

# RF CorVal Property Fund

Product Disclosure Statement

ARSN: 656 171 158  
APIR CODE: CRV9885AU  
CorVal Partners Limited  
ABN: 86 130 628 830  
AFSL: 326118  
Issued: 16 May 2023

RF CorVal Property Fund

**rf corval**

# Disclaimers

## Important information

This Product Disclosure Statement (PDS) is dated 16 May 2023 and contains an offer to invest in Units (Offer) in the RF CorVal Property Fund ARSN 656 171 158 (Fund). The Offer is made by CorVal Partners Limited (ACN 130 628 830) as the responsible entity of the Fund (Responsible Entity or CorVal). CorVal is the holder of Australian Financial Services Licence No. 326118.

The Fund is an Australian managed investment scheme that is structured as a unit trust and is registered with the Australian Securities and Investments Commission (ASIC).

CorVal (the Responsible Entity) is the manager of the Fund. CorVal is part of RF CorVal group (RF CorVal), one of Australia's leading private real estate funds management businesses.

## This document

The purpose of this PDS is to provide information to prospective Investors to assist them in deciding whether they wish to invest in the Fund. This PDS has not been lodged with ASIC and is not required by the Corporations Act to be lodged with ASIC. The Responsible Entity will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act.

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.

You should read this PDS in full before deciding whether to invest in the Fund. If you have any doubt as to whether an investment in the Fund is appropriate for you, you should consult your financial adviser or other professional advisers.

## Interpretation

In this PDS, a reference to "we", "our" and "us" are references to the Responsible Entity, and "you" and "your" are references to a potential (or existing) Investor in the Fund (Investor). Capitalised terms used in this PDS which have been given a specific meaning are defined in the glossary contained in Section 11.0. Unless otherwise specified or implied, in this PDS references to currency are to Australian currency, references to times are to the relevant time in Sydney, New South Wales, and references to years are to financial years. All data contained in charts, graphs and tables within this PDS are based on information available as at the date of this PDS, unless otherwise stated.

## Eligibility to invest

The Offer made in this PDS is available only to those persons receiving this PDS (electronically or otherwise) within Australia. No action has been taken to register the Offer or otherwise permit a public offering of Units in any jurisdiction other than 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 the Offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and 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.

## Indirect Investors

The Responsible Entity authorises the use of this PDS as disclosure to investors who access the Fund through an investor directed portfolio service (IDPS), IDPS-like scheme, or any other indirect investment platform or service, which are commonly referred to as a master trust or wrap account, or nominee or custody service. In this PDS, a reference to a person who invests in the Fund indirectly through an IDPS or IDPS-like service is referred to as an "Indirect Investor", and the operator or the provider of the service that constitutes the platform is referred to as the "IDPS Operator". An Indirect Investor is not a direct investor in the Fund. The IDPS Operator is recorded as the Investor in the Fund and is the person who exercises the rights and receives the benefits as an Investor. Reports and documentation relating to the Fund are sent to the IDPS Operator. Indirect Investors should be aware that they may be subject to different conditions from those set out in this PDS, particularly in relation to arrangements for the Application and transfer of Units, fees and expenses, distribution calculation and timing, and reporting. Indirect Investors should contact their adviser or IDPS Operator with any queries relating to an investment in the Fund.

## Not investment advice

The information contained in this PDS is not financial product advice or a recommendation to invest in the Offer. 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 important 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 have any doubt as to whether an investment in the Fund is appropriate for you, you should consult your financial adviser or other professional advisers.

## Forward looking statements

This PDS contains forward looking statements. Forward looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believes', 'could', 'expects', 'intends', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would', and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. Past performance is not a reliable indicator of future performance.

## Authorised information

No person is authorised by the Responsible Entity to give any information or make any representation in connection with the Offer that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, its directors or any other person that may have liability for the content of this PDS.

This PDS supersedes all preliminary information and other previous communications in connection with the Fund. All such preliminary information and previous communication should be disregarded.

## No guarantee

An investment in the Fund is not an investment in, or a deposit with or other liability of, the Responsible Entity or any other member of RF CorVal 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, the Manager, other RF CorVal entities, the Custodian or any of their respective directors, officers or associates give any guarantee or assurance as to the performance of the Fund or that of the underlying assets of the Fund, the repayment of capital invested or any particular rate of capital or income return from the Fund.

## Risks

As with all investments, an investment in the Fund is subject to risks (including those described in Section 7.0). You should carefully consider the risks and read this PDS in full before deciding whether to invest in the Fund. If you have any doubt as to whether an investment in the Fund is appropriate for you, you should consult your financial adviser or other professional advisers.

## Updated information

Information in this PDS may change from time to time. Information that has changed in relation to the Fund that is not materially adverse but which the Responsible Entity wishes to provide to Investors, will be made available on the website [corval.com.au/CPF](http://corval.com.au/CPF) (Fund Website). The Responsible Entity may issue a supplementary product disclosure statement to supplement any relevant information not contained in this PDS, in accordance with its obligations under the Corporations Act. Any supplementary product disclosure statement and updated information should be read together with this PDS. A copy of any supplementary product disclosure statement and other information regarding the Fund will be made available on the Fund Website and a printed copy will be available from the Responsible Entity free of charge upon request.

## Continuous disclosure

The Fund is a "disclosing entity" and, in accordance with ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations (Regulatory Guide 198), the Responsible Entity advises that it will meet its continuous disclosure requirements by way of website disclosure which complies with ASIC's good practice guidance. Investors may access information regarding the Fund via the Fund Website.

## PDS availability

This PDS may be viewed online on the Fund Website. If you access the electronic version of this PDS, then 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 us on +61 8203 8400 or emailing [info@corval.com.au](mailto:info@corval.com.au).

## Pictures of properties in this PDS

Unless otherwise specified, all pictures of properties in this PDS are pictures of buildings or property which are intended to be assets (directly or indirectly) of the Fund.

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# 1.0 Executive Summary

The RF CorVal Property Fund aims to provide Investors with regular quarterly income and the potential for long- term capital growth by investing in a portfolio of Australian property assets, diversified across geography, asset class and tenant. The Fund invests in properties either directly or indirectly through other unlisted Property Trusts that invest in direct property and are managed by RF CorVal.

RF CorVal is a specialist property fund manager that manages funds on behalf of a broad range of Investors. Since inception in 2009, RF CorVal has acquired \$2.6 billion of real estate on behalf of large institutions, family offices, offshore groups and both wholesale and retail investors. As an active manager, RF CorVal seeks to create regular income returns and the potential for long term capital gain through both considered acquisitions and the ongoing active management of Property Investments.

The Fund is open-ended and generally accepts daily Applications and intends to offer limited monthly withdrawals (see Section 5.8 which includes details of the withdrawal process).

## Why invest?



Regular Quarterly income distributions.



Unlisted property funds typically have a low correlation to volatile and uncertain equity markets.



Access to a portfolio of Australian property assets, both directly and indirectly, including through wholesale investment vehicles managed by RF CorVal that are otherwise unavailable to retail investors.



Potential for long term capital growth.



Asset diversification across geography, asset class and tenant.



Experienced management team ensuring considered acquisitions and ongoing active management of property investments aimed at maximising returns.

### Applications

The minimum initial investment in the Fund is \$10,000. To apply to become an Investor you should read this PDS in its entirety. Applications can be made online at [corval.com.au/CPF](http://corval.com.au/CPF) or via post using the Application Form which can be obtained from RF CorVal - Investor Relations.

### Further Information

If you need help with your Application, please contact us or Registry between 8:30am and 5:30pm (Sydney time) on:

RF CorVal - Investor Relations: +61 8203 8400  
 or email [investors@corval.com.au](mailto:investors@corval.com.au)  
 Boardroom - Registry: +1300 737 760



## 2.0 Key Features

The following table summarises the key features of an investment in the Fund and provides section references for further information.

You should read this PDS in full before deciding whether to invest in the Fund. If you have any doubt as to whether an investment in the Fund is appropriate for you, you should consult your financial adviser or other professional advisers.

Feature	Summary	Fund Information
<b>Fund</b>	RF CorVal Property Fund ( <b>Fund</b> ), is an open-ended, unlisted unit trust.	PDS, Fund Website
<b>Management of the Fund</b>	CorVal Partners Limited (ACN 130 628 830) ( <b>CorVal or Responsible Entity</b> ) is the responsible entity and manager of the Fund. CorVal holds an Australian Financial Services licence (No. 326118).	PDS Section 4.0
<b>Custodian</b>	Perpetual Corporate Trust Limited (ABN 99 00 341 533) has been appointed as Custodian of the Fund ( <b>Perpetual or Custodian</b> ). Perpetual holds an Australian Financial Services Licence (No. 392 673). The Custodian is an independent professional custodian and will hold the assets of the Fund in its name.  For more information visit <a href="https://perpetual.com.au/corporate-trust">perpetual.com.au/corporate-trust</a> (Perpetual Website)	Perpetual Website
<b>Investment Objective and Strategy</b>	The Fund aims to provide Investors with quarterly income and the potential for capital growth by investing in a portfolio of Australian property assets, diversified across geography, asset class and tenant.  The Fund invests in property both directly or indirectly, such as by investing in other trusts that are managed or operated by RF CorVal, which own direct property ( <b>Property Trusts</b> ).	PDS Sections 3.1, 3.2
<b>Portfolio</b>	Up-to-date information about the portfolio of assets held by the Fund from time to time can be found on the Fund Website at <a href="https://corval.com.au/CPF">corval.com.au/CPF</a> ( <b>Fund Website</b> ), including in the current 'RF CorVal Property Fund – ASIC Benchmarks and Disclosure Principles' document, a copy of which may be obtained from the Responsible Entity, on request, at no charge.	PDS Section 3.3, Fund Website
<b>Debt</b>	The Fund may borrow to acquire Direct Property assets and may also invest in Property Trusts that already have debt in place.  Subject to this gearing objective, RF CorVal will have discretion to determine the appropriate gearing level for the Fund based on its assessment of real estate and funding market conditions. The Responsible Entity aims to maintain the Look Through Gearing Ratio for the Fund between 35% and 45%, with a maximum Look Through Gearing Ratio of 55%.  All debt raised by the Fund will have recourse to the assets of the Fund only and will be non-recourse to Investors.	PDS Section 7.2.4, 10.
<b>Risks</b>	As with all investments, an investment in the Fund is subject to risks. You should read this PDS in full before deciding whether to invest in the Fund.  If you have any doubt as to whether an investment in the Fund is appropriate for you, you should consult your financial advisor or other professional advisers.	PDS Section 7.0

Offer Details	Summary	Fund Information
<b>Offer</b>	<p>The Offer in this PDS is for the acquisition of Units.</p> <p>The Offer will remain open until the Responsible Entity withdraws the Offer, which it may do at any time, either for a period of time, or indefinitely.</p>	PDS Section 5.2
<b>Unit Pricing</b>	The Responsible Entity has adopted a Unit pricing policy in relation to the Fund. The Unit Price is calculated in accordance with the Responsible Entity's Unit pricing policy. The current Unit Price can be found on the Fund Website.	PDS Section 5.3
<b>How to Apply</b>	<p>To apply to become an Investor you should read this PDS in its entirety. Applications can be made either:</p> <ul style="list-style-type: none"> <li>• <b>online</b> at corval.com.au/CPF, or</li> <li>• <b>via post</b> using the Application Form which can be obtained from RF CorVal - Investor Relations, or</li> <li>• <b>via email</b> at emailing info@corval.com.au</li> </ul>	PDS Section 12.0
<b>Issuance of Units</b>	<p>Applications received prior to 4:00pm Sydney time on a Business Day after the Closing Date will be processed using the Unit Price applicable on that day.</p> <p>Applications received after 4:00pm Sydney time on a Business Day will be processed on the following Business Day and will be processed using the Unit Price applicable on the day the Units are issued.</p> <p>Please note, an Application will not be considered as being received unless and until cleared Application monies are received with the Application.</p>	
<b>Minimum Investment</b>	<p>\$10,000 with additional investments in increments of \$1,000.</p> <p>The Responsible Entity may vary the above amount at its discretion from time to time and may accept investments that are less than the above amount.</p>	PDS Section 5.2
<b>Minimum Withdrawal Amount</b>	<p>\$500</p> <p>The Responsible Entity may vary the above amount at its discretion from time to time.</p>	
<b>Investment Term</b>	<p>There is no minimum term during which Investors must retain their Units in the Fund. Equally, there is no maximum term of investment, as the Fund's term will be ongoing.</p> <p>The Responsible Entity considers those looking to invest should have an investment horizon of no less than seven years.</p>	
<b>Withdrawals and Liquidity</b>	<p>At the end of every five years the Responsible Entity will offer a Periodic Liquidity Event, which will provide all Investors the opportunity to request some or all of their investment be redeemed. The first Periodic Liquidity Event will occur on or around February 2027.</p> <p>The Fund also intends to offer Investors the opportunity to withdraw their investment monthly, on a limited basis via the Limited Withdrawal Facility. The amount available for withdrawal will be determined on the last Business Day of the relevant Month and will be subject to available liquidity. The closing date to submit a withdrawal request is generally 4:00pm Sydney time on the last Business Day of each Month.</p> <p>Withdrawals from the Fund may be scaled back, delayed or suspended in certain circumstances, including where the Fund has insufficient liquidity or the Responsible Entity determines it is not in the collective best interests of the Investors to do so.</p> <p>Investors should carefully review Section 5.9 and 7.2.1 to understand the withdrawal facility and its limitations and restrictions.</p>	PDS Sections 5.8, 5.9 and 7.2.1

Offer Details	Summary	Fund Information
<b>Fees and Expenses</b>	<p>The Manager will be paid fees out of the assets of the Fund as follows:</p> <p>Management fee: 0.6% p.a. of the Gross Asset Value excluding the value of the Fund's investment in Property Trusts.</p> <p>Acquisition fee: 1.0% of the gross purchase price of any Direct Property acquired by the Fund.</p> <p>Disposal fee: 1.0% of the gross sale price of any Direct Property disposed of by the Fund.</p> <p>Fees paid by Property Trusts: Where the Fund invests in a Property Trust for which a RF CorVal entity acts as trustee or manager then the above fees will not be charged by the Manager at the Fund level, but rather, the Fund will pay its proportion of the fees charged in the underlying Property Trusts, which may be higher than the amounts outlined above.</p> <p>Performance fee*: 20% of the excess over a Fund level equity internal rate of return (IRR) hurdle of 8% per annum calculated periodically and reflected in the Unit Price and payable at each 5-year anniversary or when the payment of the fee is otherwise due. Payment of any performance fee is subject to a high watermark, such that any underperformance in a prior period, must be recovered prior to a performance fee being paid in the current period.</p> <p>Any performance fee will be paid from the Fund's available liquid assets or, where there are insufficient liquid assets, the Manager will be issued Units in the Fund. Units will be issued at a value equal to any performance fee payable, based on the Fund's Unit Price as at the relevant payment date.</p> <p>Note: all fees above are net of GST (net of the amount of GST recoverable from the Australian Taxation Office as input tax credits or reduced input tax credits).</p> <p>*The performance fee is subject to a cap in that the Manager will not charge any fee for performance in excess of a 21% per annum IRR in any calculation period.</p>	PDS Section 8.0
<b>Cooling-off</b>	A cooling-off period of fourteen days may apply to an initial investment in the Fund.	PDS Section 10.1
<b>Handling Complaints</b>	The Responsible Entity has a complaints handling procedure and is also a member of an external dispute resolution body.	PDS Section 10.9



## 3.0 About the Fund

### 3.1 Investment Objective

The Fund's objective is to provide Investors with quarterly income distributions and the potential for capital growth by investing in a diversified portfolio of Australian properties.

