

Pennington Cliffs Property Trust

Supplementary Information Memorandum

17 October 2024

IMPORANT INFORMATION

This supplementary information memorandum dated 17 October 2024 (**Supplementary IM**) supplements the Information Memorandum for the Pennington Cliffs Property Trust (Fund) dated 14 November 2023 (**IM**) and is issued by Vasco Custodians Pty Ltd ACN 644 232 539 AFSL 530682 (**Vasco**).

This Supplementary IM should be read together and construed together with the IM.

A number of defined terms are used in this Supplementary IM, the meaning of these terms is explained in section 11 (**Glossary**) of the IM.

To the extent that there is any inconsistency between any statement contained in this Supplementary IM and any other statement contained in the IM or in any information or in any document incorporated by reference into, and forming part of, the IM, the statements contained in this Supplementary IM will prevail.

The Investment Manager has prepared this Supplementary Information Memorandum to amend the IM to reflect that the Pelligra Group have not taken the option to convert their loan to equity in the project and that the joint venture agreement with Pelligra has been terminated. This Supplementary Information sets out the following important changes to the Information Memorandum:

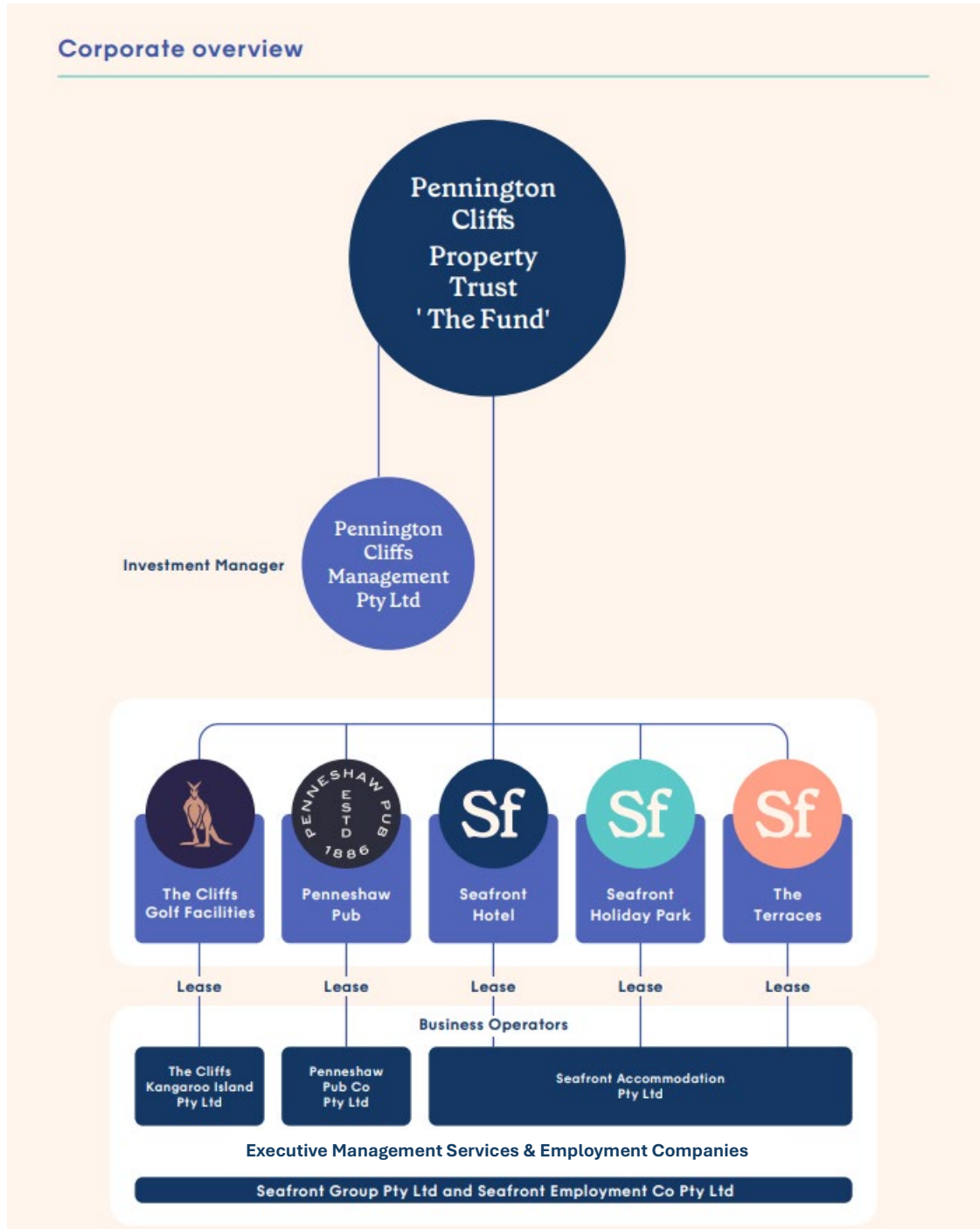
1) Page 8. **CORPORATE STRUCTURE**

Paragraphs 3, 4 and 5 are now removed and replaced with the following new information.

The corporate structure has been updated to reflect the termination of the joint venture agreement with the Pelligra Group. As a result, Pelligra Group will no longer hold a 30% ownership stake in the assets currently managed by the Fund. The Joint Venture Company, Kangaroo Island Investment Group Pty Ltd, which was previously owned 70% by the Fund and 30% by Pelligra, has been dissolved. Furthermore, Pelligra will no longer have the first right of refusal on the construction phases of future developments. A revised corporate structure is reflected on Pages 9 and 15. The expiry date of the loan agreement with Pelligra has been extended until 31 December 2025. The Investment Manager intends to seek additional funding to pay out the Pelligra loan on or before this date.

3) Page 9. CORPORATE STRUCTURE

The simplified snapshot of the broader corporate structure has been updated as per below.



4) Page 15. INVESTMENT SNAPSHOT

The 'Assets under Management' table has been updated with the removal of 'Kangaroo Island Investment Group Pty Ltd (Joint Venture company), ACN: 667 571 020 - Manages the joint venture agreement and cash distribution between the current shareholders' from the 'Companies' section of the table. It now reads as follows:

Assets under management		
Asset	Detail	Purpose
The Cliffs Kangaroo Island	Lots 6, 7, 8, 15 and 16 Cathers Road, Pelican Lagoon, SA 5222	Develop and construct a world class golf course & associated facilities and amenities.
	Lot 500-501 and Lot 2, Pelican Lagoon, Kangaroo Island, SA 5222	Approvals for: <ul style="list-style-type: none"> 18-hole championship golf course Clubhouse & restaurants Pro-shop & retail Accommodation Practice facilities
	Lot 22 Hog Bay Road, Pelican Lagoon, SA 5222	Target opening date set for mid to late 2025.
	Title Reference: Volume: 5966 Folio: 24-25 Volume: 6171 Folio: 733-735 & 737-738 Volume: 5495 Folio: 701	
	Land Area: 286.554 Hectares (approx)	
Penneshaw Pub & Bottleshop	11 Thomas Wilson Street, Penneshaw, Kangaroo Island, 5222	Seaside Pub and Bottleshop with sea views back to the mainland and good development potential
	Title Reference: Volume: 6121 Folio: 33	<ul style="list-style-type: none"> Pub Bottleshop Front & Sports Bar Restaurant – indoor & outdoor – 120 covers Beer garden Gaming – 10 allocation / 8 machines
	Land Area: 1,011 m ² (approx)	
Seafront Hotel	49 North Terrace, Penneshaw, Kangaroo Island, SA, 5222	4 star hotel with significant land and development opportunities
	Title Reference: Volume: 5625 Folio: 895 Volume: 5625 Folio: 896 Volume: 5625 Folio: 897 Volume: 5625 Folio: 898 Volume: 5625 Folio: 899 Volume: 5625 Folio: 566	<ul style="list-style-type: none"> 26 rooms Restaurant – The Kiosk Penneshaw Function facilities Mini golf Electric charging station
	Land Area: 6,316 m ² (approx)	
Seafront Holiday & Caravan Park	8 Frenchman's Terrace, Penneshaw, Kangaroo Island, SA, 5222	Holiday & Caravan Park in Penneshaw with world class views and room for development.
	Title Reference: Volume: 5895 Folio: 302	<ul style="list-style-type: none"> 20 rooms 12 powered sites Toilet and laundry amenities Managers House
	Land Area: 1.512 Hectares (approx)	
The Terraces	70 - 78 Bayview Road, American River, Kangaroo Island, SA 5221	Staff and long-term stay accommodation.
	Title Reference: Volume: 6111 Folio: 796 Volume: 6111 Folio: 797 Volume: 6114 Folio: 420	<ul style="list-style-type: none"> 8 self-managed units
Companies		
Penneshaw Pub Pty Ltd	ACN: 153 550 602	Operates Penneshaw Pub, Bottleshop and The Kiosk Penneshaw.
Seafront Accommodation Pty Ltd	ACN: 656 175 503	Operates the Seafront Hotel, Seafront Holiday Park and the Terraces.
The Cliffs Kangaroo Island Pty Ltd	ACN: 637 763 761	Profit share agreement - see Cap and Collar definition on page 14

5) Page 16. **INVESTMENT SNAPSHOT**

The 'Fund Management & Key Stakeholders' table has been updated with the removal of 'Joint Venture Partner' and 'Joint Venture Company'. It now reads as follows:

Fund Management & Key Stakeholders	
Role	Entity
Trustee	Vasco Custodians Pty Ltd (ACN: 644 232 539) aff Pennington Cliffs Property Trust - Golf Land
Sub Trusts: The Fund's major assets are owned in sub-trusts named PCPT 1 to 4 Unit Trusts. In due course, the golf land may be transferred to a new sub-fund (PCPT 5 Unit Trust), so that all assets are in separately identifiable unit trusts. This structure assists in ensuring a more efficient and effective use of resources with regards to future development and / or sale of each asset.	DHF Investment Services Pty Ltd (ACN: 644 231 158) aff: PCPT 1 Unit Trust - The Terraces PCPT 2 Unit Trust - Penneshaw Pub PCPT 3 Unit Trust - Seafront Holiday Park PCPT 4 Unit Trust - KI Seafront Hotel
Administration Manager	Vasco Funds Services Pty Limited ACN: 610 512 331
Investment Manager	Pennington Cliffs Management Pty Ltd ACN: 648 320 512
Executive Management Group	Seafront Group Pty Ltd ACN: 653 789 701
Bank	CBA
Project Manager & Operator – Golf project	The Cliffs Kangaroo Island Pty Ltd ACN: 637 763 761
Golf Course Architect	Planet Golf
Golf Course Builder	Programmed Turnpoint
Golf Clubhouse & Accommodation Architect	Walter Brooke
Group Accountant	C+L Accounting
Group Legal	Norman Waterhouse

6) Page 31. **9.38 Borrowing risk**

The first paragraph is to be amended to read as follows:

“It is proposed that finance will be obtained from one or more Australian financial institutions and/or other financiers, or from additional capital raisings or placements. Each finance facility is likely to contain lending covenants and review requirements. If any of the facilities are not renewed or additional conditions are imposed, or if sufficient funding cannot be obtained, this may impact returns to investors.”

Application Form

Pennington Cliffs Property Trust



Use this application form if you wish to invest in:

Pennington Cliffs Property Trust

The Supplementary Information Memorandum (SIM) for the Pennington Cliffs Property Trust (Fund) dated 17 October 2024 and the Information Memorandum (IM) dated 14 November 2023, includes information about purchasing Units in the Fund. Any person who gives another person access to this Application Form must also give the person access to the IM and any incorporated information. You should read the SIM, IM and any incorporated information before completing this application form.

The trustee of the Fund is Vasco Custodians Pty Ltd ACN 644 232 539 (Vasco). Vasco or a financial adviser who has provided an electronic copy of the SIM, IM and any incorporated information, will send you a paper copy of the SIM, IM and any incorporated information and application form free of charge if you so request.

Customer identification

If you are a new investor, you are also required to complete the relevant Customer Identification Form depending on what type of investor you are e.g., individual or super fund. The Customer Identification Forms are available on our website www.vascofm.com or by calling our Investor Services team on 03 8352 7120.

Australia's Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) legislation obliges us to collect identification information and documentation from prospective investors.

Investors are required to complete this Application Form together with the relevant Customer Identification Form and send these to us with the required identification documentation. We will not be able to process your Application without a correctly completed Customer Identification Form and the required identification documentation.

Important Information for Financial Advisers

When using this Customer Identification Form, please complete Sections 1 or 2 and 3.

If you are a financial adviser who has identified and verified the investor, by completing this Customer Identification Form together with Section 11 and the verification procedure and in the consideration of Vasco accepting the investor's application:

- you agree to identify and verify the investor using this Customer Identification Form for new investors;
- you agree to retain a copy of the completed forms and all identification documents received from the investor in the investor's file for seven (7) years after the end of your relationship with the investor;
- you agree to advise Vasco in writing when your relationship with the investor is terminated and agree to promptly provide Vasco all identification documents and/or the record of identification received from the investor at this time, or as otherwise requested from Vasco, from time to time.

Contact details

Mail your completed application form and identity verification documents to:

Vasco Fund Services Pty Limited
Level 4, 99 William Street
Melbourne VIC 3000

If you have any questions regarding this form or the required Customer Identification requirements, please contact our Investor Services team on 03 8352 7120.

Checklist

Before sending us your application please ensure you have:

- completed this Application Form in full;
- for new investments, completed the relevant 'Identity Verification Form' available on our website www.vascofm.com;
- if paying via direct debit, completed section 10 ensuring ALL bank account signatories have signed;
- if paying via cheque, ensure cheque is made payable to 'Vasco Custodians Pty Ltd ATF Pennington Cliffs Property Trust' and attach it to this application form; and
- read the declaration and provided all relevant signatures.

