



# INFORMATION MEMORANDUM

30 JANUARY 2023

An offer of shares in Stara Venu CCIV ACN 663 880 500 that are referable to the following sub-funds:

- Stara Venu Business SF ARFN 663 895 190.
- Stara Venu Property SF ARFN 663 895 207.



Stara Investment Management Limited

ABN 49 653 962 871

| AFS licence no. 535500

**VENU**  
HOSPITALITY FUND

**160+ years  
Combined  
Executive  
Experience**

Property Investment  
Development &  
Funds Management  
Business Management

**Diversified  
Portfolio  
with Multiple  
Income Streams**

10 Established  
Leasehold Businesses  
2 Freehold Going  
Concern Pubs

**A Focus on  
South East  
and Coastal  
Queensland**

Strong Forecast  
Population & Economic  
Growth  
Locally Based Managers

Projected Year 1  
(annualised)  
**Cash Dividend  
of 7.5c per  
Stapled Security<sup>1</sup>**

Projected Year 1  
(annualised)  
**Franking  
Credit  
of 2.5c per  
Stapled Security<sup>1</sup>**

Target Total Return of  
**10% per annum**  
over the first 7 years  
Focus on Strong Cash  
Flows

**Co-Investment**

Associates of the  
Managers will subscribe  
for a minimum of  
7.1 million Stapled  
Securities  
under the Offer

**Low Initial  
Gearing**

Low Initial Gearing  
of 19.73% of GAV  
Long-term cap  
of 40% of GAV

**A Mandate for  
Growth**

Value Add through  
Business Efficiencies,  
Technology &  
Economies of Scale  
Asset Enhancement &  
Development Potential  
Acquisition Strategy to  
enhance returns

**15% Investor Discount on Total Spend  
At Portfolio Businesses**

Excludes wagering, gaming and retail liquor sales.

Investors will receive regular offers to purchase premium beer, wine and spirits  
at attractive prices.

<sup>1</sup>The financial projections and targets are not guaranteed. The projected dividend and franking credit for Year 1 is an annualised figure for a part year to 30 June 2023. The projections are based on a number of key assumptions which are outlined in Section 17. The Fund's target return may vary over time according to market conditions. The Fund may not be successful in meeting its objectives, and like any investment there are risks associated with an investment in the Fund. Details of specific risks associated with the Fund are set out in Section 19.

# IMPORTANT NOTICE & DISCLAIMER

This Information Memorandum ("IM") is dated 30 January 2023. It has been prepared and issued by Stara Investment Management Limited ACN 653 962 871 ("SIML"), the holder of Australian financial services ("AFS") licence number 535500, in its capacity as corporate director of Stara Venu CCIV ACN 663 880 500 ("the Company"). The Company is a wholesale corporate collective investment vehicle. The following are registered sub-funds of the Company:

- Stara Venu Business SF ARFN 663 895 190 ("the Business Sub-Fund").
- Stara Venu Property SF ARFN 663 895 207 ("the Property Sub-Fund").

The assets and businesses of the Business Sub-Fund and the Property Sub-Fund are, while separate to each other, collectively referred to as the "Venu Hospitality Fund" or the "Fund" in this IM.

This document contains an offer to invest in the Fund by applying for the following shares in the Company ("Offer"):

- Business Shares, being a class of share that is referable to the Business Sub-Fund.
- Property Shares, being a class of share that is referable to the Property Sub-Fund.

Business Shares and Property Shares are classes of redeemable shares in the Company and are issued on the terms summarised in Sections 14 & 20. Business Shares and Property Shares are stapled to each other, meaning they are required to be dealt with as a single security. Business Shares and Property Shares are collectively referred to as "Stapled Securities" in this IM.

You should read this IM in full before deciding whether to invest in the Fund. If you are in doubt as to how to interpret or deal with this document, or whether an investment in the Fund is appropriate for you, then you should consult your financial or other professional advisers.

## Management

The Company intends to appoint Cooee Investment Management Pty Ltd ACN 656 182 302 ("the Investment Manager") to act as the investment manager of the fund (pursuant to an investment and administration agreement) and property and development manager (pursuant to a development management services agreement) of the assets of the Property Sub-Fund. The Investment Manager is a related body corporate of SIML and both SIML and the Investment Manager are part of the "Stara" group of companies.

All shares on issue in Stara Venu Operations Pty Ltd ACN 662 003 885 ("SV Operations") are held by the Company and form part of the assets of the Business Sub-Fund. The Company intends to cause SV Operations to appoint HM&A Co Pty Ltd ACN 658 275 855 (the "Business Manager" and trading as "Venu Plus") to act as the business manager (pursuant to a business and operational management agreement) with respect to the Businesses. The Company may cause the Business Manager to manage other businesses established or acquired by the Business Sub-Fund from time to time.

The Investment Manager and the Business Manager are collectively referred to as the "Managers" in this IM.

## Eligibility to invest

The Offer is only available to people who qualify as "wholesale clients" within the meaning of section 761G of the Corporations Act ("Wholesale Clients").

The Offer is only available to persons receiving this IM (electronically or otherwise) in Australia. No action has been taken to register this Offer or otherwise permit a public offering of Stapled Securities in any jurisdiction other than Australia.

This IM does not constitute, and may not be used for the purpose of, an offer or solicitation in any jurisdiction other than Australia or in circumstances in which such offer or solicitation is not authorised. No recipient of this IM in any jurisdiction other than Australia may treat it as constituting an offer to acquire Stapled Securities.

## Not a regulated disclosure document

This IM is not a product disclosure statement or other regulated disclosure document and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission ("ASIC"). ASIC takes no responsibility for the contents of this IM and expresses no view regarding the merits of the investment set out in this IM.

## Not investment advice

The information contained in this IM is not financial product advice, nor is it taxation or legal advice. The information contained in this IM is general information only and does not take into account your investment objectives, financial situation and particular needs. Investment in the Fund may not be appropriate for you, and it is important you read this IM in full before deciding whether to invest in the Fund and take into consideration your investment objectives, financial situation and particular needs. If you are in any doubt as to whether an investment in the Fund is appropriate for you, then you should consult your financial adviser or other professional advisers before making a decision to invest in the Fund.

## Forward-looking statements

This IM contains "forward-looking statements". Forward-looking statements may be identified by the use of terminology such as "anticipate", "believe", "estimate", "expect", "intend", "may", "can", "plan", "will", "would", "should", "seek", "project", "continue", "target" and similar expressions that imply uncertainty. You should note these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

Any forward-looking statements included in this IM represent Stara's current opinions, assumptions, expectations, beliefs, intentions, estimates or strategies regarding future events and are subject to risks and uncertainties and may not be realised. Target returns are a form of forward-looking statement. Any target returns specified in this IM are based upon subjective estimates and assumptions about circumstances and events that have not occurred yet and may never occur. If any of the assumptions used do not prove to be accurate, then results may vary substantially from the target returns contained in this IM.

# IMPORTANT NOTICE & DISCLAIMER CONT.

## Authorised information

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

## No guarantee

An investment in the Fund does not represent a deposit with or liability of the Company or SIML. Neither SIML nor any of its directors, officers or associates, or those of any of its related bodies corporate, give any guarantee or assurance as to the performance of the Fund, the repayment of capital invested, the payment of dividends, or any particular rate of capital or income return.

## Risks

As with all investments, an investment in the Fund is subject to risks (including those described in Section 19). You should read this IM in full before deciding whether to invest in the Fund and if you are in any doubt as to whether an investment in the Fund is appropriate for you, then you should consult your financial or other professional advisers.

## Confidentiality

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

## Interpretation

Unless otherwise specified or implied, references to "we", "our" and "us" are references to SIML, and "you" and "your" are references to a potential investor in the Fund. Capitalised terms used in this IM which have been given a specific meaning are defined in the glossary contained in Section 21.

Unless otherwise specified or implied, references to currency are to Australian currency, amounts are net of goods and services tax ("GST"), references to times are references to Australian Eastern Standard Time ("AEST"), and references to years are to financial years. Unless otherwise noted all images within this IM are of venues to be operated by SV Operations.

All information contained or statements made in this IM, including data contained in charts, graphs and tables within this IM are made or based on information as at the date of this IM, unless otherwise stated. Diagrams used in this IM are illustrative only and may not be drawn to scale.

In this IM, a reference to the Fund (or the Property Sub-Fund or the Business Sub-Fund) doing something, such as acquiring or disposing of an asset, is a reference to the Company doing such a thing with reference to either or both the Business Sub-Fund and the Property Sub-Fund, as appropriate. In addition, a reference to SIML doing something is a reference to SIML doing such a thing in its capacity as corporate director of the Company, unless the context otherwise requires.





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If you have any questions regarding this Fund, please contact your financial advisor or the SIML Investor Service Team:



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[venuhospitality.com.au](http://venuhospitality.com.au)

# 1. MANAGING DIRECTOR'S LETTER



I am pleased to invite you to invest in the Venu Hospitality Fund (or the “Fund”). The Fund is a notional vehicle formed out of the stapling of shares issued in Stara Venu CCIV ACN 663 880 500 (“the Company”). The offer under this IM is for investors to apply for the following shares in the Company:

- Business Shares, which are a class of share that are referable to the Stara Venu Business SF ARFN 663 895 190 (“Business Sub-Fund”).
- Property Shares, which are a class of share that are referable to the Stara Venu Property SF ARFN 663 895 207 (“Property Sub-Fund”).

Business Shares and Property Shares are classes of redeemable shares in the Company and are stapled to each other, meaning they are required to be dealt with as a single security (each a “Stapled Security”). The Fund was established to acquire a portfolio of hospitality businesses and properties. The properties will form part of the assets of the Property Sub-Fund and shares in operating companies will form part of the assets of the Business Sub-Fund. The Property Sub-Fund will also provide financial accommodation to operating companies invested in by the Business Sub-Fund, such as by making loans to those companies.

The Fund is one of the first investment opportunities to be offered under the new corporate collective investment vehicle (“CCIV”) regime introduced by the Australian Government in July 2022. SIML was the first fund manager to be granted a licence by the Australian Securities and Investments Commission to operate CCIVs as corporate director. SIML considers the CCIV to be the optimal legal structure for the Fund. The structure of the Fund and some details on the CCIV regime are contained in Section 14.4 of this IM.

SIML has established the Fund to provide interested investors the opportunity to have exposure to several attractive thematic areas that include strong population growth, strong investment and infrastructure spend ahead of the 2032 Olympics, changing consumption trends and consumer behaviours, rapidly developing technologies and systems and the consolidation of a fragmented market sector. All of these thematic areas are explained in greater detail in Section 3 of this IM. I believe that an investment in the hospitality sector also provides a hedge against inflation and downside risk protection in times of economic uncertainty.

The largest investors in the hospitality sector are corporate passive rent collecting landlords.

That investment model was originally based on the assumption that operating risk could be quarantined to tenant business operators. The COVID-19 pandemic demonstrated that landlords and tenants are “joined at the hip” and the concept of the Fund is based on the philosophy that an investment in hospitality properties should have exposure to the returns and upside from business operations as it is effectively assuming the risks of operations.

The Fund’s initial portfolio (detailed in Section 4 of this IM) will be dominated by profitable and well-located operating businesses. SIML believes this core group of operating businesses provides the critical mass to support systems, technology, buying power, employee recruitment, training and skills that can be leveraged to extend the footprint of the portfolio and add value to freehold going concern businesses that can be acquired on attractive terms in what is a fragmented market, dominated by aging private operators who face increasing challenges from regulatory risk, capex requirements, recruitment and technological changes.