### 3.2 Investment Strategy

The Fund aims to achieve its objective by investing primarily in income producing properties including assets in the office, industrial/logistics, healthcare, agriculture and retail sectors. The Fund will invest both directly and indirectly, by investing in unlisted Property Trusts that are established and managed by RF CorVal, where those Property Trusts invest in direct properties that are suitable for the Fund. The Fund may invest in Property Trusts that own properties subject to development, however, it is expected any such investments would constitute less than 10% of the gross assets of the Fund.

The Fund may also invest up to 10% of the gross assets of the Fund in more liquid assets, including A-REITs, Mortgage Funds, cash and cash equivalent products. The Fund's exposure to these assets is intended to provide an income source on any surplus capital not immediately required for investment in Direct Property or Property Trusts.

### 3.3 Portfolio

The specific assets comprising the Fund's portfolio will change over time as assets are bought and sold consistent with the Fund's investment strategy. Furthermore, the Property Trusts the Fund invests in may also buy, sell or expand on their portfolios, resulting in changes to the Fund's exposure to various assets.

Details of the current portfolio of the Fund can be found on the Fund Website including in the current 'RF CorVal Property Fund – ASIC Benchmarks and Disclosure Principles' document, a copy of which may be obtained from the Responsible Entity, on request, at no charge.

### 3.4 Investment Structure

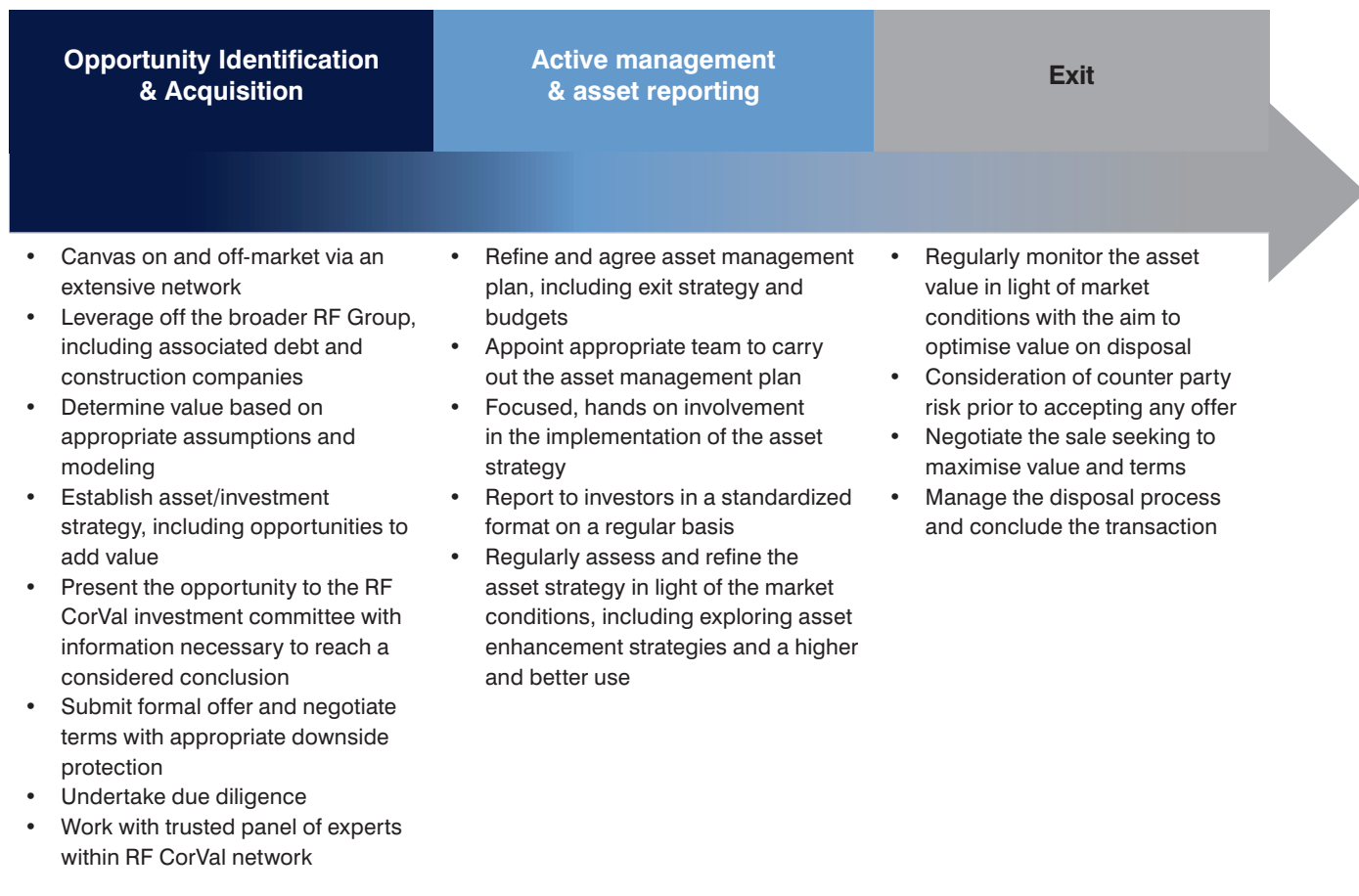
The Fund is an open-ended unlisted unit trust investing in both direct and indirect property (via investing in units in Property Trusts). Where the Fund acquires a property directly it may acquire the property through a sub-trust, which may be wholly or jointly owned.



### 3.5 RF CorVal Policy and Framework

RF CorVal has developed significant expertise creating value at all stages of property investment as outlined below. RF CorVal has a track record of success, where deep property investment experience has been leveraged with enduring property market relationships to generate strong, risk-adjusted returns for investors.

Please note past performance is not indicative of future performance.





# 4.0 Management of the Fund

## 4.1 About RF CorVal

RF CorVal is a specialist property fund manager and investor whose executives and shareholders have a long and deep history in the Australian property industry and a proven track record.

RF CorVal's objective is to provide investors with access to Australian real estate opportunities that deliver strong risk-adjusted returns, by investing in tailored, unlisted property investment vehicles that offer complete transparency and an absolute focus on performance.

The Responsible Entity is part of the RF CorVal group of companies and holds an Australian Financial Services licence issued by ASIC. RF CorVal is owned by the senior executive management team and RF Capital, a vehicle associated with Andrew Roberts, the previous CEO of Multiplex Group, prior to the takeover of that company by Brookfield Asset Management.

## 4.2 Investment Approach

RF CorVal employs a disciplined approach to real estate investing that is based on understanding and evaluating investment risk through a detailed knowledge of the markets and an understanding of the property fundamentals that drive long term value.

Each investment is assessed from a micro perspective with a focus on the specific property attributes and the local market supply and demand conditions, as well as a macro perspective, considering the economic environment, including interest rates, inflation and capital flows.

RF CorVal views property as a relatively inefficient asset class that offers astute investors the opportunity to benefit from pricing arbitrage by taking advantage of superior local information and knowledge.

The experienced team at RF CorVal has invested through the property cycles and understands the importance of the timing of both acquisitions and disposals.

RF CorVal has an extensive and deep range of relationships providing access to opportunities early and often off-market. RF CorVal believes that ESG considerations are a critical aspect in identifying and mitigating risks, not just now but into the future.



## 4.3 Board of Directors and Investment Committee



**Kevin Neville**

**Non-Executive Chairman**

Kevin is a Chartered Accountant, with an extensive career in professional services, including roles as Managing Partner, Head of Assurance and Chair of the National Moore Stephens network. He is now an active Non-Executive Director in both the for profit and for service sectors. As an accounting professional, Kevin is well poised to provide astute property, finance and tax advice in his joint roles on the Trustee's Board and RF CorVal Property Fund Compliance Committee.



**Rob Rayner**

**Executive Director & Chief Executive Officer**

Rob has overall responsibility for the business, including investment decisions and the creation and management of new property funds. With over 30 years of experience in the Australian financial services and property industry, Rob has had wide-ranging involvement in the establishment, re-structuring and ongoing management of property funds, through senior positions held with ING Real Estate and Brookfield Multiplex. Rob has a Bachelor of Business from Curtin University and is an associate member of both the Institute of Chartered Accountants in Australia and the Financial Securities Institute of Australia. Rob is also a member of the RF Corval investment committee.



**Kerr Bray**

**Executive Director & Chief Operating Officer**

Kerr is responsible for the establishment, investment and ongoing management of funds and mandates. He has overall responsibility for all aspects of these funds including establishing the fund strategy, raising capital, acquisitions, asset and portfolio management, financing and investor relations and communication. Kerr has over 25 years of experience in the property and funds management industry, having managed both listed and unlisted funds in Australia and Europe. Kerr previously managed funds for ING Real Estate and Tishman Speyer in Europe. Kerr has a Bachelor of Commerce and Finance from the University of Western Australia and is an associate member of the Institute of Chartered Accountants in Australia. Kerr is also a member of the RF Corval investment committee.



**Sanjeev Sahota**

**Fund Manager**

Sanjeev is a Fund Manager with RF CorVal, responsible for the day to day management of the Fund. He has oversight over the fund establishment process, fund strategies and financial management, investor communications and daily operations. Sanjeev works with both the Transaction and Asset Management teams to develop and execute fund strategies. Prior to joining RF CorVal in 2019, Sanjeev held senior roles in Institutional Real Estate with The GPT Group and MSCI (formerly IPD). Sanjeev holds a Bachelor of Science in Economics from Royal Holloway University of London.





### **Chris Judd**

#### **Independent Investment Committee member**

Chris has 35 years of real estate and real estate funds management experience in senior executive and governance roles in public and private markets across Australia, New Zealand and Singapore. Chris has had various senior executive leadership roles including Head of Real Estate Funds Management for AMP Capital Australia with executive and governance responsibilities in Australia and New Zealand for a A\$20b+ platform. More recently Chris consulted to Blackstone Real Estate Australia on the Milestone transaction. Chris is an independent Non-Executive Director of NZX listed Precinct Properties. Chris is a registered valuer being an Associate of the Australian Property Institute. Chris was the inaugural chairman of the Property Council of Australia's Unlisted Property Roundtable and was a member of the International and Capital Markets Division Committee.



### **John Dillon**

#### **Independent Investment Committee member**

John brings deep real estate and investment management experience across various market sectors. He commenced his career in valuations working with Jones Lang LaSalle in Melbourne, Hong Kong, Brisbane and Sydney before moving into senior asset and fund management roles in the listed and unlisted sectors with Colonial First State Global Asset Management, Lend Lease and Dexus where he established the Dexus Healthcare Property Fund. John has worked across real estate markets including office, retail, industrial and healthcare. He has extensive experience with major asset acquisitions, investments, strategic asset and portfolio reviews, developments, refurbishments and lease negotiations supported by well-developed technical skills as a valuer providing a comprehensive understanding of real estate and the drivers of value. John is a graduate of RMIT (Associate Diploma in Valuation), has a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia and is a member of the Australian Property Institute (API), Royal Institute of Chartered Surveyors (RICS) and is a past chair of the NSW Property Council Office Committee.



### **Andrew Roberts**

#### **Executive Member of Investment Committee**

Andrew represents the major shareholder of CorVal Partners Limited, the parent company of the RF CorVal Group. Andrew began his career in the family-founded business of Multiplex. Over more than twenty years with the company, Andrew worked his way up to the role of Chief Executive Officer. He played a key role in the transformation of the business from a third-party contractor to an integrated property group with operations spanning property development, real estate investment, construction, facilities management and property funds management. Andrew began RF Capital as the alternative asset management capability of the Roberts Family Office in 2007. In 2016, the Roberts Family re-entered the construction sector with the formation of Roberts Co.

