



SKYRING | ASSET MANAGEMENT

ASSISTED LIVING
ACCOMMODATION
FUND

INFORMATION
MEMORANDUM

1 JULY 2021

RESPONSIBLE ENTITY: SKYRING ASSET MANAGEMENT LIMITED

ACN 156 533 041 AFSL 422902

“Preservation of our investors’ capital is the cornerstone of the Skyring investment philosophy. Our comprehensive processes and policies are designed specifically to provide our investors with the confidence that we will deliver the income and investment outcomes they require. Doing so consistently and with the utmost care and consideration.”

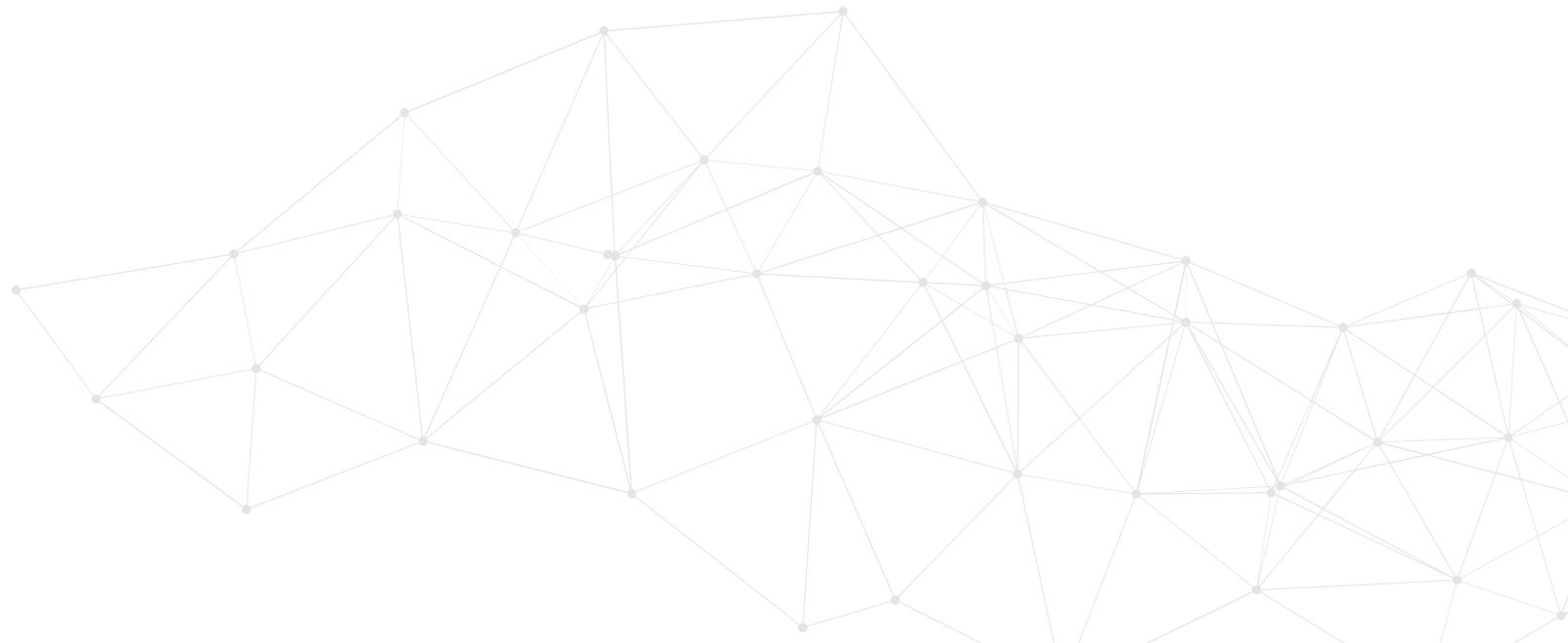


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IMPORTANT INFORMATION

This Information Memorandum (IM) was prepared by Skyring Asset Management Limited (referred to in this IM as Skyring, we or Trustee) as Trustee of the Skyring Assisted Living Accommodation Fund (Fund).

The IM is dated 1 July 2021 and information contained in this IM is current to that date. By accessing or reading this IM, you acknowledge and agree that you understand the contents of this disclaimer and that you agree to abide by its terms and conditions. You should read the entire IM carefully prior to making any decisions or taking any action.

This Information Memorandum has not been nor will it be lodged with the Australian Securities and Investments Commission. The offer of units contained in this Information Memorandum is an offer of securities that does not require the giving of a product disclosure statement or other disclosure document in accordance with the Corporations Act.

The offer or invitation set out in this IM is made only to persons who receive it in Australia. Each person who applies for units pursuant to this IM must be a wholesale client (as defined within the meaning of s761G of the Corporations Act) and must subscribe for the minimum number of units with the minimum amount payable as determined by the Trustee.