SIML’s intention is to grow the Fund by establishing or acquiring complementary operating businesses and acquiring and adding value to properties through the business and property initiatives detailed in Section 13 of this IM. The Pine Beach Hotel Motel and the Beachmere Hotel, which will be the first acquisitions of freehold going concern hotels by the Fund, demonstrate the opportunities for value-add acquisitions by the Fund.

# 1. MANAGING DIRECTOR'S LETTER CONT.

The Company intends to appoint Coeee Investment Management Pty Ltd ACN 656 182 302 ("the Investment Manager") to act as the investment manager and property and development manager of the Fund. The Investment Manager is part of the Stara group of companies.

It is also intended HM&A Co Pty Ltd ACN 658 275 855 (the "Business Manager", and trading as "Venu Plus") be appointed to provide business and operational services with respect to the Businesses and the Hotels. The management team have substantial experience and successful track records as asset and business managers, and entities associated with them will be subscribing a minimum of \$7.1m under the Offer.

The Fund is open-ended in that it does not have a fixed investment term and it is intended additional capital will be raised in the future to grow the portfolio. However, it is intended investors will have the capability to request their investment be redeemed on a limited basis each quarter from 1 July 2024, and for a major liquidity event to occur around 31 March 2030 and on each fifth anniversary of that date thereafter.

I hope you will join me in investing in the Fund by following the directions on How to Invest in Section 21 and completing an application online at:

[www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php](http://www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php)

Yours sincerely,



**Paul Weightman**  
Managing Director.

**Stara Investment Management Limited**





## 2. INVESTMENT HIGHLIGHTS





## 2.1 INVESTMENT INTRODUCTION

SIML is pleased to offer the opportunity to invest in the Venu Hospitality Fund (the “Fund”). The Fund was established to acquire a portfolio of hospitality businesses and properties. The initial portfolio to be acquired by the Fund comprises the following (“Initial Portfolio”):

- 12 established South East Queensland food & beverage businesses (“Businesses”) with strong brand recognition and demonstrated profitability, comprising of:

Beach House Bar & Grill Browns Plains  
Beach House Bar & Grill Coomera  
Beach House Bar & Grill North Lakes  
Beach House Bar & Grill Loganholme  
Beach House Bar & Grill Springfield  
The Beachmere Hotel, Beachmere

The Pine Beach Hotel Motel, Emu Park  
Hotel Beach House Garden City, Upper Mt Gravatt  
Hotel Beach House Brisbane CBD  
Casa Cibo, Chermside  
Madame Wu, Brisbane CBD  
Chu The Phat, South Brisbane

- 2 freehold properties (including land and buildings) (“Hotels”) on which the Beachmere Hotel and the Pine Beach Hotel Motel are located.

The Fund will have a mandate to grow via acquisitions to further enhance economies of scale and value add opportunities with a sectoral focus on pubs, clubs, restaurants and short-term accommodation and a geographic focus on South East and Coastal Queensland and Northern New South Wales.

The Businesses will be managed and operated by the Business Manager (see Section 16).

The Investment Manager (see Section 15) will (together with SIML) be responsible for the management of the Fund and the freehold properties. The management team have substantial experience and successful track records as asset and business managers, and entities associated with them will be subscribing a minimum of \$7.1m under the Offer.



## 2.2 INVESTMENT HIGHLIGHTS

WHAT	WHY	SECTION	PAGE
A compelling mix of established leasehold and freehold hospitality businesses providing food and beverage, functions, entertainment, retail liquor sales, short term accommodation, wagering and gaming	<b>Exposure to Established Businesses:</b> <ul style="list-style-type: none"> <li>Multiple venues providing diverse revenue streams</li> <li>Proven, long term historical profitability<sup>2</sup></li> <li>Potential hedge against inflation, based on the assumption that pricing and margins can be adjusted to meet rising costs</li> </ul>	<b>The Portfolio Summary &amp; Overview</b>	24
	<b>Take Advantage of Consumption/Consumer Trends:</b> <ul style="list-style-type: none"> <li>Growth in 'Dining Out' spend</li> <li>Providing an experiential offering</li> <li>Volume and value of on-trade alcohol consumption</li> <li>Increased demand for premium products</li> <li>In venue and on-line customer relationship development</li> </ul>	<b>Hospitality Trends</b>	18
	<b>Supported by Broad Macroeconomic Trends</b> <ul style="list-style-type: none"> <li>Regulatory environment/barriers to entry</li> <li>Growth in household disposable incomes</li> <li>Macroeconomic conditions</li> </ul>	<b>Hospitality Trends</b>	18
SEQ Dominant Portfolio with all businesses in catchments with strong forecast population growth	<b>Assets Situated Within Areas of High Population Growth</b> <ul style="list-style-type: none"> <li>Queensland is leading the nation in net interstate migration and population growth.</li> <li>More people means more potential customers</li> <li>Strong investment and infrastructure spend anticipated in the lead up to the 2032 Brisbane Olympics.</li> </ul>	<b>Queensland Statistics</b>	21
A Portfolio with Scale and the Opportunity to Add Value to New Acquisitions	<b>'Corporatisation' of Hospitality</b> <ul style="list-style-type: none"> <li>Enhanced management and central back of house creates efficiencies in marketing, recruitment, HR, accounting, compliance and administrative services.</li> <li>Economies of scale/buying power</li> <li>Enhanced risk management</li> </ul>	<b>Corporatisation of Hospitality</b>	20
	<b>A Focus on Technology</b> <ul style="list-style-type: none"> <li>Enhance customer experiences</li> <li>Better ability to deliver operational efficiencies</li> <li>Improve accuracy and cost management</li> <li>Generate customer feedback</li> <li>Directly market to customers</li> <li>Reduce shrinkage/wastage</li> <li>Reduce costs</li> </ul>	<b>Investment Strategy</b>	54
	<b>Exposure to Property Development Upside</b> <ul style="list-style-type: none"> <li>Integrated approach to maximise business and real estate potential</li> </ul>	<b>Property Initiatives</b>	56

<sup>2</sup> Profits can go up and down and are not guaranteed. Past performance is not necessarily indicative of future performance.

## 2.2 INVESTMENT HIGHLIGHTS CONT.

<b>Low Initial Gearing of less than 20% of GAV</b>	<b>A Conservative Approach</b> <ul style="list-style-type: none"> <li>Limited exposure to interest rate increases</li> <li>Opportunity to increase leverage to a maximum of 40% of GAV to fund additional acquisitions</li> </ul>	<b>Fund Details</b>	60
<b>Highly Credentialed Management teams</b>	<b>A Skilled Investment Management Team</b> <ul style="list-style-type: none"> <li>An Investment Management Executive Team with more than 100 years in collective experience in law, funds management, valuation, real estate advisory, transaction management and development.</li> </ul>	<b>The Investment Manager</b>	66
	<b>Highly Experienced Business Management Team</b> <ul style="list-style-type: none"> <li>A dedicated Business Management Executive Team with more than 60 years of collective hospitality industry experience in finance, administration, operations, marketing and sales</li> </ul>	<b>The Business Manager</b>	69
<b>Alignment of Manager and Investor Interests</b>	<b>Entities associated with the Managers will subscribe for a minimum of 7.1 million Stapled Securities under the Offer</b>	<b>Financial Information</b>	72
<b>A Mandate for Growth</b>	<ul style="list-style-type: none"> <li>Greater scale = greater opportunity for efficiencies and buying power</li> <li>Earnings accretive – the Fund will target future acquisition that are earnings accretive</li> <li>Complementary acquisitions to enhance robustness of business model</li> </ul>	<b>Investment Mandate</b>	57
<b>Attractive Returns<sup>3</sup></b>	<ul style="list-style-type: none"> <li>Projected Year 1 (annualised) Cash Dividend of 7.5c per Stapled Security</li> <li>Projected Year 1 (annualised) Franking Credit of 2.5c per Stapled Security</li> <li>Target Total Return of 10% per annum over the first 7 years.</li> </ul>	<b>Target Returns</b>	73
<b>Investor Discount</b>	<ul style="list-style-type: none"> <li>Investors in the Fund will be eligible for a 15% discount off the entire bill at all restaurants and hotels which form part of the Fund's portfolio (exclusive of wagering and gaming and retail liquor sales and subject to terms and conditions).</li> <li>Investors will receive regular offers to purchase premium beer, wine and spirits at attractive prices.</li> </ul>	<b>Investment Highlights</b>	11

<sup>3</sup> The financial projections and targets are not guaranteed. The projected dividend and franking credit for Year 1 is an annualised figure for a part year to 30 June 2023. The projections are based on a number of key assumptions which are outlined in Section 17. The Fund's target return may vary over time according to market conditions. The Fund may not be successful in meeting its objectives, and like any investment there are risks associated with an investment in the Fund. Details of specific risks associated with the Fund are set out in Section 19.



## 2.3 OFFER SUMMARY

### a) Summary

SIML is seeking to raise a minimum of \$75 million through this IM to assist in funding the purchase of 12 established South East Queensland leasehold businesses and the acquisition of 2 freehold properties in Queensland.

Entities associated with the Managers will subscribe for a minimum of 7.1 million Stapled Securities under the Offer.

### b) Fund Structure

The Venu Hospitality Fund (or the “Fund”) is a notional vehicle formed out of the stapling of shares issued in Stara Venu CCIV ACN 663 880 500 (“the Company”). SIML is the corporate director of the Company and is responsible for operating the business and conducting the affairs of the Company and performing the functions conferred on it by the constitution of the Company (“Constitution”) and the Corporations Act. A summary of the key provisions of the Constitution is contained in Section 20.

The Company is a wholesale corporate collective investment vehicle (“CCIV”). A CCIV is a type of company that was designed for collective investment and became available for use in Australia in July 2022. Refer to Section 14.4 for more information on the CCIV regime.

The Company has two registered sub-funds, being the following:

- Stara Venu Business SF ARFN 663 895 190 (“the Business Sub-Fund”).
- Stara Venu Property SF ARFN 663 895 207 (“the Property Sub-Fund”).

The Fund was established to acquire a portfolio of hospitality businesses and properties. The properties will form part of the assets of the Property Sub-Fund and shares in operating companies will form part of the assets of the Business Sub-Fund. The Property Sub-Fund will also provide financial accommodation to operating companies invested in by the Business Sub-Fund, such as by making loans to those companies.

The offer under this IM is for investors to apply for the following shares in the Company:

- Business Shares, which are a class of share that are referable to the Business Sub-Fund.
- Property Shares, which are a class of share that are referable to the Property Sub-Fund.

Business Shares and Property Shares are classes of redeemable shares in the Company and are stapled to each other, meaning they are required to be dealt with as a single security (each a “Stapled Security”). The terms of issue of Business Shares and Property Shares are contained in Section 20.

As holders of Stapled Securities, investors will receive the benefit of income and any capital gains generated by the Fund’s investments.

### c) Who can Invest?

Wholesale Clients only.

To invest in the Fund, you must qualify as a Wholesale Client under section 761G of the Corporations Act. You will qualify as a Wholesale Client if you:

- are a “professional investor”; or
- invest at least \$500,000 in the Fund; or
- provide an accountant’s certificate certifying you meet the minimum asset (\$2.5 million of net assets) or income (\$250,000 of gross income for each of the last two financial years) test; or
- otherwise satisfy us that you are not a “retail client” for the purposes of Chapter 7 of the Corporations Act.