## **4.4 ESG and other considerations**

RF CorVal has an overarching sustainability framework, through which it manages material ESG risks and opportunities. While RF CorVal does not directly take ESG or labour standards into account for the purpose of selecting, retaining or realising investments of the Fund, as these decisions are primarily based on economic considerations, sometimes these matters do indirectly affect the economic factors upon which investment decisions are based. RF CorVal's ESG framework is available at [corval.com.au/about-us/sustainability/](http://corval.com.au/about-us/sustainability/).

## 5.0 Investment Features

### 5.1 Summary of ASIC Benchmarks and Disclosure Principles

ASIC Regulatory Guide 46 contains the benchmarks and disclosure principles currently recommended by ASIC for unlisted property schemes, such as the Fund. This PDS incorporates these benchmarks and disclosure principles and describes how the Responsible Entity will meet these obligations.

The following table provides a summary of the disclosure benchmarks and principles contained in Regulatory Guide 46. The table confirms whether the Responsible Entity and

the Fund complies with them and refers to relevant sections of this PDS where you can access some further information.

Detailed information as to the disclosure benchmarks and principles, and how the Responsible Entity and the Fund complies with them, is contained in the 'RF CorVal Property Fund – ASIC Benchmarks and Disclosure Principles' document, which is available on the Fund Website and a copy of which may be obtained from the Responsible Entity, on request, at no charge. You should ensure you read a copy of the most recent version of this document in conjunction with this PDS prior to making a decision to invest in the Fund.

Benchmarks and disclosure principles	Does the Fund comply?	PDS Section reference (for more information)
<b>Fund borrowings and gearing policy (Disclosure principles 1 &amp; 3, Benchmark 1)</b> The Responsible Entity maintains and complies with a written policy that governs the level of gearing at an individual credit facility level	Yes	PDS Section 10.2 and 10.3
<b>Interest cover (Disclosure principle 2 and Benchmark 2)</b> The Responsible Entity maintains and complies with a written policy that governs the level of interest cover at an individual credit facility level	Yes	PDS Section 10.4
<b>Interest capitalisation (Benchmark 3)</b> The interest expense of the scheme is not capitalised	Yes	PDS Section 10.2
<b>Portfolio diversification (Disclosure principle 4)</b> This disclosure principle relates to disclosure around the level of diversification in a portfolio	Yes	PDS Section 7.1.3
<b>Valuation policy (Benchmark 4)</b> The Responsible Entity maintains and complies with a written valuation policy that accords with Regulatory Guide 46	Yes	PDS Section 10.7
<b>Related party transactions (Disclosure principle 5 and Benchmark 5)</b> The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest	Yes	PDS Section 10.5
<b>Distribution practices (Disclosure principle 6 and Benchmark 6)</b> The Fund will only pay distributions from its cash from operations. The Responsible Entity will not draw on bank debt for the purposes of funding distributions.	Yes	PDS Section 5.4
<b>Withdrawal arrangements (Disclosure principle 7)</b> This disclosure principle addresses disclosure of withdrawal arrangements within the Fund	Yes	PDS Section 5.8
<b>Net tangible assets (Disclosure principle 8)</b> This disclosure principle addresses disclosure of the net tangible asset backing per Unit issued in the Fund.	Yes	PDS Section 5.3



## 5.2 Offer of Units

The Offer made in this PDS is an Offer for Investors to apply for Units in the Fund. The Offer will remain open until the Responsible Entity withdraws the Offer. The Responsible Entity may withdraw the Offer at any time, either for a period of time, or indefinitely.

Investors should read this PDS in its entirety and make independent enquiries prior to making a decision to invest in the Fund.

The minimum investment amount is \$10,000 with additional investments in increments of \$1,000. The Responsible Entity may vary this amount at its discretion from time to time. Indirect Investors should contact their IDPS Operator for minimum transaction and balance requirements, reinvestment policies, fees and costs and other information.

## 5.3 Unit Pricing

The Unit Price is the prevailing net asset value of the Fund, plus the amortised value of acquisition costs, divided by the number of Units on issue in the Fund.

The Unit Price is adjusted on account of the amortisation of acquisition costs in Property Trusts in which the Fund invests. The Unit Price will be calculated in accordance with the Unit pricing policy the Responsible Entity has in place in relation to the Fund. Investors may obtain a copy of this policy by contacting the Responsible Entity at [info@corval.com.au](mailto:info@corval.com.au).

Acquisition costs are defined as including capital raising expenses, acquisition fees, legal fees, brokerage, stamp duty, taxes and other costs that have been incurred in connection with the acquisition of assets held within the portfolio. These costs are usually written off over a five-year period. In addition, provision is made for the anticipated costs of selling assets held within the portfolio and usually these provisions will be gradually recognised over five years from the time the asset is first acquired. When an asset is sold, any outstanding acquisition costs are written off immediately against the sale price and the provision for selling costs is adjusted to reflect the actual selling costs. Where an asset has a shorter holding period, the amortisation of acquisition costs and the recognition of selling costs is in line with the shorter period.

The Unit Price is calculated daily. The current Unit Price can be found on the Fund Website.

### 5.3.1 Application Pricing

Units will be issued at the prevailing Unit Price plus any applicable buy spread on the date they are issued.

Applications received prior to 4.00pm Sydney time on a Business Day will be processed using the Unit Price applicable on that day. Applications received after 4.00pm Sydney time on a Business Day will be processed on the following Business Day and will be processed using the Unit Price

applicable on the day the Units are issued. An application will not be considered as being received unless and until cleared application monies are received with respect to the Application.

### 5.3.2 Withdrawal Price

Units will be redeemed at the prevailing Unit Price less any applicable sell spread on the date the Units are redeemed. The sell spread is currently 0.25% of the total withdrawal proceeds. This amount is retained as part of the assets of the Fund and is not a fee paid to the Responsible Entity.

Withdrawal requests received prior to 4.00pm Sydney time on the final Business Day of any Month and which are accepted will be processed using the Unit Price as at the last Business Day of that Month less any applicable sell spread.

Withdrawal requests received after 4.00pm Sydney time on the final Business Day of any Month are deemed to be received on the first Business Day of the following Month and will therefore be processed together with the following round of the withdrawal requests using the Unit Price as at the last Business Day of the relevant Month.

## 5.4 Distributions

It is intended for distributions to be paid on a Quarterly basis. For a particular distribution period, distributions will be paid with respect to all Units that are on issue as at the last day of that Quarter. If a Unit is redeemed prior to the last day of a Quarter, then distributions will not be paid with respect to that Unit in relation to the Quarter in which the Unit is redeemed. Distributions are usually paid into an Investor's bank account by the last day of the month immediately after the end of the relevant Quarter.

The timing of payment may be impacted by any delay or timing difference in the Fund receiving distributions in respect of its underlying investments. Such a delay may cause a corresponding delay in the Responsible Entity being able to pay distributions to Investors. In order to receive a cash distribution, Australian Investors must provide Electronic Funds Transfer (EFT) instructions for a valid Australian AUD bank account to the Registry, which can be done on the Application Form.

Investors who do not provide valid EFT instructions by 4.00pm Sydney time on the final Business Day of the relevant Quarter will be deemed to elect to participate in the Distribution Reinvestment Plan (DRP). If the DRP is not active for the distribution and EFT details are not provided by the Investor, their payment will be held until EFT details have been provided. Investors can provide their EFT details through the Application Form or update at any time by logging into the Investor Portal at: [www.investorserve.com.au](http://www.investorserve.com.au). The Fund will only pay distributions from its cash from operations (excluding borrowings) available for distribution. The Responsible Entity will not make distributions to Investors using unrealised capital gains.

## 5.5 Distribution Reinvestment Plan (DRP)

The Responsible Entity has in place a DRP which enables Investors to reinvest some or all of their distributions for additional Units in the Fund. The key features of the DRP are as follows:

- a. You may apply the DRP to some or all of your Units in the Fund.
- b. You may elect to join or vary or withdraw your participation in the DRP at any time. For your election to apply to a particular distribution payment, the election must be received by 4.00pm Sydney time on the final Business Day of the relevant Quarter.
- c. Units issued to you under the DRP will rank equally with existing Units from the date of issue.
- d. Units issued under the DRP will be issued at the Unit Price applicable on the first Business Day of the Month which follows the relevant distribution date.
- e. The calculation of the allocation of Units under the DRP may result in a residual amount. This is because your distribution amount is used to acquire a whole number of Units, which may leave a residual amount which is less than the price of one Unit. For each distribution, the value of that residual amount is carried forward, without interest, and added to your next distribution.

You will receive quarterly statements, which set out the details of your distribution amount, the number of Units you have acquired under the DRP, the applicable Unit Price and any residual amount retained for you.

You can elect to participate in the Fund's DRP by completing the relevant section in the Application Form or by updating your preference online via the Investor Portal at: [www.investorserve.com.au](http://www.investorserve.com.au). You may also vary your participation, or withdraw from participating, in the DRP in this manner. For your election to apply to a particular distribution payment, the election must be received by 4.00pm Sydney time on the final Business Day of the relevant Quarter. The Responsible Entity may discontinue or vary the terms of the DRP at its discretion. Any suspension or variation of the DRP will be communicated to Investors on the Fund Website.

## 5.6 Investment Term

The Fund is 'open-ended' in that the Responsible Entity expects the Fund to be continually open for investment. There is no minimum term during which Investors must retain their Units in the Fund. Equally, there is no maximum term of investment, as the Fund's term will be ongoing, subject to a maximum term of 80 years. The Responsible Entity considers those looking to invest should have an investment horizon of no less than seven years.

## 5.7 Acquisition Units

To enhance the Fund's ability to secure assets, from time to time the Responsible Entity may arrange for third parties including entities within the RF Group to acquire Acquisition Units. Acquisition Units will be issued at the prevailing issue price of Units. Acquisition Units will rank equally amongst themselves in all respects and equally with Units, except that the proceeds from the issue of Units may be used to facilitate the redemption of Acquisition Units, in priority to the redemption of Units. The withdrawal price of Acquisition Units will be the prevailing issue price of Units.

## 5.8 Withdrawals

The Responsible Entity intends to offer Investors the opportunity to withdraw their investment monthly, on a limited basis via a Limited Withdrawal Facility. To request a withdrawal you will need to complete a Withdrawal Application available from the Fund Website.

The key terms of the Limited Withdrawal Facility include:

### Withdraw in full or in part

Investors can choose to withdraw some or all of their investment by nominating their withdrawal request by value or by number of Units.

If the withdrawal request is nominated in Units, the Responsible Entity will calculate the amount of the withdrawal request using the prevailing Unit Price at the last day of the Month in which the withdrawal is accepted.

### Applying for withdrawal

To apply for a withdrawal you must submit your withdrawal request prior to 4:00pm Sydney time on the last Business Day of a Month. Withdrawal requests received after this time will be deemed to have been received in the following Month and are therefore processed in the following Month using the Unit Price as at the last business day of the following Month.

### Amount available under the Limited Withdrawal Facility

The amount available under the Limited Withdrawal Facility will be determined on the last Business Day of the relevant Month and will be subject to available liquidity.

The Responsible Entity may, at its discretion, increase or decrease the amount available in a given Month.

### Payment of withdrawal proceeds

Withdrawals are generally funded using the Fund's cash reserves. Cash reserves are primarily accumulated from new Applications and retained earnings. Generally, the Responsible Entity does not borrow to fund withdrawals but may do so in appropriate circumstances (for example where the Responsible entity believes it is in the best interests of Investors to do so).

Withdrawal requests will generally be paid within ten Business Days after the end of the relevant Month. However, the Constitution of the Fund provides the Responsible Entity with 365 days from the date the withdrawal request was received or deemed to be received to determine whether to accept a withdrawal request and then a further 21 days to pay withdrawal proceeds.

Investors will receive a withdrawal confirmation showing the amount withdrawn and the balance of their investment.

### Pro-rated withdrawal requests

If the total amount of withdrawal requests received during a Month exceeds the amount available for that Month, then Investors will receive a pro-rata amount of their withdrawal request.

Any unsatisfied withdrawal requests will be automatically carried forward to the next Month, unless otherwise requested by the Investor.

### Withdrawal Price

The price payable on withdrawal is the Unit Price on the last Business Day of the Month less any applicable sell spread.

### Example of a pro-rata withdrawal

Assume the Responsible Entity declared the amount to be made available under the Limited Withdrawal Facility for a particular Month was \$1,500,000. If the withdrawal requests received under the Limited Withdrawal Facility totalled \$3,000,000 and an Investor requested a withdrawal of \$90,000, then the Investor would receive a pro-rata withdrawal payment of \$45,000 (being  $\$90,000 \times \$1,500,000 / \$3,000,000$ ).

### Changes to to the Limited Withdrawal Facility

Notwithstanding any of the above, withdrawals from the Fund may be scaled back, delayed or suspended in certain circumstances, including where the Fund has insufficient liquidity, if it is impracticable or impossible to calculate the withdrawal price, or if the Responsible Entity believes it is in the best interests of Investors to do so.

In addition, the Responsible Entity must at all times ensure that Investors in the Fund are not unfairly treated by any withdrawal facility offered. The Responsible Entity may therefore vary the terms and conditions of the Limited Withdrawal Facility to ensure the fair and equal treatment of all Investors. Any variation will be communicated to Investors via the Fund's website.

### Minimum balance

If the current value of your unitholding falls below the minimum balance of \$10,000 required, the Responsible Entity may withdraw your Units in full and pay you the proceeds. The amount payable will be the Unit Price less any applicable sell spread on the date of the withdrawal multiplied by the number of Units being redeemed. The Responsible Entity reserves the right to vary the minimum amounts at any time at our discretion.

### Indirect Investors

The above information about withdrawals from the Fund applies to the IDPS Operator and not the Indirect Investor. Indirect Investors should consult their IDPS Operator about withdrawals from the Fund.