4. Contact details

This is the address where all correspondence will be sent.

Contact person	<input type="text"/>																								
Unit number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Street number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>																
Street name	<input type="text"/>																								
Suburb	<input type="text"/>																								
State	<input type="text"/>	<input type="text"/>	<input type="text"/>	Postcode	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>																	
Country	<input type="text"/>																								
Phone (after hours)	<input type="text"/>												Phone (business hours)	<input type="text"/>											
Mobile	<input type="text"/>												Facsimile	<input type="text"/>											
Email	<input type="text"/>																								

5. Tax information

It is not against the law if you choose not to give your TFN or exemption reason, but if you decide not to, tax may be taken out of your distributions at the highest marginal tax rate (plus Medicare levy).

5a. Individual investor or entity

5b. Investor 2 (joint investors)

TFN	<input type="text"/>	TFN	<input type="text"/>
Tax exemption	<input type="text"/>	Tax exemption	<input type="text"/>
ABN	<input type="text"/>		

5c. Non-residents

If you are an overseas investor, please indicate your country of residence for tax purposes.

6. Investment allocation and payment options

Please indicate how you will be making your new or additional investment and the amount you wish to invest.

I/we are making my/our investment via:

Direct Credit/EFT → see below.

Bank Cheque → make cheque payable to 'Vasco Custodians Pty Ltd ATF Pennington Cliffs Property Trust'.

Fund name	Initial investment
Pennington Cliffs Property Trust	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/> <input type="text"/>

The minimum initial investment is \$100,000.

Cheque Instructions: Bank Cheques or drafts must be made payable to Vasco Custodians Pty Ltd ATF Pennington Cliffs Property Trust. Only cheques or drafts in Australian currency and drawn on an Australian bank will be accepted. Your cheque(s) should be crossed NOT NEGOTIABLE. Mail or deliver your completed Application Form with your cheque(s) to:

Vasco Fund Services Pty Limited
Level 4, 99 William Street
Melbourne VIC 3000
P +61 3 8352 7120 F +61 3 8352 7199 E info@vascofm.com

Direct Credit / EFT Instructions

Alternatively you can direct credit your application funds to:
Vasco Custodians Pty Ltd ATF The Pennington Cliffs Property Trust
Macquarie Bank
BSB 182 512
Account number 969206945
Swift Code - MACQAU2SXXX
Please note the applicants' name when transferring the funds.
Please ensure all funds transferred are net of all bank charges.

10. Declaration and applicant(s) signature(s)

Please read the declarations below before signing this form. The signatures required are detailed at the bottom of this Application Form. I/We declare that:

- all details in this Application Form and all documents provided are true and correct and I/we indemnify Vasco against any liabilities whatsoever arising from acting on any of the details or any future details provided by me/us in connection with this application;
- I/we have received a copy of the current SIM, IM and all information incorporated into the SIM, IM to which this application applies and have read them and agree to the terms contained in them and to be bound by the provisions of the SIM, IM (including the incorporated information) and current Trust Deed of the Fund (each as amended from time to time);
- I/we have legal power to invest in accordance with this application and have complied with all applicable laws in making this application;
- I/we have received and accepted this invitation to subscribe for units in the Fund in Australia and represent and warrant to Vasco that I/We are permitted to invest in the Fund without Vasco obtaining any further authorisation, registration or certification in any country other than Australia and agree to indemnify Vasco for any loss suffered if this warranty is untrue;
- the details of my/our investment can be provided to the adviser group or adviser named at the end of this form or nominated by them by the means and in the format that they direct;
- if this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it);
- sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company;
- I/we acknowledge that if Vasco reasonably believes an email or facsimile communication it receives is from me/us Vasco is entitled to rely on that email or facsimile communication and will not be liable for any loss it may suffer if it is later found the email or facsimile communication was fraudulent.
- unless alternative authority for signature is notified to and accepted by Vasco, the person/persons that signs/sign this form is/are able to operate the account on behalf of the company and bind the company for future transactions, including in respect of additional deposits and withdrawals, including withdrawals by telephone and fax;
- I/we acknowledge that I/we have read and understood the information under the headings 'Privacy' in the relevant IM. I am/We are aware that until I/we inform Vasco otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading and I/we have consented to my/our financial adviser providing such further personal information to Vasco as is required or reasonably deemed necessary by Vasco under applicable law;
- I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible use or disclosure of my/our information as detailed on the SIM, IM, my/our application may not be accepted by Vasco and we agree to release and indemnify Vasco in respect of any loss or liability arising from its inability to accept an application due to inadequate or incorrect details having been provided;
- I/we acknowledge that none of Vasco, or any other member of Vasco or any custodian or investment manager, guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution;
- I/we are bound by the Trust Deed of the Fund and that an application for Units is binding and irrevocable;
- I/we have not relied on statements or representations made by anybody, other than those made in the SIM, IM;
- I/we agree and acknowledge no cooling off period applies and I/we have had the opportunity to seek independent professional advice on subscribing for Units;
- I/we agree and acknowledge Vasco is required to comply with the anti-money laundering laws in force in a number of jurisdictions (including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS)) and I/we must provide Vasco with such additional information or documentation as Vasco may request of me/us, otherwise my/our Application for Units may be refused, Units I/we hold may be compulsorily redeemed, and any disposal request by me/us may be delayed or refused and Vasco will not be liable for any loss arising as a result thereof;
- I/we have provided a tax file number, and if not, I/we consent to Vasco withholding tax at the highest marginal tax rate;
- I/we acknowledge and agree to having read and understood the risks of investing in the fund as described in the SIM, IM and understand that the risks associated with the Fund's investments may result in lower than expected returns or the loss of my/our investment;

I/We also warrant and acknowledge that:

- All information contained in my/our Application is true and correct;
- I/we are not a Politically Exposed Person (PEP) as defined by the AML/CTF legislation;
- I/we are not a United States citizen or resident of the United States for tax purposes, nor am/are I/we subject to the reporting requirements of FATCA;
- I/we are a "wholesale client" for the purposes of section 761G of the Corporations Act and relevant information has been provided to confirm this and by investing in this Fund I/we will not cause any breach of the Corporations Act by or for Vasco;
- if the Applicant is a SMSF, it is compliant and investing in this Fund complies with the Superannuation Industry Supervision Act 1993 (Cth); and
- I/we hold the appropriate authorisations to become an Investor in the Fund and that offer cannot be revoked.

10. Declaration and applicant(s) signature(s) (continued)

Refer to list of signatories on the relevant sections of this application form.

Investor 1 / Signatory 1

Signature Date / /

Surname

Given name(s)

Capacity Sole Director Director Trustee Other

Investor 2 (joint investors) / Signatory 2

Signature Date / /

Surname

Given name(s)

Capacity Director Company Secretary Trustee Other

Signing Authority

Please tick to indicate signing requirements for future instructions (e.g., withdrawals, change of account details, etc.)

- Only one required to sign.
- All signatories must sign.

PLEASE NOTE: All signatories must provide certified copies of their drivers' license or passport in addition to any identification documents required by the Customer Identification Form required for the Investor.

11. Adviser use only

By submitting this form with this section completed by your advisor you consent to your advisor receiving information about your investment in the Fund.

Office name

Surname

Given name(s)

Title (Mr/Mrs/Miss/Ms)

Phone (business hours)

Advisor group email

Advisor group name

Advisor group AFSL

Advisor Signature Date / /

ADVISER STAMP

Important notes

This application must not be handed to any person unless the relevant SIM, IM and access to the information incorporated into the SIM, IM is also being provided. Vasco may in its absolute discretion refuse any application for Units. Persons external to Vasco or other entities who market Vasco products are not agents of Vasco but are independent investment advisers. Vasco will not be bound by representations or statements which are not contained in information disseminated by Vasco. Application monies paid by cheques from investment advisers will only be accepted if drawn from a trust account maintained in accordance with the Corporations Act.

Signatories

The table below provides guidance on completing the Declaration and applicant(s) signature's section of the application form. Before signing the application form, please ensure you have read the declaration.

Type of investor	Names required	Signature required	TFN/ABN to be provided
Individual and/or joint investors	i. Full name of each investor (please do not use initials).	Individual investor's; or each joint investor's	Individual investor's; or each joint investor's
Sole trader	i. Full name of sole trader; and ii. Full business name (if any).	Sole trader's	Sole trader's
Australian or foreign company	i. Full company name as registered with the relevant regulator; and ii. Name of each director of the company; and iii. Full name of each beneficial owner*	i. Sole director's; or ii. Two directors'; or iii. One director's and company secretary's	Company's
Trust/Superannuation fund If you are investing on behalf of a superannuation fund, we will assume the superannuation fund to be a complying fund under the Superannuation Industry (Supervision) Act.	i. Full trust/superannuation fund name (e.g., Michael Smith Pty Ltd ATF Michael Smith Pty Ltd Super Fund); and ii. Full name of the trustee(s) in respect of the trust/super fund. Where the trustee is an individual, all information in the 'Individual and Sole Traders' section must be completed. If any of the trustees are an Australian company, all information in the 'Australian company' section must also be completed; and iii. Names of beneficiaries (if identified in Trust Deed). iv. Full name of the settlor** v. Full name of each beneficial owner	Individual trustee(s) 'as trustee for' If any of the trustees are an Australian company, the signatures set out in the 'Australian company' section are also required.	Superannuation fund's or trust's
Account designation	Name of the responsible adult, as the investor.	Adult(s) investing on behalf of the person/minor	Adult(s)
If the investment is being made under Power of Attorney (POA) Please ensure an original certified copy of the POA is attached to the application form. Each page of the POA must be certified.	i. Full name of each investor(s) (as listed in section 3); and ii. Full name of person holding POA (underneath signature).	Person holding Power of Attorney In the case that the POA document does not contain a sample of the POA's (i.e. Attorney's) signature, please provide a certified copy of either the POA's driver's licence or passport containing a sample of their signature.	Individual investor's; or each joint investor's

* Beneficial owner means an individual who ultimately owns or controls (directly or indirectly) the investors. Owns mean ownership (either directly or indirectly) of 25% or more of the investor.

**This is not required in some circumstances.

Seafront Group

Information Memorandum

Pennington Cliffs Property Trust

Kangaroo Island, South Australia



Trustee

Vasco Custodians Pty Ltd
ACN 644 232 539

Investment Manager

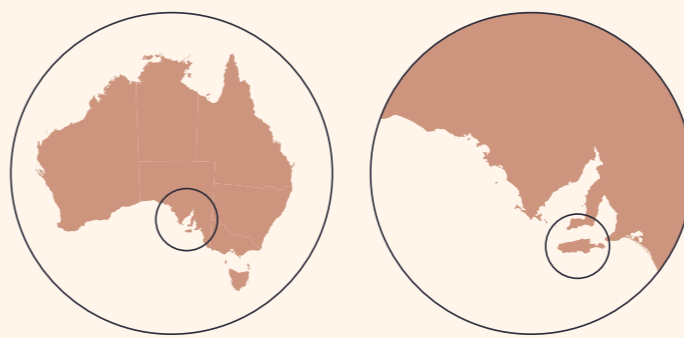
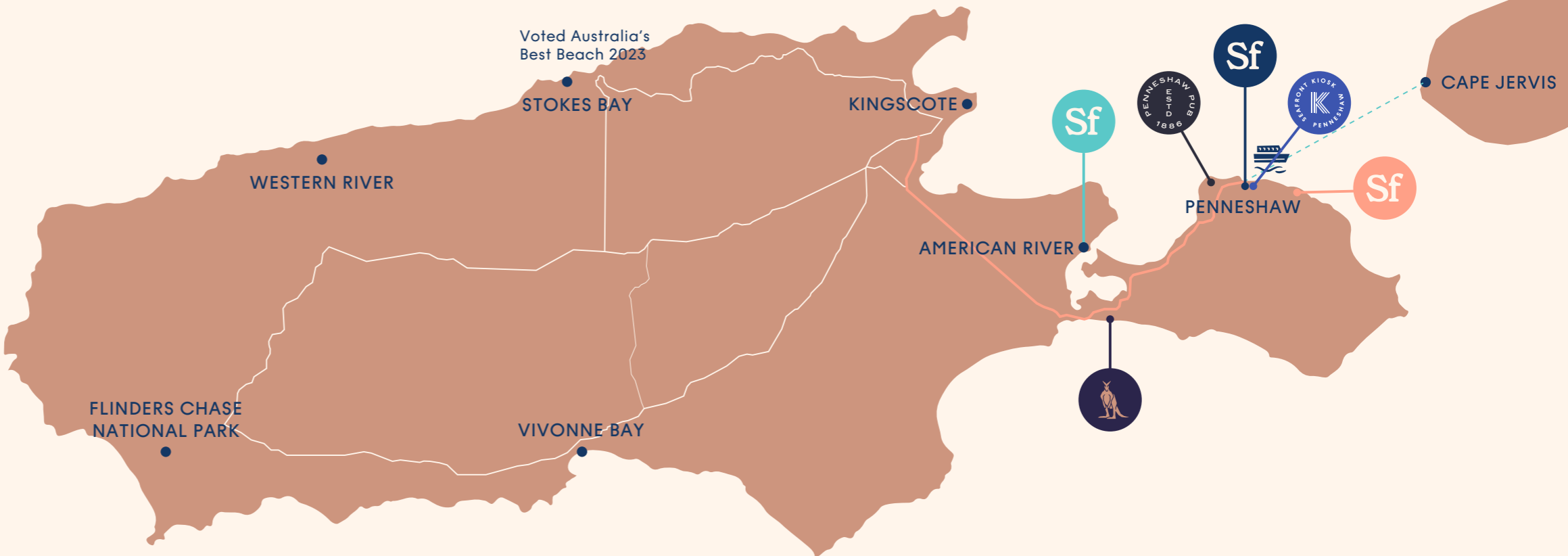
Pennington Cliffs Management Pty Ltd
ACN 648 320 512

Administrator







Vasco Fund Services Pty Limited
ACN 610 512 331

Contents

- 1. Executive Summary 4
- 2. The Opportunity 6
- 3. Corporate Structure 8
- 4. Environment and Sustainability 10
- 5. Cultural Heritage 12
- 6. Investment Snapshot 14
- 5. Facts and Figures 18
- 6. The Cliffs Kangaroo Island 20
- 7. The Penneshaw Pub 21
- 8. Seafront Hotel 22
- 9. Seafront Holiday Park 23
- 10. Seafront Terraces 23
- 11. Compliance Information 24
- 12. Additional Information 32
- 13. Glossary 33
- 14. Important Notice 34
- 15. Directory 35
- 15. Application Form Instructions 35



Investment Group Assets

-  Seafront Terraces
-  Seafront Hotel
-  Seafront Kiosk Penneshaw
-  Seafront Holiday Park
-  The Penneshaw Pub
-  The Cliffs Kangaroo Island



Executive Summary

This is your opportunity to invest in one of Australia's most exciting property funds backed by leading tourism assets, focused on one of Australia's most popular islands.

