & Costs | 9 | 6. THE RESPONSIBLE ENTITY | 28 |
| Risks | 9 | 6.1 Key Capital Limited | 28 |
| Fund Updates | 9 | 6.2 The Directors of KCL | 28 |
| 2. FUND OFFER | 10 | 7. ADDITIONAL INFORMATION | 29 |
| 2.1 Investment objectives | 10 | 7.1 Fund Constitution | 29 |
| 2.2 The Fund | 11 | 7.2 Role as Responsible Entity | 30 |
| 2.3 Term of the investment | 11 | 7.3 Related party and conflicts of interest policy | 30 |
| 2.4 The Fund | 11 | 7.4 Complaints handling | 30 |
| 2.5 Portfolio & Strategy | 12 | 7.5 Privacy statement | 30 |
| 2.5 Portfolio & Strategy (continued) | 14 | 7.6 Custodian | 31 |
| 3. FEES AND OTHER COSTS | 16 | 7.7 Debt Facility details | 31 |
| 3.1 Fees associated with an Investment in the Fund | 16 | 7.8 Valuation Policy | 31 |
| 3.2 Additional explanation of fees and costs | 17 | 7.9 Naming consents | 32 |
| 4. RISKS | 19 | 7.10 Anti-Money Laundering and Counter Terrorism Financing | 32 |
| 4.1 General investment risks | 19 | 7.11 Labour standards, environmental, ethical considerations | 32 |
| 4.2 General property risk | 19 | 7.12 Future issues of Units | 32 |
| 4.3 Specific property and tenancy risks | 19 | 7.13 Unit Holder enquiries and additional information | 32 |
| 4.4 Fund risks | 20 | 8. GLOSSARY | 33 |
| 4.5 Summary of ASIC disclosure principles and benchmarks | 22 | 9. APPLICATION FORMS | 37 |

The Fund aims to provide investors with a monthly tax effective income stream combined with the potential for capital growth.

1. KEY FEATURES

TOTAL
PROPERTIES

3

TOTAL
TENANTS

8

WALE BY
INCOME

8.5

TOTAL RETURN
BENCHMARK
PER ANNUM

10%

INITIAL
INVESTMENT

\$20,000

DETAIL

INVESTMENT OVERVIEW

| | |
|------------------------------|---|
| Investment Manager(s) | <p>Key Capital Limited is the Responsible Entity.</p> <p>Key Capital operates an investment committee to recommend an approved list of Real Property, Syndicates and Unlisted Property Investments for the Fund. Key Capital will utilise a multi-manager approach for the investments not managed by Key Capital.</p> <p>Key Capital may rely on both internal and external research when selecting investments for the Fund.</p> |
| Investment Objective | <p>Key Capital Property Fund aims to provide investors with a monthly tax effective income stream combined with the potential for capital growth.</p> <p>The Fund provides quarterly liquidity and invests in a diversified portfolio of quality property assets, listed securities and cash holdings.</p> |
| Investment Timeframe | 5 to 7 years. |
| Investment Portfolio | The Fund owns a diversified portfolio of Direct Property, Property Trusts, and Cash. |
| Borrowing Policy | <p>The Fund will only borrow against Direct Property and this will be set at a target range of 40% to 50%. The maximum gearing of the Fund will be restricted to 55%.</p> <p>Due to the Fund investing in Property Trusts that may have underlying gearing the Fund will not borrow against this investment security and the Fund will limit exposure to Property Trusts that have gearing over 50%.</p> |
| Monthly Distributions | Distributions will be paid to the investors on the 15th of the month. For more information refer to Section 2.4. |
| Investment Risks | The Fund will manage investment risk from time to time. Please review the Risks Section of the PDS. |
| Performance Benchmark | <p>Key Capital has developed a unique property investment Fund with a focus on income certainty.</p> <p>The current benchmark is set at 10% p.a. net of fees.</p> |
| Liquidity | The Fund will offer up to 2.5% of the net assets of the Fund per quarter. Key Capital reserves the right to accrue the liquidity required in the event the requested amounts justify the sale of the Direct Property or Property Trusts. |
| Listed Investments | The Fund will invest in an ASX200 property index Fund, or specific Real Estate Investment Trust (REIT) to obtain exposure to property with daily liquidity. REIT and Listed Property are like terms for the PDS. |
| Cash | The Fund will aim to hold cash investments of 5% to support liquidity needs. |
| External Managers | The Fund will operate an investment committee to finalise a list of external managers that it will invest in. |
| Reporting | <p>A report detailing the Fund performance will be provided to all investors after the completion of the Financial Year. This report will be published on the Funds website www.keycapital.com.au</p> <p>The Fund will purchase and sell property from time to time, and the manager will communicate to Unit Holders via the website www.keycapital.com.au/investor-centre</p> |



Dan Murphy's Wangaratta was developed by Key Capital - As shown above

DETAIL

INVESTORS NEED TO KNOW

| | |
|-----------------------------------|--|
| Initial Investment | \$20,000 (or less by IDPS or platform). |
| Additional Investment | \$20,000 (or less by IDPS or platform). |
| Unit Price | Unit prices are calculated monthly – visit www.keycapital.com.au on the 5th business day following the end of month. |
| Fund Withdrawals | <p>Key Capital provides investors quarterly liquidity, and withdrawal forms must be lodged 30 days before end of the quarter. In the event the amount requested is more than available cash, the investors will automatically move into the next quarter.</p> <p>Investors must be invested in the Fund for 1 year before they will be eligible to this feature. (This will be less by IDPS or platform).</p> <p>Withdrawal forms can be downloaded by visiting the website www.keycapital.com.au/investor-centre</p> |
| Minimum Withdrawal | \$20,000 |
| Approved External Managers | Investors wanting to convert Approved External Manager investments into units in the Fund must contact us. In some cases, the investor may be able to transfer the investment. |

FEES & COSTS

| | |
|-------------------------|--|
| Management Fees | The Fund charges an annual ongoing management fee of 0.80% p.a. of Assets. The Fund may enter into agreements for discounted fees. Any discounts will be paid for by Key Capital Limited. |
| Other Costs | <p>Normal administrative and operating costs (excluding management fees) are estimated to be up to 0.20% p.a. of net assets of the Fund.</p> <p>The Fund may also incur abnormal costs from time to time.</p> |
| Performance Fees | Key Capital charges the Fund a performance fee of 20% of any outperformance over the benchmark of 10% net of fees, and this is calculated and payable annually in arrears. |
| Acquisition Fees | <p>2.0% of the gross value of any Direct Property asset acquired or relevant proportion of the gross value of a Direct Property Trust's property assets.</p> <p>Key Capital will waive the acquisition fee in relation to an investment in a Property Trust established and managed by Key Capital when the underlying net asset value of the Property Trust has not recovered to \$1.00 or Initial Issue Price.</p> |
| Buy/Sell Spread | The current buy/sell spread is nil because the costs of buying and selling units in the Fund are represented in the net assets of the Fund. Key Capital may introduce the Buy/Sell spread at any time without notice. |
| Other Fees | Refer to section 3 for fees and costs associated with an Investment in the Fund. |

RISKS

| | |
|-------------------|---|
| Risk types | <p>As with most investments, the future performance of the Fund can be influenced by a number of factors that are outside the control of the Responsible Entity. The key risks are discussed in Section 4 and include:</p> <ul style="list-style-type: none"> > General investment risks – including a downturn in general economic and market conditions, unfavourable movements in interest rates, employment rate or inflation, changes to the law and natural disasters, including terrorist attack or war. > General property investment risks – including the risk that property values decline and the risk that there is a decrease in Fund income. > Specific property and tenancy risks – including higher capital expenditure than initially budgeted for, vacancy or the tenant's failure to make payments of rent and outgoings. > Fund risks – including risks associated with debt financing, use of counterparties and gearing, interest rate exposure, legal, taxation and stamp duty changes, other regulatory changes, lack of portfolio diversification and unexpected litigation. > ASIC disclosure principles and benchmarks. |
|-------------------|---|

FUND UPDATES

The Fund will report updates on the portfolio, to find out more please the website www.keycapital.com.au

The Fund's aim is to provide Unit Holders with regular, reliable and considerably tax deferred income, through an investment in the Property, with the potential for capital growth.

2. FUND OFFER

2.1 INVESTMENT OBJECTIVES

THE RESPONSIBLE ENTITY FUND'S INVESTMENT OBJECTIVES ARE TO:

Generate **tax advantaged** income returns for Unit Holders

Focus on **non-discretionary retail**, bulky goods, and food and retail convenience assets

Investment in **essential service** leased property like childcare, medical and health services

Investment in leased property like **service centres**, automotive sales, and equipment/farming

Investment in property that includes residential, industrial and office assets

Investment in a blend of **metro and regional** locations, and assets that the manager believes from time to time will **outperform the benchmark**

2.2 THE FUND

The offer is an open-ended unlisted property Fund that will issue Units subject to change and movement on a monthly basis and you can visit the website www.keycapital.com.au to obtain the current price. Proceeds of the Offer will be used to acquire the investments as detailed in the investment strategy.

Investment Amount

A minimum of \$20,000 must be applied for under the Offer (**Minimum Application Amount**). Additional investment of \$20,000 applies.

The Responsible Entity may waive the Amount requirement at its discretion.

Cooling off rights

No cooling off rights are available to direct investors. No cooling off rights apply to IDPS or platform investors. Investors should consider the cooling off rights of the IDPS or platform product disclosure statement.

Transferring or Selling Units

There is a **Limited Withdrawal Facility** for Unit Holders quarterly. Investors must submit the withdrawal form to the Responsible Entity before 31st March, 30th June, 30th September and 31st December of each year. The payment following each quarter may take up to 30 days to process and will be paid to your nominated account. The withdrawal facility is capped at 2.5% of the net assets of the Fund each quarter.

Unit Holders will be able to transfer their Units to a third party in accordance with the Constitution. Transfers will not be effective until registered by or on behalf of the Responsible Entity. The Responsible Entity may refuse to register any transfer of Units.

2.3 TERM OF THE INVESTMENT

The Responsible Entity may terminate the Fund by calling a Unit Holders meeting if it considers that would be in the best interests of Unit Holders, for example taking advantage of a selling opportunity.

the Responsible Entity may:

- Sell the assets in the Fund;
- List Units on an exchange; or
- Implement Unit buy-backs,

An Ordinary Resolution requires at least 50% of the votes cast by Unit Holders entitled to vote, to be voted in favour of the resolution.

The Fund should be considered illiquid. Except as set out above, the Responsible Entity does provide a limited redemption or withdrawal facility.

Any applicable Withdrawal Event will be determined by the Responsible Entity, at the relevant time, having regard to all relevant circumstances. The Withdrawal Event may be funded or provided by a related party of the Responsible Entity. The Withdrawal feature can be delayed at anytime by the Responsible Entity, having regard to acting with all investors best interest.

2.4 THE FUND

The Fund is a unit trust. Investor's money is pooled and used by the Responsible Entity on behalf of the Fund to own the Property and other assets. The Fund has used debt to assist in the purchase of Property. Each Unit will provide a beneficial interest in the Fund's net assets, including the Property.

Responsible Entity

KCL is the Responsible Entity of the Fund, and the issuer of this PDS and the Units to be issued under this PDS.

The board of KCL comprises three Directors, including the Chairman.

For further information on KCL and each Director, see Section 6.

Distribution policy

The Responsible Entity intends that the Fund will make distributions every month, with the record dates for such distributions being each month of the year. The distribution is paid on the 15th of the month.

Distribution entitlement for a Unit Holder is calculated by reference to the number of Units held by the Unit Holder each day.

Thereafter, distributions will be paid monthly in arrears to all Unit Holders who are on the register at the distribution calculation date.

The annualised forecast distribution is 6.25% for the 2022/23 year and will be reviewed each year in July following the financial year results.

All distributions will be paid by electronic funds transfer direct into a nominated Australian bank account or an account with a financial institution (where there is a branch in Australia). Distributions will not be paid by cheque.

The Responsible Entity intends that distributions will generally be made in line with the Fund's cash from operations that are available for distribution. However, in accordance with the Constitution, distributions could from time to time include a return of capital, or a portion of the cash from operations that is available for distribution. In some circumstances, distributions may be withheld in one period to smooth distributions and/or provide working capital for future periods.

