

Information Memorandum

Altor Social Infrastructure Fund



Corporate Directory

Investment Manager

ASIF Management Pty Ltd

ACN 677 918 802

Corporate Authorised Representative of AC AFSL Pty Ltd
(CAR No. 001309937)

AFSL Number 495647

Trustee

Altor Capital Management Pty Ltd

ACN 616 053 653

Corporate authorised representative of AC AFSL Pty Ltd
(CAR No. 001268609)

AFSL No. 495647

Address

Level 6, 100 Creek Street
Brisbane QLD 4000

Directors of the Trustee

Harley Dalton

Simon Madder

Legal Services

Kain Lawyers

Important Information

About the Fund

The Altor Social Infrastructure Fund ('Fund') is a wholesale unregistered managed investment scheme, under the Corporations Act 2001 (Cth) ('Corporations Act').

About the Trustee and Investment Manager

The Trustee of the Fund is Altor Capital Management Pty Ltd ACN 616 053 653 ("Altor Capital") and the investment Manager is ASIF Management Pty Ltd ACN 677 918 802; both are Corporate Authorised Representatives of AC AFSL Pty Ltd ACN 609 644 822 (AFSL No. 495647) ("Licensee").

About this Information Memorandum ('IM')

This IM is not a 'disclosure document' or 'Product Disclosure Statement' as defined in the Corporations Act. It does not constitute a recommendation by the Trustee, Altor Capital, or any other person to any recipient of this IM on the merits or otherwise of participating in the Fund.

All applications must be sent to the Trustee, on behalf of AC AFSL Pty Ltd, and AC AFSL Pty Ltd will arrange for the issue of units pursuant to this IM. The function performed by AC AFSL Pty Ltd should not be considered an endorsement of the offer nor a recommendation of the suitability of an investment in the Fund for any person. Neither AC AFSL nor the Trustee guarantees the success or performance of the Fund or the returns, if any, to be achieved by investors.

This IM is supplied to you on the conditions set out below. By applying to invest, you agree to these conditions and give the warranties which are stated to be given.

The information contained in this IM is general information only and does not constitute personal financial product advice. Neither the Trustee nor the Manager have considered your personal taxation, legal or accounting circumstances. You should assess whether the information is appropriate for you and consider talking to an appropriately qualified financial adviser before making an investment decision. Further, the content within this document is not an offer or solicitation to enter into any agreement of any kind or intended to have that effect.

This IM does not purport to contain all of the information that may be required to evaluate an investment in the Fund and, before acting in reliance on the information in this IM, investors should check its accuracy, reliability and completeness and obtain independent and specific advice from appropriate experts.

None of the Manager, the Trustee, the Licensee or their respective advisers, related bodies corporate and associated entities, shareholders, directors, partners, officers and employees (together, the Altor Parties) make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this IM or subsequently provided by any of the Altor Parties including, without limitation, any historical financial information, the estimates and projections, and any other financial information, and nothing contained in this IM is, or may be relied upon as, a promise or representation, whether as to the past or the future.

No person is authorised to give any information or to make any representation in connection with the Fund that is not contained in this IM. Any information or representation not contained in this IM may not be relied upon as having been authorised by the Manager in connection with the Fund.

Any investment in the Fund is subject to investment risk, including possible delays in payment and loss of income and capital invested. None of the Altor Parties guarantees any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital. Past performance should not be relied upon as an indication or guarantee of future performance.

Important Information (Continued)

Wholesale Investors

This investment is only available to Wholesale Investors within the meaning of the Corporations Act 2001. This IM may only be used by investors receiving it (electronically or otherwise) in Australia. No investments will be accepted on the basis of this IM if it is replaced with a later IM.

Certain statements in this IM may constitute forward-looking statements or statements about future matters (including forecast target returns) that are based upon information known and assumptions made as of the date of this IM. These statements are subject to internal and external risks and uncertainties. Actual results may differ materially from any future performance expressed, predicted or implied by the statements contained herein. As such, undue reliance should not be placed on any forward-looking statement.

Terms and Conditions

Units are issued on the terms and conditions contained in the Trust Deed and this IM. We reserve the right to change those terms and conditions.

Goods and Services Tax

Fees and charges set out in this IM, unless otherwise stated, are inclusive of goods and services tax ('GST'). Where the fees are stated as 'excl. GST' or 'before GST', the amount will be increased by 10% for GST. The Fund may be entitled to claim certain input tax credits (including approximately reduced input tax credits).

Availability of this IM

This IM is available in electronic format only. If you receive it electronically, please ensure that you have received the entire IM and application form. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge.

Glossary

A list of defined terms used within this IM can be found in the glossary section.

Variation

We may withdraw, postpone, cancel, or change (vary) the offer under this IM. We will notify investors in writing if this occurs.



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The background is a deep blue with lighter, swirling, organic shapes that create a sense of movement and depth. The shapes are reminiscent of liquid or smoke flowing together.

Letter from the Portfolio Manager

Letter from the Portfolio Manager

Dear Investor,

It is with great pleasure that I invite you to invest in the Altor Social Infrastructure Fund (Fund) managed by ASIF Management Pty Ltd (Manager). The Fund is predominately focused on investments in income-producing assets that serve and support the quality of life for Australians, promote social equity and support sustainable development.

Social infrastructure covers several key asset classes, each addressing different societal needs. These asset classes include, but are not limited to:

1. Social Housing (Specialist Disability Accommodation, retirement, defence);
2. Healthcare Facilities (hospitals, clinics, aged care);
3. Education (childcare, research facilities);
4. Government Services (emergency services, justice);
5. Utilities and Transport (waste, energy, transport);
6. Housing on Leased Land; and
7. Recreation (sports facilities and supporting structures).

Social Infrastructure investing provides an opportunity to improve the lives of families and communities. The selection of opportunities must be both financially sound and deliver a positive net impact to the people and communities that the infrastructure supports.