## 5.9 Periodic Liquidity Event

In addition to the Limited Withdrawal Facility described above, Investors may be able to withdraw from the Fund pursuant to a Periodic Liquidity Event. The Responsible Entity will offer Periodic Liquidity Events on or around each five-year anniversary of the commencement of the Fund. It is intended the first Periodic Liquidity Event will therefore be offered around January 2027.

The Responsible Entity may, at its discretion, determine not to offer a Periodic Liquidity Event. This may occur in circumstances such as where it is impracticable to offer liquidity or if the Responsible Entity determines it would not be in the best interests of remaining Investors for liquidity to be offered. When a Periodic Liquidity Event is offered, the Responsible Entity will at the same time inform Investors of the means by which liquidity is intended to be offered. This might be by a variety of means including (but not limited to) one or more of the following:

- The sale of one or more of the Fund's assets.
- Raising new equity for the Fund.
- Increasing the gearing ratio of the Fund.

When a Periodic Liquidity Event is offered, the Responsible Entity will seek to satisfy redemption requests within a twelve-month period following the close of the offer. This may mean redemption requests are satisfied in one or more instalments. In each case the amount received by Investors will be determined using the Unit Price prevailing on the day their redemption (or part thereof) is processed. If the Responsible Entity is unable to satisfy redemption requests within the twelve-month period, then subject to its obligations at law the Responsible Entity will continue to work towards satisfying those redemption requests. In each case redemptions will be processed at the Unit Price prevailing on the day the redemption is processed less any applicable sell spread.



## 5.10 Custodian

The Responsible Entity has appointed Perpetual Corporate Trust Limited ABN 99 000 341 533 as custodian of the Fund. The Custodian holds AFS licence number 392 673. The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. In accordance with the terms of the Custody Agreement, the Custodian has no liability or responsibility to you for any act done or omission made. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.

A summary of the terms of the Custody Agreement is contained in Section 9.5.





## 6.0 Taxation Information

Any reference to taxation legislation is to the Income Tax Assessment Act 1997 (Cth) unless otherwise stated. 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. Tax law may change over time and tax treatment may vary according to individual circumstances. Investors are therefore advised to seek their own independent tax advice in respect of their investment in the Fund from a qualified tax advisor. Tax liabilities are the responsibility of each individual Investor and the Responsible Entity is not responsible for taxation or penalties incurred by Investors.

The information in this section provides a high-level outline of the principal Australian tax implications in relation to the issue, holding and disposal of Units in the Fund. This information is for Investors who acquire and hold Units as long-term investments on capital account and is based on current taxation legislation as at the date of issue of this PDS.

The Information in this section does not address the tax implications for Investors who hold their Units on revenue account or as trading stock, or who are subject to the 'taxation of financial arrangement' provisions in Division 230. This section also only applies 'high-level' commentary on the tax implications for Investors who are non-residents of Australia for tax purposes and does not address the tax implications for Investors who are 'temporary residents' or who are otherwise exempt from Australian tax.

The taxation information in this PDS does not consider the treatment of Investors who invest through an IDPS, IDPS like-scheme, or other indirect investment platform or service (commonly referred to as a master trust or wrap account). Investors who invest via those services should consult their tax adviser in relation to investing through an IDPS.

### 6.1 Australian Resident Investors

The Fund is an Australian resident trust for tax purposes. The Responsible Entity intends to limit the Fund's investment activities to ensure that the Fund is treated as a 'flow-through' entity for taxation purposes and not be considered a 'public trading trust' as defined in section 102R of the Income Tax Assessment Act 1936 (Cth).

It is expected the Fund will qualify as a Managed Investment Trust (**MIT**), and will satisfy the requirements to make a choice to be an Attribution Managed Investment Trust (**AMIT**) for taxation purposes. The Responsible Entity intends to make a choice for the Fund to be an AMIT for taxation purposes. The AMIT regime provides greater certainty on the Application of the tax provisions for both the Investors and the Fund.

#### 6.1.1 AMIT Regime

Under the AMIT regime, the Fund is a flow-through entity and Investors will be attributed the taxable income of the Fund regardless of whether the Fund makes a distribution of income

or capital.

The Fund will attribute taxable income and tax offsets to Investors on a fair and reasonable basis. The attribution will be based on Investors' rights to the income and capital in the Fund as provided for in the Constitution.

Investors will be attributed tax components that may include interest, capital gains and income from the Fund's investments. The Responsible Entity will provide Investors with an AMIT member annual statement outlining the tax components, which will enable Investors to prepare their income tax returns. The components of income and capital retain their character in the Investor's hands.

#### Attribution of income

Investors will need to include the tax components attributed to them in their income tax returns. The tax implications for Investors will depend upon the tax character of the tax components attributed to them. This attribution mechanism is intended to reflect the position that the Investor would have been in had they invested directly in the underlying investments of the Fund.

#### Trust losses

To the extent that the Fund derives income and capital losses, those losses cannot be attributed to and made available to Investors. Rather, the Fund will carry forward these losses to be offset against its future taxable income and capital gains. The availability of any income losses will depend on the Fund satisfying the loss recoupment rules in Schedule 2F of the Income Tax Assessment Act 1936 (Cth).

#### Capital gains of the Fund

The Fund will make an election to treat investments on capital account for taxation purposes. Consequently, gains or losses on the disposal of direct investments will be taxable as a capital gain or loss.

Broadly, as the tax law stands today, where the Fund disposes of an asset it has held for more than twelve months it may be eligible for discount Capital Gains Tax (CGT) concessions. The taxable capital gain will be attributable to Investors. Where an Investor is an eligible Investor, such as an individual, trustee or complying superannuation Fund, the Investor may be entitled to the discount CGT concessions. The capital gain, including any discounts, will be identified in the AMIT member annual statement to ensure that Investors can calculate their net capital gain position.

However, on 8 May 2018 the Federal Government announced integrity measures aimed at preventing MITs and AMITs from applying the discount CGT concessions at the trust level. This measure is intended to revise the law such that MITs and AMITs operate as genuine flow-through entities, such that members who do not qualify for the discount CGT

concessions in their own right (e.g. companies) are prevented from getting a benefit of such concessions being applied at the trust level.

Under the proposed measures, MITs and AMITs that derive a capital gain will be able to distribute this income as a capital gain to members who may then be able to discount the capital gain – depending on their own circumstances.

The start date for the proposed measures was originally intended to be 1 July 2020, but on 30 June 2020 the Government announced that the start date would be revised to be the income year commencing on or after three months after the date of royal assent of the enabling legislation. At the time of this writing this PDS the enabling legislation is still being developed and no exposure draft has been made available.

### Capital gains from underlying investments

Gains or losses on the disposal of underlying investments by a Property Trust will generally also be capital gains or losses. A capital gain by a Property Trust will retain its character when distributed to the Fund.

A gain or loss by a Property Trust will be based on the original cost of the underlying investment to the Property Trust. The original cost of the underlying investments is less than the market value used to determine the cost to the Fund of the units in the Property Trusts. Accordingly, the Fund's share of a capital gain generated by a Property Trust from the sale of an underlying investment will exceed the Fund's economic gain in respect of that investment.

When a Property Trust is wound up, the Fund should make a capital loss on the units in that trust equal to the capital gain in excess of the Fund's economic gain in respect of that investment. Where the Property Trust is wound up in the same income year as the capital gain on the underlying investment, the Fund will attribute to Investors a net capital gain equivalent to the Fund's economic gain.

However, where the Property Trust is wound up in an income year after the capital gain on the underlying investment, the Fund will attribute to Investors a larger capital gain based on the capital gain made by the Property Trust. This will increase the effective tax rate payable by Investors in respect of the sale of the investment. In this circumstance, the capital loss on the units in the Property Trust should be available to reduce future capital gains made by the Fund.

### Cost base adjustments

The Fund will distribute income quarterly in arrears based on the number of Units held at the end of the distribution period. The amount of the cash distribution may be greater than, or less than, the taxable income attributed to an Investor. Broadly, an Investor's cost base of their Units will be increased by any amounts attributed to them, and the cost base will be reduced by any payments actually received (or that they are entitled to receive) and any tax offset amounts attributed to them. These amounts are netted off resulting in either an increase

or decrease in an Investor's cost base. Similar rules apply to reducing an Investor's reduced cost base, which is used in calculating whether a capital loss is realised upon disposal (or some other CGT events).

The Responsible Entity will reflect any net increase or decrease in the cost base in the AMIT member annual statement issued to the Investor. Where your cost base is reduced to nil any net decreases to the cost base will result in a capital gain equal to that excess. No capital loss can result from mere adjustments to the reduced cost base.

### Disposal of Units

Investors may be liable for income tax on capital gains realised on transfer, redemption or otherwise disposing of Units. The extent of any income tax liability (if any) on transfer, redemption or disposal will depend on an Investor's personal circumstances.

In order to determine their CGT position, Investors will need to adjust the tax cost base of their Units for any adjustments to the cost base under the AMIT rules as noted above.

Investors may realise capital losses on the transfer, redemption or disposal of Units. This may occur where the Investor's reduced cost base for their Units exceeds the capital proceeds that are received in respect of a CGT event. Investors may need to adjust their reduced cost base in a similar way to their cost base as described in the above paragraph. The reduced cost base of a Unit is usually, but not always, the same as the cost base. Generally, any capital loss that is incurred upon disposal of the Investor's Units in the Fund can be used to offset capital gains that are realised by the Investor from other sources, or can be carried forward to be used to offset future capital gains in future income years – depending on the Investor satisfying the loss recoupment provisions for either companies or trusts (where applicable). Investors may also be entitled to the discount CGT concessions where the Units have been held for more than twelve months. Access to the discount CGT concessions will depend on the tax profile of the Investor. The Fund does not issue a separate capital gains statement if an Investor disposes of Units.

### Unders and overs

Where the Fund discovers an over-estimate or underestimate of a tax component relating to a previous year, the AMIT rules allows the Responsible Entity to attribute the tax consequence to either the previous year, or the year of discovery.

Consequently, an Investor may be attributed a tax component related to an under-estimate or overestimate of the tax component of a previous year. The Responsible Entity will consider the facts and circumstances in determining whether to correct an under or over-estimation in the discovery year or in the year that the under or over-estimation relates.

### Member challenges

The Fund will issue an AMIT member annual statement to Investors outlining the tax components attributed to that Investor each year.



The AMIT rules allow an Investor to object to the determined member component by notifying the Commissioner of Taxation and substituting the amount with their own determination. This must be done within four months after the end of the relevant income year or, where applicable, within four months of the Fund issuing a revised AMIT member annual statement in respect of an income year.

If an Investor chooses to object against the amount attributed to them (as noted in the AMIT member annual statement), the Investor must notify the Responsible Entity of their choice to object. The notification must outline the Investor's reasons for the objection. The Investor must also provide this notice to the Responsible Entity within the time limit referred to in the above paragraph.

The Investor will also be required to provide the Responsible Entity with information so that it can assess the Investor's objection.

### 6.1.2 Quoting a TFN, TFN exemption or an ABN

Collection of an Investor's Tax File Number (TFN) is authorised and its use and disclosure is strictly regulated by the tax laws and the Privacy Act 1988 (Cth). Investors may quote a TFN or claim a TFN exemption in relation to their investment in the Fund when completing the Application Form. Investors may quote an Australian Business Number (ABN) instead of a TFN if they are making an investment in the Fund in the course of an enterprise carried out by them.

If an Investor chooses not to quote a TFN, TFN exemption or ABN, the Responsible Entity may be required to deduct tax at the prescribed highest marginal rate plus Medicare Levy from that Investor's income distributions. As at the date of the PDS this rate is 47%.

### 6.1.3 Social Security

Investing in the Fund may affect an Investor's entitlement to social security benefits as their investment may be included in the income and assets tests of Centrelink and the Department of Veterans' Affairs. Investors should obtain professional advice concerning the particular social security implications for their circumstances.

### 6.1.4 Goods and services tax (GST)

The issue and redemption of Units should not be subject to GST. Investors should seek advice in relation to their ability (if any) to recover input tax credits in relation to expenditure incurred in acquiring their Units.

## 6.2 Non-resident Investors

The following comments are general in nature. Non-resident Investors may be subject to withholding tax on amounts distributed or attributed to them by the Fund. The withholding tax rate depends on whether the Fund qualifies as a withholding MIT, the character of the income distributed or attributed, and the residency of Investors.

It is expected the Fund will qualify as a withholding MIT. The Responsible Entity will monitor the requirements with the aim that the Fund does and continues to qualify as a withholding MIT.

Non-resident Investors should seek independent tax advice before investing, taking into account their particular circumstances including whether they may be eligible for any concessions under a relevant 'double taxation agreement' between Australia and their country of residence.

### Tax on Income

The Responsible Entity is required to withhold tax on a non-resident Investor's behalf in respect of any Australian taxable income distributed or attributed by the Fund.

Where the distribution or attribution includes Australian sourced interest, a final withholding tax of 10% will apply to that component.

A concessional final withholding tax rate of 15% will apply to distributions or attributions of Fund payments to Investors that are tax residents in countries approved as 'information exchange countries'. A Fund payment is a distribution or attribution of an amount other than amount referable to interest, dividends, royalties, non-taxable Australian real property capital gains or amounts that are not from Australian source.

A final withholding tax rate of 30% will apply to Fund payments attributed or distributed to Investors that are not residents of information exchange countries.

A 'final' withholding tax means that tax is deducted from the relevant component of the Investor's Fund attribution or distribution and the Investor is not required to lodge an Australian tax return in respect of this component.

Further, expenses incurred in connection with deriving this income cannot be claimed as a deduction against this income in Australia.