The Responsible Entity will provide Unit Holders with an annual tax statement each year. The statement will summarise the distributions paid/payable in respect of that income year and the tax components, including any tax deferred component of that distribution.

Changes in interest rates, the level of gearing and other risk factors may influence the actual distribution or the tax deferred component of a distribution. Neither the Responsible Entity, nor the Custodian, or their Directors guarantee returns from the Fund. See Section 4 – Risks.

It is expected that Fund income will be primarily derived from rental income.

Tax deferred

The distributions received from your investment may have a tax deferred portion. Investors will receive an annual tax statement confirming the tax position of the investment each financial year.

2.5 PORTFOLIO & STRATEGY

The information below provides details of the diversification of the property component of the Fund, as at 30 June 2022. The Fund's portfolio will change from time to time as assets are acquired or disposed and tenancies expire and commence.

PROPERTY 1. 10 PERCY STREET BELLERIVE

ASSET TYPE
LARGE FORMAT

**NET LETTABLE
AREA**
2,600 SQM

**NO. OF
TENANTS**
2

Dan Murphy's
Fernwood

**WALE BY
INCOME**
8.5 YEARS

VALUATION
\$10,500,000

Independent valuation
performed by Knight Frank

HOLDING
100% DIRECT



Photo above is for illustration purposes.

PROPERTY 2.

139-143 HOBART ROAD

KINGS MEADOWS

ASSET TYPE
MEDICAL / RETAIL

**NET LETTABLE
AREA**
1,300 SQM

**NO. OF
TENANT**
7

HOLDING
UP TO 20%
INDIRECT

Invested via Key Capital Retail
Fund No.9. Investment will be
finalised subject to capital raising.



Photo above of a medical reception is for illustration purposes.

2.5 PORTFOLIO & STRATEGY (CONTINUED)

PROPERTY 3.

1 / 364 BALDIVIS ROAD

BALDIVIS WA

ASSET TYPE

New building due for completion by the end of 2022. The store will be 300sqm of floor space on 1,500sqm of prime commercial land next door to McDonalds and 7-Eleven

NO. OF TENANTS

1

BWS Liquor with Drive-Thru

HOLDING

UP TO 20%
INDIRECT

Invested via Key Capital Retail Fund No.9, or direct.

This property is under offer and subject construction conditions.

NEW 7 YEAR LEASE

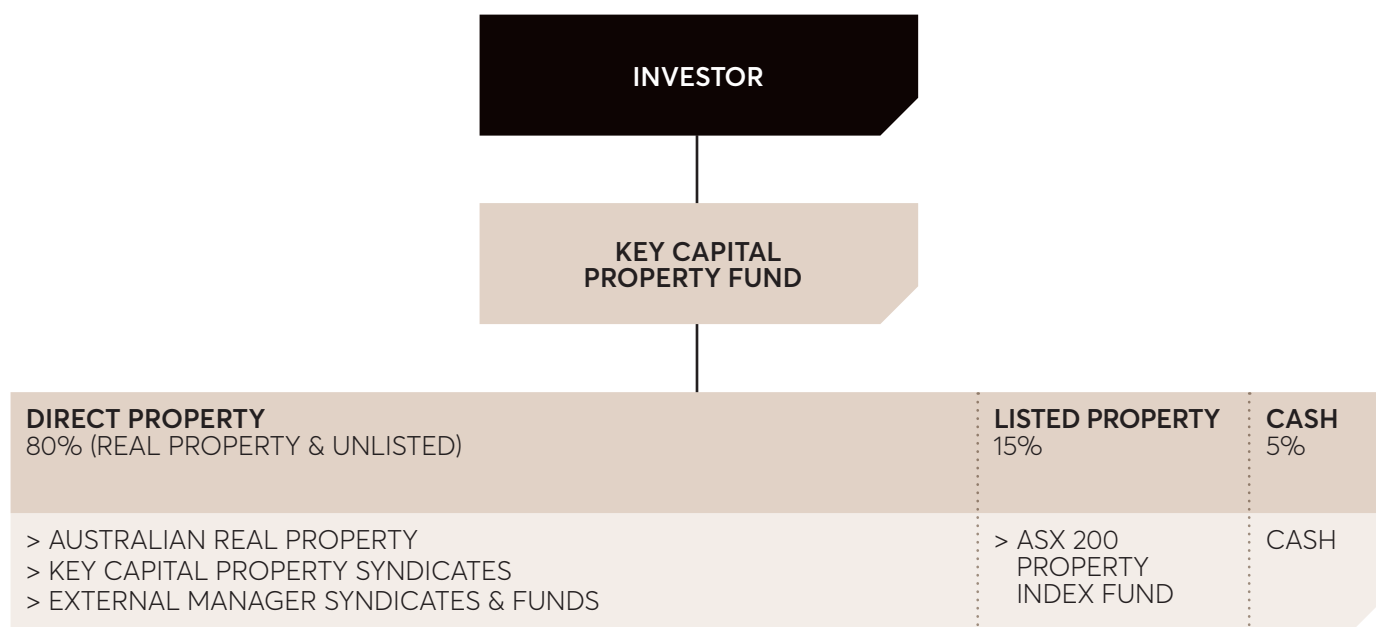
ASX Listed Tenant

Leased by Endeavour Group a company majority owned by Woolworths



Photo above is for illustration purposes.

HOW THE FUND WORKS?



Investment Strategy

The Responsible Entity will manage the Fund according to a set of policies and rules with property asset allocation. The focus of the Fund will be to own direct property and blending listed and cash investments to support the on-going withdrawal needs of the investors in the Fund.

The table below provides investors a range and target the Fund will invest in property asset allocation. The Fund will only invest in direct property in Australia or New Zealand.

| | PROPERTY ASSET ALLOCATION RANGE | | TARGET |
|----------------------------|------------------------------------|------|--------|
| INVESTMENTS | | | |
| Direct Property Investment | 70% | 90% | 80% |
| Listed Property | 25% | 5% | 15% |
| Cash & Money Market | 5% | 5% | 5% |
| | 100% | 100% | 100% |

Direct Property Diversification

| | LOCATION | VALUE | OWNERSHIP |
|-----------------------------|--------------------|---------------------|-----------|
| PROPERTY DETAILS | | | |
| Dan Murphy's & Fernwood | Bellerive, TAS | \$10,500,000 | Direct |
| Medical & Retail Centre | Kings Meadows, TAS | \$5,000,000 | Indirect |
| BWS Retail (under contract) | Baldivis, WA | \$2,400,000 | Indirect |
| | | \$17,900,000 | |



- Direct Property Investment **80%**
- Listed Property **15%**
- Cash & Money Market **5%**

3. FEES AND OTHER COSTS

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance, rather than 1%, could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

3.1 FEES ASSOCIATED WITH AN INVESTMENT IN THE FUND

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Taxation information is set out in Section 5.

You should read all of the information about fees and costs, as it is important to understand their impact on your investment.

All fees and costs in Section 3.1 are net of the effect of GST, i.e. inclusive of GST less any input tax credits (including reduced input tax credits).

Key Capital Property Fund

| TYPE OF FEE OR COST | AMOUNT | HOW AND WHEN PAID |
|--|---|----------------------------------|
| Fees when your money moves in or out of the Fund | | |
| Establishment fee The fee to open your investment | 0% | Nil |
| Contribution fee The fee on each amount contributed to your investment | 0% | Nil |
| Withdrawal fee The fee on each amount you take out of your investment | 0% | Nil |
| Exit fee The fee to close your investment | 0% | Nil |
| Management costs* The fees and costs for managing your investment | Management fee 0.80% | Monthly from the Fund in arrears |
| | Costs and expenses 0.20% | Monthly from the Fund in arrears |
| | Performance Fee 20% of the outperformance above 10% total return p.a. net of fees | Annually |
| | Indirect costs 0% | Nil |

* Management costs can be negotiated by wholesale clients. Refer to Differential Fees under 'Additional Explanation of Fees and Costs' for further details.

The table below gives an example of how the fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example of annual fees and costs – Key Capital Property Fund

| TYPE OF FEE OR COST | AMOUNT |
|--|--|
| Example – Key Capital Property Fund Balance of \$50,000 | |
| Contribution fee | Nil |
| PLUS Management costs | 1.00% per annum of the Fund's net asset value ¹ |
| EQUALS Cost of Fund | \$500.00 |

Additional fees and expense may apply including Performance Fees, transaction fee and transactional and operational costs. Performance Fees and Disposal Fees have not been included because they are generally not payable, and do not accrue, during the term of the Fund. Whether or not they are ultimately payable depends on the performance of the Fund.

3.2 ADDITIONAL EXPLANATION OF FEES AND COSTS

Management fees

This is an ongoing fee paid to the Responsible Entity for general administration, operation and management of the Fund. The Management Fee is 0.80%.

Costs and expenses

The Fund will incur ongoing administration costs including accounting fees, audit costs, Registry fees, custodial fees, Compliance Committee costs, professional risk insurance, tax and legal advice fees, investor reporting costs, bank charges and postage. These costs are estimated to be 0.20% per annum of the GAV. This amount is an estimate only and actual costs may be more or less than this amount.

The Responsible Entity is entitled, under the Constitution, to be reimbursed for all costs and expenses (which include the ongoing administration costs and abnormal expenses referred to above) that it may incur in the proper performance of its duties under the Constitution.

These costs and expenses include (but are not limited to) costs, disbursements and expenses associated with:

- > The establishment and termination of the Fund and amending or replacing the Constitution.
- > The production and circulation of the Product Disclosure Statement and marketing and the promotion of the Fund.
- > Fund assets and income.
- > Borrowing money.
- > Convening and holding meetings of Unit Holders and implementing any resolutions passed at the meetings.
- > Registry and accounting services, Fund tax returns, postage, confirmation advices, notices, reports and other documents.
- > The Fund's Compliance Committee and its members.
- > Auditing the Fund and the Compliance Plan.
- > Establishment and administration of the complaints handling procedures for the Fund.
- > Complying with any law and any request, policy or requirement of ASIC or any other regulatory authority.
- > Any agent or delegate of the Responsible Entity (including associates).

Transactional and operational costs

The Responsible Entity does not charge a buy spread when you invest in the Fund. However, the Fund does incur transactional and operational costs, such as stamp duty, derivative costs, registration fees and settlement costs, property management costs, the costs of rates, utilities and other property operating costs (excluding those costs recovered from tenants). These costs are payable when incurred out of the Fund. Transactional and operational costs are not payable to the Responsible Entity. They are an additional cost to you and are ultimately reflected in the value of your investment in the Fund.

For the first financial year of the Fund ending on 2022/23, the Responsible Entity estimates the Fund's transactional and operational costs described above to be 0.37% of Fund net asset value, calculated on an annualised basis.

Applied to an investment in the Fund of \$50,000, transactional and operational costs would be equal to \$185.00 per annum. When transactional and operational costs of 0.37% are added to management costs of 1.00%, as per the worked example, the total cost would be 1.37%. Applied to an investment of \$50,000 the total cost would equal to \$685.00 per annum.

Performance fee

As an incentive to maximise investor returns, the Responsible Entity is entitled to a performance fee of 20% of the outperformance of 10% p.a. net of fees. The fee is payable out of the assets of the Fund annually.

A working example is as follows:

Investor received 6.75% income
Investor NTA per unit increase by 4.25%
Total return = 11% net of fees for the year
Investor pays manager 20% of the out-performance being 20% of 1% = 0.20%

Acquisition fee

This is the fee charged by the Responsible Entity for the identification and analysis of the Property, negotiating the acquisition, managing the due diligence process, negotiating and procuring debt and establishing the purchasing entity, structuring the overall investment and raising capital by way of the Units. The transaction fee is equal to 2% of the Property valuation and is payable from the assets of the Fund.

A Property will be purchased at a price of \$1,000,000, therefore the fee payable to the Responsible Entity will be \$20,000.

Disposal fee

This is the fee charged by the Responsible Entity in respect of coordinating the sale of the Property (and/or any other real estate asset of the Fund). This fee is 1% of the sale price of the relevant property.