The Fund has a mandate to invest in Australian social infrastructure assets and will initially focus on investments in Specialist Disability Accommodation (SDA) residential properties designed and built for people with disabilities. In this sense, investors will deliver positive social outcomes and receive quarterly cash distributions backed by the government's National Disability Insurance Scheme (NDIS). Investors will also benefit from any capital upside on the underlying properties depending on the investment instrument employed.

Target Return

The Fund's target distribution return is 8% per annum over a 5-7 year cycle. Additional returns above this amount may also be achieved where any equity or hybrid investments can be realised at a profit.

Within the initial target asset class, the Fund investments may include:

1. Specialist Disability Accommodation (SDA) projects, which includes funding initial land acquisition, construction and eventual ownership of the asset ("Fund through");
2. Provision of Senior, subordinated debt or preferred equity to fund SDA projects; and
3. Equity investment in SDA projects.

All investments will go through a rigorous due diligence process where the Manager will examine and test project feasibility to understand project delivery, costs, team capability, asset performance, valuation, risk identification and mitigation. Each asset must perform to the mandate of the Fund.

The Investment Team has a strong track record of experience across property development, credit, banking, finance and investment with a collective experience in excess of 80 years, having successfully deployed \$680m of projects. The Investment Team collaborates closely with each project delivery team at the control group level to ensure successful execution of projects.

We look forward to welcoming you as an investor in the Fund and achieving investment returns along with funding social infrastructure projects.

A stylized, handwritten signature in black ink, appearing to read 'Panos'.

Panos Miliadiadou
Portfolio Manager,
Altor Social Infrastructure Fund

1. Offer Details

1. Offer Details

1.1 Fund Investments

This Section is not intended to provide full information for investors intending to apply for Units pursuant to this IM. This IM should be read and considered in its entirety.

The performance of Altor Social Infrastructure Fund is not guaranteed by the Trustee, the Manager or any adviser to the Fund.

Fund Investments

The Fund will primarily acquire a range of income-producing property assets in the Social Infrastructure sector and will initially undertake a role in funding the development of Specialist Disability Accommodation sector properties.

The Fund may invest in social infrastructure developments in a variety of ways based on risk adjusted returns and this may take the form of:

1. Preferred equity;
2. Debt;
3. Ownership of underlying property assets;
4. Joint Venture arrangements;
5. Fund through arrangements; and
6. As developer.

Investors will gain exposure to a portfolio of socially responsible assets that will have a high social impact as well as providing long-term risk adjusted returns.

Target Distribution Rate

8.00% p.a

Trustee

Altor Capital Management Pty Ltd

Manager

ASIF Management Pty Ltd

Structure

Open-ended, unlisted unit trust

Application Frequency

Monthly

Distribution Period

Quarterly

Eligible Investors

Restricted to wholesale, professional and sophisticated investors.

Fees

Management Fee: 1.00% p.a.

Performance Fee: 15% of surplus returns above the Hurdle, subject to a high-water mark.

Property Specific Fees

Acquisition Fee: 2.00% of the total consideration paid for each Investment including the purchase price and all development and related costs, but excluding stamp duty, taxes, service provider fees and other transaction costs.

Debt Establishment Fee: 0.35% on debt facilities established by the Fund

Development Management Fee: 2% when acting as Developer on a property asset.

Hurdle

8% based on a 12-month performance period (being the financial year) and does not compound.

Gearing

The Fund may employ gearing to acquire and improve investments. The Fund will generally target a loan to value ratio (LVR) across its portfolio of between 35% to 50%, with a hard limit of 65%. The Fund's actual LVR may vary from time to time across different investments.

Minimum Investment

\$100,000 and thereafter in multiples of \$10,000.

Liquidity

18 month lock-up, thereafter quarterly subject to a 60 day notice period. Redemptions will be limited to 5% of the Fund's net asset value per quarter.

1. Offer Details (Continued)

1.2 Fund Investments

The Altor Social Infrastructure Fund is a wholesale unit trust that operates as a diversified investment trust investing in social infrastructure opportunities. The Fund will seek investment opportunities that offer commensurate returns for the risks involved and will invest across a broad range of assets and play a role from funding developments to owning property assets with the objective to produce both income and capital returns.

1.3 Subscription Size

The Trustee is seeking subscriptions for up to a maximum of A\$500,000,000 (before costs). The Trustee will seek subscriptions up until 30 June 2025. The Trustee reserves the right to change the targeted amount to be raised and/or the period during which it will accept subscriptions at its sole discretion.

1.4 Applications

Applications for Units must be made using the online Application Form. Payment for Units must be made in full.

Applications must be for a minimum of \$100,000 and thereafter in multiples of \$10,000. Applicants must transfer the funds via online remittance methods that are explained in the online Application Form.

The Trustee reserves the right to close the offer at any time.

1.5 Allotment

Allotment of Units will generally occur monthly, however the Trustee can allot units more frequently.

1.6 Fund Term

Due to the nature of the investments being undertaken, The Manager intends to invest the funds and retain the portfolio for an indefinite term (Term).

1.7 Withdrawals and Liquidity

The Fund is expected to be illiquid, with an 18-month lock-up from initial unit allotment. Redemptions are available on a quarterly basis thereafter, subject to a 60-day notice period. Total redemptions for each calendar quarter will be limited to 5% of the total net value of assets within the Fund.

If the quarterly redemption limit is reached in any quarter, redeeming Unitholders will be redeemed on a pro-rata basis, with the balance rolled over in the following quarterly redemption period. These redeeming Unitholders will receive priority redemption (on a pro-rata basis) in the following quarter before processing additional redeeming Unitholders.

While there is a process available to Unitholders (subject to the quarterly redemption cap), the Manager has the ultimate discretion to process redemptions in any quarter. This decision is subject to a number of considerations, including current market conditions, inflows from investors and cash levels of the Fund.

1.8 Distribution Policy

It is the intention of the Trustee to make regular distributions of Fund profits in the form of quarterly distribution payments. The amount of the distributions paid by Altor Social Infrastructure Fund will be at the discretion of the Directors and will take into account:

- Investment performance in the relevant period;
- Market conditions;
- Income received from underlying investments;
- The realisation of any equity value;
- The Fund's financial position at the time; and
- Special Distributions as a result of asset sales.