A gain or loss by a Property Trust will be based on the original cost of the underlying investment to the Property Trust.

The amount subject to withholding tax when distributed to a non-resident Investor will be based on the capital gain generated by the Property Trust above the original cost of the investment. Accordingly, the Fund's share of a capital gain generated by a Property Trust from the sale of an underlying investment will exceed the Fund's economic gain in respect of that investment. This will result in an effective rate of tax on the gain distributed to a non-resident Investor that exceeds the 15% or 30% rate referred to above.

### Tax on disposal of Units

Where a non-resident Investor holds less than 10% of the Units in the Fund, the Investor should not be subject to Australian capital gains tax on disposal of Units.



## 6.3 Foreign Account Tax Compliance Act & Common Reporting Standard

The Fund is required to collect and report financial account information about US tax residents or certain entities that have US-controlling persons to the ATO. The Tax Information included with the Application Form must be completed by all Investors and requires self-certification of an Investor's tax status under US law. This information may be forwarded by the ATO onto the US Internal Revenue Service.

The Fund is also required to separately collect and report financial account information for all non-resident Investors and certain entities with non-resident controlling persons under the Common Reporting Standard (CRS) to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents. To assist in complying with these obligations, the Responsible Entity may request certain information from you.





# 7.0 Risks

Neither the performance of this investment nor the repayment of capital is guaranteed by the Responsible Entity, the Manager, the Custodian, or any of their respective directors, officers or associates or any other party. As with all investments, an investment in the Fund is subject to risks, some of which are outside the control of the Responsible Entity. If they eventuate, these risks may reduce or suspend your distributions from the Fund or reduce the capital value of your investment. An investment in the Fund may lead to a loss of capital invested. Before deciding whether to invest in the Fund, you should consider your attitude towards the following, and other potential risks.

The risks discussed below are not an exhaustive list. It is the Responsible Entity's current opinion that the following are key risks of an investment in the Fund:

- a. Property investment risks, including the risk that property values may decline and the risk that there is a decrease in Fund income.
- b. Fund investment risks, including the risks associated with investing in A-REITs, limitations on the liquidity of your investment, investment horizon and gearing.
- c. General investment risks, including that the economy and market conditions may affect asset returns and values.

These risks are outlined in more detail below. You should read this PDS in full before deciding whether to invest in the Fund and consider consulting your financial adviser or other professional advisers. As well as considering the risks below, you should also consider how an investment in this product fits into your overall investment portfolio.

## 7.1 Property investment risks

### 7.1.1 Property values and sale prices

The ongoing value of a property is influenced by many factors including supply, demand, capitalisation rates, rentals, lease terms, government regulation and legislation, property markets, and economic conditions.

There is no guarantee that any Property Investment will increase in value or that the value of any Property Investment will not fall.

### 7.1.2 Property revenue

The Fund's income will be largely dependent upon tenants paying rent in accordance with lease terms. There is a risk that a tenant may default on the terms of the lease or that the Fund does not provide agreed minimum service standards, either of which could result in a reduction in rental income for the Fund, and additional expenses associated with re-leasing the tenancy or enforcement action. There is also a risk that through agreement or through requirement of government regulation or legislation, the Responsible Entity may provide rental deferral, rental abatement or waiver of rent, to tenants.

Vacancy periods or periods of rental deferral, abatement or waiver may have an adverse impact on the Fund's net income and distributions, the Fund's ability to comply with its debt covenants, the capital value of a Property Investment and potentially the Unit Price.

### 7.1.3 Property acquisitions

The Responsible Entity will seek to progressively acquire a diversified portfolio of commercial property assets for the Fund. While RF CorVal has a well-established capital transaction network through which it sources investment opportunities and is confident it will be able to source opportunities that meet the Fund's investment criteria, there is no guarantee that any further assets will be able to be acquired which satisfy the Fund's investment criteria.

The Fund will hold higher levels of cash, cash-like products and Mortgage Funds in circumstances where it is unable to identify suitable real property or unlisted property fund investments for the Fund. The increased exposure to cash, cash-like products and Mortgage Funds will change the risk profile of the Fund and may adversely affect the Fund's returns.

### 7.1.4 Capital expenditure

There is a risk that capital expenditure required to maintain an asset within the portfolio could exceed expectations, resulting in increased funding costs and therefore lower distributions.

### 7.1.5 Environmental contamination

Property income or valuations of the Property Investments could be adversely affected by the discovery of an environmental contamination, or the incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by the Fund or prior owners.

### 7.1.6 Technology

There is a risk that there may be advances and changes in technology and changes in tenant requirements and expectations with respect to commercial property. This may adversely impact on a tenant's desire to extend their lease of a Property Investment and may increase the Fund's re-leasing risk.

### 7.1.7 Development risk

Properties may be subject to development. Development of properties is subject to additional risks associated with the timing, completion and cost of the development. For example, completion of delivery of the development may be delayed (including due to unforeseen circumstances, contractor default and weather), costs associated with the development may be more than anticipated or counterparties involved in the development may default.

Any of these circumstances may have an adverse financial impact on the Fund. These risks are substantially mitigated by virtue of the Fund following the investment criteria as they relate to development arrangements.

## 7.2 Fund investment risks

### 7.2.1 Liquidity

Investors have no right to demand a withdrawal of their investment in the Fund. Any withdrawal is subject to the Responsible Entity offering the Limited Withdrawal Facility or Periodic Liquidity Events. While the Responsible Entity intends to offer the Limited Withdrawal Facility and Periodic Liquidity Events, it is under no obligation to do so. There is no guarantee that the Responsible Entity will be able to fund the intended liquidity initiatives set out in Sections 5.8 and 5.9.

Deterioration in market conditions, an inability to raise new capital, or an inability to calculate the Unit Price may result in suspending or deferring withdrawal opportunities in which case Investors will remain invested in the Fund.

While the Limited Withdrawal Facility is available, the Fund may receive withdrawal requests which exceed the amount available to meet those requests. If this occurs, then withdrawal requests will be met on a pro-rata basis. It might take several Limited Withdrawal Facilities to fulfil your withdrawal request. If it is necessary for the Fund to raise equity, or dispose of assets, to fund withdrawal requests under the Limited Withdrawal Facility or Periodic Liquidity Events, there is a risk that the Fund may not be able to raise sufficient equity or realise sufficient assets in a timely manner or at an optimal sale price. This may affect the ability to return capital to Investors and may reduce the Unit Price for all Investors.

In addition, if the Fund ceases to be 'liquid' as this term is defined in the Corporations Act, then the Responsible Entity will only be able to offer withdrawal opportunities available in accordance with the Fund's Constitution and law.

Withdrawals from the Fund will be processed using the Unit Price applicable on the day the withdrawal is processed, and not the day the withdrawal request is lodged (see Sections 5.8 and 5.9). Accordingly, the amount received by the Investor on withdrawing from the Fund may be higher or lower than the Unit Price calculated as at the end of the day on which the withdrawal request was lodged.

### 7.2.2 A-REIT risk

The Fund could hold an allocation of up to 10% of its gross assets in ASX-listed A-REITs, either directly or via an exchange traded fund. Because they are listed on the ASX, the value of those investments will fluctuate daily based on movements in their market price. Such movements (both positive and negative) may not be reflective of the underlying value of those A-REITs and may be affected by investor sentiment of the broader market more generally.

While there are risks associated with any gearing the Fund

might employ (see 'Gearing risk' below), A-REITs in which the Fund invests may also be geared. Therefore, if an A-REIT defaults on its debt facility, then this may have an adverse impact on income distributions received by the Fund or the value of the A-REIT, and in turn the value of your investment in the Fund. The Responsible Entity does not take into account any gearing of A-REITs in calculating the Look Through Gearing Ratio of the Fund.

### 7.2.3 Senior debt investments

The Fund may hold an allocation of up to 10% of its gross assets in Mortgage Funds which are vehicles which lend money to borrowers where loans are typically secured against real property assets. Mortgage Funds in turn receive interest on loans advanced which is distributed (after paying fund expenses) as income to the Fund.

There is a risk borrowers to whom a Mortgage Fund lends may default on their loans in which case the Mortgage Fund (as lender) will seek to recover any amounts owing (principle and interest) from the borrower including by accessing any security offered by the borrower. Default may result in a reduction in income distributions to the Fund and ultimately, if the security held by the Mortgage Fund is not sufficient to repay the amounts owing, then the value of the Fund's investment in the Mortgage Fund may fall.

Mortgage Funds are typically managed investment schemes and have similar risks to those set out in Section 7.3 below.

### 7.2.4 Gearing

The Fund will be a geared investment product. Gearing will magnify the effect of any movements in the value of the assets of the Fund.

Any debt facility will contain key covenants, any breaches of which may enable the financier to take action against the Fund. One of the key covenants will be the Gearing Ratio. The Gearing Ratio represents the proportion of debt as a percentage of the value of the assets against which the loan is secured. The Gearing Ratio fluctuates as a function of the asset value and loan amount. If the asset value drops below a certain level and the Gearing Ratio covenant is exceeded, then the Fund may default on the facility and an additional margin can be charged and/or the facility can be withdrawn. If this does occur, then the Responsible Entity will either attempt to remedy the breach, seek alternative funding on behalf of the Fund or attempt to raise further capital.

This would likely affect returns to Investors. If the Responsible Entity is unable to raise additional equity or to obtain alternate funding, then it is possible that the lender could enforce their security and seek to sell assets of the Fund to repay all or part of the debt outstanding.

Upon the expiry of any debt facility, there is a risk the current, or a new financier, may not wish to refinance the proposed facility on the same terms, or at all, or the length of any replacement facility is shorter than the Responsible Entity would like.

In those circumstances the Responsible Entity may be forced to sell an asset earlier than anticipated which may impact on the price which can be achieved on a sale. If no sale can be achieved prior to the expiry of the existing debt facility, then the lender could enforce their security.

In addition, as the Fund may hold units in Property Trusts, which may themselves be geared, any default or breach of covenants by those Property Trusts in respect of their debt facility or any increases in the interest rates applicable to those underlying debt facilities may have an adverse impact on those Property Trusts. This may, in turn, cause the Fund's income and distributions to Investors to be adversely affected. When calculating the Fund's Gearing Ratio, the Responsible Entity takes into account the gearing of any Property Trusts held by the Fund in calculating the Look Through Gearing Ratio.

Additionally, the Constitution and the Corporations Act give Investors certain powers. In particular, the requisite number of Investors can call a meeting of unitholders to consider resolutions to amend the Constitution, terminate the Fund or remove CorVal Partners Limited as Responsible Entity. The exercise of those powers without the consent of a bank financier may lead to events of default under the Fund's finance facilities and in certain circumstances, will give the bank rights to, amongst other things, call for immediate repayment of the amounts outstanding.

The Responsible Entity has procedures to ensure regular monitoring of Fund borrowings and seeks refinance terms well in advance of the expiry of existing facilities to minimise the risk of an adverse result on refinancing.

### 7.2.5 Debt facility and interest rates

Interest rates on debt facilities may rise and fall. If the interest rate on the facility is not fixed, then an increase in interest rates will decrease the level of cash flow of the Fund which could result in facilities being in default.

The Fund is permitted to use derivatives to manage the Fund's interest rate risk associated with the borrowings of the Fund. Risk mitigation strategies aim to minimise the impact of rising interest rates. For example, if the Fund fully hedges its borrowings (i.e. fixes the interest rate on its borrowings) and the prevailing interest rates rise, then the Fund is protected from paying the higher interest rate. However, if interest rates fall, then the Fund's Unit Price may fall, reflecting the change in value of the derivatives held by the Fund.

### 7.2.6 No guarantee of investment returns

Neither the performance of this investment nor the repayment of capital is guaranteed by the Responsible Entity, the Custodian, or the financier.

### 7.2.7 Environment

There is a risk that the Fund may be required to remediate

a site to comply with environmental laws or building code regulations which may be at significant cost.

### 7.2.8 Conflicts of interest

The Fund will invest in Property Trusts which are managed by entities within the RF CorVal group where those investments are consistent with the Fund's investment strategy and considered to be in the best interests of Investors. All transactions in which the Responsible Entity may have, or may be perceived to have, a conflict of interest will be conducted in accordance with the Responsible Entity's related party transactions policy.

The Responsible Entity may also appoint members of the RF Group to provide services to the Fund. Those services may include among others asset management, property management, development management and leasing. Any appointment of a member of the RF Group will also be done in accordance with the Responsible Entity's related party and conflicts of interest policy.

## 7.3 General investment risks

### 7.3.1 Economy and market conditions

There is the risk that changes in the economy and market conditions may affect asset returns and values, which in turn, may result in reduced distributions and may adversely affect the Unit Price.

The overall investment performance of the Fund may be affected by changing economic or market conditions.

These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

### 7.3.2 Pandemics

While the impact of COVID-19 or any future pandemic is not able to be forecast, there is a risk that the broad economic conditions and government restrictions caused by pandemics may adversely affect the Fund, including the value of any Property Investments, the Fund's earnings, income distributions and Unit Price.

### 7.3.3 Insurance

Any losses incurred due to uninsured risks or breaches of insurance policy conditions may adversely affect the performance of the Fund. Increases in insurance premiums may also affect the performance of the Fund. Insurance premium increases could occur, for example, due to external market factors, or if the Fund claims under any insurance policy for significant losses in respect of the portfolio. Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect the Fund's ability to make claims under its insurance. Also, most insurance policies have a minimum excess.



There are also certain events for which insurance cover is not available or for which the Fund does not have cover. If the Fund is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to the Unit Price and overall Investor returns. An event of this type could also result in an increase in insurance premiums.