## 2.3 OFFER SUMMARY CONT.

### d) **Term of Investment**

The Fund is open-ended and does not have a fixed investment term. However, the Company intends to offer a "Limited Redemption Facility" and have "Periodic Liquidity Events" to facilitate redemptions. Refer to Section 14.2 for more information.

### e) **Projected Cash Dividend**

Projected Year 1 (annualised) Cash Dividend of 7.5c per Stapled Security.

Please note that the above projection is not a forecast, but rather a projection of what the Fund aims to achieve based on a number of key assumptions which are outlined in Section 17. Returns are not guaranteed and the Fund may not be successful in meeting its objectives, and like any investment there are risks associated with an investment in the Fund.

Details of specific risks associated with the Fund are set out in Section 19.

### f) **Franking Credits**

Projected Year 1 (annualised) Franking Credit of 2.5c per Stapled Security

In addition to cash dividends investors will be entitled to the benefit of franking credits on tax paid by the Business Sub-Fund, which is expected to be taxed as a company. The value of franking credits is not able to be easily projected, because it will depend on the taxable income of Business Sub-Fund, the deductions available to it, the rate of tax to which it will be subject, and the franking credits that are paid to it from subsidiary operating companies. SIML's projection of the annualised value of the franking credit available to investors for each Stapled Security in the first year of the Fund's operation is 2.5 cents per Stapled Security.

### g) **Dividend Frequency**

Quarterly

### h) **Target Returns**

Target Total Return per annum of 10% over 7 years

### i) **Minimum Investment**

\$50,000

### j) **Investor Discount**

Investor patronage of restaurants and hotels in the Portfolio is encouraged. Following the acquisition of the Initial Portfolio, investors will be issued with an "Investor Discount Card" which will provide a 15% discount off the entire bill at venues which form part of the Initial Portfolio, exclusive of wagering and gaming and retail liquor sales, and subject to terms and conditions. Investors will receive regular offers to purchase premium beer, wine and spirits at attractive prices.

### k) **Capital Requirements**

The Fund intends to acquire 10 of the Businesses ("Raw Businesses") at a purchase price of \$51,100,000 and the operating businesses and freehold land and buildings of the Beachmere Hotel and Pine Beach Hotel Motel for a total consideration of \$29,500,000, plus stock at valuation (capped at \$900,000).

The total amount required to fund the purchase of the Initial Portfolio and to pay transaction costs (inclusive of stamp duty) and fees is \$90,900,000.

SIML has received a non-binding letter of commitment for limited-recourse debt of \$15,900,000 from a major Australian Bank to assist in funding the acquisition of the Initial Portfolio.

The purchase prices for the operating businesses and freehold of both the Pine Beach Hotel

## 2.3 OFFER SUMMARY CONT.

Motel and the Beachmere Hotel are supported by independent valuations at the contract prices undertaken by leading national Australian valuation firms.

The purchase price for the Raw Businesses is supported by an enterprise valuation conducted by Vincents Accountants, who were provided with the results of financial and taxation due diligence investigations undertaken on the Raw Businesses. The historical financial results of the Raw Businesses for the financial years ended 30 June 2020, 2021 and 2022 have been subject to a defined scope financial due diligence conducted by Pitcher Partners Corporate Finance Limited. Pitcher Partners Corporate Finance Limited as part of the defined scope financial due diligence also analysed and provided commentary on key assumptions adopted by Management in the forecast financial results for the Raw Businesses for the year ending 30 June 2023.

### **l) Equity Issued**

75 million Stapled Securities at an issue price of \$1 per Stapled Security. Entities associated with Managers will subscribe for a minimum of 7.1 million Stapled Securities under the Offer.

### **m) Issue Price**

\$1.00 per Stapled Security.

### **n) How to invest**

Follow the directions on How to Invest in Section 21 and complete an application online at: [www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php](http://www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php)

### **o) Offer Close**

The Offer will close on 28 April 2023 or earlier upon full subscription.

SIML reserves the right to move the Offer Closing Date forward or backward in its absolute discretion.

### **p) Maximum investment**

A person (together with their associates) cannot apply for more than 3.75 million Stapled Securities under this Offer unless SIML determines otherwise at its discretion

### **q) Limited Redemption Facility**

From the 1st July 2024, the Company intends to provide a Limited Redemption Facility of an amount equivalent to up to 0.5% of GAV on a Quarterly basis. The Company may in its discretion increase the amount available in any Quarter.

If the aggregate value of redemption requests received during the Quarter exceeds the available funds, then the Company will scale back the redemption requests on a pro rata basis. Any unmet portion of the redemption request will be deemed to carry over to the following Quarter unless the investor requests otherwise, or the Company suspends redemptions. The Company is allowed up to 365 days in which to accept any redemption requests.

Investors wishing to request some or all of their Stapled Securities be redeemed in any particular Quarter need to submit their redemption requests by 4pm AEST on the second last Business Day of the relevant Quarter. The Company has the ability to accept requests after this time at its discretion. Proceeds from accepted redemption requests are expected to be paid within 21 days of the last Business Day of the relevant Quarter.

### **r) Periodic Liquidity Events**

On or around 31 March 2030 and then on each 5th anniversary thereafter, the Company intends to offer investors the ability to redeem their Stapled Securities. The Company will use reasonable endeavours to provide liquidity to investors wishing to redeem all or some of their investment in the Fund.



## 2.3 OFFER SUMMARY CONT.

If the Company receives redemption requests which total more than 60% of the Stapled Securities on issue, then it will take steps to sell the assets and wind up the Fund.

If total redemption requests are less than this amount, then the Company will seek to satisfy redemption requests within a 12-month period following the close of the offer.

The first periodic liquidity event is intended to be offered on or around 31 March 2030 and the Company will act in the best interests of all Investors in attempting to satisfy redemption requests. However, there may be circumstances where the Company determines it is not possible to provide a Periodic Liquidity Event within the intended timeframe or that it is not in the best interests of investors to satisfy redemption requests. Examples include periods of significant market stress or lack of liquidity in real estate markets.

### s) Investment Strategy

The Fund's investment strategy is to increase profitability and create value from assets and businesses via the application of business and property initiatives including:

- Technology upgrades
- Expansion of Retail offering
- Marketing initiatives
- Economies of scale
- Back of House resourcing
- Increased buying power
- Refurbishment & Development

### t) Investment Mandate

The Fund will have a mandate to grow via acquisitions to further enhance economies of scale and value add opportunities with a sectoral focus on pubs, clubs, restaurants and short-term accommodation and a geographic focus on South East and Coastal Queensland and Northern New South Wales.

### u) Co-Investment by Managers

Entities associated with the Managers will subscribe for a minimum of 7.1 million Stapled Securities under the Offer.

### v) Fees

#### Investment Management Fee:

1% of GAV of the Fund per annum

#### Business Management Fee:

2.65% of Revenue (excluding any Revenue derived from Gaming Activities) per annum plus \$1,500 per annum for administration, service and management of each electronic gaming machine operated in each licenced premises.

#### Performance Fee:

20% of any outperformance of the Fund over a total return of 10% per annum

The performance fee is calculated and payable on each anniversary of the date shares are issued pursuant to this IM (and on the occurrence of certain events, such as if any action is taken to remove SIML as corporate director). The performance fee is only charged after any prior underperformance of the Fund is recovered.

#### Acquisition Fee:

2% of the gross value (excluding any GST) of any asset acquired (directly or indirectly) by the Fund

## 2.3 OFFER SUMMARY CONT.

### **Disposal Fee:**

2% of the gross value (excluding any GST) of any asset disposed of (directly or indirectly) by the Fund. This fee is only payable if an asset is disposed of by the Fund within three years from the date of registration of the Sub-Funds.

Further, if any action is taken to remove SIML as corporate director of the Company within three years from the date of registration of the Sub-Funds, then SIML is entitled to be paid a disposal fee as if all assets were sold at the value last determined by SIML in accordance with the Constitution.

### **Development Management Fee:**

Charged as a percentage of total development costs

2.5% (if external development and project managers are retained)

5.0% (if no external development and project managers are retained)

### **w) Other Costs**

Normal administrative and operating costs (excluding management fees) are estimated to be up to 0.37% pa of GAV. The Fund may also incur abnormal costs from time to time.

### **x) Key Dates**

Applications Open: 30 January 2023

Applications Close: 28 April 2023

Securities Issued: 2 May 2023

Projected Settlement Date: 3 May 2023

### **y) Risks**

Investors will be exposed to all of the risks involved in investing in property, either directly or indirectly through managed funds, and the risks associated with operating a hospitality-related business. The key risks associated with the Fund are described in Section 19.

### 3. WHY HOSPITALITY?





# WHY HOSPITALITY?

The Australian hospitality industry comprises a diverse range of businesses offering food and beverage, functions, entertainment, retail liquor sales, short term accommodation, wagering and gaming. The sector has been a part of the Australian economy since 1788, with many of the traditional pub-style hotels built in the mid-late 19th and early 20th centuries still operating today.

In Australia, federal anti-money laundering and 'know your customer' regulations, liquor and gaming licensing requirements and local government permits for the sale and service of food, alcohol, gaming and wagering can be a barrier to competition for new entrants.

With the combined knowledge and skills of the Managers, SIML sees an opportunity in the current hospitality landscape to provide investors with exposure to leasehold hospitality businesses and freehold going concern ("FGC") hotels with potential upside for growth.

The Managers believe the Initial Portfolio is positioned to:

- Take advantage of the latest consumer and industry trends
- Capitalise on the regulatory barriers to entry and fragmented ownership of the hospitality sector with the potential for further 'corporatisation'
- Capitalise on the anticipated positive population and economic growth of Queensland, which is poised to undergo a significant growth journey to the 2032 Olympic Games and beyond

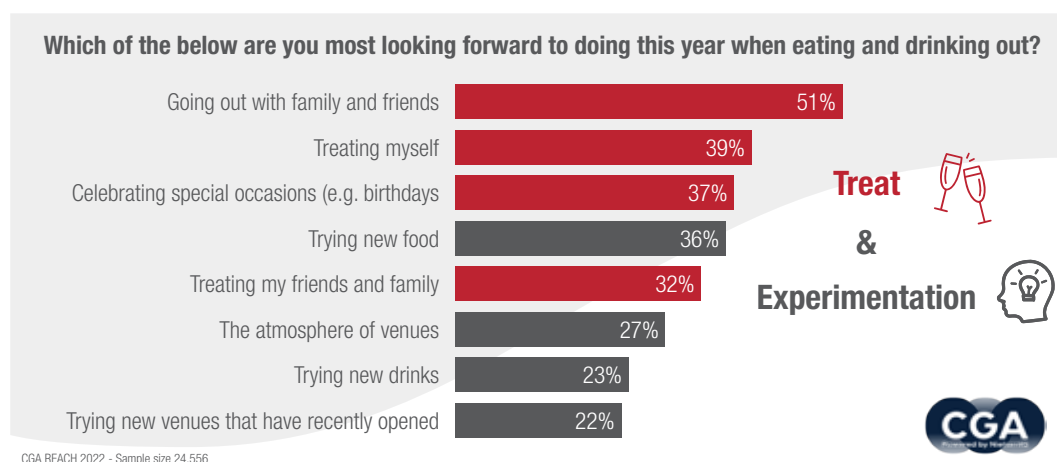
## 3.1 HOSPITALITY TRENDS

Today, the top ten hospitality trends in post lockdown Australia (according to mobile app table ordering service provider me&u) are:

TREND	COMMENTS	FUND ATTRIBUTES
<b>An increased desire to socialise</b>	Travel restrictions and ongoing travel disruptions have focused consumers on local hospitality experiences such as heading to the nearest pub or restaurant.	<ul style="list-style-type: none"> <li>• Mix of pubs, restaurants, hotels and experiences</li> </ul>
<b>Fridays are out, weekends are in</b>	With more offices embracing remote working, Friday night drinks are no longer the go-to event of the corporate social calendar. While spend levels have declined across the working week, Saturday and Sunday spends have spiked as customers stick closer to home to drink and dine locally.	<ul style="list-style-type: none"> <li>• Strong orientation to Suburban assets</li> <li>• Mid-week promotions and events</li> </ul>
<b>Renewed love for the local pub</b>	Suburban pubs and restaurants have experienced a significant boost post lockdowns relative to pre COVID levels, thanks largely to the impact of work from home, with suburban hospitality venues the meeting point of choice for friends and co-workers alike.	<ul style="list-style-type: none"> <li>• Resilience of Businesses through COVID – only a single venue received a form of rental relief</li> <li>• The 7 Beach Houses which are included in the Businesses offer convenience, accessibility and value for money</li> </ul>
<b>Spirits Soar</b>	Data from me&u has shown significant growth in demand for spirits post COVID, in particular, for vodka, rum and whiskey. Cocktails now make up close to 20% of all drinks ordered on me&u	<ul style="list-style-type: none"> <li>• Ordering from the me&amp;u app is one technological innovation the Business Manager can take advantage of to further the cross- promotion and upsell of products</li> </ul>

## 3.1 HOSPITALITY TRENDS CONT.

<b>Increased demand for premium products</b>	There has been a big shift towards consumers preferencing premium spirits	<ul style="list-style-type: none"> <li>App based ordering has helped to facilitate customers preference for quality</li> </ul>
<b>Tipping</b>	Contactless tipping tools have seen customers increase tips across Australia	<ul style="list-style-type: none"> <li>Increased tipping increases both revenues and staff alignment</li> </ul>
<b>The Labour Challenge</b>	With a steep decline in international workers, operators are turning their attention closer to home and focusing on career progression for their teams. Employers with multiple venues and dedicated HR/Recruitment staff have a competitive advantage.	<ul style="list-style-type: none"> <li>Business Manager has a long history of immigration and sponsorship initiatives</li> <li>Dedicated teams to address staffing / employment concerns will be critical as unemployment trends continue to tighten</li> </ul>
<b>Contactless payments are here to stay</b>	In the wake of QR codes and mobile check-ins, consumers now expect ordering and payment to be just as seamless. According to me&u, customers spend 27.5% more when they order at the table from their mobile phone.	<ul style="list-style-type: none"> <li>Contactless payments have become more prevalent, but need to be backed by timely and satisfactory service</li> </ul>
<b>The reinvention of back of house</b>	Technology combined with a review of workflow and systems can significantly reduce wait times for customers. Examples include moving dispensing bar sections closer to customers and re-engineering menus to focus on Ready to Drink (RTD) and on-tap cocktails.	<ul style="list-style-type: none"> <li>Venue layouts and fitouts to be reviewed in line with trends and to allow efficient service</li> </ul>
<b>Innovation</b>	Customer expectations have changed post COVID. They expect to be able to order and pay in a few taps and order another round without queuing. Technology allows venues to understand their customers better and provides the opportunity for bespoke customer engagement, both in and out of the venue.	<ul style="list-style-type: none"> <li>Engaging with customers both through technology and through service</li> </ul>



Source : (me&u, 2021)

Observations by me&u are supported by global hospitality research firm CGA who observed, 'Consumers have a real desire to make up for lost time, visiting... [hospitality venues] with a Treat and Experimentation mindset' (CGA by NielsenIQ Australia, 2022).

## 3.2 CORPORATISATION OF HOSPITALITY

Historically in Australia, the majority of hospitality venues have been family owned, with pub and restaurant ownership one of the most fragmented asset classes in the country. A 2018 Australian Hotels Association member survey found that 65% of businesses were family owned, with 21% of venues being part of a hotel group (PricewaterhouseCoopers, 2018).

According to HTL Property, the top five groups own “...at most 10% of the market.” (Australian Financial Review, 2022). However, over the last two years the major corporate hospitality operators and large privately owned hoteliers have significantly increased their footprint in the hospitality sector (The Urban Developer, 2021).

It is the Managers’ view that this activity has been driven by factors including:

**Private Vendors are being driven to sell because:**

- They face intergenerational changes
- They face increasing compliance obligations and costs – exacerbated by the pandemic
- Record asset values

**Corporates, Large Privates and Institutional Buyers are able to buy because:**

- They can achieve Economies of Scale/Purchasing Power
- They bring Central ‘Back of House’ Efficiencies
- They have Enhanced Risk Management and compliance regimes
- They have lower cost of debt
- They have better access to capital

The two largest Australian corporate hospitality businesses (Endeavour and AVC) are tenants only, with the freeholds separately owned by various private and institutional investors. By contrast, it is the Managers’ experience that private family-owned pubs are predominantly FGC assets – that is, the business and real estate are under single ownership.

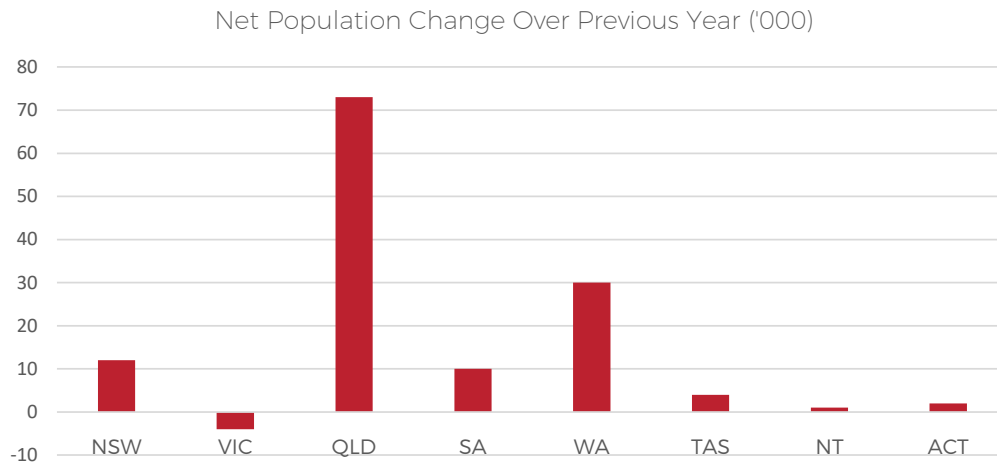
The Managers believe that the factors motivating private vendors to consider selling, (in particular, intergenerational change and increasing compliance obligations), are unlikely to change over the foreseeable future, presenting an opportunity for the Fund to acquire additional FGC assets going forward. In the Managers’ opinion the Fund’s aligned and integrated approach to the acquisition, management and development of hospitality businesses and the underlying real estate will provide a competitive advantage to the Fund in comparison to sites where the freehold asset is held by an investor and leased to a separate business operator.

In the Managers’ opinion the operational efficiencies and buying power of the Fund will be catalysts for future acquisitions.



### 3.3 QUEENSLAND STATISTICS

Population data released by the ABS on the 28th June 2022 confirms Queensland is leading the nation in population growth and net interstate migration, accounting for 57% of the nation's total population growth over the 12 months to December 2021.



Source National Property Research Co 2022

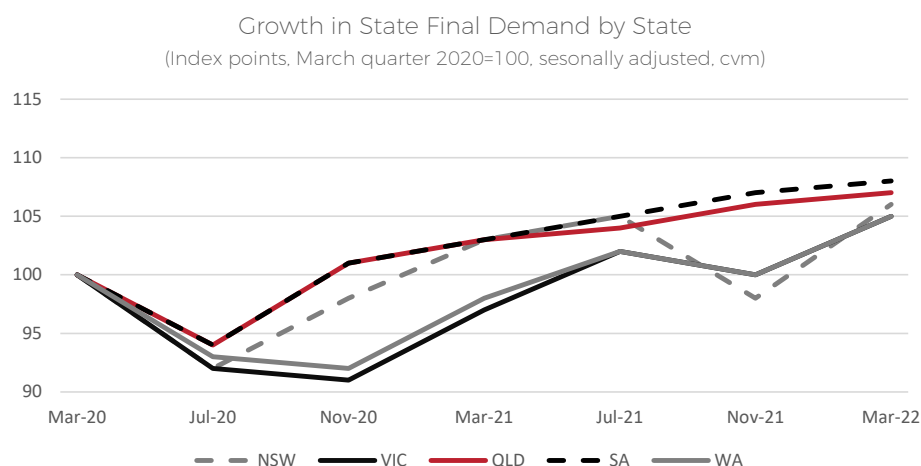
According to The National Property Research Co (NPRC), "People are voting with their feet and leaving NSW and Victoria for sunnier climates and more affordable property. Jobs are relatively easy to come by compared to previous years, so the 25-44 year olds that drive Australia's economy are increasingly packing up their families and moving to the Sunshine State" (The National Property Research Co, 2022).

NPRC notes that Queensland's population growth has occurred at a time when overseas migration has been subdued. "When it does (rebound), Queensland's economy will be supercharged much like the early 2000's which set off almost a decade of growth" (The National Property Research Co, 2022).

The Australian Financial Review reported on 5 January 2023 that according to the latest Population Statement 2022, Queensland will continue to experience the largest inflow of people from other States and Territories and that Queensland's population is forecast to rise from 5.2 million to 6.1 million over the next 10 years.

Reflective of its strong population growth, Queensland's State Final Demand growth over the two years since the pre-pandemic period of the March quarter 2020 at 7.8% remains stronger than the rest of Australia (6.9%). Queensland household consumption for the 12 months to March 2022 increased 3.8%. According to the Queensland Treasury, COVID outbreaks, flooding in South East Queensland and inflation pressures constrained real consumption growth in the March quarter despite elevated savings throughout the pandemic (Queensland Treasury, 2022).

Despite COVID and flood caused interruptions, spending on hotels, cafes and restaurants was one of the largest contributors to quarterly growth, up by 5.5% (Queensland Treasury, 2022).