Skyring has prepared this IM to provide background information for investors considering applying for units in the Fund. While the information in this IM has been prepared in good faith and is believed to be accurate, it does not purport to be comprehensive, nor does it contain all the information which would be required to be included in a product disclosure statement prepared in accordance with the requirements of the Corporations Act.

Prospective investors should conduct their own independent review, investigations and analysis of the Fund and of the information.

The forward-looking statements included in this IM involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Skyring. Actual

future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

The information in this IM is not investment advice, and does not take into account the investment objectives, financial situation and/or particular needs of any prospective investor. You should seek your own financial advice.

Skyring and its affiliates, agents, directors, officers and employees do not warrant or represent the origin, validity, accuracy, completeness or reliability of, or accept any responsibility for errors or omissions in, any information contained in the IM or any of its appendices, or any accompanying or other information (whether oral or written). Skyring, to the maximum extent permitted by law, disclaims and excludes all liability for losses (including economic or consequential loss), claims, damages, demands, costs and expenses of whatever nature arising in any way or in connection with the provision of this IM (or any accompanying or other information) and any inaccuracy or incompleteness, or reliance by any person on any of it.

The rates of return from this Fund are not guaranteed. An investment in one of our Funds is not a bank deposit. Please refer to this Information Memorandum before making an investment decision.

This IM is confidential and should not be disclosed to any other person except advisers retained by the recipient to assist in evaluating the content, and then only on the basis that those advisers keep this IM confidential. This IM is for the sole use of and may only be acted on by its recipient. This IM may not be distributed by the recipient to any other person without the prior written consent of Skyring.

Skyring reserves the right to amend the IM or any other written material furnished or information orally transmitted to a prospective investor. Any such amended, updated or additional information will be provided on the same conditions as this IM.

Skyring Asset Management Limited (Skyring) invites you to invest in our Skyring Assisted Living Accommodation Fund (Fund).

The Fund is seeking to raise up to \$50 million (with a target of not less than \$3 million) to launch the Fund and acquire its initial investments.

The Fund will acquire interests in properties in the Specialist Disability Accommodation (SDA) sector. The SDA sector comprises the provision of specialist housing to persons with complex support needs. In 2016, legislation was introduced under the National Disability Insurance Scheme (NDIS) to provide government funding and encourage private investment into the SDA sector. The legislation was aimed at dramatically improving the quality and fit for purpose of the housing in the sector, with a focus on moving from large, old institutional homes to smaller, purpose-built homes and apartments integrated into the community.

The Fund will acquire a portfolio of residential properties that qualify for funding under the SDA scheme (Investments). These could include standalone group share houses, small townhouse complexes, and selected apartments within an apartment complex. The Fund may invest into existing properties or developments, and because of the comparative newness of the legislation, the Fund expects that developments may comprise a material portion of its portfolio in its early stages.

The Fund will partner with NDIS providers (who have relationships with people who are candidates for the SDA scheme) to secure tenants for the properties. These partnerships may take the form of head leases or management agreements, depending on how vacancy risk is to be shared among the parties.

The Fund will use the capital raised over a maximum of a three-year period from commencement in the acquisition and/or development of SDA dwellings. The Fund has identified a pipeline of current opportunities with two already contracted to be acquired. The Fund intends to raise capital over the three-year period as required to continue making further Investments.

Target Investments will generally have the following characteristics:

- Properties registered as SDA dwellings under the NDIS;
- Generate income through rent (on completion if a development);
- Yields of between 9.0% to 11.0%;
- Defensive characteristics with income backed by Government funding; and
- High-quality partners and NDIS service providers.

The Fund will target paying distributions on a monthly basis, although distributions may vary given the Fund is likely to invest into developments that do not initially produce income.

The Fund will typically be illiquid, and accordingly no withdrawals will generally be available until the Fund has divested all of its assets. However, capital distributions may be made periodically to investors from sale proceeds and profit from the developments. The Trust will divest its assets within 4 years of the first issue of units under this offer.

The Fund is an Australian unit trust and is only available as an investment for wholesale clients as defined in Section 761G of the Corporations Act 2001 (Cth).

If you have any questions, please feel free to contact us. Our details are at the end of this document.

Finally, at Skyring, we are proud supporters of the NDIS.