For example, The Property will be sold at a price of \$1,000,000, therefore the disposal fee payable to the Responsible Entity will be \$10,000.

1. As required by regulation, in the table example shown above, Key Capital Property Fund uses the indirect cost ratio for the Fund, which is based on net asset value. This calculation is based on \$0 debt obligations.

Finance facility fees

This is the fee for the arrangement of bank finance and advising on the interest rate risk management. The Responsible Entity is entitled to charge a fee of 0.60% of the loan amount.

Professional services fees

The Responsible Entity may seek professional services for the Fund from qualified providers, including related parties. The fees for these services will be charged at normal commercial rates to the Fund.

Related parties of the Responsible Entity will only be appointed in accordance with its 'Related party and conflicts of interest policy'. For more detail on the policy, refer to Section 7.3.

GST

Unless otherwise stated, all fees in this section of the PDS show the net effect of GST (i.e. inclusive of GST less any input tax credits including reduced input tax credits). Where the Fund is entitled to an input tax credit or reduced input tax credit under the GST legislation for GST paid in respect of the services provided to it, the cost to the Fund of paying GST will be reduced proportionally. For additional information in relation to the taxation implications of an investment in the Fund please see Section 5.

Differential fees

The Responsible Entity may negotiate special fee arrangements with Unit Holders who are wholesale clients, pursuant to the Corporations Act under which it reduces or rebates fees to those Unit Holders. Such special fee arrangements will not adversely impact upon the fees that are paid by other Unit Holders as set out in the previous table.

Adviser remuneration

The Responsible Entity does not pay any commission to financial advisers and other intermediaries.

Property Management Fees

Key Capital expects to appoint Retail Leisure & Life ("RL&L"), a related party, to manage any Direct Property purchased by the Fund and to manage any property held by underlying Property Trusts, excluding those managed by an external manager. RL&L will be paid property management fees at commercial market rates for any property management functions it performs for the Fund and Property Trusts into which the Fund has invested, excluding those managed by an external manager.

Maximum fee entitlements and other fees

Under the Constitution, the Responsible Entity is entitled to the following maximum fees:

- > Capital works fee of 4.50% for property development and capital works;
- > Removal/termination/merger fee of up to 2% of the value of the assets of the Fund, subject to Unit Holder approval;
- > To find out more detail regarding fees and costs investors can request a copy of the Fund Constitution.

Indirect costs

Other than Fund recoverable expenses described above in the fee table and under 'Costs and Expenses', the Fund does not incur any indirect costs.

4. RISKS

As with all investments, the future performance of the Fund can be influenced by a number of factors that are outside the control of the Responsible Entity.

The level of future distributions, the value of the Property and the value of Unit Holders' Units may be influenced by any of these risk factors, which include, without limitation, the following:

4.1 GENERAL INVESTMENT RISKS

General investment risks include:

- > A downturn in general economic and market conditions in the Australian and/or global economy.
- > Unfavourable movements in interest rates or inflation.
- > Unfavourable movements in the unemployment rate.
- > Changes to the law (including tax laws) and accounting.
- > Natural disasters, including earthquakes, fire, storm, social unrest, terrorist attack or war in Australia or overseas.

4.2 GENERAL PROPERTY RISK

There are a number of risks associated with an investment in property. These include, without limitation:

Movements in valuation

The value of the Property may be adversely affected by a downturn in real estate market conditions or the underlying performance of the Property. There is no guarantee that the Property or Unit Holders will achieve a capital gain or that the Property will not fall in value relative to the current valuation.

Property revenue and diversification

Generally, the more diverse a portfolio, the lower the impact that an adverse event affecting one asset in the portfolio will have on the income or capital value of the overall portfolio. The Fund will be invested in 3 properties so there is property diversification.

The forecasts for the Fund in this PDS are significantly reliant on the performance of the tenant and running costs of the Property.

Property sales/liquidity

Real estate, by its nature, is an illiquid investment. Depending on prevailing conditions it may be difficult for the Responsible Entity to dispose of the Property in a timely manner or at an optimal sale price.

This may affect the Responsible Entity's ability to return capital to Unit Holders and may reduce the Unit value.

Property location and condition

In general, the location, age, construction quality and design of the Property may affect the value of the Property. The characteristics of the area or market in which the Property is located may change over time.

Force majeure risk

Force majeure is the term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, acts of terrorism, pandemics, epidemics, and labour strikes. Some force majeure risks are uninsurable or are unable to be insured economically.

A force majeure event may adversely affect the Responsible Entity's ability to perform its obligations until it is able to remedy the force majeure event. Should such events occur in respect of the Fund or the Property, they may adversely impact the Property and the ability of tenant to service their obligations under the leases.

Insurance

KCL and/or tenants of the Property will maintain insurance coverage in respect of the Property (including insurance for damage and public liability). However, some risks may be unable to be insured at acceptable prices. Any losses incurred due to uninsured risks may adversely affect the performance of the Fund. Increases in insurance premiums (which may occur if the Fund claims for recovery of loss under any insurance policy) may also affect the performance of the Fund.

4.3 SPECIFIC PROPERTY AND TENANCY RISKS

Property income and potentially the Property's value depends on various factors, including performance by a tenant, vacancy, capital expenditure requirements and finance risks.

Specific property risks can occur from time to time and the following specific property risks have been identified in respect of the Fund:

- > **Non-performance by the tenant** – If the tenant fails to make payments of rent and (where applicable) outgoings, or does so otherwise than in a timely manner, Unit Holders may not receive their distributions, or at least, may not receive their distributions in a timely manner.
- > **Vacancy** – If the lease in respect of the Property was to prematurely terminate, KCL would need to find a new tenant. Where a new tenant has to be found as a result of a tenant vacancy, the income of the Fund may decrease, and the value of the relevant Property might be negatively affected. In attempting to find a new tenant, KCL may have to pay commissions to estate agents or provide incentives to attract tenants. All of these expenses will be met by the Fund and may affect the performance of the Fund.

- > **Capital expenditure requirements –** Capital works may be required on the Property, which may not have been budgeted for. In these circumstances, KCL may need to reduce distributions in order to meet the additional expenditure. There may also be unforeseen environmental issues in respect of the Property which may impact upon the performance of the Fund. It is important to note that Unit Holders are not obliged to contribute any funds in addition to their initial investment to meet the liabilities of the Fund.

4.4 FUND RISKS

Liquidity

An investment in the Fund should be viewed as a medium to long-term investment, and should be considered illiquid as it is unlikely that there will be a secondary market for Units. No holder of Units issued under this PDS has the right to have their Units redeemed or withdrawn from the Fund, however this does not restrict a Unit Holder's right to sell the Units (but the Responsible Entity may, in certain circumstances, refuse to register any transfer of Units).

Taxation and stamp duty

The effect of taxation on Unit Holders is complex and the summary in Section 5 is general in nature. Prospective investors should seek professional taxation advice specific to their own circumstances.

It is expected that the Fund will enjoy significant tax deferred income as outlined in Section 5. As with all tax legislation, it is possible that the relevant rules may change in the future.

Taxation and stamp duty considerations taken into account by the Responsible Entity in preparing this PDS are based upon relevant legislation, regulations, court decisions and rulings and pronouncements of relevant taxation and revenue authorities now in effect, all of which are subject to change or differing interpretations. Prospective investors should note that any such change could have retroactive application, so as to result in taxation and stamp duty consequences different from those taken into account by the Responsible Entity.

The Responsible Entity has not sought any ruling from relevant taxation or revenue authorities with respect to these considerations and there can be no assurance that relevant taxation or revenue authorities will not assert, or that a court will not sustain, a contrary position.

Unit price risk

The issue price per Unit under this PDS is \$0.35. The Net Tangible Asset per Unit is expected to be \$0.35 as at 30/06/2022. The Unit price is calculated monthly.

No guarantee of investment returns

Neither the performance of this investment nor the repayment of Unit Holder contributions is guaranteed by the Responsible Entity, the Custodian or any other person.

AFSL

Maintenance of KCL's AFSL depends, among other things, on KCL continuing to comply with the ASIC-imposed conditions and the Corporations Act.

Legal 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 assets or the expected income of the Fund. The cost of any potential or actual litigation is borne by the Fund.

Related party risk

The Fund has entered into, and may in the future enter into, legal documents and contracts in relation to numerous aspects of the Fund's operation, for example, property management arrangements, custody arrangements, debt financing arrangements and tenancy arrangements. The Fund may be adversely affected where a party fails to perform under these agreements.

There is potentially additional counterparty risk when a related party is involved. For example, the related parties may not have the same incentive to perform obligations and to monitor performance. The Responsible Entity has procedures in place to mitigate this risk.

Due diligence and use of experts

In acquiring the Property, the Responsible Entity has engaged appropriate experts to investigate the environmental, operational, structural and legal soundness of the Property. However, despite such investigations, the Responsible Entity cannot guarantee the identification and mitigation of all risks associated with the Property.

Distribution risk

As a result of the inherent risk in any property investment there is no guarantee that the Fund will pay distributions at the rate forecast in the financial information or at all.

The tax deferred component of the distribution will depend on the Fund satisfying various requirements. If the Fund does not satisfy these requirements, the tax deferred component of the distribution could be materially different.

Risks

As with most investments, the future performance of the Fund can be influenced by a number of factors that are outside the control of the Responsible Entity. Important information regarding the risks associated with an investment in the Fund is set out in Risks section.

The key risks include:

- > General investment risks: including a downturn in general economic and market conditions, unfavourable movements in interest rates, the employment rate or inflation, changes to the law and natural disasters, including terrorist attack or war.
- > General property investment risks: including the risk that property values decline and the risk that there is a decrease in Fund income.
- > Specific property and tenancy risks: including higher capital expenditure than initially budgeted for or the tenant's failure to make payments of rent and outgoings.
- > Fund risks: including risks associated with debt financing, use of counterparties and gearing, interest rate exposure, legal, taxation and stamp duty changes, other regulatory changes, lack of portfolio diversification and unexpected litigation.

Valuation and Valuation Policy

The Responsible Entity has, and complies with, a Valuation Policy for the Fund. The Valuation Policy requires that:

- > The Property must be valued by independent valuers.
- > There is a limit of three continuous valuations from the one valuer.
- > The Property must be valued at the request of the financier at any time.

The Responsible Entity intends that the Property will be valued in the first three years of the Fund, and subsequently, from time to time, at a date to be determined by the Responsible Entity.

The Responsible Entity may have the Property independently revalued at other times when it believes there has been a significant change in the value, or it is required under the Debt Facility.

The Bellerive Property was independently valued at \$10,500,000 million by Knight Frank Tasmania. The valuation has been determined using *As if Complete – Capitalisation and direct comparison approaches*. A summary of this valuation is available by request.

A copy of the *Responsible Entity's Valuation Policy* can be obtained by contacting the Responsible Entity.

Net tangible assets

The net tangible assets (NTA) is calculated as the total assets of the Fund, minus any intangible assets, less all liabilities. The Fund's NTA is shown on a per Unit basis. The NTA is calculated in accordance with the following formula:

$$\text{NTA} = \frac{\text{Net Assets} - \text{Intangible Assets} +/- \text{Other Adjustments}}{\text{Number of Fund Units on issue}}$$

The Fund has a forecast NTA per Unit of \$0.35 at 30 June 2022.

Debt facility

Westpac has approved a bank bill business loan limit of \$5,460,000. The loan is not fully drawn. The current interest rate is 3.04% p.a. and is subject to change.

Gearing

The amount of debt the Fund has borrowed compared to the gross assets of the Fund is referred to as gearing. Gearing both increases the potential returns to Unit Holders, as well as potential losses. The higher the gearing, the greater the potential risk.

The Gearing Ratio and Interest Cover Ratio (see below) both indicate the potential risks faced by the Fund as a result of its borrowings due to, for example, an increase in interest rates or a decrease in property value.

The repayment of loan principal and interest ranks ahead of investors' equity in the Fund. Payment of interest on borrowings must be funded before any distributions to investors. As a result, the borrowing terms and conditions are important factors to consider.

The risks associated with gearing are further set out in Section 4.