2. Overview of the Manager

2. Overview of the Manager

ASIF Management Pty Ltd (the “Manager”) is a wholly owned subsidiary of Altor Capital Pty Ltd (“Altor”).

Altor is an Australian-based alternative investment manager with offices in Brisbane, Sydney and Melbourne with a focus on investing in high-quality emerging asset classes.

Over the last 7 years, Altor has developed a diversified platform approach to investment management spanning the alternative asset classes of private equity, private credit and property. The Manager invests across the capital structure using three core funds:

1. Altor AltFi Income Fund – diversified private credit fund specialising in mid-market corporates, delivering quarterly distributions.
2. Altor Emerging Growth Fund – active equity approach to private and publicly listed equities.
3. Altor Social Infrastructure Fund – investments in social infrastructure assets.

The platform approach enables the Manager to identify niche asset classes and opportunities, tailoring solutions to deliver superior risk-adjusted returns to investors. Being unrestricted by a particular asset class or single mandate, the Manager is able to broaden its opportunity set to identify opportunities that may be appropriate for any of its funds.

Altor believes that through active management in alternative assets, superior risk-adjusted returns can be generated.

Altor was founded by Ben Harrison and Harley Dalton and is owned by ASX-listed Prime Financial Group Limited (“Prime”), a diversified financial services firm providing advisory, asset management, private wealth, and capital services. Altor has a highly experienced team with a successful track record across alternative investments.

Altor’s investment philosophy:

Altor was founded by Ben Harrison and Harley Dalton and is owned by ASX-listed Prime Financial Group Limited (“Prime”), a diversified financial services firm providing advisory, asset management, private wealth, and capital services. Altor has a highly experienced team with a successful track record across alternative investments.

Altor’s beliefs:

- Protect the downside – seek to understand the downside before investing and to minimise the risk through multiple processes.
- Stick to your knitting – not everyone is an expert in all asset classes, however, one can be a specialist in niche alternative assets.
- Follow the process – repeatable investment process to identify opportunities in inefficient markets.
- Invest with patient capital in strong thematic – provide superior returns through market cycles.

3. Overview of the Fund

3. Overview of the Fund

The Fund will invest across the Social Infrastructure sector. The Fund seeks to select investment opportunities that offer the optimum risk and return characteristics.

Social infrastructure is a subcategory of the infrastructure sector which are long-term physical assets that operate in markets with high barriers to entry and enable the provision of goods and services. The subcategory generally covers facilities, services, and systems that are essential for the functioning of societies and the well-being of their populations.

In addition to generating economic returns, these investments are designed to improve quality of life, promote social equity, and support sustainable development. Social infrastructure projects are typically funded by both public and private sectors and often involve long-term partnerships between governments, non-profits, and private investors.

Social infrastructure covers several key asset classes, each addressing different societal needs. These asset classes include, but are not limited to:

1. Social Housing (Specialist Disability Accommodation, retirement, defence);
2. Healthcare Facilities (hospitals, clinics, aged care);
3. Education (childcare, research facilities);
4. Government Services (emergency services, justice);
5. Utilities and Transport (waste, energy, transport); and
6. Housing on Leased Land; and
7. Recreation (sports facilities and supporting structures).

3.1 The Investment Case for Social Infrastructure

Investing in social infrastructure often involves long-term commitments and stable returns, supported by the essential nature of the services provided. These investments can be structured through various models, including Public-Private Partnerships (PPPs), government bonds, private debt and private equity. The sector is characterised by:

- 1. Stable Cash Flows:** Due to the essential and non-cyclical nature of social infrastructure services.
- 2. Government Support:** Often backed by government guarantees or funding, reducing the risk for investors.
- 3. Positive Social Impact:** Investments contribute to societal well-being and sustainable development goals.

By diversifying portfolios to include social infrastructure assets, investors can achieve a balance of financial returns and positive social impact, aligning with both economic and ethical investment criteria.

Australia's growing and ageing population, increasing urbanisation, migration, advancements in technology, and the changing nature of work will impact this sector over the next 15 years and beyond. These trends will increase demand for social infrastructure, particularly in our cities, and change the expectations people have for the variety, quality and accessibility of social infrastructure services and assets.

3.2 Initial Target Asset Class - Specialist Disability Accommodation ("SDA") Sector

The Fund will initially invest in properties within the Specialist Disability Accommodation sector. This sector comprises of properties that are specifically designed to provide accommodation to people with disabilities who qualify for SDA funding under the National Disability Insurance Scheme ("NDIS"). The aim of the scheme is to provide higher quality accommodation to people with functional impairment or very high support needs enabling greater independence, inclusivity, and integration within their local community.

Accordingly, the SDA scheme focuses on smaller scale properties such as:

- Standalone properties, being group homes, houses, townhouses and apartment complexes for no more than 15 people in total; and
- Integrated apartments, being larger apartment complexes where up to the greater of 15 people or 15% of the total capacity can be for SDA use.

3. Overview of the Fund (Continued)

Returns in the sector are similar in nature to other property sectors, comprising rental income and the potential for capital gain through increases in rent, capitalisation rate compression and relative growth in property values in the area. Compared to traditional property, the rent payable under National Disability Insurance Agency legislation is set at an attractive level to incentivise and attract private capital providers (although the rates may change in the future).

The Manager believes that the SDA property sector exhibits attractive fundamentals, including:

- Stable underlying demand, largely unaffected by the business cycle;
- Strong future growth prospects driven by the gap between the demand and supply of disability accommodation;
- Defensive characteristics with property income supported by government funding, further reducing credit risk and the impact of market cycles; and
- Lower level of institutional investment than other real-estate asset classes meaning a reduced level of competition of assets.

The Manager believes that the sector provides Investors with the opportunity to secure attractive recurring income yields, with stable growth prospects and defensive characteristics that could protect returns in difficult economic conditions.