1. FUND OVERVIEW

FUND INVESTMENTS	The Fund will invest in a range of development and income-producing properties in the Specialist Disability Accommodation sector. The Funds strategy is to acquire, develop and then on sell the assets after 3 years, fully tenanted, to an investor or institution who is prepared to hold an income producing property asset for the duration of the 20 year lease arrangement.
TRUSTEE	Skyring Asset Management Limited
FUND MANAGER	Skyring Asset Management Limited
STRUCTURE	The Fund is an Australian-domiciled wholesale unit trust.
TERM	4 years from minimum subscription being met.
DISTRIBUTIONS	The Fund intends to pay 9% pa with distributions paid monthly. Given the Fund may invest in development assets that do not initially produce income, these distributions may vary and/or be paid out of investor capital, particularly in the initial stages of the Fund.
ELIGIBLE INVESTORS	The Fund will only be available for investment to wholesale clients within the meaning of s761G of the Corporations Act, and Investors must commit a minimum of \$100,000 unless otherwise agreed.
SUBSCRIPTION	The Fund will seek subscriptions from Investors for a total of up to \$50m in Units, with a minimum subscription of \$3m.
APPLICATIONS	The Fund will accept applications from 1 July 2021.
UNIT PRICING	The Unit Price for the first issue of Units will be \$1.00; other Units will be issued at the prevailing Unit price. The price of Units may be determined at any time, however it will typically be determined at the end of each month in accordance with the Fund's valuation policy.
LIQUIDITY	The Fund will generally be illiquid. After year 3 and before the end of year 4 the balance of developed assets will be sold and the Fund will cease and be wound up.
GEARING	The Fund will 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 45%, although the actual LVR may vary from time to time and across different investments.
FEES & EXPENSES	<p>Application Fee – An application fee of 2% is payable based on the Application amount you invest.</p> <p>A management fee of 0.75% p.a. of the gross asset value of the Fund.</p> <p>The Responsible Entity (Skyring) will be entitled to a performance fee (Profit Share) of 50% of any income and profit which exceeds a return to Investors greater than 9% per annum on funds invested (Hurdle Rate). The Hurdle Rate is calculated from the date Units are issued upon the total equity raise being achieved. The performance fee is calculated and payable at the end of every 12 month period or in a shorter period in certain circumstances.</p> <p>Reimbursement of expenses associated with the establishment and administration of the Fund, estimated at no greater than 0.25% of the Fund's net asset value.</p> <p>An Acquisition Fee equal to 2% 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.</p> <p>Refer to Section 5 for more details.</p>

2. SKYRING MANAGEMENT

Skyring Asset Management Limited was formed in 2011 and specialises in the management of alternative investment funds with a focus on property, property finance and private equity.

Headquartered in Brisbane, Australia, the Skyring Group manages funds on behalf of retail and wholesale investor clients. The Skyring Group is privately owned and is a Responsible Entity licenced with ASIC (AFS Licence 422902). The leadership team of the group is Cathryn Howard and David Mardell. Collectively, the Skyring Group team has deep experience in property and investment management on behalf of investors.

CATHRYN HOWARD - MANAGING DIRECTOR

Cathryn is a Chartered Accountant and Registered Tax Agent. As MD, Cathryn oversees the corporate direction and strategy for Skyring's operations. This includes the acquisition and delivery of investor assets through Skyring's property and income funds. Cathryn also manages the strategic financial management of both Skyring's investment assets on investors' behalf, and of Skyring itself.

In addition to her role as Managing Director, she is a Partner of Skyring Accountants. She has a BA in Psychology from The University of Queensland, and a Master of Professional Accounting from The University of Southern Queensland.

DAVID MARDELL - CHIEF EXECUTIVE OFFICER & DIRECTOR

David Mardell is one of the founding directors of Skyring Asset Management Limited. He and his co-founders established the company in 2011, at which time David brought more than 15 years' experience in financial services, industry leadership and management experience - expertise that he has since honed further, for the very tangible benefit of his clients and associates.

David's commitment to achieving Skyring's vision for investors, partners, shareholders and stakeholders alike is demonstrated in his determination to help them grow their wealth through the Fund.

PETER HOWARD – CHAIRMAN AND DIRECTOR

Peter Howard has a solid background in information technology with over 20 years' experience across a number of roles, including senior development and project management positions in Queensland's public sector.

Along with his leadership and IT management expertise, Peter's 'outside the box' thinking adds further depth to an already impressive team. He brings a fresh perspective, and can rally people from different disciplines to overcome challenges and bring new opportunities to life.

ANDREAS GEORGE – CHIEF FINANCIAL OFFICER

Andreas is a Chartered Accountant with a Bachelor of Business Management (Business Economics) and Commerce (Accounting and Finance) from the University of Queensland. His responsibilities include financial and management accounting, board reporting, budgeting and forecasting, and tax and compliance.

Andreas has been involved in the taxation and compliance aspects of Skyring and its funds since 2013.





3.1 Specialist Disability Accommodation Sector

The Fund will invest in properties within the Specialist Disability Accommodation sector. The sector comprises properties that are specifically designed to provide accommodation to people with disabilities, and who qualify under the SDA scheme. The aim of the scheme is to provide higher quality accommodation to these people, and better integrate them into 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.