The Pennington Cliffs Property Trust provides an opportunity to invest in a range of dynamic assets on Kangaroo Island.

The strategic intent of the Fund is to acquire premium seafront land, tourism assets and businesses on Kangaroo Island that provide significant development upside over the medium to long term, providing future potential income and capital gains.

Importantly, you will be investing into an established fund. The Fund has already made significant acquisitions and investments across the eastern end of Kangaroo Island, which are funded and operating.

A significant advantage of this project is an Executive Management Team that will take a holistic and synergistic approach, adding value across each asset, that would not be possible should they trade in isolation.

Management teams and staff are in place, as are operating systems and strong sales and marketing networks, structurally setting up the Group for growth and success.

This is a unique opportunity to participate in the future development of one of the world's great golf destinations, perched on the imposing southern cliffs of Kangaroo Island overlooking the Southern Ocean, supported by some of the islands leading tourism assets including the Penneshaw Pub and Seafront Holiday Park.

We look forward to welcoming you to the Pennington Cliffs Property Trust and Kangaroo Island, South Australia.



The Opportunity Kangaroo Island

Kangaroo Island (Karta Pitinnga) is Australia's third largest island, measuring over 145 km in length and 90 km in width.

It serves as a unique natural sanctuary for various native species such as the Kangaroo Island kangaroo, Rosenberg's sand goanna, southern brown bandicoot, tammar wallaby, common brushtail possum, short-beaked echidna, Australian sea lion, long-nosed fur seal, and six bat and frog species.

Kangaroo Island is also noted for its honey with the world's only pure-bred and disease-free population of Ligurian honey bees.

Kangaroo Island was recently named by global travel authority, Lonely Planet as one of the world's top destinations to visit in 2024 – and was the only Australian destination to make the list. Ranked as #2 in its 2024 Top Regions Hotlist, Kangaroo Island is recognised as a premier eco-tourism destination which offers distinct local produce, abundant native wildlife, natural experiences, and some of the nation's most pristine beaches.

The New York Times also listed South Australia's Kangaroo Island at Number 7 in the top ten places to visit in 2023: "Sitting among some of the world's most beautiful locations, the South Australian island took out seventh place, known for incredible wildlife, breathtaking ocean views, and its status as an ecological haven". Kangaroo Island offers picturesque scenery, fishing and boating in pristine ocean waters and a peaceful retreat style environment.

After bushfires destroyed more than 40% of the Island's native vegetation in 2020, South Australian and local tourism authorities have invested in a regrowth plan to increase visitor yield and dispersal. The goal is to increase visitor spend from the pre-COVID base of \$141 million in 2019 to \$199M in 2025.

Local tourism operators are also expanding their offer with more soft adventure activities such as nature trails and walks, along with a renewed focus on artisanal food, wine, beer and spirit production.

State and local government authorities are also committed to improving air and sea transport infrastructure for visitors to the island and improving internal connecting roads.

The Cliffs Kangaroo Island, and the associated developments in the town of Penneshaw (the ferry port) comes at an important strategic time as visitor numbers are expected to expand rapidly.

“
The New York Times ranks Kangaroo Island in the top ten places to visit in 2023. Writer Besha Rodell said the island was known for incredible wildlife, breathtaking ocean views and its status as an ecological haven, calling it a “zoo without fences”
”

The New York Times
January 2023

”

The Opportunity The Cliffs

Remote, wild and isolated, The Cliffs is a rare chance to not just play challenging cliff-top links golf in a spectacular coastal setting, but engage with Australia's unique wildlife, environment and indigenous culture.

Tee off on a golfing adventure skirting 500 million year old coastal limestone cliffs, weathered by the relentless winds of the Roaring 40s. Play stunningly crafted open fairways, attack the precision approaches and fast, firm greens...and lift your gaze to the heaving blue Southern Ocean, your timeless backdrop. Engage with the locals - kangaroos and wallabies, echidnas and koalas under the watchful eye of the white bellied sea eagles, ospreys and finches. Surround yourself with our Island Future re-vegetation project that is renewing the landscape with native grasses and mallee trees. Learn about the indigenous heritage of the island and get in touch with the elements of our ancient land - the wind, the sun, sea fog and salt spray.

Cliff-top links golf, Australia's unique wildlife, environment and indigenous culture on the world's only Kangaroo Island.

“

I can't think of a better magnet to bring more people to Kangaroo Island than this golf course

David Penberthy
South Australian journalist
and radio personality.

”



Above: The Cliffs Kangaroo Island soil turning event

Corporate Structure Background

The Pennington Cliffs Property Trust has been established to invest in regional tourism assets and their supporting businesses, focusing on the world-renowned eastern end of Kangaroo Island, South Australia.

The Pennington Cliffs Property Trust ('The Fund') is an unlisted, unregistered Managed Investment Scheme structured as a unit trust. The Fund is managed with the goal of generating consistent annual income returns across a portfolio of regional tourism assets and companies that provide strong corporate and financial synergies across the group as well as long term capital growth.

The Fund has entered into a joint venture agreement with the Pelligra family ('Pelligra'). Under the joint venture agreement, Pelligra will own 30% of all assets currently held by the Fund.

The Fund and Pelligra have established a Joint Venture Company, Kangaroo Island Investment Group Pty Ltd, owned 70% by the Fund and 30% by Pelligra. The Joint Venture Company will consider all current and future investment, development, and capital opportunities.

Pelligra will be offered first rights of refusal on the construction stages of all future developments, which will be benchmarked against normal industry standards and pricing.

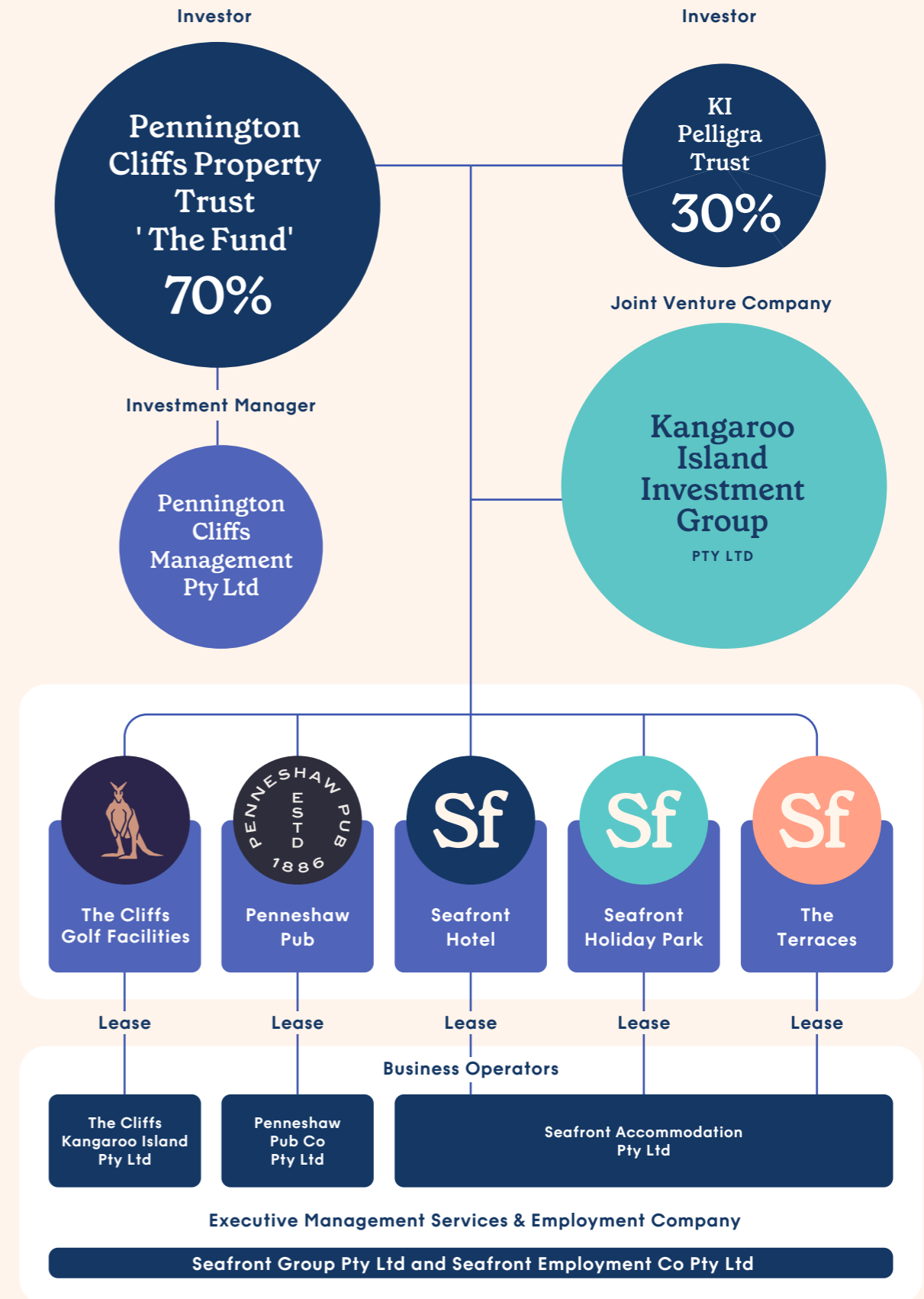
The Fund and its partners have engaged the Seafront Group to provide Executive Management services, including directors, executive management staff and contracts, and general staffing of the Business Operators. The Seafront Group is considered a related party as per Note 1 on Page 24 - Compliance Information.

“
With a world-class destination golf course and clubhouse, that overlooks the Southern Ocean and weaves through the Island’s unique and natural beauty, multiple accommodation and dining offerings as well as gaming and entertainment, the Fund exposes investors to every visitor to Kangaroo Island.
 ”

Once the golf course construction is complete, our strategy is to generate consistent income returns with the potential of future capital gains, via a specific focus on premium, strategically important, regional tourism assets and businesses on the popular Kangaroo Island, South Australia.

Your investment will strengthen Kangaroo Island’s infrastructure and tourist appeal.

Corporate overview



Note: this is a simplified snapshot of the broader Corporate Structure. Additional detail on Assets under management and companies is on Page 15

Environment and Sustainability

OUR VISION

- Our vision is to establish collaborative partnerships with all stakeholders to prioritise environmental stewardship and sustainability.
- By doing so, we strive to position our properties, food and beverage services, and golf as leaders in sustainable practice.
- Through our commitment to sustainability, we aim to inspire others to adopt similar approaches and contribute to a more environmentally conscious future.

OUR MISSION

- Incorporate sustainability initiatives across the broader Seafront Group, which add value to the business, environment and community.
- Educate and inspire our employees, community, families, visitors, and golfers to embrace sustainable practices that contribute to our properties and in turn Kangaroo Island.
- Develop and implement corporate policy and procedure across the Seafront Group that will help drive positive change and culture focused on improving overall sustainable practices.
- Leave a legacy of sustainability and environment awareness for future generations to develop and enjoy.