Gearing ratio

The Gearing Ratio at 30 June 2022 is forecast to be 50% based on a fully drawn loan using the following formula below.

$$\text{Gearing Ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}}$$

A copy of the gearing policy and interest cover ratio policy can be obtained by contacting the Responsible Entity.

Interest cover ratio

During the term of the Debt Facility, interest is paid on the principal amount of the loan from the earnings of the Fund. The ratio between earnings and interest is called the interest cover ratio (ICR). The lower the ICR the greater the associated risk.

The ICR at 30 September 2022 is estimated to be 2.2 times using the following formula.

$$\text{Interest Cover Ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

The EBITDA (earnings before interest, tax, depreciation, straight lining of rentals and amortisation) and interest expense used in the calculation are based on a number of assumptions forecast by the Responsible Entity.

The ICR measures the ability of the Fund to meet its interest payments on borrowings from its earnings.

The Fund expects the ICR to be maintained above 2.2 times during the Forecast Period.

Interest rates and hedging

The Responsible Entity intends to actively manage interest rate risk in order to reduce interest expense volatility as part of its capital management strategy.

Related party transactions

The Responsible Entity must:

- > act in the best interests of its Unit Holders and meet its other fiduciary obligations.
- > act on a commercial arm's length basis at all times, particularly if the counterparty to a transaction is a related party.
- > comply with all legal and compliance requirements.

The Responsible Entity has a written policy with regard to related party transactions and complies with this policy. For more detail on the Responsible Entity's policy and procedures for related party transactions, please contact the Responsible Entity. Information about the risks of related party transactions can be found in Section 4.4.

The Responsible Entity has policies and processes in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction.

Unit Holder communications

If you invest directly into the Fund, and not through a Wrap Account, the Fund's Registry will provide you with a:

- > **Confirmation Statement** – specifying details relating to your initial investment.
- > **Distribution Statement** – an annual distribution statement detailing the distribution amount for the financial year.
- > **Regular Reporting** – annual reports updating the Fund's operations and updates on any important Fund activities. The annual reports will include financial reports including audited financial statements.
- > **Tax Statement** – an annual tax statement setting out the Fund's tax position following completion of the annual accounts.

Regular reporting, including the Annual Report and Audited Financial Accounts, will be available on the Responsible Entity's website, [keycapital.com.au](https://www.keycapital.com.au)

4.5 SUMMARY OF ASIC DISCLOSURE PRINCIPLES AND BENCHMARKS

ASIC has established eight disclosure principles and six benchmarks that Responsible Entity's of unlisted property schemes are required to disclose against. These principles and benchmarks are set out in ASIC Regulatory Guide 46 (RG 46).

These disclosure principles were introduced to help investors to understand the key characteristics of unlisted property schemes and assess associated risks by clarifying the disclosure requirements of the law.

The Responsible Entity aims to provide clear, concise and effective disclosure in this PDS. The table below summarises the information required under RG46 and provides a PDS cross reference for more detailed information in relation to the relevant benchmarks and disclosure principles. Information about associated risks can be found in Section 4.

| BENCHMARK AND DISCLOSURE PRINCIPLES | DESCRIPTION |
|---|---|
| GEARING Benchmark 1 addresses a scheme's policy on gearing at an individual credit facility level. Disclosure principle 1 addresses disclosure of the gearing ratio of the scheme, the calculation of the ratio and its explanation. | <p>Benchmark 1: Gearing Policy Key Capital has a written policy that governs the level of gearing at an individual credit facility level for the Fund. The policy provides that the gearing of the Fund will be managed carefully and must not exceed 55%, with gearing being calculated as borrowings divided by the current valuation of the Property.</p> <p>Disclosure Principle 1: Gearing ratio The gearing ratio of the Fund is 50% when the loan is fully drawn. The gearing ratio represents the extent to which the assets of a Fund are financed by debt. The higher a Fund's gearing ratio the greater its reliance on external liabilities (primarily borrowings) to finance the assets. A higher gearing ratio may also expose a Fund to increased costs if interest rates rise or property values decrease. A highly geared Fund generally has a lower asset buffer to rely upon in times of financial stress.</p> <p>The Fund's gearing ratio is calculated as:</p> $\text{Gearing ratio} = \frac{\text{Total interest bearing liabilities}}{\text{Total assets}}$ <p>Investors can use the gearing ratio to assess the potential risks associated with an investment in a Fund in the event interest rates rise or property values decrease; and to compare the risk associated with a Fund's return on investment to other similar products.</p> <p>The Fund does not have any off-balance sheet financing.</p> |
| INTEREST COVER Benchmark 2 addresses a scheme's policy on the level of interest cover at an individual credit facility level. Disclosure principle 2 addresses disclosure of the Interest Cover Ratio of the scheme, the calculation of the ratio and its explanation. | <p>Benchmark 2: Interest cover policy Key Capital has a written policy that governs the level of interest cover at an individual credit facility level for the Fund.</p> <p>The policy provides that the Key Capital will not undertake any borrowing which would cause the Fund's interest cover ratio to fall below 2.0 times.</p> <p>The Fund is currently complying with the policy.</p> <p>Disclosure Principle 2 — Interest cover The Fund's interest cover is estimated to be 2.2 times calculated using figures with the Fernwood and Dan Murphy's rent as at 30 September 2022. This figure indicates that the Fund has sufficient earnings to satisfy interest payments in the forecast period.</p> $\text{Interest cover ratio} = \frac{\text{EBITDA-unrealised gains+unrealised losses}}{\text{Interest expense}}$ <p>EBITDA means earnings before interest, tax, depreciation and amortisation.</p> <p>Investors may use an interest cover ratio to assess a Fund's ability to meet ongoing interest payments and therefore service debt. The lower the interest cover, the higher the risk a Fund will not be able to meet its interest payments. A Fund with a low interest cover only needs a small reduction in earnings (or a small increase in interest rates or other expenses) to be unable to meet its interest payments.</p> |

| BENCHMARK AND DISCLOSURE PRINCIPLES | DESCRIPTION |
|---|---|
| <p>INTEREST CAPITALISATION</p> <p>Benchmark 3 addresses whether the interest expense of a scheme is capitalised.</p> | <p>Benchmark 3: Interest capitalisation</p> <p>The interest expense of the Fund is being paid from rental revenue paid from tenants from the Property held by the Fund.</p> <p>The Fund has a \$580,000 construction loan facility that has a portion of interest being capitalised as at 30 June 2022. This loan will be closed by 30 September 2022. This loan forms part of the overall \$5,460,000 Limit approved for the Fund.</p> |
| <p>SCHEME BORROWING</p> <p>Disclosure principle 3 addresses disclosure of the scheme's credit facilities, including the circumstances in which credit facility covenants will be breached.</p> | <p>Disclosure Principle 3: Scheme borrowing</p> <p>The Fund will secure a Business Markets – Flexible Rate Loan from Westpac Bank. The total facility limit will be \$5,460,000. The facility is fully drawn. The facility will be secured by first mortgage held over the Property and a General Security Agreement in respect of all the assets of the Fund.</p> <p>Key Capital is compliant with the interest times cover loan covenant imposed by the Fund's lender in relation to the Fund's borrowings and our policies. Key Capital is required to maintain an interest time's cover of no less than 2.2 times. The facility is unhedged.</p> <p>Investors' interests in the Fund will rank behind lenders and unsecured creditors of the Fund. This means, if the Fund was to be wound-up, then the Fund's lenders and unsecured creditors would be repaid first, before any capital or outstanding distributions were paid to investors.</p> <p>The bank loan is a variable interest rate and subject to market fluctuation. The loan interest rate is between 2.70% to 3.04%.</p> <p>The Constitution and the Corporations Act give Unit Holders certain powers. In particular, the requisite number of Unit Holders may call a meeting to consider resolutions to amend the Constitution, terminate the Fund or remove Key Capital as Responsible Entity. The exercise of those powers without the consent of the Bank will lead to events of default under the Fund's finance facility and in certain circumstances will give the Bank rights to, amongst other things, call for immediate repayment of the amounts outstanding.</p> |
| <p>VALUATIONS</p> <p>Benchmark 4 addresses the way in which valuations are carried out by a Responsible Entity in relation to the scheme's assets.</p> | <p>Benchmark 4: Valuation policy</p> <p>Key Capital has, and complies with, a valuation policy for the Fund. Amongst other things the policy provides that:</p> <ol style="list-style-type: none"> the Fund's properties will be independently valued every three years or as when required by the Fund's credit provider; all independent valuations are to be carried out by appropriately qualified valuers, independent of Key Capital, who are registered in the relevant State or otherwise be a member of an appropriate professional body in that jurisdiction and have a minimum of five years relevant experience; valuers are to be instructed to undertake their valuation in accordance with industry standards; and to outline their valuation methodology within the valuation report; and valuers will not undertake more than two consecutive full valuations of the Property. <p>Key Capital believes that using independent valuers (with valuers being required to confirm their independence as part of their valuation report) and ensuring that the valuers are rotated in accordance with the valuation policy, will best address any potential conflicts of interest that might arise.</p> |

BENCHMARK AND DISCLOSURE PRINCIPLES**PORTFOLIO DIVERSIFICATION**

Disclosure principle 4 addresses disclosure of the scheme's assets, including specific information about development assets.

DESCRIPTION**Disclosure Principle 4: Portfolio diversification**

Generally, the more diversified a Fund's portfolio is, the lower the risk that an adverse event affecting one property, or one lease will materially affect the Fund's performance.

The current composition of the portfolio is:

- > Number of properties: 1 Direct
(2 Indirect properties via Key Capital Retail Fund No.9 and this investment will occur in the 2022/23 Financial year. The timing is subject to capital raising)
- > Weighted average lease expiry (WALE): 8.5 years
- > Geographical location: Tasmania, Western Australia
- > Sector Commercial

The table below sets out relevant information on the property held by the Fund:

| | |
|---|---------------------------|
| Property Valuation: 10 Percy Streey, Bellerive | \$10,500,000 |
| Valuer | Knight Frank |
| Date of Valuation | February 2022 |
| Cap Rate | 4.50% |
| Lease Expiry Profile | 8.5 years |
| Tenant | Dan Murphy's and Fernwood |
| % of Portfolio | > 95% |
| The current composition of the Fund's property investment portfolio by lease expiry in yearly periods calculated based on income. | 8.5 years |

RELATED PARTY TRANSACTIONS

Benchmark 5 addresses a Responsible Entity's policy on related party transactions.

Disclosure principle 5 addresses disclosure about related party transactions.

Benchmark 5: Related party transactions

Key Capital has a policy on related party transactions and conflicts of interest, to ensure related party transactions are assessed and monitored as rigorously as arm's length third party transactions.

Key Capital's related party transaction policy identifies instances where conflicts of interest may arise in relation to the Fund. Key Capital's policy includes an assessment and approval by the Board before related party transactions can be entered into.

Where a potential conflict is identified it must be reported to the Managing Director for assessment. The conflict will be assessed as either "minor", "intermediate" or "serious". The Chairman is then responsible for resolving the conflict but may refer the matter to the Board for a determination.

All decisions in relation to conflicts of interest and all related party transactions must be documented, compliance with the policy must be considered by the Board quarterly and the related party transaction policy and all related party transactions must be reviewed annually.