3.3 Additional Sector Focus Areas:

3.3.1 Healthcare Facilities

This sector includes investment in illness prevention, health promotion, the detection and treatment of illness, rehabilitation, and end-of-life care. The Fund will primarily consider day hospitals, clinics, and aged care facilities. The purpose of investing in this sector is to reduce demand for hospitals and decrease the costs of health and aged care infrastructure throughout Australia.

The sector is also typically less volatile due to its relative inelasticity comparable to economic downturns and other macroeconomic factors. As a sector that is backed by government funding, tenants are generally more willing to commit to longer-term leases.

The Manager believes that the healthcare facilities sector exhibits attractive fundamentals, including:

- Stable underlying demand, largely unaffected by economic cycles;
- An ageing demographic which creates strong demand tailwinds;
- Strong future growth prospects driven by the gap between the demand and supply of healthcare infrastructure; and
- Existing facilities becoming dated and which require upgrades in the near future.

3.3.2 Education

Education facilities would include but are not limited to childcare, tertiary education, and research facilities. Improving educational infrastructure directly impacts the workforce population, global competitiveness, social cohesion, well-being, and national productivity. Accessibility to facilities is a key component of improving these factors and where private sector investment can address. The growing population and increase in the average number of students per school also affect the need for increased investment in the sector.

Total government spending on education is budgeted to be over \$126 billion for the 2024 – 2025 fiscal year, up from ~\$78 billion in 2018 (education.gov).

The Manager believes that the education sector exhibits attractive fundamentals, including:

- Requirement for upgrading ageing school buildings unfit for 21st-century learning (access to digital technology and internet);
- Demand for education infrastructure is increasing, particularly in fast-growing and satellite cities (inner city and outer growth areas);
- Decreasing education attendance rates as remoteness and average distance to facilities increase; and
- Early childhood education services are delivered by a mix of public, private, and not-for-profit providers. This creates fragmented infrastructure delivery and quality, which has been directly linked to quality of life and contribution to society.

3. Overview of the Fund (Continued)

3.3.3 Government and Recreation Services

The Fund's mandate for investment into the Government Services sector will be focussed on recreation facilities, emergency services, and justice services. Recreational facilities include natural and built spaces that the public can use for active transport, sports and exercise, relaxation, and community programs. The Fund will also consider suitable recreational facilities that are privately funded or owned. Emergency and justice services infrastructure encompasses the buildings and facilities that protect and support the safety of communities. Examples include but are not limited to police stations, supreme and federal courts, correctional facilities, fire and ambulance stations, and emergency response facilities.

The Manager believes that the government services sector exhibits attractive fundamentals, including:

- The nature and rate of crimes, emergency events, and community health are increasing and changing. The necessary infrastructure is not located in appropriate locations and a high percentage of it is ageing and not fit for purpose;
- Counterparties are government-backed providing a very secure and stable income stream; and
- Approximately half of prisoners return to a correctional facility within two years of being released, demonstrating a clear need for more infrastructure.

3.3.4 Utilities and Transport

Utilities and Transport include infrastructure investments into waste, energy and transport. Infrastructure in this sector has historically performed well in meeting the needs of businesses and households, but that is quickly changing with unprecedented challenges and requirements in the country.

The Manager believes that the utilities and transport sector exhibits attractive fundamentals, including:

- Climate change, population growth, ageing assets, and competing interests are increasing pressure on the limited resources available; and
- Overcoming challenges currently facing the sector and preparing for the future means decision-making, regulations, and planning need to adapt to service a large range of stakeholders.

3.3.5 Housing on Leased Land

Investing in housing on leased land means purchasing a residential property (such as a house or apartment) where the land is owned by another party (the landowner or lessor). The investor (lessee) buys the physical structure or dwelling but not the land it sits on. Instead, they enter into a lease agreement with the landowner, typically paying periodic lease payments for the use of the land.

The Manager believes that the housing on leased land sector exhibits attractive fundamentals, including:

- More attractive costs, meaning lower initial and predictable future costs;
- Leased land properties are typically in desirable and expensive areas. Investing via leased land allows the investor access to prime locations without the upfront cost;
- Government incentives and programs are aimed at developing leased land properties, particularly in locations where housing affordability is a concern and where there is a need for urban renewal;
- Leased land properties generate cash flow through rental income, providing investors with cash flow that can be used to offset lease payments, be reinvested into the property for infrastructure improvements, or used to invest in additional properties; and
- High potential for appreciation. Although the appreciation of the land does not accrue to the investor, the value of the property, especially with improvements, can be appreciated due to factors such as location, infrastructure development, and broader economic growth.

The Manager believes the social infrastructure sectors noted above offer Investors the opportunity to create a positive impact at the same time as delivering compelling risk-adjusted returns with the potential for capital growth. These sectors have defensive attributes and benefit from favourable tailwinds that will drive stable income and growth prospects. This strategy aims to provide a reliable source of income while positioning the investment portfolio to withstand economic uncertainties.

4. Investment Approach

4. Investment Approach

The Investment Manager will invest in social infrastructure projects across:

1. Preferred equity;
2. Property Debt;
3. Underlying property assets;
4. Joint Venture arrangements;
5. Fund-Through arrangements; and
6. As developer.

By investing in a mix of preferred equity, property debt, and underlying property assets, the Fund can diversify income streams, enhance portfolio flexibility, and provide more rounded and flexible solutions to stakeholders that participate in the social infrastructure space. This multi-faceted approach helps the Fund achieve superior risk-adjusted returns while playing a deeper and broader role in delivering tangible benefits to communities.

Several benefits of this approach include:

4.1 Diversified Income Streams and Risk Profiles

Preferred Equity:

- Provides a higher return than traditional debt with priority over common equity in the distribution of earnings and principal.
- The attractive fixed dividend reflects upside via hybrid equity exposure.

Property Debt:

- Steady, predictable income through regular interest payments, typically with lower risk compared to equity investments.
- Secured by a mortgage against the property, providing a level of protection when structured at a conservative loan-to-value ratio.