Source National Treasury 2020

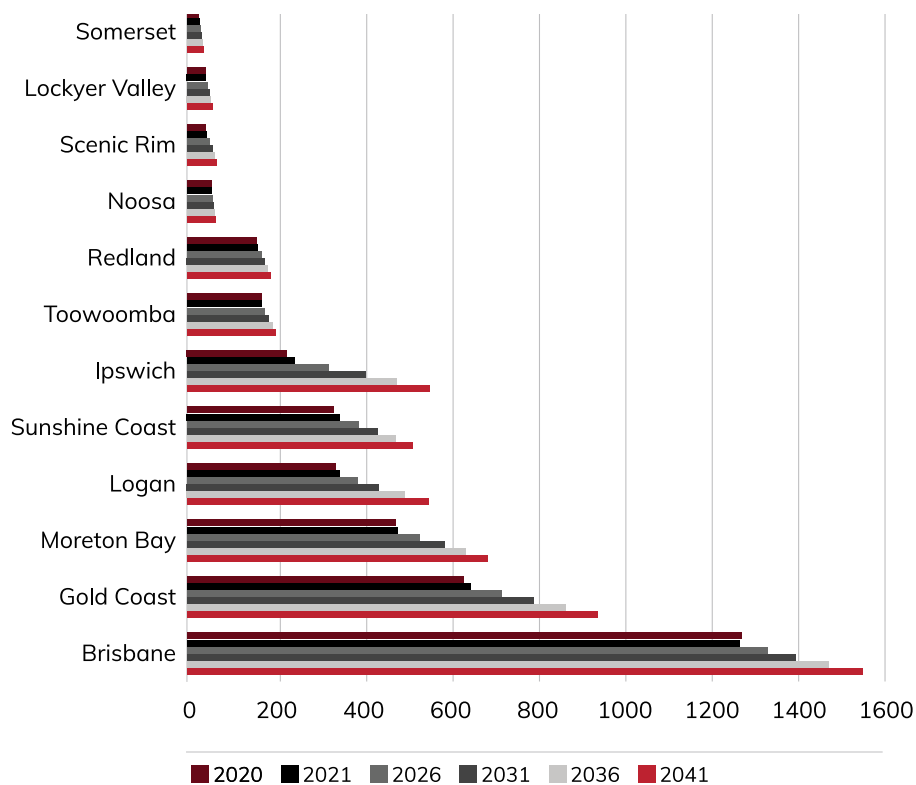


## 3.4 SOUTH EAST QUEENSLAND STATISTICS

South East Queensland (SEQ), comprising twelve Local Government Areas from Noosa and the Sunshine Coast in the north, the Gold Coast to the south and Toowoomba to the west and inclusive of Brisbane, Moreton Bay, Logan and Ipswich, accounts for 73% of Queensland's population (Department of Infrastructure, Transport, Regional Development and Communications, 2021).

In 2016 the total population of SEQ was 3.49 million. This had increased to 3.80 million by 2020 at an annual growth rate of 2.0%. By 2041, the SEQ population is forecast to increase to 5.44 million, an increase of 43.4% from 2020 or approximately 1.65 million residents. The strongest growth is forecast for Ipswich (328,000), Gold Coast (308,000) and Brisbane (278,000).

Projected population of LGAs, 2021–2041, and estimated resident population, 2020



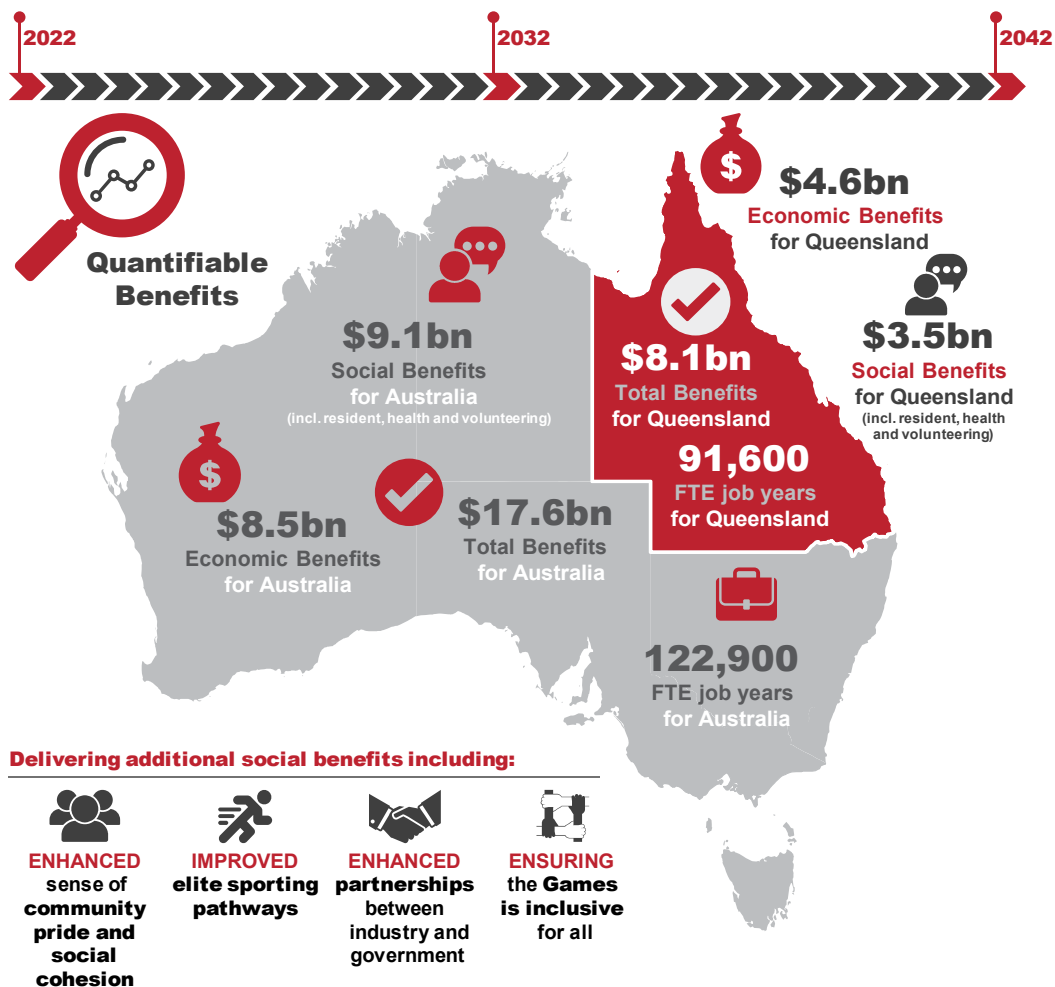
Source Department of Infrastructure, Transport, Regional Development and Communications 2021

## 3.5 BRISBANE 2032 OLYMPIC & PARALYMPIC GAMES

Analysis by KPMG of the quantifiable economic and social benefits of the Brisbane Olympic Games (Olympics) over a twenty year period from 2022 are estimated to be up to \$8.10 billion for Queensland and \$17.61 billion for Australia with the estimated impact of new expenditure resulting from the Olympics (inclusive of tourism and trade, event operations and infrastructure) projected to create approximately 122,900 full time equivalent (FTE) jobs at a national level and approximately 91,600 FTE jobs in Queensland (KPMG, 2021).

### Potential benefits of a 2032 Queensland Games

Analysis of the potential economic, social and environmental benefits of hosting a 2032 Games suggests there is a significant opportunity to deliver material benefits for Queenslanders and Australians.



Source: KPMG 2021

"A Games induced uplift in international tourism and trade is estimated to contribute to an uplift in Queensland's Gross State Product (GSP) in the order of \$4.60 billion, which is more than half the estimated \$8.50 billion uplift in overall GDP at the national level." (KPMG, 2021).

According to Knight Frank Australia, the Olympics will bring global recognition to Brisbane. The population of South East Queensland is at least three times smaller than any other recent or upcoming host cities. "As such, the games stand to have a disproportionately large impact on Brisbane's international stature and profile." (Knight Frank Australia, 2022).

In addition to the immediate benefit of attracting tourism, Knight Frank suggests the Olympics will have a 'halo effect' which will help to bring skilled migrants, companies seeking to expand in Australia, investors looking to broaden their portfolios and developers seeking a position in expanding markets (Knight Frank Australia, 2022).



## 4. THE PORTFOLIO





## 4.1 ACQUISITION OF THE INITIAL PORTFOLIO

SIML is a wholly owned subsidiary of Stara Real Estate Capital & Advisory Pty Ltd ACN 646 102 829 ("Stara RECAP"). Stara RECAP has entered into the following options ("Options") for the purchase of the Initial Portfolio:

- Put and Call Option for the purchase of the business and associated assets of the Pine Beach Hotel Motel ("Pine Beach Business Option") at a price of \$1,800,000 plus stock at value to a maximum value of \$150,000;
- Put and Call Option ("Pine Beach Land Option") for the purchase of:
  - 3-5 Granville Street Emu Park, Queensland at a price of \$7,200,000, subject to a lease ("Pine Beach Lease") in favour of the owner of the business of the Pine Beach Hotel Motel at a commencing rent of \$453,000 per annum;
  - 6-14 Emu Street, Emu Park Queensland at a price of \$3,000,000
- Put and Call Option for the purchase of the business and associated assets of the Beachmere Hotel, 2 James Road, Beachmere, Queensland ("Beachmere Business Option") at a price of \$7,000,000 plus stock at value to a maximum value of \$180,000;
- Put and Call Option ("Beachmere Land Option") for the purchase of 2 James Road, Beachmere, Queensland at a price of \$10,500,000 subject to a lease ("Beachmere Lease") in favour of the owner of the business of the Beachmere Hotel at a rent of \$360,000 per annum;
- Put and Call Option ("Put and Call Option and Implementation Deed") for the purchase of 10 leasehold restaurants and hotels ("Raw Group Businesses") from 10 different vendors associated with the Business Manager at a price of \$51,100,000 plus stock at value to a maximum value of \$300,000.

The Options are subject to a number of conditions precedent including:

- Stara RECAP being satisfied with the results of its due diligence investigations;
- The approval of the Office of Liquor and Gaming Regulation ("OLGR") to the transfer of liquor licences, and in the case of the Pine Beach Hotel Motel and Beachmere Hotel, to the transfer of gaming authorities;
- Completion of capital raising;
- Landlord consents to assignment and amendment of leases of premises from which the Raw Group Businesses are conducted.

Stara RECAP has waived or confirmed the satisfaction of the due diligence and capital raising conditions under the Pine Beach Business Option, the Pine Beach Land Option, the Beachmere Business Option and the Beachmere Land Option.

Stara RECAP has the right to nominate a party to exercise the Options, and it proposes to nominate the Company (with reference to the Property Sub-Fund) pursuant to the Pine Beach Land Option and the Beachmere Land Option, and SV Operations pursuant to the other put and call options.

The total of the purchase prices payable under the Options is \$80,600,000 plus stock at value to a maximum value of \$900,000. The total purchase price will be subject to adjustments for any outstanding employee entitlements and outgoings.

The Company will vary the terms of the Pine Beach Lease and the Beachmere Lease after Financial Close to extend their terms and to adjust the rentals to reflect arm's length commercial rentals determined by third party valuers.

The terms of the:

- Put and Call Option and Implementation Deed;
- Pine Beach Business Option and Pine Beach Land Option; and
- Beachmere Business Option and Beachmere Land Option,

are described in further detail in Section 20.1.

## 4.1 ACQUISITION OF THE INITIAL PORTFOLIO

The Initial Portfolio comprises 10 leasehold restaurants and hotels and two FGC pub style hotels.