Disclosure Principle 5: Related party transactions

Key Capital has entered into the following related party transactions:

- > Key Capital expects to appoint Retail Leisure & Life ("RL&L"), a related party, to manage any Direct Property purchased by the Fund
- > Key Capital Directors and related parties own 4,145,000 units as at 30 June 2022 (29.42% of Fund)

These related party transactions were entered into and are monitored in compliance with Key Capital's related party transactions and conflicts of interest policy. In the view of the Board of Key Capital, none of the transactions above have created any additional risk for the Fund's investors.

| BENCHMARK AND DISCLOSURE PRINCIPLES | DESCRIPTION |
|--|---|
| <p>DISTRIBUTION PRACTICES</p> <p>Benchmark 6 addresses a scheme's practices for paying distributions from cash from operations available for distribution.</p> <p>Disclosure principle 6 addresses where distributions are sourced from and whether forecast distributions are sustainable.</p> | <p>Benchmark 6: Distribution practices</p> <p>The Fund will in the long term only pay distributions from its cash from operations (excluding borrowings) available for distribution. In the first forecast period the Responsible Entity may elect to use cash available from borrowings to pay distributions due to the timing constraints associated with the receipt of the forecast % rent.</p> <p>Disclosure Principle 6: Distribution practices</p> <p>Key Capital forecast distributions from the Fund to members of 6.25% (annualised). This is in line with the distribution policy.</p> <p>Other than for the first distribution period, for which the Responsible Entity may elect to use cash from borrowings to pay distribution due to timing constraints associated with the receipt of the forecast rent, cash from operations (excluding borrowings) will be the source of distributions.</p> <p>The Responsible Entity considers that the forecast distributions are sustainable over the next 12 months.</p> |
| <p>WITHDRAWAL ARRANGEMENTS</p> <p>Disclosure principle 7 addresses disclosure of the withdrawal arrangements within the scheme and risk factors that may affect the unit price on withdrawal.</p> | <p>Disclosure principle 7: Withdrawal arrangements</p> <p>The Fund is illiquid, there will be no 'cooling off' period relating to applications or any right to withdraw during the investors first year. Investors will have access to the Limited Withdrawal Facility each quarter in the investors 2nd year and any subsequent year. To find out more on the Limited Withdrawal Facility refer to Section 2.2.</p> |
| <p>NET TANGIBLE ASSETS</p> <p>Disclosure principle 8 addresses disclosure of the Net Tangible Asset (NTA) backing per unit of the scheme.</p> | <p>Disclosure Principle 8: Net tangible assets</p> <p>A net tangible asset ('NTA') is calculated using information from the Fund's latest audited financial statements and using the following formula:</p> $\text{NTA} = \frac{\text{Net assets} - \text{intangible assets} \pm \text{any other adjustments}}{\text{Number of units in the scheme on issue}}$ <p>As at 30 June 2022, the Fund is forecast to have an NTA per unit of \$0.35.</p> <p>The Fund's NTA expressed on a per Unit basis may be used as an approximate measure of what a Unit Holder could expect to receive for their Units if the Fund were wound up at that time. To the extent that the NTA at any time is less than the price paid for a Unit, it is also an approximate measure of the risk of a capital loss.</p> |

Updates about any material changes to the matters listed in this table will be provided at keycapital.com.au

5. TAX INFORMATION

The information in this section is of a general nature and is not, nor is it intended to be, tax advice, and cannot be relied upon as such. Each investor must take full and sole responsibility for their investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of the investment. Accordingly, prospective investors should seek personal tax advice to take into account their individual circumstances.

5.1 IMPORTANT INFORMATION FOR TAX

This summary provides an outline of the principal Australian tax consequences relating to the acquisition, holding and disposal of Units for an Australian tax resident Unit Holder who holds their investment in the Fund on capital account.

The summary does not address the tax implications for Unit Holders that:

- > Hold their Units on revenue account or as trading stock.
- > Make an election under the Taxation of Financial Arrangements (TOFA) provisions that affects the recognition of income in respect of Units.
- > Are exempt from Australian tax.
- > Are non-residents, or
- > Are temporary residents of Australia.

The summary does not address the tax implications for persons that invest in the Fund indirectly.

Taxation issues are complex, and taxation laws and the interpretation of associated administrative practices may change over the term of an investment in the Fund.

The information contained in this section is of a general nature only. It is based on, and limited to, Australian tax law and practice in effect at the date of this PDS.

5.2 TAX TREATMENT OF THE FUND

General information

The Fund will claim deductions for the depreciation of plant and equipment, allowances for the original capital expenditure on the buildings and the borrowing costs on the purchase of the Assets. These deductions will be passed on to the Unit Holders, causing a component of the income received by Unit Holders to be "tax deferred". For further details refer Tax treatment of Unit Holders below.

Tax status of the Fund – not an AMIT or AMIT

(a) Existing trust tax rules apply if the Fund is not an Attribution Managed Investment Trust (AMIT)

If the Fund is not an AMIT in respect of a particular year, then the ordinary trust provisions of the tax law (Division 6 of Part III of the Income Tax Assessment Act 1936) will apply.

The Fund is intended to be an Australian resident trust for Australian income tax purposes. The investment activities of the Fund will be limited to ensure that it is treated as a 'flow through' entity for Australian income tax purposes.

Neither the Fund nor the Trustee should be liable for any taxes on the Fund's income on the basis that the Investors should be presently entitled to, and the Fund intends to distribute all its Distributable Income (as defined in the Trust Deed) on an annual basis.

(b) The Attribution Managed Investment Trusts (AMIT) Rules.

The AMIT Rules do not apply automatically to all managed investment trusts. For the AMIT Rules to apply, the Fund must satisfy certain requirements to qualify as an AMIT and the Trustee must make an election (which is irrevocable) to apply the AMIT Rules to the Fund.

The Trustee will make an assessment of whether the Fund qualifies as an AMIT and whether it will make an election to apply the AMIT Rules to the Fund (and the date from which that election is to take effect).

On the basis that the Fund is an AMIT for a given year of income, it will be treated as flow through for income tax purposes and each Investor will be taxed on the taxable income of the Fund that is attributed to them, on a 'fair and reasonable' basis. The Trustee therefore will not be subject to tax on the taxable income of the Fund.

5.3 TAX TREATMENT OF UNIT HOLDERS

Taxation of distributions

Distributions are represented by income net of expenses received on investments of the Fund. Tax losses incurred by the Fund will remain in the Fund and can be applied to reduce its income in future years, subject to the Fund satisfying the trust loss rules. Each year, Investors will be sent a tax statement that will indicate the composition of their income distributions from the Fund.

(a) Fund is not an AMIT for a given income year

Each Investor will be subject to tax on their share of the taxable net income of the Fund that accords to the share of trust income to which they were presently entitled for that year.

An Investor's share of the taxable income of the Fund should be included in the Investor's assessable income in the financial year to which the distribution relates. This is the case even if the distribution has been reinvested in the Fund or if the distribution entitlement that has arisen at year end has not yet been paid at that time.

To the extent that the Investor receives a distribution of cash in excess of the taxable income, the excess may result in a tax deferred distribution. The distribution of this amount will not be assessable to the Investor. However, the non-assessable amount will instead be treated as a

reduction to the cost base of the units for capital gains tax purposes. Where the cost base is reduced to nil, the excess amount will be treated as a capital gain to the Investor.

(b) Fund is an AMIT

Under the AMIT regime, Investors will be subject to tax on the net taxable income of the Fund for each year of income that is attributed to them. The allocation of the taxable income to Investors is based on a 'fair and reasonable' attribution determined by the Responsible Entity.

This allocation is intended to reflect the position the Investor would have been in, had they invested directly in the underlying investments, and it is expected that this basis of allocation would be considered to be a 'fair and reasonable' attribution of taxable income.

In the event that the taxable amount attributed to an Investor exceeds the cash amount they are distributed in respect of the same income year, the excess amount is added to the tax cost base of the corresponding beneficial interest of the Investor in respect of which the amount was attributed to that Investor.

Unit Holders may, from time to time, receive cash distributions that exceed the amount they must include in their assessable income. These distributions in excess of the assessable distributions are referred to as "tax deferred distributions". It is anticipated that the tax deferred distributions will be largely attributable to the Fund's ability to claim deductions for the following items not recognised as expenses in calculating the Fund's distributable profit for accounting purposes:

- > the depreciation of certain items of plant and equipment that do not form part of the building;
- > capital works allowances on building;
- > borrowing costs; and
- > certain Fund establishment expenditure.

Tax deferred distributions are not included in the Unit Holder's assessable income. Instead, Unit Holders will be required to reduce the capital gains tax cost base of their Units by the amount of the tax deferred distribution. If the Unit Holder disposes of their Units, the Unit Holder's capital gain (if any) on the disposal of their Units will be calculated by reference to this reduced cost base. The same will apply when the Units are redeemed, and the Fund wound up.

Therefore, a Unit Holder's taxable capital gain on the eventual redemption or disposal of their Units is likely to be higher where distributions of income include a tax deferred amount as compared to the taxable capital gain that would arise had there been no tax deferred distributions. If the capital gains tax cost base is reduced to nil because of the tax deferred distributions, any further tax deferred amounts distributed to the Unit Holder will be treated as a taxable capital gain.

The Unit Holder may be eligible for the capital gains tax discount on such capital gains (provided that the Unit Holder has held the Units for more than 12 months). The capital gains tax discount is discussed under "Capital gains tax" below.

Tax losses incurred by the Fund

In the event that the Fund incurs an income tax loss, the tax losses will be retained within the Fund and cannot be distributed to Unit Holders. As a general rule, income tax losses may be offset against future income of the Fund. However, the ability to offset such income tax losses against future income is subject to specific taxation rules relating to the carry forward of tax losses of unit trusts.

Disposal of the Property

Capital gains tax

If the Property is disposed of for a capital gain, the Fund's net taxable capital gain will be calculated based on the net capital gain remaining after offsetting current year or unapplied prior year capital losses against the capital gain. A net taxable capital gain is included in the Fund's net income for the year in which the relevant contract for disposal was entered into. Where the Property disposed of has been held by the Fund for more than 12 months, the 50% capital gains tax discount will apply.

The net taxable capital gain (after application of the 50% capital gains tax discount) will be distributed to Unit Holders in proportion to the number of Units they hold. Unit Holders will need to gross up the distribution, and apply any current or prior year capital losses they may have against the grossed up capital gain to arrive at the Unit Holder's net capital gain position.

Depending on the Unit Holder's circumstances, Unit Holders may then be able to apply the appropriate capital gains tax discount percentage to their net capital gain. Unit Holders should seek independent advice regarding the impacts of Capital Gains Tax regarding the disposal of the property.

Unit Holders that are companies are ineligible for the capital gains tax discount.

Capital loss

A capital loss cannot be distributed to Unit Holders in the event that the Property is disposed of for a capital loss. Capital losses can only be used against current year or future capital gains.

Taxation on disposal of units

An Investor who disposes of units in the Fund (by way of redemption, transfer or otherwise) may be subject to income tax on any capital gain arising, calculated as the difference between the capital proceeds received on the disposal and the cost base of the units.

However, this capital gain may be subject to a capital gains discount if the units have been held for more than 12 months.

We recommend that non-resident Investors seek independent tax advice in relation to the tax consequences of distributions and the disposal of their units.

Other issues

Tax File Number or Australian Business Number Declaration

It is not compulsory for a Unit Holder to provide their tax file number (TFN). However, if a Unit Holder does not provide their TFN (or in certain circumstances an Australian Business Number) or claim a valid exemption, then the Responsible Entity will be required to withhold tax from any distribution from the Fund at the highest marginal rate plus Medicare Levy.

GST

Under current legislation, GST should not be payable in respect of the acquisition, disposal or withdrawal of Units, nor in respect of any distributions paid by the Fund.

The Fund will not be entitled to claim input tax credits for the full amount of the GST component of some expenses.

However, for some of these expenses, a reduced input tax credit may be claimed. The non-recoverable part of the GST component of any expenses is taken into account as an expense of the Fund.

6. THE RESPONSIBLE ENTITY

6.1 KEY CAPITAL LIMITED

KCL was incorporated on 14 December 2004 and holds AFSL No. 287725. KCL's AFSL authorises it to act as the Responsible Entity of the Fund.

6.2 THE DIRECTORS OF KCL

The Directors of KCL collectively have extensive experience in the areas of accounting, funds management, property management, corporate governance, compliance and internal audit.

George Nikakis

*Executive Chairman
FCPA Grad Dip Business*

George is a seasoned senior executive having worked through many property and investment cycles. He is responsible for the financial accounting, tax, legal and governance matters for Key Capital.

George is a Fellow of the Australian Society of Certified Practising Accountants (FCPA). He brings with him over 40 years of senior management experience with local and international property funds, tourism and hospitality, NFP membership and manufacturing based companies. George also works with a number of private clients that own hotels, medical centres, shopping centres and supermarkets.

As Chief Executive Officer of Flag International Hotels Limited (now known as Choice Hotels), George was responsible for finance and corporate services, governance, marketing, sales and relationship management. His particular skills lie in being able to identify opportunities for improving profitability and management outcomes.