KEY INITIATIVES

Solar and renewables across all properties

Hybrid / Electric vehicles and charging stations at key property locations

Best water management practices

Waste, recycling and composting plans and initiatives

Sustainable construction and building materials

Eco friendly fertilisers and cleaning products

Flora and Fauna management plans

Local produce to reduce food miles including onsite gardens

Local (on-site) material utilised for construction

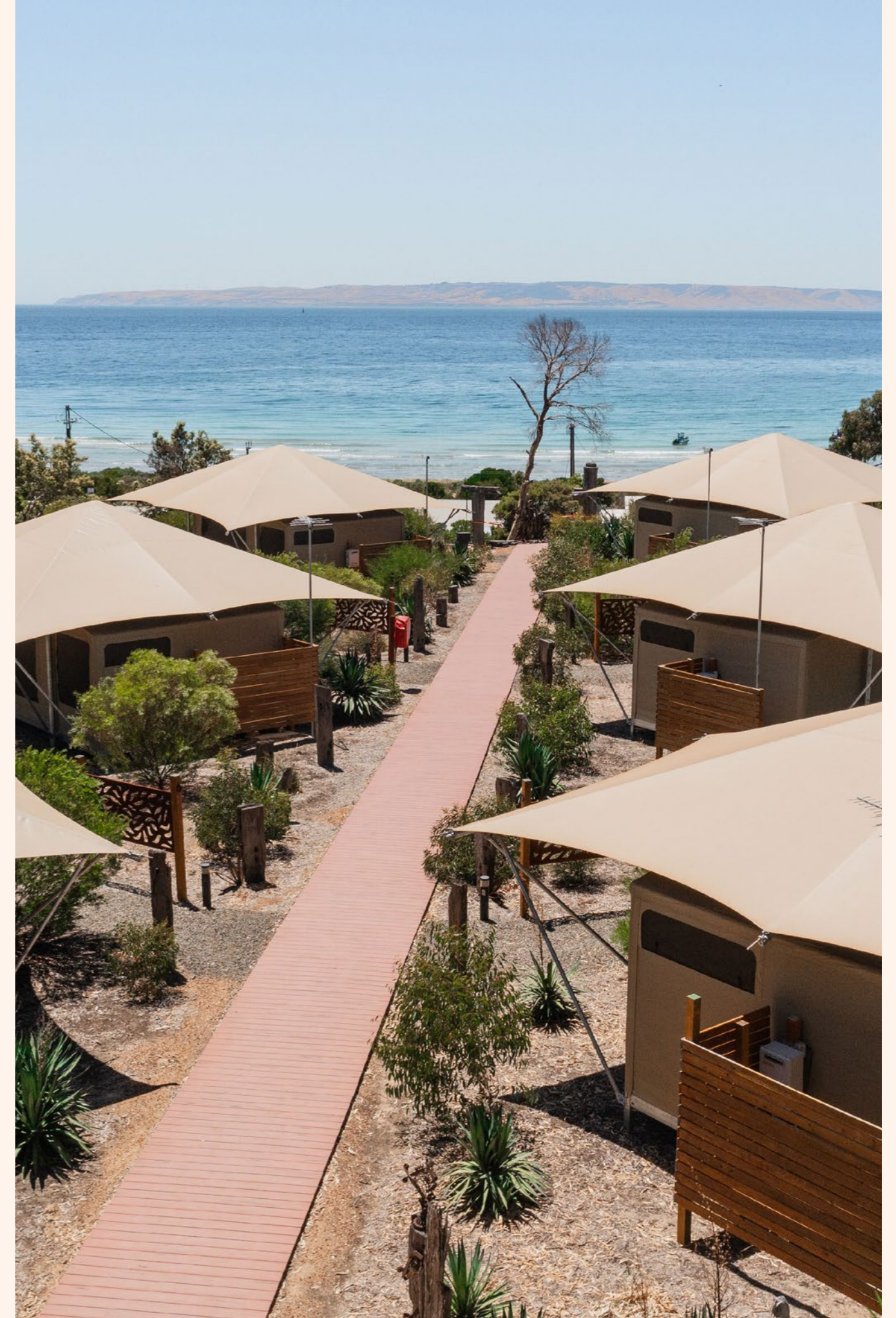
Managing healthy grass species, soil structure and drainage for sustainable course playability

Connectivity through the landscape to link other green spaces via nature corridors

Onsite Native Flora Nursery

Working with nature conservation bodies such as Landscape South Australia - Kangaroo Island

*Key consultants and reports are in place to support the Seafront Group with these important initiatives. The Seafront Group does not warrant that all these initiatives can and will be achieved.



Cultural Heritage

Nurrungai (the place of Nurrunderi the cultural creator of the Ngarrindjeri peoples land, waters and cosmology) or Kangaroo Island is a very significant place.

Our creation story goes right across Ruwi or Country and concludes on Nurrungai where Nurrunderi entered the spirit world on the western side of the island.

Working with The Cliffs to bring our stories to life has been a remarkable journey in which we have had the pleasure of shaping the retelling of our story. This retelling not only conveys our cultural beliefs but also fosters unity through the acceptance of all, stemming from our collective connections to place.

That place is The Cliffs.
That place is Kangaroo Island.

Mark Koolmatrjie
Ngarrindjeri Elder and Founder Kool Tours.



“

We are proud to help keep the stories alive and look forward to offering a stable and safe platform on Kangaroo Island to achieve this important outcome.

”

We have worked closely with the Traditional Owners, in particular Ngarrindjeri and Ramindjeri, to develop a Cultural Heritage plan that respects the land and its people, past and present.

Sam Atkins
Seafront Group & The Cliffs KI

We acknowledge the traditional country of the traditional owners of Kangaroo Island. We recognise and respect their cultural heritage, beliefs, relationships with the land, and the continuing importance to the traditional owners of the region living today.

We pay our respects to the elders past, present and future.

Investment Snapshot

Activity	Detail & Comment
Fund Name	Pennington Cliffs Property Trust
Fund Structure	Unlisted managed investment scheme
Target Raise amount	\$10 million
Unit Price	See Compliance Information 7 - Page 25
Minimum Investment Amount	\$100,000* *Lower amounts may be accepted at the sole discretion of Investment Manager & Trustee
Gearing	Less than 50% of completed asset value during construction, peak debt may exceed this amount where interest prepaid or deferred until completion.
Use of Funds	The proposed use of funds includes but is not limited to: <ul style="list-style-type: none"> Premium fit out of world class clubhouse and practice facilities. Golf maintenance facilities. Additional fixed structure accommodation at Seafront Holiday Park. Additional Golf Course accommodation. Renewable resource infrastructure. Native & Turf nursery infrastructure. Ongoing maintenance and upgrades to current assets. Improved fire & safety systems. Launch electric/hybrid car and bike hire and tour business. Ability to repay debt due to rising interest rate environment.
Investor Distributions	Investor distributions will be at the sole discretion of the Trustee and will be post all debt and capital requirements of the group. This includes monies received as rent from the Operating entities.
Target Income Return post golf construction. The golf course is expected to be operational in FY26.	9%+ per annum (net of fees) **This is a target return only and not a forecast or a guaranteed return.
Target Capital Return post golf course construction. The golf course is expected to be operational in FY26.	14%+ per annum (net of fees) **This is a target return only and not a forecast or a guaranteed return.
Capital Asset Valuations	Every 3 years or more frequently as determined by the Trustee.
Reporting	Half yearly.
Risks	Regional property is illiquid, exposure to tourism sector volatility and other risks stated in section 9. See page 27.
Fees & Costs	See Page 17 & Compliance Information.
Penneshaw Pub Lease	6% annualised rent on agreed valuation.
Seafront Holiday Park Lease	6% annualised rent on agreed valuation.
Seafront Hotel Lease	6% annualised rent on agreed valuation.
Seafront Terraces Lease	6% annualised rent on agreed valuation.
Golf Lease: Cap & Collar	Cap and Collar: A Cap is an upper limit, or maximum rate that will apply, while a Collar is the minimum rate. The annual golf lease has a cap of 10% per annum and Collar of 6% per annum of agreed capital value.

Assets under management

Asset	Detail	Purpose
The Cliffs Kangaroo Island	<p>Lots 6, 7, 8, 15 and 16 Cathers Road, Pelican Lagoon, SA 5222</p> <p>Lot 500-501 and Lot 2, Pelican Lagoon, Kangaroo Island, SA 5222</p> <p>Lot 22 Hog Bay Road, Pelican Lagoon, SA 5222</p> <p>Note: An option has been exercised by a third party to realign the eastern boundary of the property to create a 64.52 hectare parcel of land to develop the hotel and associated accommodation as outlined by the current major development approval.</p> <p>Title Reference: Volume: 5966 Folio: 24-25 Volume: 6171 Folio: 733-735 & 737-738 Volume: 5495 Folio: 701 Land Area: 286.554 Hectares (approx)</p>	<p>Develop and construct a world class golf course & associated facilities and amenities.</p> <p>Approvals for:</p> <ul style="list-style-type: none"> 18-hole championship golf course Clubhouse & restaurants Pro-shop & retail Accommodation Practice facilities <p>Target opening date set for mid to late 2025.</p>
Penneshaw Pub & Bottleshop	<p>11 Thomas Wilson Street, Penneshaw, Kangaroo Island, 5222</p> <p>Title Reference: Volume: 6121 Folio: 33 Land Area: 1,011 m² (approx)</p>	<p>Seaside Pub and Bottleshop with sea views back to the mainland and good development potential</p> <ul style="list-style-type: none"> Pub Bottleshop Front & Sports Bar Restaurant – indoor & outdoor – 120 covers Beer garden Gaming – 10 allocation / 8 machines
Seafront Hotel	<p>49 North Terrace, Penneshaw, Kangaroo Island, SA, 5222</p> <p>Title Reference: Volume: 5625 Folio: 895 Volume: 5625 Folio: 896 Volume: 5625 Folio: 897 Volume: 5625 Folio: 898 Volume: 5625 Folio: 899 Volume: 5625 Folio: 566 Land Area: 6,316 m² (approx)</p>	<p>4 star hotel with significant land and development opportunities</p> <ul style="list-style-type: none"> 26 rooms Restaurant – The Kiosk Penneshaw Function facilities Mini golf Electric charging station
Seafront Holiday & Caravan Park	<p>8 Frenchman's Terrace, Penneshaw, Kangaroo Island, SA, 5222</p> <p>Title Reference: Volume: 5895 Folio: 302 Land Area: 1.512 Hectares (approx)</p>	<p>Holiday & Caravan Park in Penneshaw with world class views and room for development.</p> <ul style="list-style-type: none"> 20 rooms 12 powered sites Toilet and laundry amenities Managers House
The Terraces	<p>70 - 78 Bayview Road, American River, Kangaroo Island, SA 5221</p> <p>Title Reference: Volume: 6111 Folio: 796 Volume: 6111 Folio: 797 Volume: 6114 Folio: 420 Land Area: 4,887 m² (approx)</p>	<p>Staff and long-term stay accommodation.</p> <ul style="list-style-type: none"> 8 self-managed units
Companies		
Penneshaw Pub Pty Ltd	ACN: 153 550 602	Operates Penneshaw Pub, Bottleshop and The Kiosk Penneshaw.
Seafront Accommodation Pty Ltd	ACN: 656 175 503	Operates the Seafront Hotel, Seafront Holiday Park and the Terraces.
Kangaroo Island Investment Group Pty Ltd (Joint Venture company)	ACN: 667 571 020	Manages the joint venture agreement and cash distribution between the current shareholders.
The Cliffs Kangaroo Island Pty Ltd	ACN: 637 763 761	Profit share agreement - see Cap and Collar definition on page 14

Fund Management & Key Stakeholders

Role	Entity
Trustee	Vasco Custodians Pty Ltd (ACN: 644 232 539) atf Pennington Cliffs Property Trust - Golf Land
Sub Trusts: The Fund's major assets are owned in sub-trusts named PCPT 1 to 4 Unit Trusts. In due course, the golf land may be transferred to a new sub-fund (PCPT 5 Unit Trust), so that all assets are in separately identifiable unit trusts. This structure assists in ensuring a more efficient and effective use of resources with regards to future development and / or sale of each asset.	DHF Investment Services Pty Ltd (ACN: 644 231 158) atf: PCPT 1 Unit Trust - The Terraces PCPT 2 Unit Trust - Penneshaw Pub PCPT 3 Unit Trust - Seafront Holiday Park PCPT 4 Unit Trust - KI Seafront Hotel
Administration Manager	Vasco Funds Services Pty Limited ACN: 610 512 331
Investment Manager	Pennington Cliffs Management Pty Ltd ACN: 648 320 512
Joint Venture Partner	KI Pelligra Pty Ltd atf KI Pelligra Trust ACN: 654 490 150
Joint Venture Company	Kangaroo Island Investment Group Pty Ltd ACN: ACN 667 571 020
Executive Management Group	Seafront Group Pty Ltd ACN: 653 789 701
Bank	CBA
Project Manager & Operator – Golf project	The Cliffs Kangaroo Island Pty Ltd ACN: 637 763 761
Golf Course Architect	Planet Golf
Golf Course Builder	Programmed Turnpoint
Golf Clubhouse & Accommodation Architect	Walter Brooke
Group Accountant	C+L Accounting
Group Legal	Norman Waterhouse



Fund Fees and Costs

Entity	Fee	Comment
Trustee Annual Fee	An Annual Trustee Fee of, subject to a \$25,000 per annum minimum, of 0.1% per annum of the gross asset value of the Fund.	Calculated from execution of the Trust Deed and paid monthly in arrears to the Trustee on commencement of the Fund.
Trustee Regulatory Fee	A regulator levy fee of \$1000 plus \$60 per \$1 million of gross asset value payable annually.	Paid to the Trustee annually in arrears as of 1 January of each year.
Trustee Termination fee	Entitled to a Termination Fee of \$14,500 where the Fund is terminated, or the Trustee is replaced. If Vasco Custodians Pty Ltd is removed as trustee of the Trust before the Minimum Term, then in addition to the termination fee, Vasco Custodians Pty Ltd is also entitled to receive an amount equal to the total trustee fee that would have been payable to Vasco Custodians Pty Ltd prior to the expiry of the Minimum Term. The Minimum Term expires 30 April 2025.	Paid to the Trustee immediately on the day of their termination or replacement.
Trustee Expenses	The Trustee or relevant party appointed by the Trustee is entitled to recover all reasonable expenses properly incurred in the performance of its duties. Related parties of the Trustee will be entitled to a fee of \$5,000 per annum for acting as Trustee of each asset owning Sub-Trust Fund. Transaction review fee of \$500 for each set of property acquisition documents requiring the Trustee's review and/or execution.	Paid to the Trustee or relevant party appointed by the Trustee as and when incurred.
Administration Fees	The Administration Manager will be entitled to an Administration Fee of: \$15,000 per annum provided there are less than 25 investors in the Fund and \$25,000 per annum where the number of investors in the Fund exceed 25. \$5,000 per annum to administer any additional sub-funds if established.	Paid to the Administration Manager quarterly in arrears from commencement of the Fund. The above fees are subject to an annual increase of 5% on 1 January each year.
Investment Manager Fee's	Annual Fee: 0.5% of the gross asset value of the fund. Performance Fees: 20% of Fund realised returns in excess of 8% p.a calculated annually. 1% asset acquisition fee, or a minimum of \$20,000. 1% asset disposal fee, or a minimum of \$20,000.	Fee paid to the Investment Manager quarterly. Fee paid to the Investment Manager annually. Fee paid to the Investment Manager within 90 days of the acquisition of an asset. Fee paid to the Investment Manager within 90 days of the sale of an asset.
	May pay up to 5% as a capital raising or marketing fee, collected by the Investment Manager and paid to third parties. May pay asset transaction cost to related parties of up to 2% collected by the Investment Manager and paid to the related or third parties.	Fee paid to third parties via the Investment Manager within 30 days of new capital being invested in the Fund.
Investor Entry and Exit Fees	N/A	N/A
Investor Buy and Sell Spreads	See section 7.4 of this IM.	See section 7.4 of this IM.
Investor Overseas Transfer Fee	\$50 (plus any currency exchange charges) per transfer attempt.	Paid to the Fund prior to processing each transfer to an investor's overseas bank account.