### 7.3.4 Force majeure

Natural phenomena may affect the Fund's assets or the assets of underlying funds in which the Fund invests. There are events including certain force majeure events and terrorist attacks for which insurance cover is not available or the Fund does not have cover. This would result in a loss of capital, in turn reducing the value of Units and returns.

### 7.3.5 Counterparties

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

### 7.3.6 Litigation

In the ordinary course of operations, the Fund may be involved in disputes and possible litigation. It is possible that material or costly dispute or litigation could affect the value of the assets or expected income of the Fund.

### 7.3.7 Legal and regulatory matters

There is the risk that changes in any law, regulation or government policy affecting the Fund's operations (which may or may not have retrospective effect) may have an adverse effect on the Fund's investments and/or the Fund's performance.

### 7.3.8 Taxation

Changes to taxation law and policy might adversely impact the Fund and Investors' returns. Investors are advised to seek professional taxation advice in relation to their own position, however, it is not possible to predict future changes to taxation law or policy.





## 8.0 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 ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 8.1 Fees and other costs

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 managed investment scheme as a whole.

Detailed taxation information is set out in Section 6.0 of this document.

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

Fees and costs summary		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs<sup>1</sup></b> The fees and costs for managing your investment	<b>Management fee</b> 0.6% p.a. of the Gross Asset Value. <sup>2</sup>	Accrued daily and payable quarterly in arrears from the assets of the Fund. The management fee will not be charged in FY23.
	<b>Expenses</b> Establishment costs <sup>3</sup> estimated to be 0.06% p.a. of the Gross Asset Value. Fund Expenses estimated to be 0.28% p.a. of the Gross Asset Value but will not be charged to the Fund in FY23.	Payable when incurred from Fund's assets, subject to the expense cap. Refer to section 8.3.1(b) for more detail.
	<b>Indirect costs</b> Estimated to be 0.53% p.a. of the Gross Asset Value. <sup>4</sup>	Payable when incurred from the assets of the Property Trusts.

Fees and costs summary		
Type of fee or cost	Amount	How and when paid
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product <sup>5</sup>	See 'Additional Explanation of Fees and Costs'	The Fund's performance fee is calculated periodically and reflected in the Unit Price and payable at the end of each 5-year period after the Closing Date from Fund. Performance fees may also be calculated, accrued and paid from Property Trust assets.
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Estimated to be 0.54% of the Gross Asset Value <sup>6</sup> .	These costs (which include any acquisition fee or disposal fee charged) are payable when incurred. Payable from Fund assets or Property Trust assets and reflected in the Unit Price. Acquisition fees will not be charged in FY23.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	+0%/-0.25% <sup>7</sup>	Retained as an asset of the Fund whenever you withdraw or transfer Units.  The costs of buying Units are taken into account in calculating the net asset value of the Fund.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> The components of the ongoing management fees and costs are discussed in more detail in Section 8.3.

<sup>2</sup> The Gross Asset Value of the Fund is to be reduced by the value of the Fund's investment in Property Trusts so that, to the extent the Fund invests in a Property Trust and an RF CorVal entity, as trustee or manager of that Property Trust is paid fees for acquiring, managing and disposing of properties within that underlying trust then these fees will not be charged by the Manager at the Fund level, but rather, the Fund will pay its proportion of the fees charged in the underlying Property Trusts, which may be higher than the percentages disclosed in this table but will be disclosed as indirect costs. See Section 8.3 for more information.

<sup>3</sup> The Fund's estimated establishment costs will be amortised over five years.

<sup>4</sup> Indirect costs include the Fund's estimate of management fees and costs incurred in the underlying Property Trusts.

<sup>5</sup> The estimated performance fee includes performance fees accrued at the Property Trust level. See section 8.3.1 (f) for more information.

<sup>6</sup> The estimated transaction costs include any transaction costs expected to be incurred at the Property Trust level and are shown net of the amount recovered by the buy-sell spread. See Section 8.3.2 for more information.

<sup>7</sup> The Responsible Entity may vary the buy/sell spread from time to time. See Section 8.3.3 "Buy/sell spread" for more detail.

## 8.2 Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs of the Fund can affect your investment over a one-year period. You should use this table to compare this Fund with other managed investment schemes. Please note that management fees, Fund Expenses, performance fees and acquisition fees will not be charged in FY23. Therefore in FY23 the fees and costs payable by Investors will be lower than disclosed below.

Example <sup>1</sup>	Balance of \$50,000 with a contribution of \$5,000 during year <sup>2</sup>	
<b>Contribution Fees</b>	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS Management fees and costs</b>	1.24% <sup>3</sup>	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment between \$620 and \$682 each year
<b>PLUS Performance Fees</b>	Nil <sup>4</sup>	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year
<b>PLUS Transaction Costs</b>	0.68% <sup>5</sup>	<b>And</b> , you will be charged or have deducted from your investment Between \$340 and \$374 in transaction costs
<b>Equals Cost of Fund</b>	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees and costs in the range of \$960 to \$1,056.	
	<b>What it costs you will depend on the fees you negotiate.</b>	

<sup>1</sup> This example does not include any additional fees that your financial adviser or IDPS Operator may charge you.

<sup>2</sup> The minimum initial investment amount for the Fund is \$10,000.

<sup>3</sup> Management fees and Fund Expenses will not be charged in FY23. However, this represents the Fund's estimated management fees and costs as a percentage of the Fund's estimated total average net assets for FY23. This amount includes estimated expenses and indirect costs, assuming total Gross Asset Value of \$54 million and gearing of 36% for the financial year. It also assumes no Abnormal Expenses are incurred. The Fund's management fees and costs will change over time as the costs of managing the Fund and the Fund's investments change.

<sup>4</sup> This represents the Fund's estimated performance fees (including performance fees accrued in the Property Trusts) as a percentage of the Fund's estimated total average net assets for FY23. It is not expected performance fees will be accrued in FY23. It is not possible to forecast the performance of the Fund and some years there may be negative performance.

<sup>5</sup> This represents the Fund's estimated transaction costs as a percentage of the Fund's estimated total average net assets for FY23, net of the amount expected to be recovered by the buy-sell spread. This amount does not include any acquisition fees on the acquisition of Direct Property because these amounts were waived and not charged to the Fund. The Fund's transaction costs will change over time as assets are bought and sold. See Section 8.3.2 for more information.





## 8.3 Additional explanation of fees and costs

### 8.3.1 Ongoing management fees and costs

These fees and costs are paid by the Fund and therefore indirectly by you in proportion to your investment in the Fund.

#### (a) Management fee

This is the fee RF CorVal charges for managing and overseeing the Fund's operations. The management fee is calculated daily and charged quarterly in arrears. RF CorVal will charge a management fee of 0.6% p.a. of the Gross Asset Value (reduced by the value of the Fund's investment in Property Trusts), which will be calculated on a daily basis (i.e. \$60 per annum out of every \$10,000 of the Gross Asset Value). This fee will not be charged in FY23.

If the Fund invests in a Property Trust managed by a RF CorVal entity and is already paid a fee for managing that underlying trust, the management fee is waived at the Fund level and rather the Fund will pay its proportion of the management fee charged in the underlying Property Trust, which may be higher than the percentage disclosed above. Any management fees charged by underlying Property Trusts will be disclosed as indirect costs (see Section 8.3.1(e) below).

#### (b) Expenses

The Fund's establishment costs are estimated to be 0.06% p.a. of the Gross Asset Value amortised over five years (i.e. \$6 per annum for five years out of every \$10,000 of the Gross Asset Value).

The Fund Expenses are estimated to be 0.28% p.a. of the Gross Asset Value (i.e. \$28 per annum out of every \$10,000 of the Gross Asset Value) but in FY23 will be paid by an RF CorVal entity and not charged to the Fund. Furthermore, to provide Investors with certainty regarding expense recovery, the Manager has capped the Fund Expenses (excluding Abnormal Expenses) at 0.35% p.a. of the Gross Asset Value (i.e. \$35 per annum out of every \$10,000 of the Gross Asset Value). Fund Expenses include but are not limited to, expenses incurred in issuing Units in the Fund, establishing and maintaining registers and accounting records. They also include expenses incurred in respect of external service providers and advisers, including compliance costs and audit, custody, Registry, accounting and legal fees. Subject to the expense cap, RF CorVal is entitled to be reimbursed from the assets of the Fund as and when the Manager incurs the relevant expense.

The Manager will pay any Fund Expenses (excluding Abnormal Expenses) the Fund incurs above the expense cap and will be entitled to recover these expenses in future years once the Gross Asset Value reaches a sufficient level to cover the reimbursement of those expenses. The Responsible Entity will only recover previously paid expenses in years when the expense cap is not exceeded and only up to the 0.35% p.a. threshold in any one year. Investors should be aware that if the Manager is unable to pay any Fund Expenses in excess of the cap, then these expenses will be paid by the Fund and

the Fund's management fees and costs for that year will be higher than disclosed in the 'Example of annual fees and costs' at Section 8.2.

Abnormal Expenses are not included in the expense cap. These expenses are due to abnormal events and are not necessarily incurred in any given year. They include (but are not limited to) the cost of convening and hosting the meeting of Investors, preparing a new offer document for the Fund, legal costs incurred with respect to changes to the Constitution, or commencing or defending legal proceedings. All Abnormal Expenses will be charged to the Fund as and when they are incurred. It is not possible to estimate such expenses with certainty, and the Responsible Entity anticipates that the events that give rise to Abnormal Expenses will rarely occur.

#### (c) Indirect costs

Indirect costs are fees, costs, expenses and other amounts which the Responsible Entity estimates are paid from, or incurred by the Fund, which (directly or indirectly) reduce the return of the Fund. These include amounts incurred in making direct investments and management fees and costs charged by Property Trusts in which the Fund invests (i.e. the costs of investing in an interposed vehicle).

The Responsible Entity estimates the Fund's indirect costs to be 0.53% of the Gross Asset Value for FY23 annualised (i.e. \$53 out of every \$10,000 of the Gross Asset Value). This amount includes management fees and costs incurred in the underlying Property Trusts.

The indirect costs incurred by the Fund depend on the Fund's portfolio composition and are generally disclosed based on amounts paid in the previous financial year. Actual indirect costs for a financial year may therefore differ from the amount disclosed in this PDS.

Indirect costs are paid from the Fund's assets (or from the assets of a Property Trust) when the cost is incurred. Indirect costs are not directly payable by you.

#### (d) Performance fee

This is the fee paid to the Manager as an incentive to maximise the value of the Fund's investment portfolio and returns to Investors. The Manager is entitled to a performance fee of 20% (plus GST) of the portion of the surplus return of the Fund over the current IRR Benchmark of 8%. The performance fee is subject to a cap in that the Manager will not charge any fee for performance in excess of a 21% per annum IRR for the relevant calculation period.

This fee is calculated and accrued quarterly in arrears for each five-year period during the term of the Fund. The first performance fee calculation period is expected to be from the commencement of the Fund to the day of its fifth anniversary. The IRR calculation will reset so that each subsequent five-year period will commence on the day after the previous five-year period has ended and the final period will end on the date the Fund is wound up.

The performance fee will also be calculated, payable and reset if it is proposed that the Responsible Entity is removed as trustee of the Fund or if a resolution is passed to reorganise or restructure the Fund in any way.

The Responsible Entity may increase or decrease the IRR Benchmark prior to the commencement of the next calculation period at its discretion if it considers it is appropriate to do so. However, RF CorVal cannot reduce the IRR Benchmark to any less than 6% per annum or increase it above 10% per annum. The Responsible Entity will provide at least 30 days' notice to Investors of any proposed change in the IRR Benchmark by publishing the change on the Fund Website.

#### Example of calculation of Fund performance fee

This example is provided for information purposes only to illustrate the calculation of the performance fee. Actual results may vary significantly from those in the example.

For example, if the Fund:

- raised \$10 million at an opening Unit Price of \$1.00 per Unit;
- paid a distribution per annum of 5.50 cents per Unit for five years (representing total distributions to Investors of \$550,000 per annum); and
- had a Unit Price of \$1.21 per Unit at the end of the five-year period (representing total Fund NAV of \$12.1 million),

then the IRR is calculated to be 9% per annum.

The outperformance amount above the IRR Benchmark of 8% per annum would be \$0.63 million, being the amount that, if included in the IRR calculation as an outflow at the end of the five-year period of the Fund reduces the IRR to 8% per annum. Therefore, the performance fee payable would be \$0.13 million (being 20% of the \$0.63 million or \$0.01 per Unit).

Applying this example to an Investor with an initial \$50,000 investment, they would have received aggregate distributions of \$13,750 over the five years and have a capital value of \$59,862 at the end of the five-year period after deducting \$628 for their share of the performance fee.

The Fund will also invest in Property Trusts in which performance fees may be payable to a RF CorVal entity as trustee or manager of the Property Trust. These performance fees may be incurred irrespective of the Fund's overall performance and will accrue in the unit price of the relevant Property Trust.

For FY23, the Responsible Entity does not expect value appreciation of the Fund's assets to exceed the current IRR Benchmark of 8% and therefore estimates the Fund's performance fees (including performance fees accrued in the Property Trusts) for FY23 (adjusted to reflect a twelve-month period) will be \$0. It is not possible to forecast the

performance of the Fund and some years there may be negative performance.

### 8.3.2 Transaction costs

Transaction costs are costs incurred by the Fund for dealing with the Fund's assets. These costs include acquisition fees and disposal fees payable to the Manager, due diligence costs, stamp duty, legal, advisory, finance and other professional costs and include the transaction costs of interposed vehicles, such as the Property Trusts.

The Responsible Entity estimates the Fund's total gross transaction costs for FY23 will be 0.54% of the Gross Asset Value (i.e. \$54 for every \$10,000 of the Gross Asset Value). These costs include capitalised acquisition costs embedded in Property Trusts, all amortised over five years.