### BAR & GRILLS

Beach House Bar & Grill Browns Plains  
Beach House Bar & Grill Springfield  
Beach House Bar & Grill North Lakes  
Beach House Bar & Grill Loganholme  
Beach House Bar & Grill Coomera



### HOTELS

Hotel Beach House CBD  
Hotel Beach House Garden City



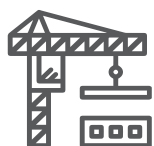
### RESTAURANTS

Madame Wu, CBD  
Chu The Phat, Southbank  
Casa Cibo, Chermside



### FGC ASSETS

Beachmere Hotel, Beachmere  
Pine Beach Hotel, Emu Park



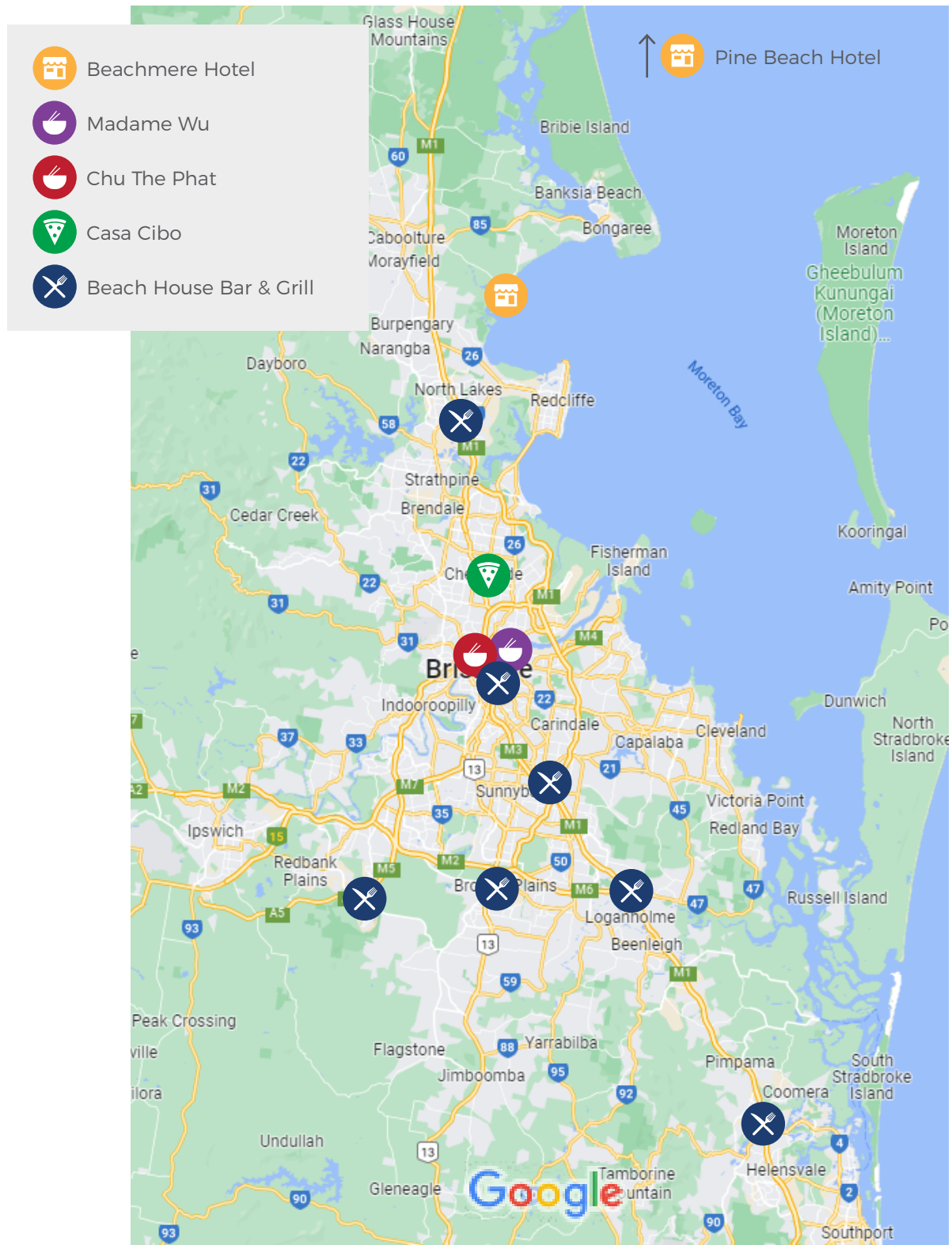
### DEVELOPMENT OPPORTUNITIES

Development Land, Emu Park



## 4.3 LOCATION

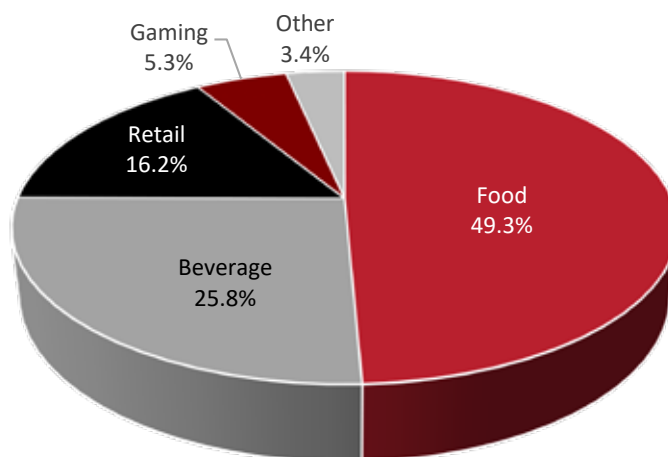
The assets in the Initial Portfolio are all located in Queensland and in established locations expected to have significant population growth over the short, medium and long term. Eleven (11) of the businesses are located in South East Queensland.



## 4.4 GROSS REVENUE PROFILE FORECAST TO 30 JUNE 2023

The Initial Portfolio has a diverse income profile, dominated by food (49.3%), beverage (25.8%) and retail liquor sales (16.1%). Less than 9% of group revenue is reliant on commissions including rebates, gaming and ancillary accommodation:

Sources of Gross Revenue by Percentage



Further detailed financial analysis can be found in Section 17.

## 4.5 GROUP BUSINESS STATISTICS

After completing the acquisition of the Initial Portfolio, the Fund will have the benefit of services provided by the Business Manager including approximately 360 staff comprising:



216 Front of House Staff  
125 Back of House Staff  
19 Administrative Staff

The Businesses and Hotels are projected to, collectively and on a per annum basis:

serve approximately **1.3 million meals** comprising:



- 200,000+ steaks
- 100,000+ schnitzels
- 26,000+ pizzas
- 76,000+ banquets
- 24+ tonnes of chips

pour in excess of **2.6 million<sup>4</sup> drinks** comprising:



- 640,000+ schooners of beer
- Almost 300,000 glasses of wine
- 1.3 million+ nips of spirits
- 400,000+ schooners of soft drink
- receive and deliver on **400,000+ me&u orders**

<sup>4</sup> Exclusive of bottled beer and Ready to Drink (RTD) beverages



## 5. BEACH HOUSE BUSINESSES







BEACH HOUSE BAR & GRILL BROWNS PLAINS  
 Grand Plaza

### VENUE OVERVIEW

- Contemporary Australian bar and grill in Grand Plaza Browns Plains freestanding dining precinct open for breakfast, lunch and dinner.
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere.

### LEASE OVERVIEW

Lessor: Perpetual Nominees (Vicinity)

Expiry: 17 April 2024 -Extension of lease agreed to 31/10/2030, subject to documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Business.

Area: 579sqm

### ESTABLISHED

August 2011

### INVESTMENT HIGHLIGHTS

- Freestanding site in Browns Plains with own car park
- Large venue built with multiple sunken and raised areas

### CAPACITY

Seated:
 

Up to 220 pax

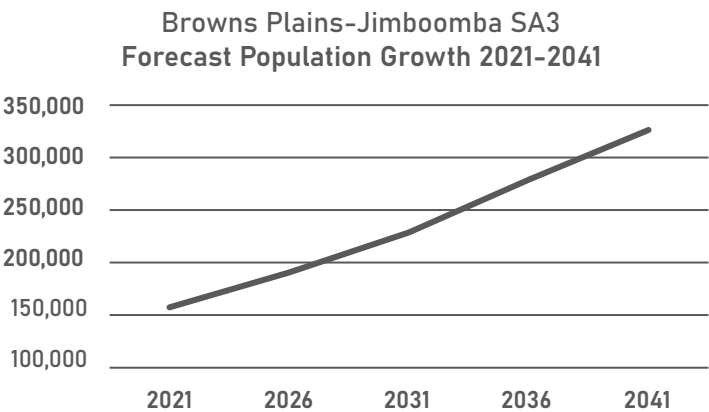
Standing:
 

Up to 300 pax

Indoor / Outdoor:
 

Indoor only

### FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).





## BEACH HOUSE BAR & GRILL SPRINGFIELD Orion Shopping Centre

### VENUE OVERVIEW

- Contemporary Australian bar and grill in Springfield Orion Shopping Centre entertainment and leisure precinct open for breakfast, lunch and dinner.
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere

### LEASE OVERVIEW

Lessor: Perpetual Nominees Ltd (Mirvac)

Expiry: 30 June 2025

Area: 378sqm

A lease extension of six years (expiry 9 June 2031) has been agreed, subject to execution of formal documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

### ESTABLISHED

April 2015

### INVESTMENT HIGHLIGHTS

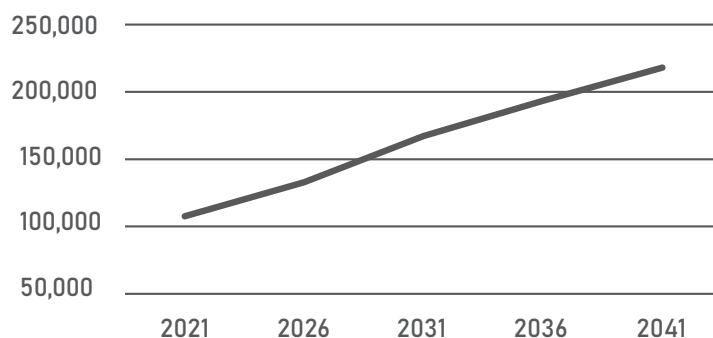
- Largest site in Orion Springfield entertainment and leisure precinct
- Located directly opposite the new Event cinema complex with exposure to both town square and Main Street
- Incorporates bistro, bar & café bar
- Strong population growth forecast for catchment

### CAPACITY

Seated:	Up to 200 pax	Standing:	Up to 300 pax
Indoor / Outdoor:	Both		

### FORECAST POPULATION GROWTH 2021 - 2041

Springfield-Redbank SA3  
Forecast Population Growth 2021-2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).







## BEACH HOUSE BAR & GRILL NORTH LAKES Westfield Shopping Centre

### VENUE OVERVIEW

- Contemporary Australian bar and grill within Westfield North Lakes entertainment and leisure precinct open for breakfast, lunch and dinner
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere

### LEASE OVERVIEW

Lessor: Scentre Management Ltd & Perpetual Trustee Company Ltd (Westfield)

Expiry: 5 July 2026 - Extension of lease agreed to 5 July 2028, subject to documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

Area: 451sqm

### ESTABLISHED

December 2015

### CAPACITY

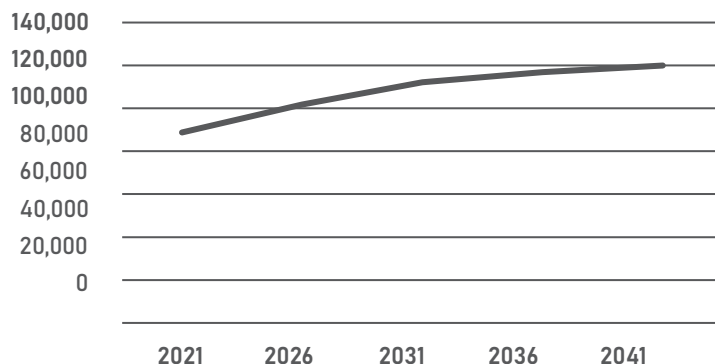
Seated:	Up to 250 pax	Standing:	Up to 380 pax
Indoor / Outdoor:	Indoor only		

### INVESTMENT HIGHLIGHTS

- Part of Westfield North Lakes entertainment and leisure precinct located amongst other key hospitality offers
- Largest site offering 3-way exposure to Westfield North Lakes precinct and North Lakes Drive
- Latest design and fitout for Beach House concept from designer Paul Papadopoulos of DS17

### FORECAST POPULATION GROWTH 2021 - 2041

North Lakes SA3  
Forecast Population Growth 2021-2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).