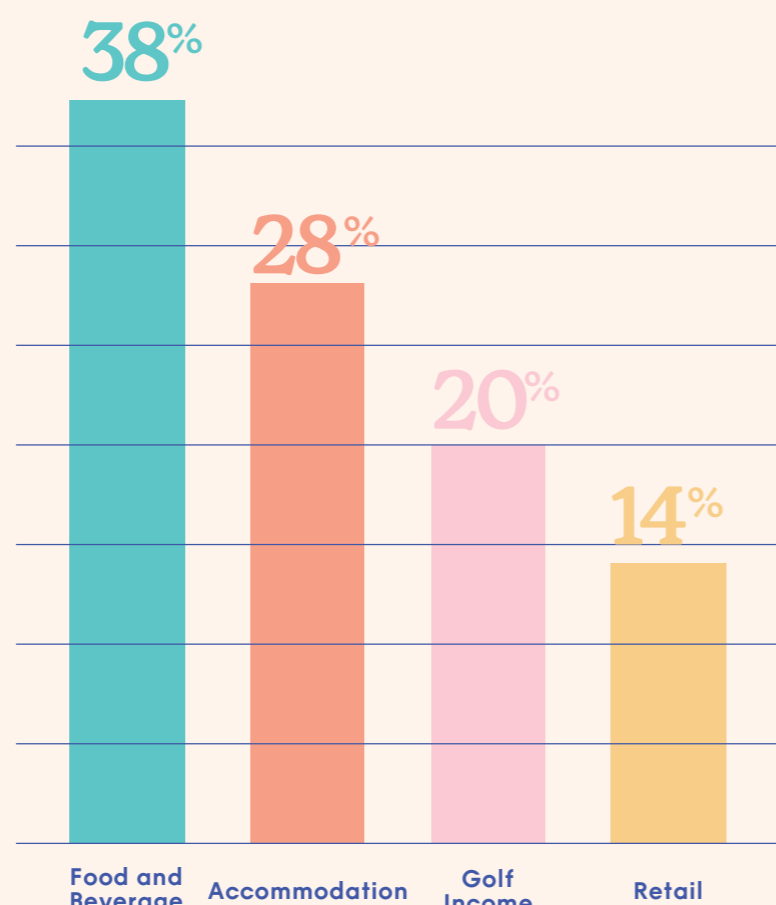
Facts and Figures



The Pennington Cliffs Property Trust is supported by a diverse range of income streams, backed by strong financial, corporate, and social synergies.

Multiple income streams supporting income return

(Percentage of total projected revenue FY30)



Our Partners & Service Providers



Target Income and Capital Return

(once golf is operational - expected post FY26)

9%+
Per Annum

Target Income Return post golf construction

14%+
Per Annum

Target Capital Return post golf construction

*Based on 10yr forecast model prepared by Executive Management team
**This is a target return only and not a forecast or a guaranteed return.

Target Capital to be Employed

\$20 million

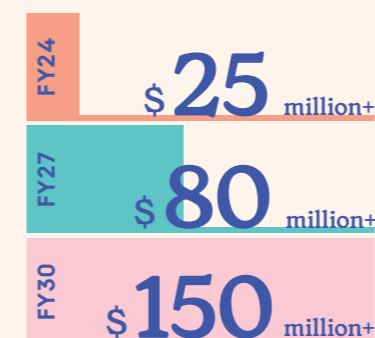
Capital Employed FY24

\$50 million

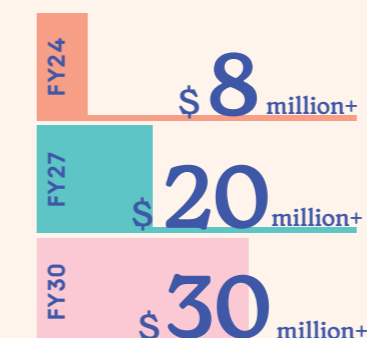
Capital Employed FY26

*Based on 10yr forecast model prepared by Executive Management team

Annual Economic impact to Kangaroo Island and South Australia



Annual Revenue



*Based on 10yr forecast model prepared by Executive Management team

Leading private employer on Kangaroo Island

50+
Employees in FY24

100+
Employees by FY27

KANGAROO ISLAND*

171,000

Annual overnight visitors

647,000

Total nights stayed

\$187 million

Total expenditure achieved

77,000

Crew ship passengers and crew dock at Penneshaw

3.6 nights

Interstate and international visitors average length of stay

The Cliffs Kangaroo Island



The Cliffs Kangaroo Island is perched atop cliffs overlooking the Southern Ocean and has received significant state development approvals. With an all-Australian dream team in charge, The Cliffs Kangaroo Island is poised to become a must-visit destination for golf enthusiast worldwide.

Current Activities

- Early works underway, focusing on removing noxious weeds with ongoing efforts planned over several years.
- Course routing finalized and pegged out by Darius Oliver, the course designer, with input from Programmed Turn point, the golf course builder. Final grasses and key suppliers identified.
- Water balance charts completed, allowing for the final irrigation plan to be developed and costed. Final dam sizing under approval process.
- Heritage report updated with input from relevant Traditional Owners, involving on-site meetings and walks.
- Boundary fencing nearing completion, including a new entrance.

Planned Improvements

- 18-hole premium links-style golf course on cliffs with world-class practice facilities.
- Club House with bar, pro shop, and visitor center.
- 20 eco/low impact accommodation facilities.
- Maintenance Shed, Dam & water infrastructure, solar solution on site.
- Golf turf and Native Vegetation Nurseries on site.



The Penneshaw Pub



The Penneshaw Pub, formerly known as Penneshaw Hotel, has been a beloved destination for over a century, offering a lively atmosphere filled with beer and cheer. It creates an enchanting coastal and countryside ambiance that both locals and tourists adore.

Current Activities

- The Penneshaw Pub offers uninterrupted ocean views from a cliff-top on the western side of town and is said to be the only pub in Australia where you can look back to the mainland.
- Easily accessible from the Main Street, with ample parking.
- The gaming area is accessible from the front bar and comprises eight machines together with coin/change machine. This was recently relocated with the room previously housing a pool table. The former gaming room has now been converted into a private function area.
- A formal dining room, which offers a large dining area seating up to 100 diners.
- The alfresco dining area accessible via bi-fold doors to the West provides options as casual dining and/or function area.
- Servicing the dining area is a bar area, connected to the front bar.
- A commercial kitchen fully fitted with stainless steel appliances and work areas. Cool rooms/freezers, dry store and storage areas located within the original section of the building.
- The Bottle shop is located to the southern end of the premises and comprises a walk-in split-level retail browse area together with an attached walk-in cool room and stand-alone fridges. Open 7 days a week from 10am - late.

Planned Improvements

- Maintenance and minor renovations including rebranding.
- There is potential to extend the beer garden and kitchen, subject to appropriate approvals, which could prove an opportunity to enhance trade through the Pub.



Seafront Hotel

Seafront
HOTEL

The Seafront Hotel in Penneshaw offers stunning views of the backstairs passage and is conveniently located just 300 meters from the Sealink ferry terminal. It provides excellent four-star accommodation, including 16 hotel rooms and 14 garden villas, offering a variety of options for guests.

Current Activities

- The primary accommodation suites, restaurant, and reception all have spectacular ocean views.
- To the rear of the property is the swimming pool enclosure and the remainder of the accommodation alternatives, including standalone villas.
- There is car parking on-site, and an 18-hole mini golf course which are both located on the eastern side of the property.
- The Kiosk Penneshaw (formerly Sorrento's Restaurant) is located east of the reception. The restaurant's main dining floor boasts full-height windows, providing uninterrupted sea views.
- The restaurant is currently being re-purposed to take advantage of its size and position to cater for a much broader range of food, beverage and services. New branding, new menu's, new opening hours and a new vision will all ensure this space is befitting of one of South Australia's leading sea-side towns.
- There is a second dining area utilised for group dining and breakfast, including a commercial kitchen complete with a range of stainless-steel fixtures, fitting and appliances, together with a walk-in cool room.

Planned Improvements

- Expansion of accommodation and renovation of the existing entry and restaurant.
- Development of commercial laundry available for public access.
- Improved staff accommodation.



Seafront Holiday Park

Seafront
HOLIDAY PARK

Seafront Holiday Park in Penneshaw is a perfect base for a Kangaroo Island getaway, overlooking the picturesque Hog Bay beach. It's conveniently situated just 300m from the Sealink Ferry, offering eco luxury glamping tents and powered campsites for an unforgettable experience.

Current Activities

- Year-round Glamping, Camping, and Caravaning options with exceptional views of Hog Bay and Penneshaw Beach.
- Located next to sculpture walk, skate park, and central amenities block with barbecue shelter.
- Cluster of six eco-tents near the southern boundary, along with Family Bell tents and eco-tents.
- Two-berth Bell tents elevated to the western boundary, recently constructed Ocean View Villas facing the eastern boundary.
- Property offers great short and long-term potential with modern appliances and a walk-in cool room.

Planned Improvements

- Additional fixed accommodation and Eco huts

Seafront Terraces

Seafront
TERRACES

Seafront terraces is located in America river, kangaroo island and provides staff accommodation for seafront group employees

Current Activities

- Currently used as staff accommodation across the group.
- The Terraces: complex of eight units with uninterrupted views of Island Beach, Eastern Cove, and American River Harbour.
- During golf course construction, used to house on-site contractors.
- Second dining area for group dining and breakfast, equipped with a commercial kitchen, stainless-steel fixtures, and appliances, including a walk-in cool room.

Planned Improvements

- Post completion of The Cliffs KI, potential for development into tourism accommodation and additional staff quarters.
- Expanding staff and tourist accommodation.



Stokes Bay on Kangaroo Island's North Coast was recognised as uniquely Australian and a national treasure when it was awarded Australia's best beach in 2023.

Compliance information

1. Related Parties - Investment Manager

Michael Taylor is Chair of the Investment Manager. Michael Taylor is CEO of Norman Waterhouse, which is the law firm being engaged by the Trustee for the legal work performed for the Pennington Cliffs Property Trust. Michael Taylor has been offered equity in The Cliffs Kangaroo Island Pty Ltd and Seafront Group Pty Ltd. Michael Taylor and/or related entities owns Units in the Fund.

Michael Baragwanath is a Director of the Investment Manager. Michael Baragwanath is an executive for TIP Trustees ATF Corinthian Balanced Fund, which is a lender for the Fund. Michael Baragwanath has received consultancy fees from The Cliffs Kangaroo Island Pty Ltd and has been offered equity in The Cliffs Kangaroo Island Pty Ltd and Seafront Group Pty Ltd. Michael Baragwanath and/or related entities owns Units in the Fund.

Sam Atkins is a Director of the Investment Manager. Sam Atkins owns The Cliffs Kangaroo Island Pty Ltd and the Seafront Group Pty Ltd. Sam Atkins has been offered equity in the Investment Manager and Pennington Cliffs Management Pty Ltd. Sam Atkins and/or related entities owns Units in the Fund.

2. Exit strategy

The Investment Manager has specified the following exit strategies:

- Acceptance of an unsolicited offer.
- Investor election – in the ninth year of operation investors will be asked to vote to retain or dispose of the asset(s) and wind up the Fund.
- Conversion to a retail managed investment scheme allowing for investment by retail investors and exit of wholesale investors as requested. The Investment Manager does not consider this option viable unless more than \$30 million in assets are acquired or developed owing to the higher regulatory and compliance costs of retail public offer investment vehicles.

3. Qualifying Investors

An investment in the Fund is generally only available to wholesale clients within the meaning of the Corporations Act. A Wholesale Client means an investor who:

- invests \$500,000 or more in the Fund; or
- if investing less than \$500,000:
 - provides a certificate from a qualified accountant (substantially in a form provided by and available from the Trustee) that states that the Investor has net assets of at least \$2.5 million or has a gross income for each of the last two financial years of at least \$250,000; or
 - is a professional investor (including the holder of an Australian financial services license, a person who controls more than \$10 million or a person that is a listed entity or a related body corporate of a listed entity).
- if residing in Singapore, can also demonstrate (in addition to one of the above) they are an accredited investor or certain other person prescribed under section 305 of the Securities and Futures Act by providing a declaration to that effect and suitable documentary evidence.

The Trustee reserves the right to reject an application without providing a reason.

4. Valuation policy

The Trustee maintains and complies with a written valuation policy, which is reviewed at least annually or as market circumstances dictate. This policy may be updated from time to time and is available on the Trustee's website at vascofm.com.