George has an excellent understanding of Australian commercial property markets and has been a Director of Key Capital since 2013. George is a member of the Key Capital Finance Investment Committee and Remuneration Committee. George is a Responsible Manager for the Australian Financial Services Licence.

George is a member of the Key Capital Finance Investment Committee and Remuneration Committee. George is a Responsible Manager for the Australian Financial Services Licence.

Stephen Nicholls

*Managing Director
BBus Economics/Information Systems,
GradDip Retail/Tourism, FP (RG146),
MFAA member*

Stephen is responsible for company strategy, property transactions, property leasing, corporate marketing, and mergers & acquisitions for Key Capital. Stephen is the Director of various companies in the Property, Mortgage Finance/Broking and Retail industries.

Stephen has been responsible for the formation and sale of over \$3.3b in property investments over the last 20 years. During his career, Stephen has accumulated the hands-on skills to manage and lead businesses having managed teams in funds management, asset management, mergers & acquisition, compliance, finance, retail management, sales and marketing.

Stephen's career includes international investment experience working for companies like Federation Shopping Centres, AXA Asia Pacific Holdings, Wesfarmers (ASX: WES subsidiary Bunnings Building Supplies) and General Manager – Investment & Distribution with the netwealth group.

Stephen has an excellent understanding of Australian commercial property markets and has been a Director of Key Capital since 2013. Stephen acts on many transactions supporting Key projects as the corporate finance expert and is authorised by Mortgage Choice to provide credit advice to both retail and wholesale clients.

Stephen is a member of the Key Capital Compliance Committee, Finance Investment Committee and Remuneration Committee. Stephen is a Responsible Manager for the Australian Financial Services Licence.

James Permezel

*Non-Executive Director
REIV Agent and Officer of Effective Control*

James built his reputation as a real estate specialist in the top echelon of corporate agency life in the 1980s and 1990s, James has always been willing to share his knowledge, insight and craft with the Key Capital board to maximise property investment performance.

James spent much of his corporate agency life in the role as Director and Head Auctioneer and has been involved on both the buy/sell side of many landmark commercial transactions. After 20 years in agency life, James transitioned into the Construction Industry where he held the role as General Manager – Marketing & Development at Vaughan Constructions for 10 years. Following this role, James became the CEO of the Permezel Family Office & Investment business.

These days, James is an entrepreneur and in recent years acquired, expanded and sold a multi-million-dollar Angus Beef farm and land holding located on Flinders Island. Prior to the Farm result, James was the major shareholder of Sleep Services Australia where he added substantial value to the business over 3 years and again sold the business at a profit. In the last downturn James established a boutique advisory firm that was utilised by KPMG to consult and manage recoveries with property developments needing a turnaround and realisation.

James latest venture in 2022 is the development and construction of a micro-brewery and restaurant precinct located at one of Queensland's fastest growing tourist destinations, Magnetic Island.

James has been a long-standing substantial investor in Key Capital projects and Director since 2010.

7. ADDITIONAL INFORMATION

7.1 FUND CONSTITUTION

The Fund is governed by a Constitution dated 17 May 2022. The Constitution and amendments have been lodged with ASIC.

The Responsible Entity cannot amend the Constitution without the consent of Unit Holders (at a meeting convened in accordance with the Corporations Act) unless the Responsible Entity reasonably believes that such amendment will not adversely affect the rights of Unit Holders.

In summary, the Constitution addresses the following matters:

Unit Holders' Rights and Obligations

The beneficial interest in the Fund is divided into Units. Each Unit confers on the Unit Holder a beneficial interest in the Fund as a whole and does not currently confer an interest in a particular part of the Fund or the Fund's assets.

Issue of Units

The Responsible Entity may issue Units in accordance with the Constitution. The Responsible Entity may accept or refuse, in whole or in part, any application for Units without being bound to give a reason.

Classes of Units

Under the Constitution, the Responsible Entity may issue ordinary Units (partly or fully paid), and may also create different classes of Units.

Issue Price of Units

The Constitution contains provisions for calculating the Issue Price of Units. The Issue Price of Units issued under this PDS will be \$0.35 per Unit as at 30/6/2022. At other times, the Responsible Entity may issue Units at NAV per Unit (plus any applicable transaction charge).

The Unit Price is subject to change and you can review the Unit Price at www.keycapital.com.au

Redemption and transfer

The Constitution allows the Responsible Entity to redeem Units upon request, at its discretion. The Responsible Entity does intend to redeem Units during the term of the Fund.

Unit Holders have no right to withdraw their whole investment in the Fund at anytime. The Responsible Entity will provide investors access to the Limited Withdrawal Facility.

Subject to applicable stamping and registration requirements, Units may be transferred by a written document in the form required by the Responsible Entity. The Responsible Entity may suspend registration of transfers for any period and in some circumstances may refuse to register a transfer.

Liability of Unit Holders

Subject to any agreement to the contrary with the Responsible Entity and also subject to any obligation to pay instalments on partly paid Units, the liability of each Unit Holder in its capacity as such is limited to its investment in the Fund.

Responsible Entity's powers and duties

The Responsible Entity has all the powers that it is possible to confer on a trustee or Responsible Entity, and has all the powers that are incidental to ownership of the Fund's assets as though it were the absolute and beneficial owner of those assets.

The Responsible Entity may, without limitation, acquire, dispose of or otherwise deal with any real or personal property, borrow or raise money, encumber or secure any asset, incur any liability, enter into derivatives, grant any indemnity or guarantee or fetter any power.

The Responsible Entity may appoint delegates or agents (including the Manager) to perform any act or exercise any of its powers, as well as advisers to assist it with its duties and functions.

Valuation of assets

The Responsible Entity may, at any time, arrange for a Fund asset to be valued and must also do so as and when required by the Corporations Act. The Responsible Entity is not to be regarded as having the knowledge of a valuer or any other expertise in respect of the valuation of assets. Each asset must be valued at its market value current at the time of valuation unless the Responsible Entity determines that:

1. There is no market in respect of the asset; or
2. The market value does not represent the fair value of the asset.

Responsible Entity's limitation of liability

Except where the Corporations Act expressly provides otherwise, the Responsible Entity and each Director and officer of the Responsible Entity are not personally liable to a Unit Holder or any other person in connection with the office of Responsible Entity or Director or officer of the Responsible Entity.

The Responsible Entity will not be liable to any Unit Holder or any other person to any greater extent than the extent to which it is indemnified out of the Fund assets to which it has access.

Indemnities

The Responsible Entity has all the rights of indemnity of a trustee at law. In addition to any other right of indemnity which it may have under the Constitution or at law, the Responsible Entity is indemnified for and entitled to be reimbursed out of, or to have paid from the Fund assets, all costs and liabilities incurred in the proper performance of its duties, in the exercise of its powers, in the course of its office or in relation to the administration or management of the Fund. The Constitution also provides for certain indemnities to be provided in favour of Compliance Committee members.

Unit Holder meetings

The Responsible Entity may at any time convene a meeting of Unit Holders.

Voting rights

On a show of hands, each Unit Holder present in person or by proxy will have one vote. On a poll, each Unit Holder will be entitled to one vote for each dollar of the value of their Unit holding.

Rights on winding up

Under the Constitution, the Responsible Entity may terminate the Fund at any time.

On winding up of the Fund following its termination, the net proceeds of realisation of the assets of the Fund, after discharging or providing for all liabilities of the Fund, must (subject to any rights of any partly paid Unit terms) be distributed pro-rata to Unit Holders according to the number of Units held.

7.2 ROLE AS RESPONSIBLE ENTITY

The Responsible Entity's main responsibilities are to operate and manage the Fund in accordance with the Constitution and the Corporations Act.

In carrying out its duties the Responsible Entity must:

- > Act honestly and in the best interests of Unit Holders.
- > Exercise care and diligence.
- > Treat Unit Holders of the same class equally and Unit Holders of different classes fairly.

Board composition

The Board of the Responsible Entity meets on a regular basis and is required to discuss pertinent business developments and review the operations and performance of the Fund. The Board of the Responsible Entity currently comprises an Executive Chairman, Managing Director, Executive Director and Independent Non-Executive Director.

The compliance plan

As required by law, the Responsible Entity has prepared and lodged with ASIC a Compliance Plan that sets out the measures which the Responsible Entity will apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution. A copy of the Compliance Plan is available upon request, free of charge, from the Responsible Entity's offices.

Continuous disclosure

As a disclosing entity under the Corporations Act, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. Unit Holders have a right to obtain a copy of the following documents:

- > The annual financial report for the Fund most recently lodged with ASIC.
- > Any half-year financial report for the Fund lodged with ASIC.
- > Any continuous disclosure notices for the Fund given to ASIC.

The Responsible Entity's main method of communicating with Unit Holders will be through its website keycapital.com.au

All important information will be placed on the website in a timely manner. Unit Holders will also be provided the option to receive information updates by email. Fund updates will be placed on the website or sent to investors annually.

7.3 RELATED PARTY AND CONFLICTS OF INTEREST POLICY

Related party transactions can carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. It is important for investors to be able to assess whether the Responsible Entity takes an appropriate approach to related party transactions. A significant number or value of such transaction may mean that investors should consider the financial position of the related group as a whole and the risk of potential conflicts of interest.

All transactions in which the Responsible Entity may have a potential or actual conflict of interest will be conducted in accordance with the Responsible Entity's related party transactions policy 'Related Party and Conflicts of Interest Policy'.

Under this policy, the Responsible Entity may be required to disclose conflicts of interest to Unit Holders and to ensure that its disclosure is timely, prominent, specific and meaningful, and contains enough detail to understand and assess the potential impact on the service provided by the Responsible Entity.

These conflict situations will be assessed and evaluated by the compliance manager for the Responsible Entity and, if the compliance manager considers it necessary, the matter will be referred to the Responsible Entity's legal counsel and board, with steps outlined to ensure that the conflict is managed in an appropriate manner.

For more detail on the Responsible Entity's policy and procedures for related party transactions, please contact the Responsible Entity or visit keycapital.com.au

7.4 COMPLAINTS HANDLING

KCL takes complaints seriously and aims to resolve them as quickly as possible. If you have a complaint, please notify KCL in writing. Address your complaint to:

Complaints Officer
Key Capital Limited
1/13 Old Lilydale Road
Ringwood East, VIC 3135

KCL will promptly acknowledge your complaint, investigate it and decide in a timely manner what action needs to be taken. KCL will notify you of its decision, together with any remedies that are available, or other avenues of appeal against the decision.

If you are not satisfied with KCL's handling of your complaint, you can contact:

Australian Financial Complaints
Authority Limited
GPO Box 3
Melbourne VIC 3001

Telephone: 1800 931 678
Fax : (03) 9613 6399
Website: afca.org.au

7.5 PRIVACY STATEMENT

KCL respects your right to privacy. In completing the Application Form and communicating with us, you provide the Responsible Entity with your personal contact details. The disclosed personal information will only be used for the purpose for which it was disclosed. Your personal information will be used to identify you, process your application, establish and manage your investment and maintain our records or a related purpose, which would reasonably be expected without your permission. The Responsible Entity may not be able to do these things without your personal information.

Some personal information is collected as required or authorised by laws such as the Corporations Act and the Anti-Money Laundering and Counter-Terrorism Financing Act.

From time to time the personal information may be used to inform you on an ongoing basis of investment opportunities or to provide information about products and services, which the Responsible Entity considers may be of interest to you.

By completing the Application Form, you consent for the purpose of the *Spam Act 2003* (Cth) to receiving commercial electronic messages and other promotional communications from the Responsible Entity or any other entity associated with the Responsible Entity. However, if you wish to request no information of that nature be sent to you, please contact the Privacy Officer (contact details below) and the Responsible Entity will not send this information to you.

Privacy Officer
Key Capital Limited
1/13 Old Lilydale Road
Ringwood East, VIC 3135

Email: investors@keycapital.com.au
Telephone: (03) 7022 6758

Your personal information may be disclosed to tax and regulatory authorities, service providers who provide services in connection with your investment to the Responsible Entity (e.g. registry, technology, administration and mailing services) or the Responsible Entity may provide information about you to your nominated financial adviser.