## BEACH HOUSE BAR & GRILL LOGANHOLME Logan Hyperdome

### VENUE OVERVIEW

- Contemporary Australian bar and grill within Logan Hyperdome open for breakfast, lunch and dinner.
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere

### LEASE OVERVIEW

Lessor: QIC Logan Hyperdome

Expiry: 29 October 2027 - Extension of lease agreed to 29 October 2030, subject to documentation. The assignment of the lease to a subsidiary of the Company and extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

Area: 314sqm

### ESTABLISHED

May, 2017

### INVESTMENT HIGHLIGHTS

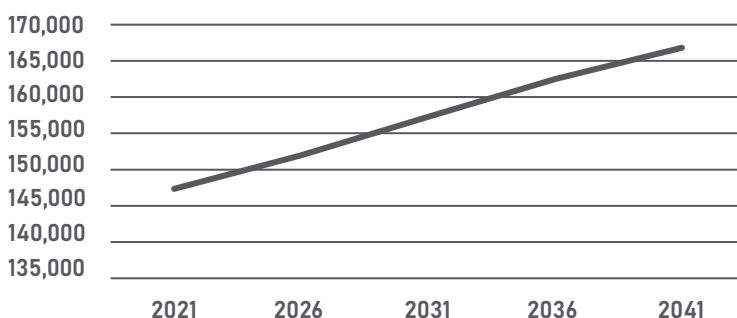
- Located amongst other key hospitality offers and casual dining options
- Latest design and fit out for Beach House concept from designer Paul Papadopoulos of DS17
- Entertainment offers include Event Cinemas and Zone Bowling off Leda Drive
- Strong population growth forecast for catchment.

### CAPACITY

Seated:	Up to 220 pax	Standing:	Up to 250 pax
Indoor / Outdoor:	Both		

### FORECAST POPULATION GROWTH 2021 - 2041

Loganlea-Carbrook & Springwood Kingston SA3  
Forecast Population Growth 2021-2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).





BEACH HOUSE BAR & GRILL COOMERA  
Westfield Shopping Centre

VENUE OVERVIEW

- Contemporary Australian bar and grill within the Westfield Coomera leisure and entertainment precinct open for breakfast, lunch and dinner.
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere.
- Multi-level venue with multiple bars and a massive deck overlooking the precinct

LEASE OVERVIEW

Lessor: Scentre Management Ltd & QIC Coomera Pty Ltd

Expiry: 10 April, 2029. Extension of lease agreed to 10 April 2031, subject to documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

Area: 530sqm

ESTABLISHED

February 2018

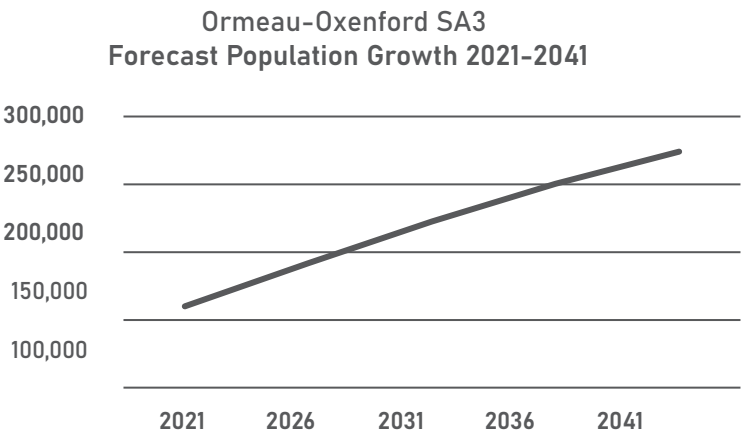
INVESTMENT HIGHLIGHTS

- Surrounded by food and beverage offers in the Coomera entertainment and leisure precinct
- Situated opposite the Coomera Event cinema complex
- Beautiful restaurant setting on the Westfield Coomera community village with large timber deck with a view of the precinct
- Strong population growth forecast for catchment

CAPACITY

Seated: Up to 300 pax | Standing: Up to 500 pax  
Indoor / Outdoor: Both

FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).







## HOTEL BEACH HOUSE GARDEN CITY Westfield Shopping Centre

### VENUE OVERVIEW

- Contemporary Australian hotel within the Westfield Garden City entertainment and leisure precinct open for breakfast, lunch and dinner.
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere.
- Multi-level venue with multiple bars and a massive deck overlooking the town square

### LEASE OVERVIEW

Lessor: Scentre Management Ltd

Expiry: 3 September 2026 - Extension of lease agreed to 3 September 2028, subject to documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

Area: 764sqm

### ESTABLISHED

June 2007

### INVESTMENT HIGHLIGHTS

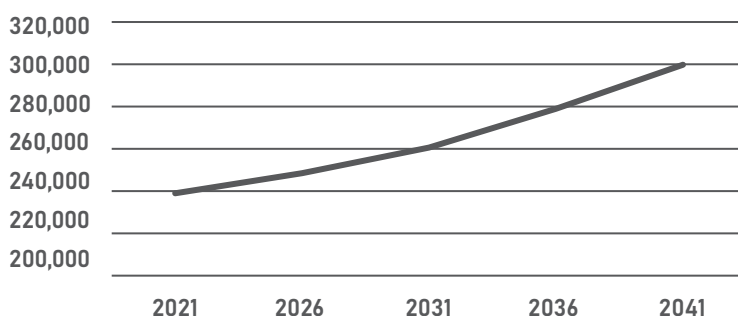
- Located in one of Brisbane's best shopping centre entertainment and leisure precincts.
- Largest player in the precinct with capacity dwarfing other tenants.
- Multi-level modern fit out completed in 2015 with very large bars and restaurant built with a massive deck over the precinct.
- Incorporates TAB and Keno facilities and includes The Bottle-O Wishart, a detached bottle shop located within a convenience shopping centre approximately 6 kilometres from Garden City.
- Strong population growth forecast for catchment.

### CAPACITY

Seated:	Up to 350 pax	Standing:	Up to 500 pax
Indoor / Outdoor:	Both		

### FORECAST POPULATION GROWTH 2021 - 2041

Mt Gravatt-Nathan-Rocklea-AcaciaRidge-Sunnybank SA3  
Forecast Population Growth 2021-2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).





# HOTEL beach house

## HOTEL BEACH HOUSE BRISBANE CBD Myer Centre Brisbane

### VENUE OVERVIEW

- Contemporary Australian hotel within the Myer Centre of Brisbane's CBD open for breakfast, lunch and dinner.
- Widely accessible steak and seafood offering with a casual dining experience and atmosphere.
- Large bar with the Brisbane CBD's largest retail liquor store.
- The venue has exposure to and overlooks one of Brisbane's busiest intersections

### LEASE OVERVIEW

Lessor: Vicinity Centres and ISPT Pty Ltd

Expiry: 13 July 2023 - Extension of lease agreed to 31 January 2025, subject to documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

Area: 606sqm

### ESTABLISHED

December 2004

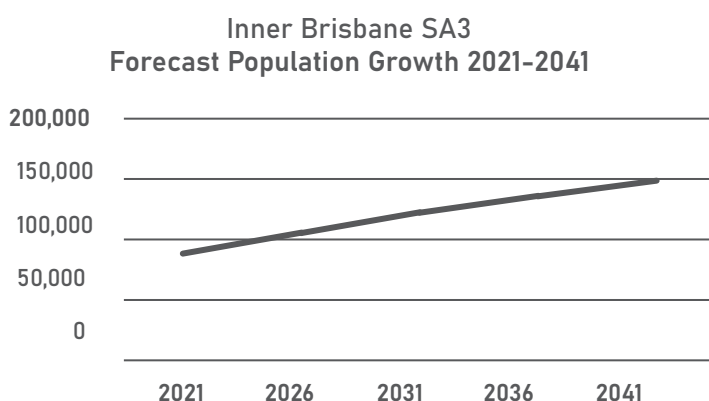
### INVESTMENT HIGHLIGHTS

- Highest pedestrian traffic flow centre in Queensland
- Very large bar and restaurant built on a massive deck overlooking this corner of the city
- Within close proximity to the new Cross River Rail station on Albert Street
- Large retail bottle shop operation attached
- Strong population growth forecast for catchment.

### CAPACITY

Seated:	Up to 220 pax	Standing:	Up to 350 pax
Indoor / Outdoor:	Both		

### FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).





## 6. MADAME WU





MADAME WU  
Riparian Plaza

## VENUE OVERVIEW

- Modern Asian restaurant and bar located in the Riparian Plaza complex in the Brisbane CBD
- First class fit out and location overlooking the Brisbane River and Story Bridge in the heart of Brisbane's financial district.

## LEASE OVERVIEW

Lessor: Riverside Development Pty Ltd  
Expiry: 14 January 2024 + 5 yr option  
Area: 297sqm + outdoor area

## ESTABLISHED

September 2013

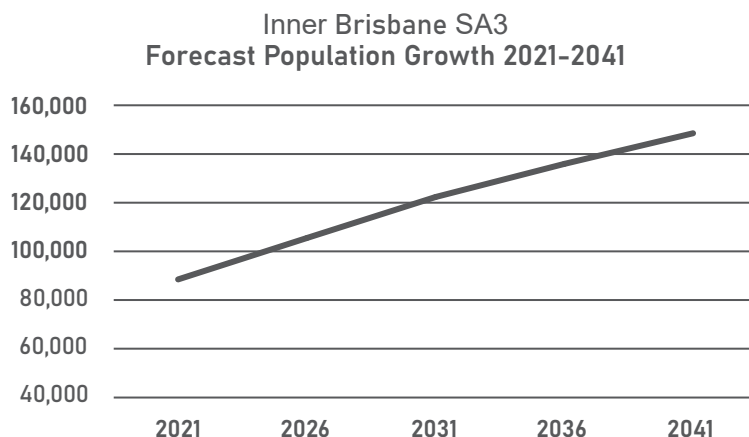
## INVESTMENT HIGHLIGHTS

- Prime waterfront location in Brisbane's CBD
- Located amongst other key premium hospitality offerings
- Stunning views of the Brisbane River and Story Bridge
- Strong population growth forecast for catchment.
- Spectacular design and fit out concept from designer Paul Papadopoulos of DS17

## CAPACITY

Seated:	Up to 200pax	Standing:	Up to 350 pax
Indoor / Outdoor:	Both		

## FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).





7. CHU THE  
PHAT

CHU THE PHAT  
ASIAN STREET

# CHU THE PHAT

CHU THE PHAT  
111 Melbourne Street South Brisbane

## VENUE OVERVIEW

- Modern urban Asian street food bar and restaurant. Massive capacity to do on-premises and take-away.
- Built over three levels with two kitchens and two bars and multiple distinct dining areas. Backs on to the famous Fish Lane dining and arts precinct.