5. Making investments and withdrawals

5.1. How to invest

An application for Units can only be made by completing and lodging the Application Form that is included below (Application).

Instructions relevant to completion of the Application Form are set out in the form.

A completed original Application Form, including relevant identification documents, should be lodged by sending it to the Administration Manager at the following address:

Pennington Cliffs Property Trust
Level 4, 99 William Street
Melbourne VIC 3000
info@vascofm.com

An Application constitutes an offer by the applicant to subscribe for Units on the terms and subject to the conditions set out in this IM.

If the Application Form for Units is not completed correctly or if the payment of the application monies is for the wrong amount, the Application may still be treated as a valid Application at the sole discretion of the Trustee. However, where the payment is for less than the number of Units applied for, the Application will be deemed to be for the lower number of Units.

The Trustee reserves the right to reject an Application (in whole or in part) without reason.

All Application Monies received in relation to the Offer will be held in the account of the Trustee until allotment. Any interest earned on Application Monies will be retained by the Trustee and will not form part of the Fund's assets.

5.2. How to withdraw

Prospective investors must note the Fund is illiquid and there is no guarantee any withdrawal request will be satisfied. The Trustee is under no obligation to facilitate redemptions nor cause the Fund to do so.

Investors will also be given the opportunity to vote on a majority basis should the Investment Manager receive an unsolicited bid to acquire the Fund's property.

Under the terms of the Trust Deed, in certain situations, the Trustee is also able to, amongst other things, suspend all redemptions or compulsorily redeem investors where it believes that doing so is in the best interests of investors in the Fund as a whole.

See Section 7 for more information about how the Trustee calculates Unit prices.

6. Financial data and forecasts

Investors should note that financial data and forecasts have not been independently verified by the Trustee and investors are advised to undertake their own due diligence prior to investing in the Fund.

The Investment Manager considers that the assumptions used in the preparation of the IM are reasonable as of the date of this IM.

Investors should be aware that there are many factors, outside of the Investment Managers control, which may affect the Investment Managers best estimates, either positively or negatively, and which may not be capable of being foreseen. As such, actual results may differ from best estimates.

Given these uncertainties, prospective investors are cautioned to not place undue reliance on the forecasts presented within this IM. No guarantee is given that the income and profit will be achieved. None of the Trustee, Investment Manager nor any other person or entity guarantees any income or return from an investment of the Fund.

6.1. Basis of preparation

The financial information has been prepared by the Investment Manager to illustrate the expected financial position of the Fund.

The financial information has been prepared to ensure the Target Return information is accurate and as close to the actual position of The Fund following completion as possible. However, they are intended to be illustrative only and may not reflect the actual position as at the date of this IM or at the completion of the development.

Investors should review the financial information and make their own independent assessment of the future performance and prospects of The Fund. The adopted financial information is based on the Investment Manager's knowledge of the property industry.

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

Given these uncertainties, prospective investors are cautioned to not place undue reliance on the financial information in this section. No guarantee is given that the income and profit in this section will be achieved, none of the Trustee, the Investment Manager nor any other person or entity guarantees any income or return from an investment of The Fund.

7. Unit pricing and distributions

7.1. How we calculate unit prices

The Unit price is generally calculated on a quarterly basis and will be calculated in accordance with the Trust Deed.

Where fees or costs relate to more than one class, the Trustee will allocate the costs as it deems appropriate. The Unit price was initially set at \$1.00. Subsequent unit prices will be calculated either by valuation of the Fund's asset (including by external valuation if the Trustee determines) or by amortisation of debt. The Investment Manager does not expect Unit price appreciation through the withholding of income and instead proposes to distribute all taxable income on an annual basis.

Where the Trustee applies its discretion to Unit pricing using its powers under the Fund's Trust Deed, it acts in accordance with its Unit Pricing Policy, available on its website at vascofm.com.

Please note in the event of an error in Unit prices resulting in an overpayment to an Investor, the Trustee has the right to deduct the value of any overpayment from either distributions or withdrawals, at its discretion, otherwise owed to investors. In the event that the Trustee is unable to recover any amount of overpayment from an Investor, that amount would lead to a decrease in the value of Fund Units (or relevant class of Units).



7.2. Distribution payments

Distribution income is expected to be made on an annual basis after accounting for direct and indirect expenses and reserving for costs that may be incurred before the next lease payment.

Investors should note that distributions calculated as at the end of each financial year, being 30 June of each year, are likely to be paid by 30 September of each year, following the finalisation of the Fund's annual accounts.

Please note if you are investing through a master fund or IDPS, the operator may pay income at different times and may not offer you a choice of payment options.

The Investment Manager does not propose to allow reinvestment of distributions.

7.3. Future unit issues

The Investment Manager may invite new rounds of unit issues to fund redemptions, expand the site facilities or to repay debt. In each case existing unitholders will be invited to participate before any promotional activity is undertaken.

7.4. Buy/sell spreads

As at the date of this IM, no transaction charges (buy-sell spread) will be factored into the Unit price calculation of the Fund. A buy/sell spread of up to 2.5% may apply in the future where regular income is paid to unit holders and where funds are redeemed, or a new investment received outside of the quarterly window. The Investment Manager intends to instruct the Trustee to process new investments and pay redemptions within 10 days of the quarterly distribution.

Buy and sell spreads are calculated based on the actual or estimated costs the Fund may incur when buying or selling assets, such as stamp duty and selling agent fees. They will be reviewed whenever necessary upon raising capital or redeeming investors' units to ensure they remain appropriate such that investors coming and going from the Fund at different points in time bear their fair share of these transaction charges.

The buy and sell spreads are retained within the Fund and are not fees paid to the Trustee or the Investment Manager. The buy spread is taken out of application amounts. The sell spread is taken out of withdrawal amounts.

The buy and sell spreads may be updated from time to time and will be published online at vascofm.com.

7.5. Differential fees

The Trustee and or the Investment Manager may rebate fees on an individual basis as permitted by the Corporations Act and ASIC relief. For example, the Trustee may rebate fees with Wholesale Clients.

7.6. Charges to fees and expenses

The Trustee and/or The Investment Manager may change the fees and expenses referred to in this IM. The Trustee will provide at least 30 days' notice to investors of any proposed increase in fees or expense recoveries or introduction of new fees.

7.7. Goods and services tax

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

7.8. Waiver and deferral of fees

The Trustee may, in its discretion, accept lower fees and expenses than it is entitled to receive, or may agree to defer payment of those fees and expenses for any time. If payment is deferred, then the fee or expense will accrue until paid.

The Investment Manager has agreed to pay the Trustee's fees until such time as these fees are able to be paid from the Fund's assets. The Trustee has agreed to reimburse the Investment Manager for any fees paid by it to the Trustee from the Fund's assets at such time when the Fund is able to do so.

All deferred fees and expenses will also be paid upon any retirement or removal of the Trustee.

8. Taxation Information

The Trustee does not provide financial or tax advice, and nor does the Investment Manager. We have not obtained taxation advice specific to the Offer, and nor has the Investment Manager. As such, this IM does not address taxation issues which may be relevant to you. You must take full and sole responsibility for your investment in the Fund, the associated taxation implications arising from your investment and any changes in those taxation implications during the course of your investment.

Before investing in the Fund, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.

8. Taxation Information

The taxation information provided in this section is general in nature. Each Investor's taxation position will depend on their individual circumstances and Investors should seek their own taxation advice in relation to the taxation of distributions they may receive from or in respect of the Fund prior to investing in the Fund or dealing with any interest they hold in the Fund. The following summary assumes that the investment in the Fund is held on capital account. It also discusses the relevant taxation laws as they apply as at the date of this IM, noting that tax laws can change at any time, which may influence the information which is provided in this section.

8.1 Income tax

In general, distributions that Investors receive from the Fund will be assessable to that Investor as income and must be included in the Investor's tax return for that year. There may be exceptions to this general position (for example, where the Fund realises a capital asset, or where the Investor is a regulated Superannuation Fund). Investors will receive a summary breakdown showing how much of the distribution is attributable to income and capital. Each Investor should speak with its advisors in relation to any deductions or other tax benefits to which it is eligible (for example, interest incurred on borrowings used to acquire units in the Fund).

8.2 Capital gains tax

Most Investors will hold their units in the Fund on capital account (however, it is recommended that prospective Investors speak to their advisors prior to investing in the Fund to determine how their units will be characterised). Investors will need to determine whether they have made a capital gain or a capital loss if they transfer (or otherwise dispose of) some or all their interest in the Fund. The Fund will not provide a separate statement relating to capital gains tax following the disposal of units in the Fund and it is up to the individual Investor to determine this with the assistance of its advisors.

8.3 Goods and services tax (GST)

GST should not be payable on the issue or redemption of Units nor on any of the distributions to Investors. GST may apply to the fees charged to the Fund by the Investment Manager and in relation to other expenses of the Fund. The Fund may be entitled to claim input tax credits and / or reduced input tax credits for any GST paid.

8.4 Stamp duty on the transfer of units

Generally, no stamp duty is payable in South Australia for the transfer, issue, or redemption of units in a unit trust. However, landholder duty may be payable on the issue, redemption or transfer of Units in South Australia where the Fund owns land that does not satisfy the "qualifying land" exemption. Irrespective of whether the land is "qualifying land", the landholder provisions will only apply in South Australia where the relevant Investor holds 50% or more of the units. In these circumstances, stamp duty may be payable when units are acquired or disposed of.

8.5 Tax file number and Australian business number

Investors will be invited to provide a Tax File Number (TFN) or Australian Business Number (ABN) when they apply for an interest in the Fund. Investors should speak to their advisors about whether they are entitled to provide an ABN in lieu of a TFN.

It is not compulsory for an Investor to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, if an Investor does not provide a TFN, exemption or ABN, the Trustee must withhold (and remit to the Australian Taxation Office (ATO)) tax from the Investor's distributions at the highest marginal tax rate plus Medicare levy and other applicable Government charges (currently 47% for Australian-resident Investors and 45% for foreign Investors). Investors that fail to quote a TFN or ABN may be entitled to claim a credit for amounts withheld in their income tax return. The Fund complies with the obligations under the Privacy Act 1988 (Cth) with respect to the collection, use and disclosure of Investor's personal information (including TFNs).

8.6 Foreign account tax compliance act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. Investors that are US residents for tax purposes should be aware 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) between 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 Trustee will also request that affected Investors provide certain information, including its US Taxpayer Identification Number. We will only use such information for this purpose from the date the Fund is required to do so.

8.7 Common reporting standards (CRS)

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

9. Risks

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

The following is a non-exhaustive list of the main risks associated with investment in the Fund. You should consider and weigh them up carefully and make your own assessment as to whether you are comfortable with them.

Distributions are not guaranteed, and neither is the return of your capital.

9.1. Market risks

This is the risk that negative market movements will affect the price of assets within a particular market. By their nature, markets experience periods of volatility involving price fluctuations of varying magnitudes. Property market risk is the risk that the property market as a whole declines in value in line with various trends in the Australian or overseas markets. This may be due to a number of factors, such as over-supply of real estate, economic conditions, interest rate movements or general market sentiment.

Investment returns from the Fund are affected by general market conditions and may decline over short or extended periods due to market sentiment, economic, technological, legal, social and/or political factors. Real estate valuations fluctuate and the value of real property is determined by market forces at any particular time. This may result in the value of the property held by the Fund increasing or declining in value. None of these conditions are within the Trustee's, or the Investment Manager's, control and no assurances can be given that such factors will be anticipated.

The value of an investment may rise or fall, distributions may or may not be paid and an investor's capital may or may not be returned.

9.2. Return risks

The Fund seeks to deliver returns (primarily interest income) to investors.

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

The Target Return is not a forecast. The Fund may not be successful in meeting this objective and returns are not guaranteed.

None of the Trustee, the Investment Manager nor any other person or entity guarantees any income or return from an investment of the Fund.

9.3. Interest rate risk

Changes to interest rates can have a direct and indirect impact (negative or positive) on returns. The income return on your investment is not guaranteed and the target returns might not be achieved. This could happen due to factors such as the deterioration of the financial position or credit rating of the financial institution or ADI in which a deposit is held, negative fluctuations in the Australian and overseas interest rates, market illiquidity, adverse movements of exchange rates, negative changes in monetary policy and other economic, social and political factors.

9.4. General economic risk

General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.

9.5. Legal, regulatory and compliance risk

Changes in government legislation, regulation and policies generally could materially adversely affect the operating results of the Fund. Although unable to predict future policy changes, the Investment Manager intends to manage this risk by monitoring and reacting to any potential regulatory and policy changes.

The operation of a funds management business in Australia is subject to significant regulation by Australian government authorities including without limitation the ASIC, the Australian Transactions Reporting and Analysis Centre, the Foreign Investment Review Board and the Australian Consumer and Competition Commission. There is a risk that the Fund may not comply at all times with its various obligations under government regulations and this may result in the loss of authorisations of the Australian Financial Services Licence held by the Trustee's authorising licensee thereby preventing the continued operation of the Fund.

9.6. Taxation risk

Changes to tax law and policy (including any changes in relation to how income of the Fund is taxed or to the deductibility of expenses or stamp duty law) might adversely impact the Fund and your returns and may necessitate a change to the Fund's structure to ensure Investor interests are protected. You should obtain independent tax advice in respect of an investment in the Fund.

9.7. Environmental, social and governance risk

The valuation of an investment by the Fund or rental income could be adversely affected by discovery of environmental contamination or the incorrect assessment of costs associated with an environmental contamination, as well as restrictions associated with flora and fauna conservation.