The Responsible Entity takes all reasonable steps to protect your personal information. Under the Australian Privacy Principles, you may access personal information about you held by the Responsible Entity. If you have any queries or concerns about privacy or wish to access or correct any personal information the Responsible Entity may hold about you, please contact our Privacy Officer as set out above.

The Responsible Entity may need to verify your identity. In the case of access and correction requests, please provide as much detail as you can about the particular information you seek, in order to help the Responsible Entity locate it. The Responsible Entity will provide its reasons if it denies any request for access to or correction of personal information.

The Responsible Entity takes your privacy concerns seriously. Where you express any concerns that it has interfered with your privacy, the Responsible Entity will respond to let you know who will be handling your matter and when you can expect a further response.

7.6 CUSTODIAN

The Responsible Entity has appointed Sandhurst Trustees Limited to act as custodian of the Fund's assets. The Custody Agreement sets out the Custodian's role and its rights and obligations and includes a limitation of liability clause.

The key terms of the Custodian Agreement are:

1. The Custodian Agreement between the Responsible Entity and the Custodian sets out the terms of their relationship in relation to the Fund. The Custodian Agreement, which is dated 11 July 2005, and amended from time to time, provides for the Responsible Entity to direct the Custodian to hold the assets of the Fund as agent for the Responsible Entity.
2. The Custodian is required to act on instructions from the Responsible Entity and maintain compliance with ASIC Regulatory Guide 133 as it applies to third party custodians. The Custodian is indemnified by the Responsible Entity in respect of matters arising out of the Custodian's proper performance of its duties under the Custodian Agreement. The Custodian is liable to the Responsible Entity and to the Fund for any failure to comply with its duty to exercise all due care and to act honestly in good faith without negligence or default in carrying out its obligations under the Custodian Agreement.
3. The Custodian Agreement may be terminated by either party by giving the other party not less than 60 days' notice in writing, by the Responsible Entity immediately on giving notice in writing to the Custodian if the Custodian has acted or omitted to act or intends to act in a manner which, in the opinion of the Responsible Entity, constitutes or is likely to constitute a fraud, negligence, wilful default or breach of the Custodian Agreement, or as otherwise agreed.

7.7 DEBT FACILITY DETAILS

A facility has been secured with Westpac on the following terms (Debt Facility):

| | |
|-----------------|-------------------------------------|
| Borrower | Key Capital Property Fund |
| Facility | \$5,460,000 Limit |
| Lender | Westpac |
| Term | 3 years |
| Security | All property and assets of the Fund |

This facility commences when the Dan Murphy's is completed.

7.8 VALUATION POLICY

The Responsible Entity has a Valuation Policy that describes the processes involved to ensure that Fund real estate assets are properly valued in a manner appropriate to the nature of the asset. This includes the frequency of valuation and the appointment of independent valuers. A copy of the *Responsible Entity's Valuation Policy* is available on request by contacting the Responsible Entity.

The policy requires only valuers who have appropriate qualifications and experience to be appointed. It also contains procedures for rotating valuers and for related party transactions.

The intention is that the Property will be independently valued in a minimum 3 year process. Each year the Responsible Entity will review each property and from time to time seek advice by a qualified valuer annually depending on the property circumstances. An independent valuation is also to be obtained within two months after the Directors of the Responsible Entity form the view there is likelihood that there has been a material change in the value of the Property.

Knight Frank independently valued the 10 Percy Street Bellerive \$10,500,000. A summary of the valuation is set out in Disclosure Principle 4, Section 4 Risks.

7.9 NAMING CONSENTS

Each of the following parties have given their written consent to be named in this PDS in the form and context in which they are named, and they have not withdrawn that consent:

- > Sandhurst Trustees Limited
- > Westpac
- > Hall & Wilcox

7.10 ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) requires us to conduct identification and verification checks prior to accepting your investment. You will be required to provide the identification information set out in the *Application Form*. We will not issue you with Units unless satisfactory identification documents are provided.

The Responsible Entity is required to collect and verify 'Know Your Customer' information, which may vary by investor type. In some instances, we may be required to conduct enhanced due diligence before being able to proceed with your application.

7.11 LABOUR STANDARDS, ENVIRONMENTAL, ETHICAL CONSIDERATIONS

The Responsible Entity does not take into account labour standards, environmental, social or ethical considerations when making or realising an investment of the Fund.

7.12 FUTURE ISSUES OF UNITS

The Responsible Entity may issue further units (this does not include any Units issued under this PDS) if it considers doing so would be in the best interest of Unit Holders. Any further issue of Units is to be supported by an independent expert's report confirming that the raising is 'fair and reasonable'. The Responsible Entity may raise further equity by a number of methods, including:

- > the issue of fully or partly paid Units;
- > discounted or non-discounted pro-rata rights offer to all Unit Holders; or
- > the issue of separate classes of Units.

The Responsible Entity may enter into arrangements with underwriters or other entities to support a further issue of Units. Any fees payable to underwriters or other entities to acquire the Units will be paid for by the Fund.

7.13 UNIT HOLDER ENQUIRIES AND ADDITIONAL INFORMATION

Unit Holders can call Investor Services on (03) 7022 6758 during normal business hours. Alternatively, you may write to the Responsible Entity at the following address:

Key Capital Limited
1/13 Old Lilydale Road
Ringwood East VIC 3135

Email: investors@keycapital.com.au

Information regarding the Fund is available on the Responsible Entity's website keycapital.com.au

8. GLOSSARY

ABN

Australian Business Number

ACN

Australian Company Number

AFSL

Australian financial services licence

AML/CTF Act

Anti-Money Laundering and Counter-Terrorism Financing Act 2006

Application Form

The application form attached to this PDS

Aquisition fee

The fee is set out in Sections 3 of this PDS

ASIC

Australian Securities and Investments Commission

Bank

Westpac

CGT

Capital gains tax

Compliance Committee

The Compliance Committee of the Responsible Entity as required under the Corporations Act

Compliance plan

The compliance plan for the Fund lodged with ASIC, as amended from time to time

Conflicts of interest policy

KCL's conflicts of interest policy as described in Section 7

Constitution

The Constitution for Key Capital Property Fund dated 17 May 2022, as amended from time to time

Corporations Act

Corporations Act 2001 (Cth)

Custodian

Sandhurst Trustees Limited

EBITDA

Earnings before interest, tax, depreciation, straight lining of rentals and amortisation of borrowing costs

Forecast period

2022/23 Financial year – commencing 1st July 2022

Fund

The Unit trust named Key Capital Property Fund as established by the Constitution

Gearing ratio

The ratio as set out in Section 4

Gross Asset Value or GAV

The gross value of the Fund's assets

GST

Goods and services tax

Indirect investors

Investors who access the Fund through a Wrap Account

Interest Cover Ratio or ICR

The ratio as set out in Section 4

IRR

Internal rate of return

Issue price

Fixed price at which an interest in the Fund is offered to the public. The issue price per Unit issued under this PDS is \$0.35. The Price per Unit is subject to change and will be updated monthly on the website -

www.keycapital.com.au

KCL

Key Capital Limited
ACN 112 191 198

Management fee

The management fee set out in Sections 3 of this PDS

Minimum Application amount

A minimum of 20,000 Units (\$20,000) which must be applied for under the Offer.

Net asset value or 'NAV'

The value of the assets of the Fund less the following:

- > all amounts required to repay any borrowings and to meet all liabilities (including the amount of any provisions the Responsible Entity determines) but excluding liabilities (if any) to Unit Holders in respect of Units;
- > following any distribution calculation date, and without double counting, the amount of any distributable income payable but not paid to Unit Holders on the day on which the Net Asset Value is determined; and
- > any amount paid in advance of a call on a partly paid Unit

NAV per Unit

NAV calculated under the Constitution divided by the number of Units on issue in the Fund

Net lettable area or NLA

Net lettable area has the meaning as that set out in 'Method of Measurement for Lettable Area 1997' published by the Property Council of Australia

Net tangible assets or NTA

The net tangible assets of the Fund as set out in Section 4 of this PDS

Offer

The offer of ordinary Units under this PDS

Ordinary Resolution

A resolution passed at a meeting of Unit Holders by at least 50% of the votes cast by Unit Holders entitled to vote on the resolution

PDS

Product Disclosure Statement

Performance fee

The performance fee set out in Section 3 of this PDS

Property

All assets of the Fund

psq.m

Per square metre

Registry

Managed by Key Capital Limited

Related party policy

KCL's related party as described in Section 4

RG 46

ASIC Regulatory Guide 46: Unlisted property schemes—improving disclosure for retail investors

sq.m

Square metres

TFN

Tax file number

Total offer amount

Is subject to the Responsible Entity

Unit

A unit in the Fund

Unit Holder

A holder of Units

Valuation policy

KCL's valuation policy as described in Section 7.8

Wrap account

Means an investor directed portfolio service (IDPS) or IDPS-like scheme.

NOTES

NOTES

NOTES



KEY CAPITAL PROPERTY FUND

PRODUCT DISCLOSURE STATEMENT APPLICATION FORMS

- > INVESTMENT APPLICATION FORM – 30 JUNE 2022
- > IDENTIFICATION FORM

Mail your completed forms with your cheque(s) to:

Key Capital Limited
15/ 1 East Ridge Drive, Chirnside Park VIC 3116

Email your completed forms to:

investors@keycapital.com.au

Electronic funds transfer

Account Name: Key Capital Property Fund
BSB: 033007
Account No. 013040

KEY CAPITAL PROPERTY FUND INVESTMENT APPLICATION FORM

ARSN 121 439 129

Product Disclosure Statement dated 30 June 2022 | Issued by Key Capital Limited, ABN 81 112 191 198, AFSL 287725 ("KCL").

This is an interactive pdf form.

You can type your details on screen, before printing the form, signing and returning it to Key Capital Limited.

SECTION 1 - INVESTMENT

Please click on the one of the boxes to indicate who is making the investment.

Individual Investor

Joint Investor

Trustee for Super Fund

Executor of an Estate

Company

Trustee for Family Trust

Minimum application is \$20,000.

Investment amount

\$

SECTION 2 - APPLICANT(S) DETAILS

**A Individual Investor,
Joint Investor 1,
Company Director 1,
Executor 1 or Trustee 1**

Title

Given name(s)

Surname

Date of birth (dd/mm/yyyy)

Tax File Number

**B Joint Investor 2,
Company Director 2,
Executor 2 or Trustee 2**

Title

Given name(s)

Surname

Date of birth (dd/mm/yyyy)

Tax File Number

**C Name of Investing Company,
Association, Body or Trustee
Company if applicable**

Name

ABN

TFN

**D Account Designator
(name of Super Fund, Trust,
Deceased Estate or other
entity of person)**

AFT

*Please complete this section
if you are investing on behalf
of a Company.*

ABN

TFN

Please include your TFN in the space provided (A or B) to ensure tax is not deducted from distributions.

If any of the investors above are exempt from providing a TFN and/or ABN, please provide the reason for the exemption (e.g.: Sole Parent Benefits, Service Pension)

SECTION 3 - CONTACT DETAILS

Please enter all relevant contact details, including your daytime telephone number, in case we need to contact you in relation to your application.

*Fund Reports, Tax and Investment
Statements will be emailed from
time to time.*

Contact Person for this investment

Email address

Mailing address

Daytime phone number

After hours phone number

Fax number

Mobile number

SECTION 4 - ADVISER DETAILS

If you use a Financial Adviser, please have them sign this section.