The properties will be either leased to SDA providers under a head lease structure to generate rental income, or subject to a management agreement under which SDA payments are received net of a management fee paid to the SDA provider. The Fund will not become registered as an SDA provider, and day-to-day management of the tenants will be the responsibility of the SDA providers and not the Fund. Similarly, the Fund will not be involved in any aspect of providing care to tenants.

Accordingly, the returns in the sector are similar in nature to other property sectors, comprising annual rental income and the potential for capital gain through increases in rent and capitalisation rate compression. The rent payable by the NDIS provider for the individual tenant is determined by the SDA legislation and has been set to be attractive to private capital providers (although the rates may change in the future).

Skyring believes that once the Fund enters into a management agreement with an SDA provider, that yields on developed properties will range between 9.0% to 11.0%. We caution that the sector is still in its infancy and these yields are not yet established norms, but rather our estimates are based on our investigations to date.

3.2. Fund Strategy

The Fund intends to make a number of Investments in the SDA property sector. All properties the Fund acquires must qualify for funding under the SDA legislation, or be likely to on completion if they are a development project.

The Fund will seek to select Investments that offer the best risk and return characteristics, rather than building a portfolio diversified across property types, location and operators. However, the Fund will consider concentration risks when assessing potential Investments, and may decline to make Investments which could result in the Fund becoming over-exposed to one particular risk.

The Fund will only acquire established properties that qualify under the SDA scheme, as well as carry out developments to build appropriate properties. Given the infancy of the sector and the shortage of established suitable properties, developments may comprise a material portion of the Fund's portfolio, particularly in its early stages as it builds out its portfolio.

The Fund will seek to mitigate and share development risk, particularly by partnering with SDA providers to maximise the ability to secure tenants on completion. The Fund will generally carry out developments where an SDA provider has indicated they have known demand, and in some cases that the provider is prepared to enter into an agreement for lease to secure the development.

At the completion of development and acquisition of suitable, fully tenanted SDA properties, Skyring will actively divest and market the properties for sale at suitable discounted capitalisation rates based on net income received from the properties.

The Fund's income is primarily derived from rental income from NDIS properties. Surplus funds, if any, will be held in bank cash deposits, term deposits, managed investment schemes and equivalents which will only earn income at a comparatively lower rate.

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

- Strong future growth prospects driven by the gap between the demand and supply of disability accommodation;
- Stable underlying demand, largely unaffected by the economic cycle;
- Tenant revenues that are often underpinned by government funding, further reducing credit risk and the impact of market cycles;
- Yields typically from 9.0% and 11.0% which compares favourably to other property sectors;
- Defensive characteristics with income backed by Federal Government funding; and
- Low level of institutional investment, reducing competition for assets.

Skyring has prepared a more detailed presentation pack on the SDA sector, which is available upon request.



3.3 Investment Guidelines

**In the initial establishment period of the Fund, returns may be below the above targets as the Fund establishes its portfolio and the returns from income producing assets may be diluted by investments made into developments and other property with low or no recurrent income initially.*

INVESTMENTS	Property, including residential homes, townhouses, villas and apartments
SECTOR	Specialist Disability Accommodation (SDA)
ASSET	Mix of established properties and developments that meet the qualifying SDA requirements
LOCATION	Australia, predominantly metropolitan and major regional locations
TENANCY STRUCTURES	Leased to and managed by SDA providers who will deliver all services for the residents including overnight carers. Funding for these services will be provided under the NDIS. Term – 10 year lease with 2 x 5 year options.
NET INCOME	9.0% to 11.0% pa being rental income after taking into account a vacancy rate of 5% pa, outgoings including, but not limited to, rates, utilities, charges, property management and land tax, as well as other Fund management costs
GEARING	Overall LVR of between 35% to 45% across the Fund, although the actual LVR may vary from time to time
TARGET DISTRIBUTION RATE	Year 1 to 3 - 9% pa Year 4 - 9% pa plus profit share on sale of assets All returns are assumed on a post-fee, pre-tax basis*
RELATED PARTY TRANSACTIONS	In order to acquire suitable approved land to develop SDA complying properties, the Fund is allowed to acquire assets from related parties of Skyring Asset Management and their Directors at market value. Market value is to be determined by the completion of an independent valuation and on a commercial arm's length basis. The Fund may also request finance for construction from Skyring Capital Pty Ltd or other related entities. Finance will be provided at a commercial arm's length basis as with all other borrowers and approved by Skyring's Lending Committee.

The above factors are guidelines only and are not binding on the Fund. However, it is expected that each Investment will generally comply with most or all of the above guidelines.