There is a risk that adverse and destructive climate events caused by the net addition of carbon to the atmosphere, fertiliser runoff into the ocean and other pollutants (as outlined in the United Nation's climate and environmental reports) may negatively impact the Fund. Tourism and outdoor focused activities are more likely to suffer damage and higher insurance costs as storms, flooding, fire and other natural events occur more frequently.

Land contamination and the presence of hazardous materials may be found on the properties and have an adverse impact on the Fund.

Furthermore, changes in environmental policy, ratings systems (e.g., National Australian Built Environment Rating System) and other legislated environmental outcomes may adversely affect the projects. Additionally, changes in social norms, outcomes or expectations, including the governance of investments, may impact positively or negatively on the Fund.

9.8. Disaster risk

Disasters such as natural phenomena, acts of God and terrorist attacks may damage or destroy properties. This may result in delays being incurred in repairing the property or may result in the property not being repairable at all. In addition, it may not be possible to insure the property against some of these events or to obtain insurance at commercially reasonable rates. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected by the Investment Manager.

9.9. COVID-19

Any number of unknown risks, like COVID-19 pandemic, may arise and adversely impact the Fund and potential returns to investors.

9.10. Counterparty risk

There is a risk that a counterparty may breach its obligations.

9.11. Documentation risk

There is a risk that a problem in relevant documentation could, in certain circumstances, adversely affect the return on an investment. The Trustee will manage this risk by using qualified solicitors with professional indemnity cover to prepare documentation.

9.12. Cyber security risk

Investors should be aware that while the Trustee has implemented technologies, processes, and practices designed to protect its networks, devices, programs, and data (or Information Technology Systems) such Information Technology Systems may still be subjected to malicious attack, damage, or unauthorised access.

Such Information Technology Systems may include the storage of information concerning an Investor's identity, financial interests or other personal details provided to the Trustee in connection with their investment in the Fund.

In the event serious harm is a likely outcome of a breach of the Trustee's Information Technology Systems, the Trustee or Investment Manager (as may be required) will notify the affected individuals and recommend steps that ought to be taken in response to the breach. The Trustee may also be required to notify any regulatory authority as required by law.

9.13. Building risks

Property assets naturally deteriorate over time and are subject to disasters, which can damage the structure of the building. There is a risk that the value of the property could diminish if the building on the property forming part of the Fund's assets deteriorates or is damaged.

9.14. Capital expenditure risks

There is a risk that capital expenditure could exceed expectations resulting in increased funding costs and therefore lower than targeted distributions. The Investment Manager will work closely with the golf course developer and tenant consultants in an effort to ensure ongoing capital expenditure estimates are accurate. The Integrated Construction and Maintenance Contract is also a fixed price contract which mitigates capital expenditure blow-outs.

9.15. Concentration risks

The funds assets are currently all located on Kangaroo Island, South Australia. Investors are therefore exposed to a lack of investment diversity.

9.16. Disposal risks

The Fund may be required to make representations and give warranties in connection with the disposal of its property investment. The Fund may be required to indemnify the purchaser to the extent any claims arise in connection with the disposal of the investment.

9.17. Due diligence risks

In all investments there exists a risk that material items that could affect the performance of individual investments are not identified during the investment analysis process and that these risks are not mitigated by the Investment Manager.

9.18. Existing asset acquisition risks

Acquiring an existing asset means accepting the risk that the building may require repair or replacement that has not been included in the financial forecast. There may be environmental concerns or heritage management issues that prevent optimum use of the site or the land.

9.19. Hospitality operations risks

The Fund relies on income generated through the sale of alcohol, gaming and cigarettes. These products or services require appropriate licensing. The Trust is exposed to the risk of reduced trade if these licenses are revoked. Furthermore, income is generated through food sales which carries the risk of wastage or spoiled food if specific sales volumes are not reached on a daily basis.

9.20. Planning and development risks

The Fund will work with developers undertaking planning works and there are numerous risks associated with such works. For example, the Fund could be exposed to adverse planning and building approvals and timing delays which could occur at any stage of the process, increasing the duration of projects and impacting negatively on cash flows. Approval may not be granted on conditions the Trustee does not find acceptable. These risks cannot be completely mitigated however the Trustee intends to mitigate them where possible by including appropriate safeguards in its contracts. There is also a risk that contractors may default under the terms of a contract due to circumstances outside the Trustee's control (for example, if a contractor becomes insolvent). This may in turn affect the value of the underlying property over which a security interest may be granted.

The Fund will be exposed to construction and development risk, e.g., as a result of engaging Programmed Turnpoint to undertake the development of the property or as a result of future capital works programs, refurbishment operations or repairs.

9.21. Property income risks

There is a risk that the Fund's revenue may decrease as a result of falling demand for the golf course, clubhouse and accommodation facilities. Downturns in demand may lead to decreased revenue due to the tenant failing to fulfill obligations under the lease agreement or the property not being utilised or occupied in accordance with the best estimate assumptions contained in this IM.

Where there is lower than expected demand or the tenant vacates the property, or there is an adverse change in sentiment toward the property such that it is unable to be fully leased, the income of the Fund will be lower than estimated and the value of the property may decrease. The Fund may also be required to pay marketing expenses and commissions to estate agents who introduce a new tenant (or tenants) to the property and also provide leasing incentives in excess of estimates which may reduce the income or value of the property and therefore the Fund.

9.22. Property market risks

Many factors can affect the property market generally as well as the individual properties which the Fund owns. These factors will impact both the valuations of the properties from time to time as well as their performance over time. They include the quality of the properties, changes to current and expected future income, development, unforeseen capital expenditure, tenant quality and financial standing, inadequate insurance or the occurrence of uninsurable events. If the value or income of properties to which the Fund has exposure does fluctuate over time, this movement may materially impact net assets and profits available for distribution from the Fund.

9.23. Settlement risks

Over time, the Fund may purchase additional properties, and as such contracts will be entered into by the Trustee or a related entity for their acquisition. There is a risk that the acquisition of properties may not settle when expected. This may impact the Fund's performance

9.24. Sovereign specific risks

There is a risk that the market value of the Fund's asset may decline due to specific state or federal government risks. For example, there may be changes to SA Water infrastructure currently underway on Kangaroo Island or pricing changes outside of the current state regulated controls. Investments in companies or trusts dependent on infrastructure currently under construction may be less liquid, more volatile or difficult to value if governments do not maintain their commitments.

9.25. Stamp duty risks

In certain circumstances, stamp duty may apply to your dealings in the Fund, such as transfers, issues or withdrawals of Units. Accordingly, before dealing with your Units or acquiring further Units in the Fund you should consider whether the dealing/acquisition may give rise to stamp duty consequences. You should also be aware there is a possibility, that withdrawals may have stamp duty consequences for the Fund and the remaining investors.

9.26. Tenancy and leasing risks

If the tenant fails to honour its lease obligations, then this could have a detrimental impact on the Fund. It could result in a reduction to the distributions available to you, or in extreme circumstances, a failure by the Fund to meet its interest obligations to lenders.

There is no guarantee that the current tenant will renew its lease once expired. Any vacancy will diminish the income available to the Fund for distribution and if present on the sale of the property will impact on the return to investors as the sale price will likely be reduced.

With respect to any vacancy arising, the Fund could incur costs in releasing the property such as contributions to an incoming tenant fit-out, rent free or other incentive payments. This could diminish the income available to the Fund for distribution.

The Investment Manager aims to manage these risks to the extent possible through active property management, including regular contact with the tenant, strong arrears management procedures and utilising professional leasing agents to actively manage any vacancy

9.27. Valuation risks

The valuation of the property may be inaccurate or not accurately reflect its true value at the time the valuation is undertaken. The ongoing value of a property is influenced by changes in property market conditions (e.g., supply, demand, capitalisation rates and rental and occupancy rates). There is no guarantee that the Fund's investment will enjoy a capital gain on sale or realisation or that the value of the Fund's investment will not fall as a result of the assumptions on which the valuation is based proving incorrect.



9.28. Fund investment risks

The Trustee and Investment Manager may elect to retire or may be replaced as the Trustee or Investment Manager of the Fund or the services of key personnel of the Trustee and Investment Manager may become unavailable for any reason.

There is always a risk that the Investment Manager may fail to identify and adequately manage the investment risks of the Fund and thus affect the ability to pay distributions or reduce the value of the Units.

Operational risks of the Trustee, the Investment Manager and the Administration Manager include the possibility of systems failure, regulatory requirements, documentation risk, fraud, legal risk and other unforeseen circumstances.

The Fund is relying on the ability of the Investment Manager to achieve its investment objectives. If the Investment Manager were not to continue in its role, the Fund may not be able to achieve these objectives.

9.29. Fees and expenses

The Fund will incur fees and expenses regardless of whether it is successful. The Fund will pay investment management fees, Trustee fees and administration fees whether or not it receives its returns.

In addition, the Fund will also be required to pay investment management fees, Trustee fees and administration fees whether the funds raised are fully utilised or not. The Fund must therefore ensure that sufficient liquidity is maintained in order to meet these and other expenses.

The Trustee and the Investment Manager expect to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit an investment including, but not limited to, financial, legal, technical, regulatory, commercial advisers, engaged to assist the Trustee and the Investment Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment.

There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that investors might otherwise realise.

9.30. Thinly capitalised management

The Investment Manager does not have any material independent financial resources. If an action or claim is brought against the Investment Manager and such claim is not covered by the professional indemnity or directors' and officers' insurance policies arranged by or on behalf of the Investment Manager, the Fund cannot assure that the Investment Manager will have sufficient financial resources to cover any amounts payable under any such claim. The Fund is reserved to Wholesale Clients who are required to be aware of the risks involved in an investment such as the Fund and who accept that they will have recourse only to the Fund's assets in existence at any given time.

9.31. Related party transactions

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

The Investment Manager is not a related party of the Trustee. The contractual arrangements between the Trustee and the Investment Manager are negotiated at arm's length between the parties. The Trustee may from time-to-time enter into transactions with related entities. The Administration Manager is a related party of the Trustee.

Investors also acknowledge that all investments made by the Fund will be in related parties of the Investment Manager and may not be on arm's-length terms.

It is not the responsibility of the Trustee to assess the merits of this investment recommended by the Investment Manager, but rather to ensure that this investment is within the terms outlined in this IM and permissible under the Trust Deed. Accordingly, the Trustee does not guarantee that the Fund's investments are otherwise made on arm's length terms.

By investing in the Fund, investors acknowledge that the Investment Manager is responsible for making investment decisions for the Fund and that they have made their own independent investigations to satisfy themselves of the benefit of becoming an Investor in the Fund.

9.32. Limited track record and operating history risk

The Fund is a newly established managed investment scheme. The success of the Fund's investment activities will depend almost entirely on the Investment Manager's ability to carry out the proposed investment strategy successfully. While the principals of the Investment Manager have previous experience making and managing investments of the type contemplated by the Fund, there can be no assurance that the Fund's investments will achieve the Target Return or will avoid a loss.

9.33. Currency risk

The Fund's investments will be domiciled in Australian dollars and therefore the weakening of a country's currency relative to the Australian dollar will negatively affect the value of the Fund from the perspective of an international investor.

9.34. Liquidity and withdrawal risk

The Fund is an illiquid investment.

This is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss or make a profit.

There are no rights to withdraw your investment in the Fund or to require the Trustee or the Investment Manager to repurchase your investment. There is currently no secondary market for Units in the Fund, and it is unlikely that any active secondary market will develop. There are substantial restrictions upon the transferability of Units under the Fund documents and applicable securities laws.

Additionally, abnormal or difficult market conditions may cause some normally liquid assets to become illiquid and restrict our ability to sell them and to make withdrawal payments for investors without significant delay.

You should only consider an investment in this Fund if you are not likely to require access to your investment in the medium term

9.35. Information not complete or accurate

The Trustee is not in a position to confirm the completeness, genuineness or accuracy of any information or data included in this IM. A significant amount of the material provided in this IM was supplied by third parties including the Investment Manager. This information has not been audited or independently reviewed.

9.36. Fund risk

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

9.37. Multi-class risk

While it is only intended that one class of units is issued, there could be more classes issued in the future. Such classes of units may be referable to a particular asset with liabilities arising in respect of the asset being quarantined within the referable unit class. Recent case law has cast some doubt over this referability. You should be aware that the assets and liabilities referable to that specific unit class remain as the assets and liabilities of the Fund as a whole. Such assets and liabilities may therefore not be quarantined to a specific unit class.

9.38. Borrowing risk

It is proposed that finance will be obtained from an Australian financial institution or other major financier. The finance facility is likely to contain lending covenants and review requirements. If any of the facilities are not renewed or additional conditions are imposed this may impact on the return to investors.

Depending on the arrangements with the financier, security may be pledged or granted over part or all of the assets of the Fund. A default under the terms of a facility agreement may result in the financier enforcing its security.

While the terms of any debt facility are unknown as at the date of the IM, it is very common for a financier to have the power under a facility agreement to require the borrower to cease paying any distributions and instead to apply all income generated from the security asset towards the repayment of the loan facility and other operating costs. If a financier were to exercise this power, the Fund may be prevented from making distributions to investors.

In addition, providers of the borrowed funds could withdraw their funding and alternative funding sources may not be available, which may have a material impact on potential returns of the Fund.

Falling asset values, declining revenue or other unforeseen circumstances may cause covenants under a debt facility to be breached. A breach of a debt facility covenant may result in a lender enforcing its security. The lender may require repayment of the debt facility, possibly prior to its expected expiry. This could result in a sale of the security property at a less than optimal sale price (for instance, in a depressed market) additional equity being required, or distributions being deferred.