By signing this application the Adviser is confirming that they hold a current AFS Licence and are authorised to deal in and/or advise on managed investment products.

| | | |
|---------------------------------|-----------------------|----------------------|
| Title | Adviser given name(s) | Adviser Surname |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Adviser Company (if applicable) | | |
| <input type="text"/> | | |
| Licensed Dealer | | |
| <input type="text"/> | | |
| Dealer Licence Number | | Adviser Signature |
| <input type="text"/> | | <input type="text"/> |

SECTION 5 - ADDITIONAL INVESTMENT ENQUIRER

If you would like someone other than the Contact or Adviser to enquire about this investment, please provide us with their details here.

| | | |
|----------------------------|----------------------|----------------------|
| Title | Given name | Surname |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Date of birth (dd/mm/yyyy) | | |
| <input type="text"/> | | |
| Company (if applicable) | | |
| <input type="text"/> | | |

SECTION 6 - DISTRIBUTION PAYMENTS

| | |
|----------------------------------|----------------------|
| Name that appears on the Account | |
| <input type="text"/> | |
| Name of Financial Institution | |
| <input type="text"/> | |
| BSB | Account number |
| <input type="text"/> | <input type="text"/> |

SECTION 7 - DECLARATION AND AUTHORISATION

This application forms part of the PDS which contains information which should be read before you apply. The Applicant agrees to be bound by the PDS, and provisions of the Constitution of the Key Capital Property Fund (as amended and as it may be amended from time to time in the future) and acknowledges that neither KCL nor Sandhurst Trustees Limited nor any staff or subsidiaries of those entities guarantees the performance of the Fund or the repayment of capital. The Applicant further acknowledges that any subscription is subject to investment risk including the possible loss of income and capital invested and that KCL and its related entities do not in any way guarantee to stand behind the capital value and/or performance of the Fund other than as specifically provided in the PDS. Any application for units can be accepted by KCL at any time.

| | | | | | |
|---|----------------------|---|----------------------|---------------|---------|
| If the application is signed by more than one person, who will operate the account | | Any to sign | All to sign together | | |
| Signature A | Date (dd/mm/yyyy) | Signature B | Date (dd/mm/yyyy) | | |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | | |
| Name | | Name | | | |
| <input type="text"/> | | <input type="text"/> | | | |
| If a Company Officer or Trustee, you MUST specify your title: | | If a Company Officer or Trustee, you MUST specify your title: | | | |
| Director | Sole Director | Trustee | Director | Sole Director | Trustee |
| Other | <input type="text"/> | Other | <input type="text"/> | | |

Cheques must be made payable to: Key Capital Property Fund Applications Account

Only cheques in Australian currency and drawn on an Australian bank will be accepted. Your cheque(s) should be crossed NOT NEGOTIABLE.

Mail your completed application form with your cheque(s) to: Key Capital Limited – 15/ 1 East Ridge Drive, Chirnside Park VIC 3116

KEY CAPITAL PROPERTY FUND IDENTIFICATION FORM

ARSN 121 439 129

Product Disclosure Statement dated 30 June 2022 | Issued by Key Capital Limited, ABN 81 112 191 198, AFSL 287725 ("KCL").

This is an interactive pdf form.

You can type your details on screen, before printing the form, signing and returning it to Key Capital Limited.

VERIFICATION DETAILS - INDIVIDUALS

To be completed by individuals, individual trustees, joint individuals, joint individual trustees or sole traders.

Trustee Applicants also complete the trustee verification details.

OPTION 1

Provide ONE original certified copy of one primary identification document.

Valid Australian state or territory driver's licence containing a photograph of the person

Australian passport (a passport expired within the preceding two years is acceptable)

Card issued by a state or territory for the purposes of proving a person's age containing a photograph of the person

Valid foreign passport or similar travel document containing a photograph and the signature of the person (and if applicable, an English translation by an accredited translator)

OPTION 2

Provide TWO original certified copies of secondary identification documents, one from A and one from B.

Category A

Australian birth certificate

Australian or foreign citizenship certificate

Pension or health card issued by Centrelink

Valid Medicare card

Category B

A document issued by the Commonwealth or a state or territory within the preceding 12 months that records the provision of financial benefits

A document issued by the ATO within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or the Commonwealth to the individual), which contains the individual's name and residential address (block out any TFN references)

A document issued by a local government body or utilities provider within the preceding three months which records the provision of services (must contain the individual's name and residential address)

If under 18 years old, a notice issued to the individual by a school principal within the preceding three months, that contains the name, residential address and the period of time attended at that school

KEY CAPITAL PROPERTY FUND IDENTIFICATION FORM

VERIFICATION DETAILS - TRUSTEES

To be completed by ALL trustee Applicants — individual trustee(s) also complete the individuals verification details, and corporate trustee(s) also complete the corporate verification details.

For registered managed investment schemes or government superannuation funds, please contact us or provide the relevant FSC/FPA Form.

OPTION 1 SELF MANAGED SUPER FUND APPLICANTS

Provide a copy of one identification document

A search extract from the ASIC, ATO or relevant regulator's website (e.g. 'Super Fund Lookup' at superfundlookup.gov.au)

An original certified copy or extract of the trust deed

OPTION 2 ALL OTHER TRUST APPLICANTS

Provide an original certified copy of one identification document

A notice issued by the ATO within the last 12 months (block out any TFN references)

An original letter from a solicitor or qualified accountant that confirms the full name of the trust and its appointer and settlor

An original certified copy or extract of the trust deed

Provide the full name, address, date of birth and verification documents (see the verification requirements for individuals for further details) of the appointer of the trust:

| | | | |
|---------------------|----------------------|----------|----------------------|
| Appointer name | <input type="text"/> | | |
| Residential address | <input type="text"/> | | |
| Suburb | <input type="text"/> | State | <input type="text"/> |
| | | Postcode | <input type="text"/> |
| Date of birth | <input type="text"/> | | |

Provide details of all individuals who are beneficial owners through one or more holdings of 25% or more of the trust's issued units of the trust's issued capital:

| | | | |
|---------------------------|----------------------|----------|----------------------|
| Name (Beneficiary one) | <input type="text"/> | | |
| Residential address | <input type="text"/> | | |
| Suburb | <input type="text"/> | State | <input type="text"/> |
| | | Postcode | <input type="text"/> |
| Name (Beneficiary two) | <input type="text"/> | | |
| Residential address | <input type="text"/> | | |
| Suburb | <input type="text"/> | State | <input type="text"/> |
| | | Postcode | <input type="text"/> |

KEY CAPITAL PROPERTY FUND IDENTIFICATION FORM

VERIFICATION DETAILS - CORPORATES

This section is only to be completed by corporate Applicants and corporate trustee Applicants that are Australian proprietary limited companies. For all other corporate Applicants, please contact us or provide the relevant FSC/FPA Form.

Provide a copy of one identification document

- A current and historical company information Company extract from the ASIC Connect website
- An original certified copy of a certificate of registration or a current annual company statement issued by ASIC

Provide the full name of each director:

| | | | | |
|--------------------------|--|--|--|--|
| Name (Director one) | | | | |
| Name (Director two) | | | | |
| Name (Director three) | | | | |

Provide details and verification documents (see the verification requirements for individuals for further details) of all individuals who are beneficial owners through one or more shareholdings of 25% or more of the company's issued capital:

| | | | | | |
|---------------------|--|-------|--|----------|--|
| Appointer name | | | | | |
| Residential address | | | | | |
| Suburb | | State | | Postcode | |
| Date of birth | | | | | |

Provide the full name, address, date of birth and verification documents (see the verification requirements for individuals for further details) of the appointer of the trust:

| | | | | | |
|---------------------------|--|-------|--|----------|--|
| Name (Beneficiary one) | | | | | |
| Residential address | | | | | |
| Suburb | | State | | Postcode | |
| Date of birth | | | | | |
| Name (Beneficiary two) | | | | | |
| Residential address | | | | | |
| Suburb | | State | | Postcode | |
| Date of birth | | | | | |

KEY CAPITAL PROPERTY FUND IDENTIFICATION FORM

WHAT IS A CERTIFIED COPY?

Certified copy means a document that has been certified as a true copy of an original document.

Certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described in the sub paragraphs below.

The eligible certifier must include the following information

Their full name, Address, Telephone number, the date of certifying, Capacity in which they are eligible to certify, and an official stamp or seal if applicable.

The certified copy must include the statement, "I certify this is a true copy of the original document".

For photographic documents, the certified copy must include the statement "I certify this is a true copy of the original document and the photograph is a true likeness".

Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

PERSONS WHO CAN CERTIFY DOCUMENTS

People who can certify documents or extracts are:

- > a person who is currently **licensed or registered** to practice as any of the following:
 - > Architect
 - > Chiropractor
 - > Dentist
 - > Financial adviser or financial planner
 - > Legal practitioner
 - > Medical practitioner
 - > Midwife
 - > Migration Agent
 - > Nurse
 - > Occupational therapist
 - > Optometrist
 - > Patent attorney
 - > Pharmacist
 - > Physiotherapist
 - > Psychologist
 - > Trade marks attorney
 - > Veterinary surgeon
- > **an accountant** – a fellow of the National Tax Accountants' Association or a member of the Institute of Chartered Accountants Australia and New Zealand, the Association of Taxation and Management Accountants, CPA Australia or the Institute of Public Accountants;

- > an **APS employee** engaged on an ongoing basis or a permanent employee of the public service of a state or territory or a local government authority, with 5 or more years of continuous service;
- > a **permanent employee of Australia Post** with 5 or more years' continuous service or an agent of Australia Post in charge of a post office;
- > an **Australian Consular Officer** or an **Australian Diplomatic Officer** (within the meaning of Consular Fees Act 1955) or a consular employee, or an employee of the Commonwealth or the Australian Trade and Investment Commission outside Australia authorised under paragraph 3(d) of that act;
- > a **member of the Australian Defence Force** who is a non-commissioned officer with 5 or more years' experience, an officer or a warrant officer;
- > an **officer** with, or authorised representative of, a holder of an **Australian financial services licence** or **Australian credit licence**, having 5 or more continuous years of service with one or more licensees; and
- > a **bailliff**, a **sheriff**, a **sheriff's officer** or the **holder of a statutory office**;
- > an **officer of a Bank**, Building Society, Credit Union or finance company with 5 or more years continuous service;
- > a **chief executive officer** of a commonwealth court;

- > an **engineer** who is a member (other than a student member) of Engineers Australia or registered on the body's National Engineering Register, a Registered Professional Engineer of Professionals Australia, or registered as an engineer under a law of the Commonwealth or a state or territory
- > a **member of the Governance Institute of Australia**;
- > a **master** or a **registrar** or **deputy registrar of a court**;
- > a **Member of Parliament** of the Commonwealth, the parliament of a state or territory or local government authority;
- > a **minister of religion** registered under the Marriage Act 1961 or a **marriage celebrant**
- > a **notary public** including a person in a jurisdiction outside Australia authorised to act as a notary or to administer oaths or affirmations;
- > a **police officer**;
- > a **teacher** employed on a permanent full-time or part-time basis at a school or tertiary institution; and
- > **any other person before whom a statutory declaration may be made in the jurisdiction.**

KEY CAPITAL PROPERTY FUND

IDENTIFICATION FORM

REGISTRABLE NAMES

Only legal entities (such as companies and superannuation funds, natural persons etc) are allowed to hold interests in the Fund. The application must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Responsible Entity. For trusts, the name of the beneficiary or any other nonregistrable name may be included by way of an account designation if completed exactly as described in the example of correctly registrable names shown below.

| Type of investor | Correct form of registrable name | Incorrect form of registrable name |
|---|--|---|
| Individuals | John Alfred Smith | JA Smith |
| Companies Use company name, do not use abbreviations | ABC Pty Limited ABC Co | ABC P/L |
| Trusts Use trustee(s) personal names, do not use name of the trust | Sue Smith ATF <Sue Smith Family Trust> | Sue Smith Family Trust |
| Deceased estates Use executor(s) personal names, do not use name of the deceased | John Smith <Est Jane Smith A/c> | Estate of the Late Jane Smith |
| Clubs/unincorporated bodies/ business names Use office bearer(s) name(s), in addition to name of the club etc | Michael Smith <ABC Tennis Association A/c> | ABC Tennis Association |
| Superannuation funds Use name of trustee of the fund, do not use name of the fund | Jane Smith Pty Limited ATF <Super Fund A/c> | Jane Smith Pty Limited Superannuation Fund |

IDENTIFICATION FORM

Mail your completed forms with your cheque(s) to:

Key Capital Limited
15/ 1 East Ridge Drive, Chirnside Park VIC 3116

Electronic funds transfer

Account Name: Key Capital Property Fund
BSB: 033007
Account No. 013040

KEY CAPITAL PROPERTY FUND

PRODUCT
DISCLOSURE
STATEMENT
30 JUNE 2022

Key Capital Limited
ACN 112 191 198
AFSL 287725
ARSN 121 439 129