Underlying Property Assets:

- Direct ownership of property offers rental income and capital appreciation over time.
- Provides a tangible asset that can serve as collateral, reducing overall portfolio risk.

Joint Venture Arrangements:

- Co-investment into a project with the developer under a profit-sharing arrangement.
- Joint Venture Arrangements can capture a material profit share delivering superior returns.
- Allows control of asset delivery and initial yield where the asset transacts into a purchase for the Fund.

Fund-Through Arrangements:

- Allows the fund to access property at a wholesale level, capture development profit, and reduce stamp duty, resulting in higher initial yields on the property.

As Developer:

- The Fund will be responsible for end-to-end delivery of the project.
- Projects must meet the criteria for bank funding, and valuation and be an asset at yield that the Fund would hold for income.
- Captures all development profit for the benefit of the Fund.

4. Investment Approach (Continued)

4.2 Enhanced Portfolio Flexibility and Return Potential

Preferred Equity:

- Can be structured to include additional terms favourable to the investor, such as conversion rights or participation in capital gains.
- Offers higher potential returns than senior debt, contributing to overall portfolio performance.

Property Debt:

- Allows the Fund to take advantage of varying interest rate environments by adjusting the mix of fixed and variable rate debt with interest paid periodically or at the end of the term.
- Can be tailored to different stages of the property development cycle, providing flexibility in risk-return profiles.

Underlying Property Assets:

- Stable income derived from high-quality tenants.
- Upside potential through asset appreciation and value-added strategies.
- Enables active management and repositioning of assets to enhance returns.

4.3 Greater alignment with Stakeholders and Participants

By expanding the Fund's mandate to include preferred equity, debt and property, the Fund can offer more flexibility to support various stages of development of social infrastructure projects. This broader approach ensures better coordination and alignment with all stakeholders in the social infrastructure sector and opens more investment opportunities compared to a narrow approach.

Some examples include:

- Early development funding through preferred equity enables investment in projects that may not qualify for traditional financing but have strong social benefits whilst delivering strong risk-adjusted returns;
- Debt financing can be structured to support long-term sustainability and affordability of social projects;
- Ownership of social infrastructure properties ensures long-term commitment to community needs and the potential for ongoing positive impact; and
- Provides control over property management and operations, ensuring that social objectives are prioritised and maintained.

The background is a deep blue with large, fluid, organic shapes that resemble liquid or smoke flowing across the frame. These shapes create a sense of movement and depth, with lighter blue highlights and darker blue shadows. The overall effect is a modern, sophisticated, and abstract visual.

5. Investment Process

5. Investment Process

Origination and Screening

The origination of investment opportunities is a critical success factor of the Fund. The Investment Team sources investment opportunities through a range of channels including:

1. Relationships with industry contacts including real estate agents;
2. Property developers;
3. Local community organisations;
4. Financial Intermediaries – note these may include the Fund Manager's ultimate parent Prime Financial Group;
5. Advisors; and
6. Intermediaries to local and state government bodies.

Third parties within these channels, including Prime Financial Group if acting as a financial intermediary, may receive a fee appropriate to the transaction and channel. Project screening involves the evaluation of potential investments based on social impact, financial viability, and alignment with fund objectives. The use of a scoring system prioritises projects that meet both financial and social criteria.

Financial Analysis

The Investment Manager conducts a thorough financial analysis of the investment, including cash flow projections, sensitivity analysis, and stress testing.

The creditworthiness of debt investments and the financial strength of counterparties are assessed where applicable.

Due Diligence

The Manager undertakes a structured and comprehensive due diligence program for each investment opportunity that passes the initial screen. This due diligence program has been designed to promote risk management in identifying any areas of potential investment that may be deemed high risk.

These areas are subsequently focused on during the structuring of the investment to further limit the probability or reduce the impact of a potential risk. This includes assessment risks associated with applicable counterparties.

Legal and Compliance

The Investment Team engages legal professionals to prepare legal documentation and complete final legal due diligence including the identification of previous security encumbrances and the registration of security. In some cases, the investment team will engage with other third-party firms to undertake additional due diligence. Final compliance measures include KYC and AML checks on companies and directors the Fund interacts with.

5. Investment Process (Continued)

Portfolio Allocation Strategy

Asset Class	Target Portfolio %	Benefits	Targeted Returns
Property Assets	40%-60%	Direct ownership of properties can offer significant upside potential through capital growth.	5% - 7%
Preferred Equity	20% - 50%	Provides a higher return than traditional debt with more security than common equity. Focus on projects with strong cash flow potential and where the Manager either can control or has visibility on the entire project from initial development to completion.	+10%
Property Debt	20% - 50%	Balances off preferred equity by offering stable income and lower risk. Invest in senior and mezzanine debt for projects with reliable income streams.	+9%
Development of Property Assets	20% - 30%	Access property at wholesale level, capture development profit resulting in higher initial yields on the property.	+10%

The Investment Manager will have the ability to allocate up to 100% into any of the asset classes above during the first 2 years as the portfolio is established. The Investment Manager will take into consideration return geographic diversification, sector diversification and investment stages in determining the portfolio allocation.

Portfolio Monitoring and Management

Performance Tracking

The Investment Team has implemented robust systems for tracking financial performance and social impact metrics. Project operators and partners are engaged with to ensure effective project execution and impact delivery.

Assets are regularly reviewed and the Investment Manager may make tactical adjustments to the Fund portfolio based on performance data and market conditions.

Exit Strategy

Clear exit strategies are defined for each investment, considering factors such as market conditions, project maturity, and fund lifecycle. Options may include selling to strategic buyers or refinancing.



6. Investment Manager Key Personnel

6. Investment Manager Key Personnel



Panos Miltiadou

Panos is the Portfolio Manager of the Altor Social Infrastructure Fund and is a key member of Altor's property division.