The Fund will seek to acquire a portfolio of Investments during the investment phase. Skyring will manage and maximise the value of the Investments during the term of the Fund through re- leasing and capital expenditure initiatives.

The Fund will actively monitor and seek divestment opportunities to maximise returns to Investors, particularly in the context of the liquidity events described in Section 4.10.

The property management of each Investment will be undertaken by a third-party property manager or by Skyring at market rates. The property management fees are generally recoverable through the outgoings of the tenants. Skyring may also charge market-based fees for any leasing, development or fund administration services it conducts in the Fund's property portfolio.

As at the date of this IM, the Fund has contracted to acquire two properties and is seeking to acquire additional properties to grow, diversify and strengthen the portfolio.

We cannot guarantee that you will earn any return on your investment or that your investment will gain in value or retain its value. As a result of general investment risks and specific risks detailed below, the value of the Fund may rise or fall and investors may make gains or suffer losses. It is important to note that not all risks can be foreseen. It is therefore not possible for the Fund to protect the value of the investment from all risks.

We will carefully assess the potential for returns in light of the likely risks involved in investing. We rigorously monitor and seek to manage, as far as is practicable, risk across the entire investment process. However, many risks are difficult or impracticable to manage effectively and some risks are beyond our control altogether. The principal risks to which investors are exposed through an investment in this Fund include the following:

4.1. 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.

4.2. 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.

4.3. Vacancy Risk

The Fund may acquire properties which are not fully leased or have tenants who may not renew leases at expiry. Residential leases have a shorter duration and are exposed to the risk of high turnover.

Vacancy levels will have an adverse effect on the Fund's distributable income and on the carrying value of the properties, particularly if the vacancy levels for any property are significant at the time of any sale of that property. Skyring aims to mitigate this risk through active asset management.

4.4. 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.

4.5. 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. SDA properties are also more likely to experience a greater degree of wear and tear compared to general residential and commercial properties.

Skyring seeks to mitigate this risk through detailed due diligence and the active management of the Fund's investments.

4.6. Finance Risk

Lenders 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. Skyring seeks to mitigate this risk through careful debt management.

4.7. 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 Australia.

4.8. 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.

4.9. Fund Risk

Risks particular to the Fund include that it could terminate, abnormal expenses might be incurred, Skyring could be replaced, and 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.

4.10. Liquidity Risk

Direct property assets 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
- the Manager is under no obligation to redeem or buy back any Unit should a Unitholder wish to withdraw from the Fund.

4.11. Regulatory Risk

The SDA scheme was only introduced in 2016 and is a relatively new framework and system, with SDA pricing reviews occurring every three years. Negative changes to the level of Federal government funding provided under the NDIS or other regulatory changes may impact SDA revenue received, the ability of tenants to pay rent or the value of SDA properties.

4.12. Counterparty Risk

Given the vulnerable nature of SDA participants, the Fund is exposed to the reputational risk associated with the poor conduct and negligence of the SDA providers and Supported Independent Living (SIL) providers. Skyring 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.

4.13. Valuation Risk

The SDA market is still in its infancy with some uncertainty on valuation support and methodology, particularly as these properties reach the end of their 20-year classification and revert to 'Existing Stock' (for which SDA income is reduced) or are converted to traditional residential premises. The Australian Property Institute is yet to formalise a valuation methodology and there is risk that the adopted methodology may differ to those currently being used.

4.14. Operational Risk

As the properties will be occupied by 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.

5. FEES & EXPENSES

5.1. Skyring Fees

An application fee of 2% is payable by the Fund to Skyring on the amount raised from each investor.

The management fee payable to Skyring from the Fund is 0.75% pa of the gross asset value of the Fund. The management fee will be calculated and paid monthly in arrears.

When the Fund directly or indirectly acquires an interest in real property, Skyring is entitled to a acquisition fee in relation to that acquisition. The acquisition fee is equal to 2.0% of the total consideration paid for that acquisition including the purchase price and all the development and related costs, but excluding stamp duty, taxes, service provider fees and other transaction costs.

The Responsible Entity (Skyring) will be entitled to a performance fee (Profit Share) of 50% of any income and profit which exceeds a return to Investors greater than 9% per annum on funds invested (Hurdle Rate). The Hurdle Rate is calculated from the date Units are issued upon the total equity raising being achieved.

When units are redeemed, the performance period is simply shortened with respect to the redeemed units and the calculation of the performance fee payable is pro-rated for the redeemed units. The payment of a performance fee with respect to redeemed units does not affect Skyring's entitlement to a performance fee at the end of other performance periods.

The performance fee will be calculated based on the timing and amount of investments and distributions to and from the Fund, as well as the net asset value of the Fund at the end of the relevant performance period.