Transaction costs are not included in the expense cap referred to in Section 8.3.1(b) and are an additional cost to investors where they have not been recovered by a buy/sell spread (see Buy/sell spread below). The transaction costs shown in the Fees and Costs Summary table at Section 8.1 are shown net of the amount expected to be recovered by the buy/sell spread, which is expected to be so minor as to be immaterial.

The primary component of transaction costs is stamp duty which is incurred when the Fund makes an investment.

Transaction costs may also include the following fees payable to the Manager:

#### Acquisition fee

This is the fee charged by the Manager for the identification, analysis, structuring and acquisition of any property of the Fund (including indirect Property Investments). The acquisition fee is 1.0% of the gross purchase price of any Direct Property asset acquired by the Fund. The acquisition fee is payable from the assets of the Fund on the date the relevant Direct Property is acquired. For example, if a Direct Property is acquired for \$20 million, the acquisition fee payable to the Manager would be \$200,000.

In FY23, the Manager will not charge any acquisition fees on the acquisition of Direct Property.

To the extent the Fund acquires an asset indirectly through an investment in a Property Trust of which a RF CorVal entity acts as trustee or manager and is already paid an acquisition fee, then the Fund will pay its proportion of the acquisition fee charged in the underlying Property Trust, which may be higher than the percentage disclosed above. Any acquisition fees charged by underlying Property Trusts will be disclosed as transaction costs.

**Disposal fee**

This is the fee charged by the Manager in respect of coordinating the sale of any property of the Fund (including indirect Property Investments). The disposal fee is charged at a rate of 1.0% of the gross sale price for any Direct Property asset disposed by the Fund. The disposal fee is payable to the Manager from the assets of the Fund on the date the relevant Direct Property is sold. For example, if a directly owned property of the Fund is sold for \$30 million the disposal fee payable to RF CorVal would be \$300,000.

To the extent the Fund disposes of an asset indirectly through an investment in a Property Trust of which a RF CorVal entity acts as trustee or manager and is already paid a disposal fee, then the Fund will pay its proportion of the disposal fee charged in the underlying Property Trust, which may be higher than the percentage disclosed above.

The Fund is not expected to dispose of any assets during FY23. Investors will be notified of any changes and in the future any disposal fees charged by underlying Property Trusts will be disclosed as transaction costs.

Therefore, transaction costs will be higher in periods when the Fund is acquiring and disposing of assets.

Transaction costs in any year will differ depending on the investment activity of the Fund and will be disclosed based on amounts paid in the previous financial year. Refer to the Fund Website for information on any updated changes to the information set out above.

**8.3.3 Buy/sell spread**

The current buy/sell spread is 0%/-0.25% of the amount that you invest or withdraw, represented as the difference between the issue price and the withdrawal price. For example, if you invested \$50,000 in the Fund, then the cost of your buy spread would be \$0. Accordingly, \$50,000 would be available to purchase units in the Fund at the issue price. If you withdrew or transferred \$50,000 from the Fund, then the cost of your sell spread would be \$125, and \$49,875 would be paid to you.

The Responsible Entity may vary the buy/sell spread from time to time and prior notice may not be given. Updated information on the buy/sell spread will be posted on the Fund Website.

The buy/sell spread is an additional cost to you and is generally incurred whenever you invest in, or withdraw/transfer from, the Fund. The buy/sell spread is retained by the Fund (it is not a fee paid to the Responsible Entity) and represents a contribution to the transaction costs incurred by the Fund when purchasing or selling assets.

**8.3.4 Professional service fees**

The Responsible Entity is entitled to pay any person (including any third party or other entity in RF CorVal) for services provided to the Fund including property management fees, development/project management fees, facilities management fees, managing agents' fees and leasing fees relating to the properties. All such fees will be on normal commercial rates. For more detail on related party transactions and the conflicts of interest policy, refer to Section 10.5.

**8.3.5 Differential fees**

The Responsible Entity may negotiate special fee arrangements with an Investor who is a "wholesale client" within the meaning of the Corporations Act, under which it may agree to reduce or rebate fees to those Investors. Such special fee arrangements will not adversely impact upon the fees that are paid by other Investors as set out in this section.

**8.3.6 Changes to fees and expenses**

The Responsible Entity may change the fees and expenses referred to in this PDS. The Responsible Entity will provide at least 30 days notice to Investors of any proposed increase in fees or expense recoveries or introduction of new fees.

The maximum fees chargeable by the Responsible Entity as set out in the Constitution are the same as those outlined in this section with the exception that the Responsible Entity is entitled under the Constitution to reduce the performance fee Benchmark as described in Section 8.3.1 as low as 6.0% and as high as 10% effective from the commencement of each new calculation period.

**8.3.7 Waiver or deferral of fees**

The Responsible Entity may at its discretion:

- partially or fully waive any fees to which it is entitled, or
- defer payment of fees to which it would otherwise be entitled and may claim these in the event it is removed as Responsible Entity of the Fund.

**8.4 Goods and Services Tax**

Unless otherwise stated, all the fees in this Section 8.0 are inclusive of the net effect of GST (i.e. includes GST net of input tax credits and any available reduced input tax credits). The Fund may not be entitled to claim a reduced input tax credit in all instances. Under the Constitution, the Responsible Entity is also entitled to recover an additional amount from the Fund on account of any GST liability it has in relation to the above fees.



# 9.0 Important Documents

This section contains a summary of the important documents which relate to the management and operation of the Fund.

## 9.1 Constitution

The Constitution, this PDS, the Corporations Act and other laws such as the general law relating to trusts, govern the relationship between Investors and the Responsible Entity.

The Constitution is the document which establishes the Fund. The Constitution sets out the basis upon which the Responsible Entity is appointed to act as Responsible Entity of the Fund.

Each Unit gives an Investor an equal and undivided interest in the Fund. However, a Unit does not give any Investor an interest in any particular part of the Fund.

A number of the provisions of the Constitution have been dealt with elsewhere in this PDS. Other important provisions of the Constitution are set out below. A copy of the Constitution has been lodged with ASIC and is available at the Responsible Entity's head office or can be requested by contacting the Responsible Entity.

Some of the important provisions of the Constitution are set out below:

- It defines when the Fund may be wound up and what Investors are entitled to receive on winding up.
- It details the powers and responsibilities of the Responsible Entity to manage and administer the Fund.
- It states that an Investor's liability is generally limited to the amount paid or which remains unpaid on that Investor's Units (however higher courts are yet to determine the effectiveness of these types of provisions).
- In relation to the Responsible Entity's powers, the Constitution:
  - allows the Responsible Entity to reject Applications for Units, in whole or in part, at its discretion and without giving reasons;
  - allows the Responsible Entity to set a minimum investment to be made in the Fund;
  - provides that, unless the Corporations Act or other law provides otherwise or the Responsible Entity acts fraudulently, negligently or willfully breaches its obligations, the Responsible Entity is not liable for any loss suffered in any way relating to the Fund; and
  - allows the Responsible Entity to change the Constitution, but only with Investors' approval if the change would adversely affect the rights of Investors.
- Investors are entitled to receive notice of, and to attend and vote at, a general meeting of the Investors and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the general law.
- Investors may vote to change the Responsible Entity. This requires Investors to approve an extraordinary resolution to give effect to any replacement. An extraordinary resolution is a resolution passed by at least 50 percent of the total votes that may be cast by members entitled to vote. That is, 50 percent of all members, whether or not a member elects to attend or vote at the meeting.
- The Responsible Entity may issue further Units or Acquisition Units at the prevailing Unit Price calculated in accordance with the Constitution.
- If the Fund is wound up, then Investors will be entitled to participate in any surplus assets of the Fund according to their rights and interests. Subject to rights attached to a particular class of Units, this means in proportion to their holdings. In addition to the circumstances in which the Fund may be wound up under the Corporations Act, the Responsible Entity may wind up the Fund by giving Investors in the Fund notice of the termination date.
- The Responsible Entity or members of RF CorVal may hold Units in the Fund.
- The Responsible Entity may contract with itself in another capacity, for example as trustee of another Fund, and may contract with related entities for the provisions of services to the Fund paid for by the Fund.
- The Responsible Entity may create and issue new and separate classes of Units in the Fund, which may be on different terms to Units and may rank ahead of Units for withdrawal purposes or for payment of capital and income distributions.

## 9.2 Compliance Plan

The Compliance Plan outlines the principles and procedures which the Responsible Entity intends to follow to ensure that it complies with the provisions of its AFS licence, the Corporations Act and the Constitution.

Each year the Compliance Plan is independently audited as required by the Corporations Act and a copy of the auditor's report is lodged with ASIC.

The Responsible Entity has a compliance committee with a majority of independent members. The functions of the compliance committee include:

- assessing the adequacy of the Compliance Plan and recommending any changes; and
- monitoring compliance with the Compliance Plan and reporting findings to the Responsible Entity.

## 9.3 Custody Agreement

The Responsible Entity has appointed Perpetual Corporate Trust Limited ABN 99 000 341 533 as the Custodian of the Fund. The role of the Custodian is to hold the assets of the Fund (and title to the assets) on trust.

The Custody Agreement contains provisions which limit the Custodian's liability to direct loss resulting from the fraud, wilful default or negligence of the Custodian. The quantum of the Custodian's liability is also limited.

The Custodian is an agent of the Responsible Entity and may only act in accordance with the terms of the Custody Agreement. The Custodian has no liability to Investors.

The Custodian does not guarantee the repayment of capital or performance of the Fund.

# 10.0 Fund Policies and Practices

## 10.1 Cooling off rights

At all times when the Fund is liquid, for the purposes of the Corporations Act, direct Investors who are not classified as 'wholesale clients' have a fourteen-day cooling-off period. In this period, eligible Investors may cancel their investment by notifying the Responsible Entity in writing at the following address:

CorVal Partners Limited  
Level 9, 60 Castlereagh Street  
Sydney NSW 2000

For each eligible Investor, their fourteen-day period commences on the earlier of the date they receive their confirmation notice or the end of the fifth business day after the allotment of their Units.

If an eligible Investor cancels their investment during this period, then the price they receive will be the Unit Price at the relevant time. This means the amount they receive may have increased or decreased from the amount originally invested due to pricing. The Responsible Entity may also adjust for any tax or duties and administration expenses and transaction costs associated with the acquisition and termination of their investment. Indirect Investors should consult the IDPS Operator about any cooling off rights they may have.

## 10.2 Gearing and interest cover policy

The Responsible Entity maintains and complies with a written policy that governs the Fund's level of gearing and interest cover at a Fund and individual debt facility level. To obtain a copy of the Responsible Entity's gearing policy, please contact the Responsible Entity.

Debt facilities will be provided by major Australian or international financial institutions with security granted against the Property Investments by a first-ranking mortgage and security interests over Fund assets in priority, but with no recourse to Investors. The Responsible Entity will aim to enter into debt facilities where the maximum allowable loan-to-value ratio and minimum allowable interest cover ratio provide sufficient headroom to minimise the likelihood of these covenants being breached. Interest expenses of the Fund will not be capitalised in the ordinary course of business.

## 10.3 Gearing Ratio

The Gearing Ratio indicates the extent to which the Fund's assets are funded by borrowings. The Gearing Ratio gives an indication of 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 the value of the Property Investments. A higher Gearing Ratio means a higher reliance on external liabilities to fund assets and exposes the Fund to increased funding costs if interest rates rise. A highly geared investment

has a lower asset buffer to rely on in times of financial stress. Regulatory Guide 46 requires the Gearing Ratio to be calculated as:

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

The Fund may also be exposed indirectly to gearing because a Property Trust in which it invests may use borrowings to acquire properties. The Responsible Entity calculates the gearing of the Fund taking into account the Fund's share of assets and liabilities of all underlying Property Trusts. This is known as the Look Through Gearing Ratio. The Responsible Entity aims to maintain the Look Through Gearing Ratio for the Fund at no more than 55% and will not acquire any Property Investments which, at the time of acquisition, would result in a Look Through Gearing Ratio for the Fund above 55%. However, if the value of the Fund's assets falls, then in those circumstances it is possible the Look Through Gearing Ratio may exceed 55%. In these circumstances the Responsible Entity may take steps to reduce gearing by either raising new capital or selling assets. The Responsible Entity does not take into account the gearing of any investment the Fund may have in A-REITs in calculating the Look Through Gearing Ratio.

The Responsible Entity has a Look Through Gearing Ratio target for the Fund of between 35% and 45%. Gearing may temporarily exceed the target to complete the acquisition of Property Investments or other investments with subsequent capital raised from new Investors being used to reduce the Fund's gearing in line with the gearing target. Gearing may also be lower from time to time if the Responsible Entity determines it is prudent to do so. However, the maximum Look Through Gearing Ratio for the Fund is 55%.

For further information about the Fund's borrowings and level of gearing, see 'RF CorVal Property Fund – ASIC Benchmarks and Disclosure Principles' which is available on the Fund Website and a copy of which may be obtained from the Responsible Entity, on request, at no charge.

## 10.4 Interest cover

Interest cover measures the ability of the Fund to meet its interest payments on debt finance from its earnings. The level of interest cover gives an indication of the Fund's financial health, in paying both interest to debt finance providers and distributions to Investors. It is a key measure of the risks associated with the Fund's debt finance and the sustainability of debt refinancing.

The lower the interest cover ratio, the higher the risk that the Fund will not be able to meet its interest payments. A Fund with a low interest cover ratio 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.

Regulatory Guide 46 requires the interest cover ratio to be calculated as:

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

For further information about the Fund's Interest Cover Ratio, see 'RF CorVal Property Fund – ASIC Benchmarks and Disclosure Principles' which is available on the Fund Website and a copy of which may be obtained from the Responsible Entity, on request, at no charge.