Panos has over 14 years' experience, delivering over \$680m of projects in residential development across preferred equity, ordinary equity and profit sharing investments. Social infrastructure investments in preferred equity arrangements have driven Panos' enthusiasm for projects, providing investor returns whilst helping grow the social infrastructure needed to support communities.

Panos has worked in the industrial real estate sector, private development industry as both Development and Project Manager. Prior to joining Altor Capital, Panos founded Lucent Group, a residential development business delivering projects across Melbourne, Victoria.

He holds a Bachelor of Engineering and Engineering Management at Monash University.



David Ooi

David is the Director of Debt Capital Advisory and Property for the Investment Manager.

He is an experienced finance professional, having spent nearly 20 years working across leading financial institutions including the National Australia Bank, Bank of Scotland and Lloyds Banking Group in credit and risk management roles. During his banking career, David has overseen and managed more than \$2bn of loans across the institutional and wholesale debt markets.

Prior to joining the Investment Manager, David was a Director in the Debt Capital Markets team at FIIG Securities and is known for his expertise in structuring and executing complex debt transactions across a range of sectors and geographies.

David has a Bachelor of Commerce from Curtin University of Technology and a Master of Applied Finance and Investment. He was also previously a qualified Certified Practising Accountant.



Jason Shepherd

Jason is the Operations Manager for the Investment Manager.

Jason has worked across banking, commerce & strategy for over 30 years. Jason spent the first 19 years in commercial and investment banking across M&A, credit, project/corporate/structured finance and special situations across the capital spectrum. He then consulted in Australia, Africa and Singapore in M&A and capital for 10 years before joining the Investment Manager. During his years consulting, Jason worked in an ASX listed and an unlisted public company as CFO and as ED or NED in multiple businesses.

While a sector generalist, Jason has had significant exposure to finance/fintech sector with experiences advising or working within wealth, infrastructure, property, HR & Reg Tech and resources in the public, private and fund space.

Jason is a graduate of the Australian Institute of Company Directors and the Governance Institute of Australia. He holds a Graduate Diploma in Applied Finance and Investment and a Bachelor of Commerce in Finance.

6. Investment Committee Members



Benjamin Harrison

Partner & Chief Investment Officer, Investment Committee Chair

Ben has 18 years' experience in advising and investing in companies.

He commenced his career as a project manager for a large international engineering consulting firm working on a number of infrastructure projects in Australia and Southeast Asia.

He later moved into investment banking, working for a leading corporate advisory house where over a 5 year period he executed over \$2.0 billion in capital market transactions and \$5.5 billion of public M&A transactions.

Ben is a founder and chief investment officer of Altor Capital and is active in the private credit and private equity sectors in Australia. He currently holds board and advisory roles for a number of private and public companies. Ben has a Bachelor of Science and a Masters in Applied Finance and Investment.



Harley Dalton

Partner and Investment Committee Member

Harley has over 30 years' experience in investments and the funds management industry. His key background and capabilities include leadership, strategy, negotiation and operational management. He has been actively involved in taking a number of businesses to publicly listed status in the Australian share market, providing capital raising, structuring, debt, equity, and board composition advice in this process.

Harley was the founder, director and CEO of DNR Capital, one of Australia's leading and recognised Australian Equities fund managers. He grew the business from start up to circa AUD +\$1 billion in assets under management prior to his exit. Harley is a founder of Altor Capital and holds advisory and director roles within the Prime Financial Pty Ltd investment vehicles.

Harley has a Bachelor of Science, a Graduate Diploma in Applied Finance and Investment and is a member of The Australian Institute of Company Directors.



Panos Miltiadou

Refer Investment Manager Key Personnel above.

7. Risk Factors

7. Risk Factors

7.1 Property Risk

Property-related investments are subject to a range of investment risks, including adverse changes to the regulatory environment, movement in interest rates, space supply and demand, and general economic conditions. These risks may impact the performance and value of the underlying assets in the Fund.

7.2 Security Risk

Properties are likely to be acquired with the use of debt secured over the property or other Fund assets. If a lender has a mortgage or charge over an investment's assets, the senior debt facility will rank in priority to the Investment in any liquidation of the borrower, and a secured lender will have rights to enforce its security over the assets of the borrower. These rights and priorities may impact the value of the residual assets available to repay the investment and may impact the timing and manner of repayment.

Other unsecured creditors of the borrower may rank above the Fund in terms of priority of repayment. Other creditors may also seek to register a security that has priority over the Investment. These factors may impact the ability of an Investment to be repaid.

7.3 Vacancy Risk

Low tenant turnover is anticipated in the Fund's investments, however extended vacancy rates can negatively impact income received.

7.4 Tenant Defaults

Cash distributions may be adversely affected if tenants default under their leases or as a result of such default significant legal costs are incurred in enforcing the legal contracts in place. Acquisitions by the Fund will seek to diversify this risk across a number of properties and lessees.

7.5 Unforeseen Expenditure

The properties in the Fund may incur unforeseen capital expenditure or repairs and maintenance expenditure. Such expenditures can impact income distributions and funding requirements, where such expenditures are not recoverable from tenants. Properties may also experience a greater degree of wear and tear compared to general residential and commercial properties. The Manager seeks to mitigate this risk through maintenance of a sinking fund and active management of the Fund's investments.

7.6 Finance Risk

Domestic banks are new to the sector and there is some degree of uncertainty on the debt funding available and pricing of debt terms. There is no guarantee that the Trustee will be able to refinance loans or maintain interest rates on Fund debt at the levels applicable at the time the Fund was launched. Any significant interest rate increase may impact fund returns. The Manager seeks to mitigate this risk through careful debt management, including interest rate hedging where appropriate.

7.7 Economic Risk

The returns from the Investments the Fund makes can be affected by a range of economic factors including changes in interest rates, inflation, general market conditions, government policies (including monetary and fiscal policy and other laws), availability of sufficient credit on appropriate terms or at all, technological impact, natural and man-made disasters, conflicts and general economic conditions in those countries and markets where the Fund has investments.