5.2. Expenses

The Fund will incur expenses in its establishment and administration. These include fund termination and compliance costs, accounting, legal, taxation, audit fees, administration fees, travel, custody fees, fees paid to third parties in relation to transactions, establishment costs, break fees, and costs associated with holding any advisory board or investor meetings.

Where Skyring incurs these expenses on behalf of the Fund, it is entitled to be reimbursed by the Fund for those expenses. All out-of-pocket expenses incurred by Skyring in relation to the performance of its duties in respect of the Fund are reimbursable out of the Fund's assets.

In the event that Skyring provides administration, property management, development management or leasing services to the Fund, Skyring will be entitled to charge a fee for those services. That fee will be no greater than a fee payable to an arm's length external provider on a commercial basis.

Skyring estimates that these fees will be no greater than 0.25% of the net asset value of the Fund.

5.3. Other matters

All fees are quoted exclusive of GST. Skyring may waive or defer payment of fees for any period generally. We may take interest on deferred fees at the RBA cash rate plus 2.5%. Where payment is deferred, then as relevant, the fee accrues daily until paid.

6. REPORTING & PRICING

6.1. Reporting

You will receive written confirmation of your investment in the Fund as well as the following regular updates:

- monthly Distribution statements;
- quarterly updates on the performance your investment;
- an annual taxation statement; and
- an annual periodic statement.

The Fund's annual financial statements can, when available, be downloaded from the investor portal at www.skyring.com.au. Alternatively, if you wish to receive annual financial statements by mail or email, please tick the appropriate box on the Application Form.

6.2. Pricing

VALUATION POLICY

The valuation method for assets is determined by Skyring.

Skyring will obtain an independent valuation on the relevant assets. In the case of acquisition of already completed SDA approved property, the valuation will be on an 'as is' basis.

In the case of development activities, the valuation will be on an 'as if complete' basis. The value of a development property will be carried at the 'as if complete' value, less costs to complete.

An annual valuation will be completed by a registered valuer on all completed property.

If there is a material impairment to an asset that results in a material change to the valuation of the Fund, Skyring will send investors a revised valuation and a report on the nature of the impairment, the valuation methodology and the outlook for the Fund.

UNIT PRICES

The current Unit price is available on the investor portal or upon request.

We calculate Unit prices in accordance with the Trust Deed being the Net Trust Value divided by the number of units on issue.

7.1. Fund Term

The Fund is open-ended and will continue until terminated as set out in the Fund's Trust Deed, which provides that the Fund terminates on the first of:

- such time as the Trustee determines;
- such date as the Trustee is required to terminate the Fund; or
- any date the law requires.

7.2. Investment Term

Units will be issued with a fixed term of 4 years, commencing on the date the first Units are issued upon meeting minimum subscription. Units issued after the minimum subscription date will terminate at the same time as the first units issued under this Offer (ie less than 4 years).

Prior to termination of the Units, the underlying assets must be sold and proceeds distributed to Investors. In the event the underlying assets are not completed or have not been sold within the 4 year term, the term will be automatically extended for as long as required in order for all assets to be sold and net proceeds distributed.

In the event that all properties are developed and sold prior to 4 years, the Trustee has the power under the Trust Deed to compulsorily redeem Investors' units.

7.3. Subscription Amount

The Fund will seek to raise capital from Investors to raise up to \$50 million in capital (with a target of not less than \$3 million) to launch the Fund and enable the acquisition of its first Investments.

7.4. Withdrawals and Liquidity

The Fund is expected to be illiquid, with generally no right to withdraw. The Fund may also facilitate Investors selling or transferring their Units.

7.5. Distributions

The Fund will seek to pay distributions to investors on a monthly basis. Distributions are expected to vary given the Fund may invest into developments that may not initially produce income. This is expected to be more pronounced in the early stages of the Fund while the portfolio is being established. Distributions will be paid as soon as reasonably practical after the end of each month.

It is expected that distributions will have tax-deferred advantages; however, given the ongoing acquisition of Investments it is not possible to predict what these tax advantages will be.

Annual tax statements issued by the Fund will state the amount of any tax-deferred elements.



8.1. Summary

The taxation information provided here is of a general nature only and is based on tax laws that were current at the date of issue of this information memorandum. Investors should note that Australian tax laws are complex and are subject to change. It is important that investors seek their own professional advice in respect to their particular circumstances before they invest or otherwise deal in the units of this Fund.

You may need to pay tax in relation to your investment in this Fund, generally income or capital gains tax. We will send you all the information in relation to the Fund you need each year to complete your tax return. The Fund will calculate its taxable income for each income year as at 30 June and advise investors of their proportional share of taxable income.