9.39. Insurance risk

The performance of the Fund may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks. Further, any failure by an insurer or re-insurer may adversely affect the Fund's ability to make claims under an insurance policy. The Investment Manager will aim to maintain all appropriate insurance coverage against liability to third parties and real estate damage in the usual course of business. However, insurance against certain risks, such as earthquake, cyclone, acts of terrorism and force major events may be unavailable, available in amounts that are less than the full market value or subject to a large deduction or excess. Further, there can be no assurance that particular risks are insurable, or will continue to be insurable, on an economically feasible basis. The cost of uninsured losses may adversely affect the Fund's performance.

9.40. Other risks

It is important to note that not all risks can be foreseen. It is therefore not possible for the Investment Manager to protect the value of the Fund's investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

Whilst the Investment Manager has taken steps to ensure that the information presented in this IM is correct, it is possible that due to factors such as the passage of time or the uncertainty in forecast details that the information contained in this IM may be inaccurate at the date of release of the IM or at a later time.

The Trustee has not sought to verify any statements contained in this IM about the investment opportunity described herein, the investment strategy employed by the Investment Manager, the Investment Manager's business or the business of any other parties named in this IM.

Neither the Trustee nor Investment Manager guarantees the repayment of investments or the performance of the Fund. The Trustee strongly recommends that investors obtain independent financial advice before investing in the Fund.

10. Additional Information

10.1. Summary of material documents

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

- **Trust Deed**

The Trust Deed is an important document and before deciding whether to invest in the Fund, investors may choose to read the Trust Deed in full.

The Trust Deed is the primary document governing the relationship between the Investors and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each.

Subject to the Trust Deed, as an Investor you have the following rights:

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

Generally speaking, the liability of investors in relation to their Units is limited to the amount unpaid on their Units. Each Unit confers a proportional beneficial interest in the Fund and does not carry any entitlement to any particular part of the Fund's assets or to partake in the management or operation of the Fund (other than through meetings of investors). The Trust Deed contains provisions about convening and conducting meetings of investors.

The Trust Deed may be amended from time to time in accordance with the terms of the Trust Deed.

The Trustee may retire on not less than 14 days notice to investors and may appoint in writing another person to be the trustee effective from the retirement of the Trustee. The Trustee is released from all obligations and liabilities in relation to the Fund arising after it retires as, or otherwise ceases to be, trustee of the Fund.

A copy of the Trust Deed is available free of charge by contacting the Trustee on +61 3 8352 7120.

- **Investment Management Agreement**

The Trustee has appointed the Investment Manager to provide investment management services to the Fund pursuant to an Investment Management Agreement.

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

- **Administrator Agreement**

The Trustee have appointed the Administrator, an associated company, to provide fund accounting and taxation services to the Fund pursuant to an administration agreement under which the Administrator provides administration services for day-to-day operations of the Fund. These services include fund accounting, Unit pricing, reporting and preparation of statutory accounts. The Trustee have appointed the Registrar, a related party, for unit registry services in respect of the Fund. The Trustee have appointed these parties in consultation with, and with agreement from, the Investment Manager.

10.2. Manager's authorised representative appointment

The Investment Manager has been appointed as an authorised representative of the Licensee and holds authorised representative number 1285834.

10.3. Reporting

Our reporting will comprise the following:

- Periodic performance update reports, at the discretion of the Trustee.
- An annual income distribution statement detailing any distributions paid to you, including an annual tax statement detailing information required for inclusion in your annual income tax return.

Annual financial reports of the Fund will be made available if requested.

10.4. Related party - Trustee

The Trustee may from time-to-time face conflicts between our duties to the Fund as trustee, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with our conflicts of interest policy, the Constitution, ASIC policy and the law.

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

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

10.5. Conflicting Investor interests

Investors may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets. Conflicts may arise in connection with decisions made by us or the Investment Manager regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments we and the Investment Manager may consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax, or other objectives of any Investor individually.

10.6. No-cooling off rights

There are no cooling-off rights or cooling-off periods that apply in respect of your investment in the Fund. Once lodged, applications cannot generally be withdrawn.

10.7. Privacy

The Trustee collects personal information about you from your Application Form. We use this information primarily so we can verify your identity and establish your investment in the Fund. We will also collect and may use and disclose your personal information to process your application and manage your investment, comply with our obligations under applicable laws and regulations and improve our products and services. We may also use your information to provide you with details of future investment offers made by us or the Manager.

If you do not provide us with all the personal information we request, then we may be unable to establish and manage your investment in the Fund. The types of organisations to which we may disclose your personal information include the Investment Manager and its related parties, external parties which provide services in relation to the Fund (e.g. custodial and registry service providers and providers of printing and postal services), government authorities when, and to the extent, required by law, and our professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

Under the Privacy Act 1988 (Cth), you are entitled to access the personal information we hold about you, except in limited circumstances. You also have the right to ask us to correct information about you, which is inaccurate, incomplete or out of date.

Please contact us if you have any questions about how we handle your personal information, or if you wish to access the personal information, we hold about you.

10.8. Anti-money laundering law

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires us to verify the identity of an Investor and any underlying beneficial owner of Units in the Fund and the source of any payment. You will be required to provide the identification information set out in the Application Form. We will not issue you with Units unless satisfactory identification documents are provided.

We reserve the right to reject any application where such documents are not provided to us prior to, or accompanying, your application or if we believe on reasonable grounds that processing the application may breach any law in Australia or any other country. We will incur no liability to you if we do so.

10.9. Up-to-date information

Certain information in this IM may change from time to time. This includes but is not limited to potential changes which we have identified. Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information on our website, vascofm.com

A copy of the updated information will be available free of charge upon request by contacting the Trustee or the Investment Manager.

10.10. Complaints and contacting us

We have a system for dealing with any complaints you may have as an Investor. If you have a complaint, then please contact us at:

The Complaints Officer
Vasco Custodians Pty Ltd

Level 4, 99 William Street
Melbourne VIC 3000

T (03) 8352 7120
E info@vascofm.com

11. Glossary

Administration Fee	The fee payable to the Administration Manager.
Administration Manager	Vasco Fund Services Pty Limited (ACN 610 512 331) who is the administrator of the Fund pursuant to the Administration Agreement.
AFSL	Australian Financial Services Licence.
Application Form	The application form to invest in the Fund.
Application Money	The money paid by an applicant for Units.
ASIC	Australian Securities and Investments Commission.
Corporations Act	Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.
Fund	Pennington Cliffs Property Trust.
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999, as amended.
IM	This Information Memorandum in respect of the issue of Units in the Fund.
Investment Management Agreement	The investment management agreement between the Trustee and the Investment Manager dated on 3 May 2021.
Investment Manager Fee	The fee payable to the Investment Manager.
Investment Manager or Pennington Cliffs Management Pty Ltd	Pennington Cliffs Management Pty Ltd (ACN 648 320 512) a corporate authorised representative (No. 1285834) of Enva Australia Pty Ltd.
Investor	A person who has acquired, or will acquire, Units.
Licensee	Enva Australia Pty Ltd Pty Ltd ACN 098 806 501, AFS licence no. 424494.
Offer	The offer under this IM to acquire Units.
Sub-Funds	A segregated pool of assets and liabilities into which the Trust Fund is divided, established under the Trust Deed and the relevant supplemental deed as a separate trust.
Trustee, we, our, us	Vasco Custodians Pty Ltd (ACN 644 232 539) (AFSL 530682).
Trustee Fee	The fee payable to the Trustee.
Trustee - Minimum Term	The Minimum Term expires 30 April 2025.
Trust Deed	The primary document governing the relationship between the Investors and the Trustee.
Unit	An ordinary unit in the Fund.
Wholesale Client	'Wholesale client' as defined under section 761G of the Corporations Act.

Important Notice

This Information Memorandum (IM) is dated 14 November 2023 and is issued by Vasco Custodians Pty Ltd ACN 644 232 539 (Trustee, we or us), which is the trustee of the Pennington Cliffs Property Trust (Fund). The purpose of this IM is to provide information for prospective Investors to decide whether they wish to invest in the Fund.

The Trustee holds AFS Licence no. 530682. The Trustee has appointed Pennington Cliffs Management Pty Ltd ACN 648 320 512 (Investment Manager) as the investment manager of the Fund.

The Investment Manager is a corporate authorised representative (No. 1285834) of Enva Australia Pty Ltd ACN 098 806 501 (AFS Licence no. 424494) (Licensee).

The Trustee has also appointed Vasco Fund Services Pty Limited ACN 610 512 331 (Administration Manager) as the administration manager of the Fund

DHF Investment Services Pty Ltd ACN 644 231 158 is the Trustee of the Sub-Funds. DHF Investment Services Pty Ltd is a corporate authorised representative (No. 1286411) of D H Flinders Pty Ltd ACN 141 601 596 (AFS Licence no. 353001)

Investors from Australia

This Offer is available to wholesale investors only. We will not issue Units to you unless we are satisfied you invest at least \$500,000 into the Fund, you meet the minimum asset (\$2.5 million of net assets) or income (\$250,000 of gross income for the last two financial years) requirements, or you otherwise satisfy us you are a wholesale client for the purposes of Chapter 7 of the Act (including being a professional investor within the meaning of the Act).

Investors from Singapore

With respect to Singaporean jurisdiction, this IM has been prepared on the basis that prospective investors are also accredited investors or certain other persons prescribed under section 305 of the Securities and Futures Act. Accordingly, this scheme is not authorised or recognised by the Monetary Authority of Singapore and Units in this scheme are not allowed to be offered to the retail public.

Foreign jurisdictions

This Offer is available to investors in Australia and Singapore only. This IM does not constitute an offer in any jurisdiction other than Australia and Singapore and the distribution of this IM outside of Australia and Singapore may be restricted by law. If you come into possession of this IM in another jurisdiction you should seek your own advice and observe any such restrictions of the laws of that jurisdiction. We will take your return of a duly completed Application Form to constitute a representation and warranty by you that there has been no breach.

Not investment advice. Seek your own financial advice

We have prepared this IM without taking account of your investment objectives, financial situation or needs. This IM does not contain investment, legal, tax or immigration advice, nor is it a recommendation or opinion on the merits of investing in the Fund. You should seek professional advice and conduct your own investigation and analysis regarding the information contained in this IM. Investment in the Fund is speculative and may not be appropriate for you. You should consider the appropriateness of investing in the Fund having regard to your objectives, financial situation and needs.

Not a product disclosure statement (pds) or prospectus

The Fund is an unregistered managed investment scheme and the regulated fundraising requirements of the Act do not apply to the Offer. This IM is not a PDS within the meaning of the Act. Accordingly, this IM does not contain the same level of disclosure required for registered managed investment schemes that issue PDSs. We have prepared this IM on the express basis it does not purport to contain all of the information you may require to make an informed decision about whether or not to invest in the Fund.

You should read this IM carefully in full before investing. This IM must be read in conjunction with the Fund's Trust Deed for further information about your rights and obligations as an investor in the Fund and our rights and obligations as the trustee of the Fund. If there are inconsistencies between this IM and the Constitution, the Constitution will prevail.

Statements made in this IM are made at the date of this IM. Under no circumstance does the delivery of this IM at any time, or the issue of any Units in the Fund, create an implication the information contained in this IM is correct at any other time subsequent to such date.

Disclaimer

We do not guarantee the performance of the Fund, the repayment of capital or any income or capital return; and nor does the Investment Manager or any of our respective directors, associates or advisors.

To the extent permitted by law, neither we nor our directors, associates and advisors, nor the Investment Manager and its directors, associates and advisors, represent or warrant (expressly or impliedly) the information in this IM is complete, true and correct and not misleading or likely to be misleading, or are responsible or in any circumstance liable for any statement made in this IM. You should make your own enquiries to ascertain the accuracy of any information upon which you intend to rely.

There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The actual outcomes are dependent on future events which may be radically different from those predicted for reasons outside our or the Manager's control. It is particularly important that you carefully consider the risk factors that could affect the performance of the Fund in light of your personal circumstances before making an investment decision.

Confidentiality

This IM is provided on a strictly confidential basis solely for your information and exclusive use to assess an investment in the Fund and may not be used for any other purpose. This IM may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any other person in any way without our prior written consent, which we may withhold in our absolute discretion. By accepting this IM, you agree you will comply with these confidentiality restrictions and acknowledge your compliance is a material inducement to us providing this IM to you.

Glossary and financial details

Capitalised terms are defined in the Glossary and all references to dollar amounts are to Australian Dollars (AUD), unless otherwise stated.

Directory

Trustee

Vasco Custodians Pty Ltd
ACN 644 232 539

Level 4, 99 William Street
Melbourne, VIC 3000

T (03) 8352 7120
W vascofm.com
E info@vascofm.com

Investment Manager

Pennington Cliffs Management Pty Ltd
ACN 648 320 512

Level 12, 431 King William Street, Adelaide, SA 5000

T (02) 9955 9540

Administrator

Vasco Fund Services Pty Limited
ACN 610 512 331

Level 4, 99 William Street
Melbourne, VIC 3000

T (03) 8352 7120
W vascofm.com
E info@vascofm.com

Application Form instructions

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of (a) natural person(s), companies or other legal entities acceptable to us. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title shown below.

The Application Form should be signed by the applicant. If a joint holding, all applicants should sign. If signed by the applicant's attorney, a certified copy of the power of attorney must be attached to the Application Form. If executed by a company, then the form must be executed in accordance with the applicant's constitution and the Act.

[Click here to access the electronic Application Form](#)

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	My John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased estates	Mr Michael Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <J Smith Super Trust A/C>	John Smith Superannuation Trust



Seafront Group

Trustee

Vasco Custodians Pty Ltd
ACN 644 232 539

Investment Manager

Pennington Cliffs Management Pty Ltd
ACN 648 320 512

Administrator

Vasco Fund Services Pty Limited
ACN 610 512 331