7.8 Taxation Risk

Changes in taxation laws could materially affect the financial performance of the Fund. Changes in the interpretation of taxation laws could lead to a change in taxation treatment of the Fund's investments or activities. Changes in legal and regulatory regimes may occur which may have an adverse or positive effect on the Fund or its underlying assets.

7. Risk Factors (Continued)

7.9 Fund Risk

Risks particular to the Fund include that it could terminate, abnormal expenses might be incurred, the Manager could be replaced, or the investment professionals could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

7.10 Liquidity Risk

Direct property assets and private credit investments are by their very nature illiquid assets.

Investors should be aware that:

- There is no assured secondary market for Unitholders to sell their Units; and
- While there is a process available to Unitholders (subject to the quarterly redemption cap), the Manager is under no obligation to redeem Units should a Unitholder wish to withdraw from the Fund.

The decision by the Manager not to redeem Units at any given quarter is subject to a number of considerations, including current market conditions, inflows from investors and cash levels of the Fund.

7.11 Regulatory Risk

Changes to government regulatory schemes, including NDIS funding can negatively impact income received by Fund from its investments.

7.11 Counterparty Risk

The Fund is exposed to the reputational risk associated with the poor conduct and negligence of counterparties it deals with. The Manager will maintain a carefully selected panel of experienced operators that will be required by the Fund's contractual arrangements to comply with their duty of care, maintain compliance, and conduct regular audits.

7.12 Valuation Risk

Investments by the Fund are subject to the risk of negative valuations.

7.13 Operational Risk

As the properties will be occupied by the persons with disabilities, there are additional challenges associated with their management including but not limited to the behaviour of residents towards the property (such as damage to property) and other residents.

8. Management Agreement

8. Management Agreement

8.1 Management Agreement

8.1.1 Term

The Trustee appoints the Manager, and the Manager accepts that appointment, to:

- a. Promote, administer, invest and manage the Assets; and
- b. Provide the Services, on the terms set out in the Investment Management Agreement.

The Manager intends to invest the funds and retain the portfolio for an indefinite term (Term).

8.1.2 Termination for default

Either party may terminate this document immediately or on a date otherwise specified by written notice to the other party if:

- a. That other party (Defaulting Party):
 - Commits a material breach of this document which is not remediable, or (where the breach is capable of remedy) is not remedied within 60 days after being required by notice to do so; or
 - Is the subject of an Insolvency Event; or
- b. The Fund is wound up.

The Manager intends to invest the funds and retain the portfolio for an indefinite term (Term).

8.1.3 Termination by the Manager

The Manager may terminate this document immediately or on a date otherwise specified by written notice to the Trustee if the Trustee ceases to be the Trustee of the Fund.

8.1.4 Consequence of Termination

Termination of this document does not affect any accrued rights or liabilities of the parties.

8.2 Manager Indemnity

The Fund must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of or in connection with, and any costs, charges and expenses (including legal expenses on a solicitor/own client basis) incurred in connection with, the Manager or any of its officers, employees or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or any of its officers, employees or agents insofar as any loss, liability cost, charge or expense is caused by the negligence, default, fraud, or dishonesty of the Manager or its officers or employees or attorneys, agents, contractors, delegates, subdelegates, or sub-agents. This obligation continues after the termination or expiry of the Management Agreement.

The Manager must indemnify the Fund against any losses or liabilities reasonably incurred arising out of or in connection with, and any costs, charges and expenses incurred in connection with negligence, default, fraud, or dishonesty of the Manager or its officers or employees or attorneys, agents, contractors, delegates, sub-delegates, or sub-agents. This obligation continues after the termination or expiry of the Management Agreement.

9. Fees and Expenses

9. Fees and Expenses

9.1 Management Fee

In consideration for the Manager providing the Services, the Trustee must pay to the Manager a management fee equal to 1.00% per annum (before GST) of the gross asset value ("GAV") of the Fund to be calculated quarterly based on the gross asset value of the Assets on the last day of each Quarter and paid quarterly in arrears on the first day of the following Quarter.

9.2 Performance Fee

A performance fee will be equal to 15% (before GST) of the portion of the outperformance of the Fund over a hurdle rate of 8% per annum, subject to the high-water mark.

For each Pricing Interval, the Trustee will calculate the Interim Performance Fee as follows:

$$IPF = [15\% \times (P_t + D_t - B_t)] \times U_i$$

Where:

IPF	means the Interim Performance Fee for the Pricing Interval.
Hurdle	means 8% per annum
P_t	equals the Fund's NAV on the last day of the relevant Pricing Interval divided by the number of Units on issue on the last day of the relevant Pricing Interval.
D_t	equals the aggregate dollar amount of distributable income declared during the relevant Pricing Interval (including amounts owing but not yet paid at the end of the Pricing Interval but disregarding whether these amounts are reinvested) being amounts which are excluded from the NAV used to calculate P _t at the end of the relevant Pricing Interval.
B_t	<ol style="list-style-type: none"> for the first Performance Fee Calculation Period, an amount equal to \$1.00 increased by the Hurdle Return over that Performance Fee Calculation Period; and for each subsequent Performance Fee Calculation Period, an amount equal to the greater of : <ol style="list-style-type: none"> the closing Unit Price on the last day of the previous Performance Fee Calculation Period increased by the Hurdle Return over that Performance Fee Calculation Period; the High-Water Mark.
HWM_t	<p>means:</p> <ol style="list-style-type: none"> for the first Performance Fee Calculation Period, \$1.00; and in any subsequent Performance Fee Calculation Period, the highest Unit Price on any previous Performance Fee Calculation Date less any income or capital distributions to which Units have subsequently been conferred an entitlement in that Performance Fee Period (except that if the Unit Price on the first Performance Fee Calculation Date is less than \$1.00 after adjusting for any income or capital distributions attributable to that Performance Fee Period), then the Unit Price for the purposes of this calculation will be deemed to be \$1.00.
t	equals 365 divided by the number of days forming part of the relevant Pricing Interval.
U_i	means the number of Units on issue at the end of the Pricing Interval.