8.2. Non-resident withholding tax

If you are a non-resident there is a requirement to deduct withholding tax from your income at relevant rates for certain components. This will depend on which country you are located within and this will be based on the information you provide in your application. Also, where the Fund has had withholding tax incurred on distributions it receives it will advise investors of any credit that investors are entitled to.

8.3. Tax File Number (TFN)

The application form included in this IM provides for submitting your TFN. You are not obliged to provide us with your TFN, however if you do not, there is a requirement to take resident investment withholding tax out of your income (at the highest marginal rate plus Medicare levy) or we may reject your application.

8.4. Goods and services tax (GST)

Fees and costs charged to the Fund generally attract 10% GST which is charged to and borne by the Fund. The Fund will claim income tax credits (RITCs) where possible under the GST regulations.

The issue and withdrawal of Units in the Fund and the receipt of distributions will not be subject to GST. GST is payable on some ongoing expenses, however, the Fund may be able to claim input tax credits or reduced input tax credits of at least 75% of the GST paid, depending on the precise nature of the expenses.

8.5. Managed Investment Trust

Skyring may make a choice for the Fund to be an "Attributed Managed Investment Trust" or "AMIT" at any time for the purposes of the Income Tax Assessment Act 1997, which are the rules for managed investment trusts intended to reduce complexity and minimise compliance costs for managed investment trusts and their investors.

The Trust Deed establishes the Fund and sets out the rules.

Together with this document and the law, it governs our relationship with you. You can request a copy of the Fund's Trust Deed by contacting us.

The Trust Deed deals with a wide range of matters, including:

- Application procedures;
- Income entitlements;
- Entitlements on winding up;
- Investor meetings;
- Our powers and rights; and
- Our fees and rights to be reimbursed for expenses.

Some details are as follows, and a copy of the Trust Deed is available free of charge on request.

9.1. Our liability

If we act in good faith and without gross negligence, to the extent permitted by law, we are not liable in equity, contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund.

Our liability to any person other than an investor in respect of the Fund is limited to our actual indemnification from the assets of the Fund for that liability.

All our obligations which might otherwise be implied or imposed by law or equity are expressly excluded to the extent permitted by law.

We are entitled to be indemnified out of the assets of the Fund for any liability incurred by us in relation to the Fund (including any liability incurred because of a delegate or agent).

9.2. Quorum and voting

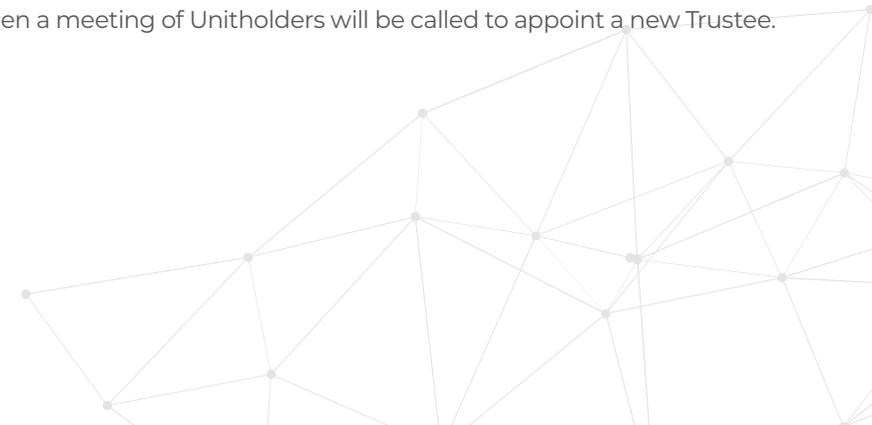
We can convene a meeting at any time.

At any time where there is more than one investor in the Fund, the quorum for a meeting of investors of a class of units is at least two investors present in person or by proxy together holding at least 20% of the votes that may be cast at the meeting and the quorum must be present at all times during the meeting. If a quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting is, if convened on the requisition of Unitholders – dissolved, or otherwise – adjourned to the same day in the next week at the same time and place, or to such other day, time and place decided by the Trustee and notified in writing to Unitholders and any others entitled to a notice of meeting. If a quorum is not present within 30 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

9.3. Change of Trustee

Skyring Asset Management Limited may retire as Trustee by giving written notice to all Unitholders of its intention to retire.

On the retirement as Trustee Skyring may appoint a new Trustee. If a new Trustee is not appointed then a meeting of Unitholders will be called to appoint a new Trustee.



10.1. Privacy

The privacy of your personal information is important to us. We collect personal information directly from you through the Application Form and from third parties who assist us with our business. The purpose of collecting your information on the Application Form is to process your application and manage your investment in the Fund. If the personal information you provide to us is incomplete or inaccurate, we may not be able to work with you effectively, or at all, and may be delayed in performing our business functions,

From time to time, we may wish to advise you about other services and products which could suit your needs. By making an application, you agree that we may disclose your personal information to other corporations specifically, but not solely, for marketing purposes. We are not likely to disclose your personal information overseas.