The Responsible Entity intends to Fund interest payments from income received by the Fund and does not intend to capitalise any interest payments.

## 10.5 Related party transactions

There are a number of related party transactions described in this PDS in relation to the Fund.

The Responsible Entity may also seek professional services for the Fund from qualified service providers, including from related parties of the Responsible Entity. The fees for these services will be charged at normal commercial rates to the Fund. The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval process for such transactions and arrangements to manage conflicts of interest. All transactions in which the Responsible Entity may have, or may be perceived to have, a conflict of interest will be conducted in accordance with the Responsible Entity's related party transactions policy. Under this policy, the Responsible Entity may be required to disclose conflicts of interest to Investors 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.

For further information on the Responsible Entity's policy on related party transactions, including the key elements of the policy, refer to the 'RF CorVal Property Fund – ASIC Benchmarks and Disclosure Principles' document, which is available on the Fund Website and a copy of which may be obtained from the Responsible Entity, on request, at no charge.

## 10.6 Asset allocation protocols

RF CorVal manages a number of managed investment schemes. Once RF CorVal has sourced a particular asset, it follows formal procedures to ensure that the asset is offered to the most appropriate fund based on the relevant mandates. This means that assets sourced by RF CorVal may not be exclusively offered to the Fund.

In the circumstance where the Fund is not offered the opportunity to acquire a 100% direct interest in a property and that property is acquired by another RF CorVal Property

Trust, RF CorVal intends to make available a minimum of 20% of the units in that Property Trust to the Fund, for its consideration.

## 10.7 Valuation policy

The Responsible Entity maintains and complies with a written valuation policy which requires that:

- a. before a property is acquired, it is independently valued;
- b. the Fund's properties are valued every twelve months (or within two months after the Directors form a view that there is a likelihood there has been a material change in the value of the property) or more frequently if the requirements of the Fund's debt providers require it;
- c. independent valuers be acceptable to the Fund's debt providers (if any), be registered or licensed and provide valuations which comply with all relevant industry standards and codes; and
- d. independent valuers must be rotated such that the same independent valuer cannot value an asset for more than three times consecutively.

To obtain a copy of the Responsible Entity's valuation policy, please contact the Responsible Entity.

## 10.8 Disclosure and reporting

The Fund is a disclosing entity, and the Fund is therefore be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from ASIC. Investors have a right to obtain a copy of the following documents, that are accessible via the Investor Portal:

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

The Responsible Entity will meet its continuous disclosure requirements by way of website disclosure which complies with ASIC's good practice guidance and accords with industry best practice. The reports the Responsible Entity will make available to Investors via the Investor Portal will include the following:

- a. Distribution statements or statements of account and transaction summaries.
- b. Investment and withdrawal notices (for all account movements).
- c. Annual tax statements and annual periodic statements.
- d. Other information that may be shared with you via post or electronically.

Investors may also use the Fund Website to keep track of the Unit Price, current information on the Property Investments and other important information about the Fund.



## 10.9 Complaints handling

The Constitution contains provisions governing the procedures for dealing with complaints by Investors. The Responsible Entity has procedures in place to properly consider and deal with any complaints received from Investors. If you have a complaint you can make your complaint by contacting us as follows:

Complaints Handling Officer CorVal Partners Limited  
Level 9, 60 Castlereagh Street  
Sydney NSW 2000  
Telephone: +61 2 8203 8400 Email: [info@corval.com.au](mailto:info@corval.com.au)

The Complaints Handling Officer will, on behalf of the Responsible Entity, ensure your complaint is acknowledged in writing immediately or as soon as practicable, and will ensure that it receives proper consideration. Where possible, the Responsible Entity will attempt to resolve a complaint at the first point of contact.

If this is not possible, then the complainant will be notified that their complaint is being investigated and advised of the revised expected resolution date. Within 30 days of receiving the complaint, the Responsible Entity is required to communicate to the complainant its final proposal for resolution. If resolution of the complaint is not possible within 30 days, then the Responsible Entity will give you an update on the status of your complaint, reasons for the delay and your further rights regarding your complaint.

The Responsible Entity is also a member (no. 12784) of the Australian Financial Complaints Authority (AFCA), an external complaints resolution service that has been approved by ASIC. If you are dissatisfied with our response, then you may raise the matter with AFCA.

AFCA's contact details are as follows:

Australian Financial Complaints Authority GPO Box 3  
Melbourne VIC 3001  
Telephone: 1800 931 678 (free call) Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [afca.org.au](http://afca.org.au)

## 10.10 FATCA and CRS

Foreign Account Tax Compliance (FATCA) is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities. If you are a US resident for tax purposes, then you should note that the Fund is or is expected to be a 'Foreign Financial Institution' under FATCA and it intends to comply with its FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Investors to the ATO.

In order for the Fund to comply with its obligations, the Responsible Entity will also request that you provide certain information about yourself, including your US Taxpayer Identification Number (TIN). The Responsible Entity will only use such information for this purpose if required to do so.

The Fund is also required to separately collect and report financial account information for all non-resident Investors and certain entities with non-resident controlling persons under the Common Reporting Standard (CRS) to the ATO. The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. Under CRS, the Fund may need to collect and report financial account information of non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents. To assist us in complying with these obligations, the Responsible Entity may request certain information from you.

## 10.11 Privacy

By completing an Application Form, you are providing personal information to the Responsible Entity and the Registry, which is contracted by the Responsible Entity to manage Applications. The Responsible Entity and the Registry on their behalf, collect, hold and use that personal information to process your Application, service your needs as a holder of Units, provide facilities and services that you request and carry out appropriate administration.

Once you become an Investor, the Corporations Act and Australian taxation legislation requires information about you (including your name, address and details of the Units you hold) to be included in the Register. The information must continue to be included in the Register if you cease to be an Investor. If you do not provide all the information requested, your Application Form may not be able to be processed. The Responsible Entity and the Registry may disclose your personal information for purposes related to your investment to their agents and service providers.

Information contained in the Register is also used to facilitate distribution payments and corporate communications (including financial results and annual reports and other information that the Responsible Entity may wish to communicate) and compliance by the Responsible Entity with legal and regulatory requirements.

You can request access to your personal information or obtain further information about the Responsible Entity's privacy practices by contacting the Registry. You may be required to pay a reasonable charge to the Registry in order to access your personal information. The Responsible Entity will aim to ensure that the personal information it retains about you is accurate and up-to-date. To assist with this, please contact the Registry if any of the details you have provided change.

If you establish that information held about you is not accurate or up-to-date, then the Responsible Entity will take reasonable steps to correct it. In accordance with the requirements of the Corporations Act, information on the Register will be accessible by members of the public.

If you do not consent to the Responsible Entity using or disclosing your personal information in these ways, please notify the Registry at:

Boardroom Pty Ltd  
GPO Box 3993  
Sydney NSW 2001  
Telephone: 1300 737 760

It is important that you contact the Responsible Entity because, by investing in the Fund, you will be taken to have consented to these uses and disclosures.

## 10.12 Consents

The entities listed below, together with all relevant RF CorVal group entities, have given, and have not, before the date of this PDS, withdrawn their consent to be named in this PDS in the form and context in which they are named:

- The Custodian
- The Registry
- The Auditor

None of these entities has authorised or caused the issue of this PDS and nor are they responsible for any particular part of it.

# 11.0 Glossary

The following terms, when used in this PDS, have the meanings set out in the following table:

Term	Meaning
\$	Australian dollars
Abnormal Expenses	Expenses not generally incurred during the day-to-day operation of the Fund and not necessarily incurred in any given year. These expenses are due to abnormal events and include (but are not limited to) the cost of convening and hosting a meeting of Investors, legal costs incurred by changes to the Constitution or commencing or preparing a new offer document for the Fund, defending legal proceedings, and costs incurred in selling assets of the Fund.
Acquisition Unit	An Acquisition Unit in the Fund as described in Section 5.7.
AFSL	Australian financial services licence.
AMIT	Attribution Managed Investment Trust.
Application	An Application for Units under the Offer described in this PDS.
Application Form	Each of the paper and electronic Application forms attached to, or accompanying, this PDS upon which an Application may be made.
Application Money	The money paid by an applicant for Units.
A-REIT	Australian real estate investment trust.
ASIC	Australian Securities and Investments Commission.
ATO	Australian Taxation Office.
Business Day	A day on which the ASX is open for trading in securities and banks are open for general business in Sydney, NSW.
CGT	Capital gains tax.
Closing Date	Unless varied by the Responsible Entity, the earlier of 31 March 2022 and the date the Minimum Amount is raised.
Compliance Plan	The compliance plan of the Fund.
Constitution	The Constitution of the Fund as amended from time to time.
Corporations Act	Corporations Act Corporations Act 2001 (Cth).
Custodian	Perpetual Corporate Trust Limited ABN 99 000 341 533.
Custody Agreement	The agreement between the Responsible Entity and the Custodian in relation to the appointment of the Custodian.



Term	Meaning
Direct Property	The properties wholly owned either directly by the Fund or via a sub trust as opposed to the Fund holding an interest in a Property Trust.
Director	A director of the Responsible Entity.
DRP	Distribution reinvestment plan.
ESG	Environmental, social and governance.
Fund	RF CorVal Property Fund ARSN 656 171 158.
Fund Expenses	Has the meaning given to the term in the Management Agreement which can be summarised as the ordinary expenses of operating the Fund. It excludes Abnormal Expenses.
Fund Website	corval.com.au/CPF
Gearing Ratio	The number calculated in accordance with the formula set out in Section 10.3.
Gross Asset Value	The gross value of the assets of the Fund.
GST	Goods and services tax.
IDPS	Investor directed portfolio service.
IDPS Operator	The trustee, custodian or operator of an IDPS.
Indirect Investor	An Investor who invests through an IDPS.
Investor	A holder of a Unit in the Fund.
Investor Portal	www.investorserve.com.au
IRR	Internal rate of return after taxes and management fees (but before performance fees).
IRR Benchmark	Initially an IRR of 8% per annum which can be adjusted pursuant to Section 8.3.1(f).
Limited Withdrawal Facility	The limited withdrawal facility which the Responsible Entity intends to Offer monthly as described in Section 5.8.
Look Through Gearing Ratio	The Gearing Ratio calculated to incorporate the Fund's proportionate share of any debt held in Property Trusts into which the Fund invests.
Manager	CorVal Partners Limited ACN 130 628 830 the holder of AFSL No. 326118.
MIT	Managed Investment Trust.

Term	Meaning
Month	A calendar month.
Mortgage Funds	Means a managed investment scheme which as its core business lends funds to borrowers where the loan is secured against real property.
NAV	Net asset value.
Offer	The invitation to subscribe for Units pursuant to this PDS.
PDS	Product disclosure statement.
Periodic Liquidity Facility	The withdrawal facility which the Responsible Entity intends to Offer every five years as described in Section 5.9.
Property Investment	Any investment in property whether a held as Direct Property or via an investment in a Property Trust.
Property Trust	Another trust in which the Fund invests that has or will invest in real property, which may be managed or operated by RF CorVal.
Quarter	Each three-month period ending each March, June, September and December.
Register	The register of members of the Fund.
Registry	Boardroom Pty Limited ACN 003 209 836.
Regulatory Guide 46	ASIC Regulatory Guide 46 - Unlisted disclosing entities: Improving disclosure for retail investors.
Responsible Entity	CorVal Partners Limited ACN 130 628 830 the holder of AFSL No. 326118.
RF CorVal	The collective entities of CorVal Partners Limited ACN 130 628 830.
RF Group	Companies affiliated with RF CorVal
TFN	Tax file number.
Unit	An ordinary unit in the Fund.
Unit Price	The prevailing unit price of the Fund calculated in accordance with the Constitution as described in Section 5.3.

# 12.0 How to Invest

## Application Instructions

Should you wish to apply for Units in the Fund, please go to the Fund Website at [corval.com.au/CPF](http://corval.com.au/CPF) to complete and submit the online Application Form.

**PLEASE NOTE:** 100% of the Application amount is due at the time of Application.

Once you have completed the online Application Form you will receive an email confirming your Application and payment transfer details to finalise your investment.

The Application Form clearly outlines all the necessary documents required to complete your Application.

We highly recommend applying through our user-friendly online Application system. However, should you wish to complete a hard copy of the Application Form please contact RF CorVal – Investor Services on +61 2 8203 8400 or email [investors@corval.com.au](mailto:investors@corval.com.au).

A copy of the Constitution is also available upon request.

## Postal Applications

Should you obtain a hard copy of the Application Form from RF CorVal, please follow the instruction on this form to complete your Application.

The Application Form clearly outlines all the necessary documents required to complete your Application.

## Further Information

If you need help with your Application, please contact us or Registry between 8:30am and 5:30pm (Sydney time) on:  
**RF CorVal - Investor Relations:** +61 8203 8400 or email [investors@corval.com.au](mailto:investors@corval.com.au)  
**Boardroom - Registry:** 1300 737 760







## **DIRECTORY**

### **RESPONSIBLE ENTITY**

CorVal Partners Limited  
ABN 86 130 628 830  
Level 9, 60 Castlereagh Street  
Sydney NSW 2000

### **CUSTODIAN**

Perpetual Corporate Trust Limited  
ABN 99 000 341 533  
Level 18, 123 Pitt Street  
Sydney NSW 2000

### **REGISTRY**

Boardroom Pty Ltd  
ABN 14 003 209 836  
GPO Box 3993  
Sydney NSW 2001

### **AUDITOR**

Deloitte Touche Tohmatsu  
ABN 74 490 121 060  
Grosvenor Place, 225 George Street  
Sydney NSW 2001

### **LEGAL ADVISER**

McMahon Clarke  
Level 7, 100 Creek Street  
Brisbane QLD 4000