9. Fees and Expenses (Continued)

- If the sum of the results for each IPF during a Financial Year is a positive amount then that amount shall be the performance fee the Manager is entitled to be paid from the Assets of the Fund for that Financial Year and such fee will be immediately payable to the Manager.
- If the sum of the results of each IPF is negative for a Financial Year then no performance fee is payable to the Manager.
- The performance fee for a Financial Year accrues from month to month so that at the end of any Financial Year, the accrued performance fee is the sum of the calculations for each of the Pricing Intervals in the relevant Financial Year.

Broadly, the hurdle rate is based on a 12-month performance period (being the financial year) and does not compound, taking into account all income and capital cash flows over the financial year.

The Manager's entitlement to receive a performance fee is subject to a high-water mark, which means that the Fund must recover any previous underperformance before the Manager is entitled to a performance fee. The high-water mark will begin at the issue price of Units under this IM, being \$1.00. After the first performance fee is paid, the high-water mark will become the previous highest Unit price at the end of the financial year in which a performance fee was most recently paid, less any income or capital distributions to which Units have subsequently conferred an entitlement.

The performance fee (if any) will be accrued in the Unit price in accordance with general accounting practices and, if payable, will be paid to the Manager within 30 days of the end of each financial year, the date of termination of the Fund, and the date that the winding up of the Fund is completed.

9.3 Property Specific Fees

9.3.1 Acquisition Fee

The Manager is entitled to 2.00% (before GST) of the total consideration paid for each Investment including the purchase price and all development and related costs, but excluding stamp duty, taxes, service provider fees and other transaction costs.

9.3.2 Debt establishment Fee

The Manager is entitled to receive a fee of up to 0.35% (before GST) on any debt facilities established by the Fund.

9.3.3 Development Management Fee

The Manager is entitled to 2.00% (before GST) when acting as Developer on a property asset.

9.4 Cost Recoveries

The Trustee is entitled to be reimbursed for all expenses reasonably incurred by it for the operation of the Fund and management of the Fund assets, including but not limited to administration, legal, accounting, audit, custody, other professional expenses, insurance costs, bank service fees, research expenses (including technology and software expenses). As at the date of this IM, it is estimated that these amounts are approximately 0.30%-0.40% p.a. (before GST) of the Fund's GAV.

9.5 Removal Fee

The Trustee is entitled to receive a retirement fee of up to 2.50% (before GST) of GAV, payable upon removal, resignation, or retirement of the Trustee. The Trustee does not intend to charge the Removal Fee in the ordinary course of business.

9.6 Termination Fee

The Trustee is entitled to receive a termination fee of up to 2.50% (before GST) of GAV, payable upon termination of the Fund. The Trustee does not intend to charge the Termination Fee in the ordinary course of business.

9.7 The Manager may receive less fees

The Manager in its discretion may from time to time elect to receive less than the fees referred to in this Section.

The background is a deep blue with large, fluid, organic shapes that resemble liquid or smoke flowing across the frame. These shapes create a sense of movement and depth, with lighter blue highlights and darker blue shadows. The overall effect is a modern, sophisticated, and somewhat ethereal aesthetic.

10. Legal Information

10. Legal Information

10.1 Applications outside Australia

This IM does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any persons whom, it would not be lawful to make such an offer or issue this IM. The distribution of the IM in jurisdictions outside Australia may be restricted by law and persons who come into possession of this IM should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Units pursuant to this IM. The return of a completed online Application Form will be taken by the Fund to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

10.2 Underwriting

The Offer is not underwritten.

10.3 Payments to financial advisers and intermediaries

The Manager reserves the right to pay fees to any AFS Licensee in respect of valid applications lodged and accepted by the Fund. Payments will be subject to the receipt of a proper tax invoice from the AFS Licensee and will be entered into in compliance with the Corporations Act.

10.4 Unit Certificates

The Fund will be issuing Unit certificates or holding statements to Unitholders.

10.5 Risk Factors

Prospective investors in the Fund should be aware that subscribing for the securities the subject of this IM involves a number of risks. These risks are set out in Section 7 of this IM and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Fund.

The risk factors set out in Section 7, and other general risks applicable to all other investments in listed and unlisted securities not specifically referred to, may in the future affect the value of the Units. Accordingly, an investment in the Fund should be considered speculative.

10.6 Privacy Statement

If you complete an Application Form, you are providing personal information to the Fund. The Fund collects, holds and will use that information to assess your application, service your needs as a Unitholder and to facilitate payments and corporate communications to you as a Unitholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including regulatory bodies such as the Australian Taxation Office, print service providers, mail houses and the Fund Administrator.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), and the Corporations Act. You should note that if you do not provide the information required on the Application Form, the Fund may not be able to accept or process your application.

10.7 Taxation Implications

The Trustee, its advisers and its Directors and officers do not accept any responsibility or liability for any taxation consequences. As a result, investors should also consult their own professional tax advisers in connection with subscribing for Units under this IM.

The background is a deep blue with lighter, swirling, organic shapes that create a sense of movement and depth. The shapes are reminiscent of liquid or smoke flowing together.

Glossary

Glossary

Altor Capital	Altor Capital Management Pty Ltd (ACN 616 053 653)
Corporations Act	Corporations Act 2001 (Cth)
Fund	Altor Social Infrastructure Fund
GAV, Gross Asset Value	The total gross value of the Fund's assets
IM	This Information Memorandum
Initial Financial Close of the Fund	30 June 2025
Investment Manager	ASIF Management Pty Ltd
Licensee	AC AFSL Pty Ltd (AFSL Number 495647)
LVR	Loan-to-value ratio
NDIS	National Disability Insurance Scheme
Offer	The offer of Units under this IM
SDA	Specialist Disability Accommodation
SDA Participant	A person who qualifies for accommodation under the SDA scheme
Trustee	Altor Capital Management Pty Ltd
Unit	A unit in the Fund
Wholesale Investor	Has the same meaning as "wholesale client" under the Corporations Act



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