However, if you do not want this information to be used for this purpose, you must exercise your right to instruct us not to disclose any information concerning your personal information. You may do this by contacting us using the details in the Corporate Directory. However, we may still disclose personal information where required by law.

You are entitled to request reasonable access to, and correction of, your personal information. We reserve the right to charge an administration fee for collating the information requested.

For a copy of our privacy policy and for information about how we deal with personal information, including how you can complain about privacy-related matters and how we respond to complaints, please visit our website at www.skyring.com.au.

10.2. Anti-Money Laundering and Counter-Terrorism Financing

We may require further information from you from time to time to comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).

By applying for Units under this IM, you undertake to provide us with all additional information and assistance that we may reasonably require. We reserve the right to apply our absolute discretion and without notice, to take any action we consider appropriate including blocking or delaying transactions or refusing to provide services, to comply with our obligations under the AML/CTF Act.

10.3. Common Reporting Standard (CRS)

The CRS is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (OECD) for the reporting and exchange of information in respect of foreign tax residents, which has been adopted in Australia.

Under the CRS regime, we report certain financial information to the ATO in respect of investors identified as foreign residents and the ATO exchanges that information with overseas revenue authorities, where that country has become a party to the CRS regime.

10.4. United States of America (US) Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities.

If you are a US resident for tax purposes, you should note that the Fund will be a 'Foreign Financial Institution' under FATCA and will comply with its FATCA obligations, as determined by the inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund must obtain and disclose information about certain investors to the Australian Taxation Office (ATO), which would otherwise be submitted to the IRS, and there will be no obligations for us to withhold tax for FATCA purposes from any payments.

In order for the Fund to comply with its obligations, we require that you provide certain information about yourself, including your US Taxpayer Identification Number. We will determine whether the Fund is required to report your details to the ATO based on our assessment of the relevant information received.

10.5. Other Matters

Investors must give all information that Skyring reasonably requests to perform its functions; for example, details required by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

You must tell us promptly if you cease to be a wholesale client or your details change. We may ask you periodically to reconfirm your status as a wholesale client.

If you received this document electronically, we will provide a paper copy upon request.

Units can be transferred (forms are available from us) although both applications and transfers can be refused in whole or part and reasons need not be given.



11. APPLICATIONS

11.1. Qualifying

Applications can only be made by Australian wholesale clients as defined in Section 761G Corporations Act 2001 (Cth). By applying and remaining invested, you are warranting to Skyring that you are a wholesale client. Please contact us if you need assistance in determining whether you qualify as a wholesale client.

The minimum investment in the Fund is \$100,000 (unless otherwise agreed by Skyring).

11.2. How to Apply

Simply complete the accompanying application form and identification requirements and submit to Skyring.

Your units in the Fund will be issued within 7 days of accepted application and cleared funds following which you will be issued an investment confirmation statement and unit certificate.

There are no cooling-off rights.

11.3. Investor Identification

Australian financial institutions are required to request certain information from investors and to verify their identification from reliable and independent sources. To comply with our obligations under the new legislation, Skyring and its fund administrator requires investors to supply particular details as outlined in the Fund's application form.



GLOSSARY OF TERMS

Corporations Act	Corporations Act 2001 (Cth).
Fund	Skyring Assisted Living Accommodation Fund, an Australian-domiciled Unit Trust established by the Trust Deed.
IM	Means this information memorandum.
Subscription Amount	Minimum subscription of \$3 million up to a total of \$50 million.
Investment	An investment of the Fund.
Investor	A holder of Units in the Fund.
LVR	Means loan to value ratio.
NDIS	National Disability Insurance Scheme
SDA	Specialist Disability Accommodation
SDA Participant	A person with a disability who qualifies for accommodation under the SDA scheme.
SIL	Supported Independent Living
Trust Deed	The Trust Deed of the Fund established by the Trustee by deed of settlement.
Trustee	Skyring Asset Management Limited ACN 156 533 041 AFSL 422902
Units	Means fully-paid ordinary Units in the Fund.

CORPORATE DIRECTORY

RESPONSIBLE ENTITY

Skyring Asset Management Limited
ACN 156 533 041
AFS Licence 422902

REGISTERED OFFICE AND POSTAL ADDRESS

6 Moorak Street
TARINGA QLD 4068

CONTACT DETAILS

Phone: 1300 73 72 74 (within Australia)
+ 61 7 3363 1200 (outside Australia)

Fax: (07) 3363 1299

Email: investor@skyring.com.au

Website: www.skyring.com.au

SKYRING

ASSET MANAGEMENT

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