## LEASE OVERVIEW

Lessor: Aria Residential Pty Ltd

Expiry: 30 April 2027

Area: 633sqm

## ESTABLISHED

March 2016

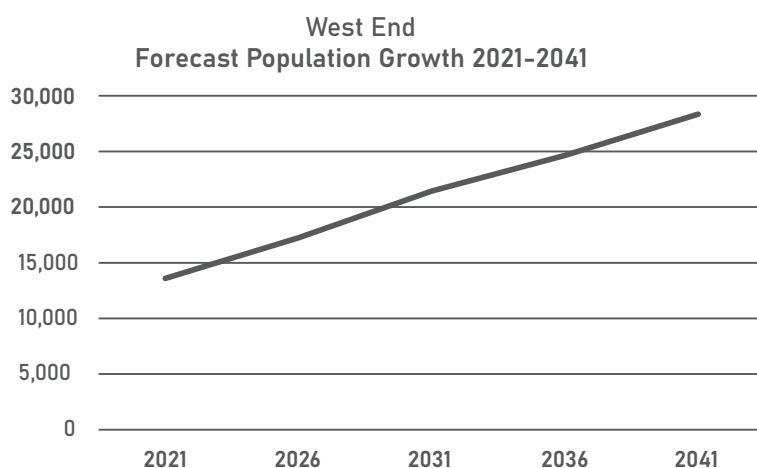
## INVESTMENT HIGHLIGHTS

- Part of the growing South Brisbane Melbourne Street and Fish Lane dining precinct
- Located amongst other key hospitality offers
- Largest site offering 3-way exposure to Melbourne Street, Fish Lane and the Melbourne Residences Cross Lane Link
- Latest design and fitout concept from designer Paul Papadopoulos of DS17
- Strong population growth forecast for catchment.

## CAPACITY

Seated:	Up to 350 pax	Standing:	Up to 500 pax
Indoor / Outdoor:	Both		

## FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).





## 8. CASA CIBO







## CASA CIBO ITALIAN Westfield Shopping Centre

### VENUE OVERVIEW

Multi-level large scale Italian bar and restaurant within the dining precinct at Westfield Chermide.

### LEASE OVERVIEW

Lessor: Scentre Management Ltd & RE1 Ltd

Expiry: 6 October 2027 – Extension of lease agreed to 6 October 2029, subject to documentation. The assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

Area: 892sqm

### ESTABLISHED

February 2017

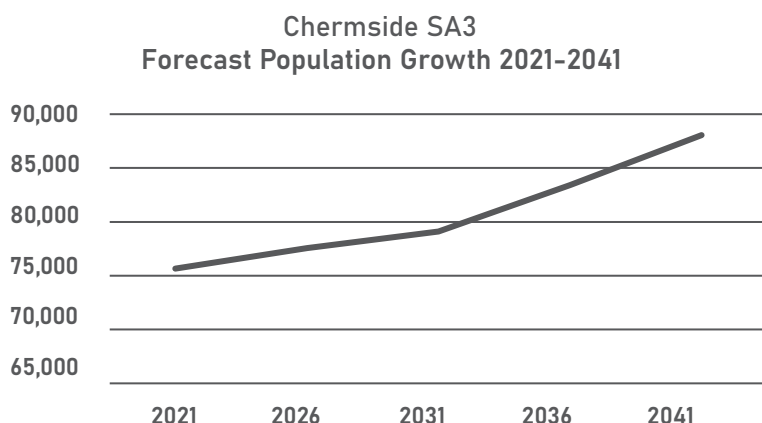
### INVESTMENT HIGHLIGHTS

- Located amongst other key premium hospitality offerings.
- Strong population growth forecast for catchment.
- Spectacular design and fit out concept from designer Paul Papadopoulos of DS17.

### CAPACITY

Seated:	Up to 380 pax	Standing:	Up to 600 pax
Indoor / Outdoor:	Both		

### FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).



## 9. BEACHMERE TAVERN OVERVIEW







BEACHMERE HOTEL  
2 James Rd Beachmere

## VENUE OVERVIEW

Modern, well presented pub style hotel inclusive of sports bar, bistro, gaming room, TAB, kids play area, extensive undercover outdoor areas and drive through bottle shop.

## PROPERTY OVERVIEW

Freehold Going Concern

## ESTABLISHED

2009

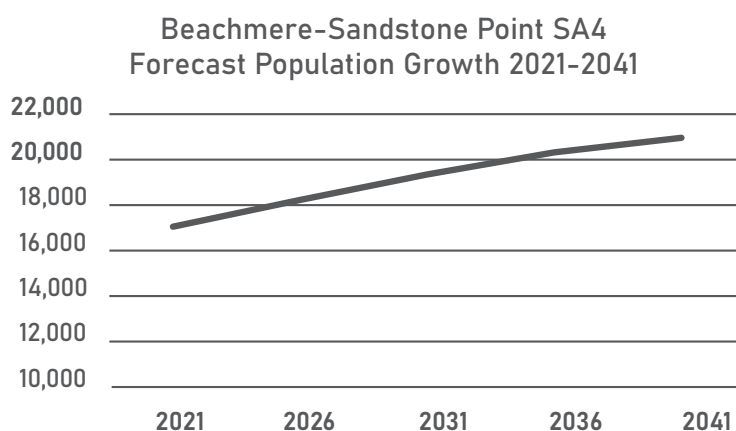
## INVESTMENT HIGHLIGHTS

- Idyllic Coastal South East Queensland location approximately 60km north of the Brisbane CBD
- Well-rounded and established business with multiple revenue streams
- Modern and efficient design with minimal capex anticipated over the short-medium term

## CAPACITY

Seated:	Up to 374 pax	Standing:	Up to 500 pax
Indoor / Outdoor:	Both		

## FORECAST POPULATION GROWTH 2021 - 2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).



# 10 BEACHMERE HOTEL BEACHMERE

## EXECUTIVE SUMMARY

Constructed in 2009, the Beachmere Hotel is a modern property located within Beachmere, a coastal suburb of the Moreton Bay Regional Council, approximately 60 kilometres north of the Brisbane CBD. It is the only hotel servicing the suburb of approximately 4,500 residents (id, 2022).

The Beachmere Hotel provides a family bistro, children's play area, public bar with TAB, gaming room and dual lane drive through bottle shop.

## LOCATION

Located between Brisbane and the Sunshine Coast, Beachmere is a thriving coastal community on the shores of Moreton Bay.

Moreton Bay is one of Australia's fastest growing urban regions with the 2021 population of 483,743 people forecast to increase to 690,000 over the next 20 years (Australian Bureau of Statistics, 2018).

The property is located approximately 57 kilometres north of the Brisbane CBD and 55 kilometres south of Caloundra.

The Beachmere Hotel is located approximately 500 metres from the shores of Moreton Bay adjoining a modern IGA anchored convenience shopping centre. In 2021 the localities of Beachmere and Sandstone Point had a combined estimate population of 16,753 which was forecast to increase to 20,615 over the next 20 years (Australian Bureau of Statistics, 2018).

## LOCATION MAP





## PROPERTY DETAILS

Site Details	Description	Address	Real Property Description	Site Area*
	Beachmere Hotel	2 James Road, Beachmere 4510	Lot 32 SP249233	5,499 sqm *approx
Site Description	The site is a relatively level regular shaped corner allotment with frontages and access to and from Beachmere Road and James Road. Total frontage to Beachmere Road is approximately 91 metres and the frontage to James Road is approximately 57 metres.			
Flood Status	Searches via the Moreton Bay Regional Council indicate the property is not affected by the 5% AEP (Annual Exceedance Probability), 1% AEP and 0.1% AEP Flood events. The property is outside Council's known Overland Flow mapping extents and is above the estimated level of a Highest Astronomical Tide (HAT). The property is not affected by the 5% AEP, 1% AEP and 0,1% AEP Storm Tide events (Moreton Bay Regional Council, 2022).			
Contamination	The site is NOT included on the Environmental Management Register or the Contaminated Land Register.			
Zoning	Local Government Area		Moreton Bay Regional Council ( <a href="http://www.moretonbay.qld.gov.au">www.moretonbay.qld.gov.au</a> )	
	Planning Scheme		Moreton Bay Regional Planning Scheme 2021	
	Zoning		Local Centre	
	<b>Preferred Uses</b> <b>Focus for retail and commercial activity for a local catchment</b> <b>Serving between 10,000-15,000 people</b> <b>Range of uses include:</b> <ul style="list-style-type: none"><li>- Retail – a full line supermarket, convenience stores, personal services and specialty stores</li><li>- Commercial – local professional offices</li><li>- Residential – medium density, low density and low rise</li><li>- Community – artistic, social or cultural facilities, childcare, education, emergency services, health services, religious activities, social interaction or entertainment, support services and civic park.</li></ul>			
Building Description	Constructed in 2009, the Beachmere hotel is a modern hospitality venue offering multiple indoor and covered outdoor areas with a flexible floor plate separating the various areas of the venue. Construction is primarily of solid concrete tilt up panels with metal decking roof.  The restaurant is open for lunch and dinner dine in (up to 180 patrons) or takeaway 7 days a week. Adjacent to the restaurant is a children's playground and indoor playroom. A landscaped outdoor courtyard provides additional dining areas and can also be utilised for functions catering for up to 200 people cocktail style. The Sports Bar offers TAB and Keno, a separate outdoor area, big screen TVs and has capacity for up to 150 patrons.  The newly renovated 'Cash Cave' offers 30 of the latest electronic gaming machines.  Adjoining the hotel is a dual lane drive through bottle shop.			
Purchase Price	\$17,500,000 plus stock at value			

## 11. PINE BEACH HOTEL MOTEL OVERVIEW







PINE BEACH HOTEL  
Granville Street, Emu Park

## VENUE OVERVIEW

An established pub style hotel/motel offering Sports Bar with TAB, Bistro, Gaming, Short Term Accommodation, Large Beer Garden and Drive Through Bottle Shop.

## PROPERTY OVERVIEW

Freehold Going Concern

## ESTABLISHED

1921

## INVESTMENT HIGHLIGHTS

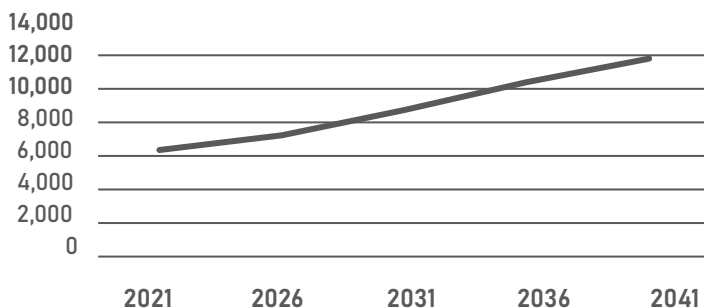
- Idyllic location with panoramic views over the Coral Sea.
- Expansive 5,865m<sup>2</sup> site over 7 titles.
- Development Approval for a mixed-use development inclusive of a new hotel, multiple dwelling units and retail.

## CAPACITY

Seated:	Up to 350 pax	Standing:	Up to 950 pax
Indoor / Outdoor:	Both		

## FORECAST POPULATION GROWTH 2021 - 2041

Emu Park SA4  
Forecast Population Growth 2021-2041



Source: Queensland Government population projections, 2018 edition; Australian Bureau of Statistics Population by age and sex, regions of Australia, 2016 (Cat no. 3235.0).



## 12 PINE BEACH HOTEL EMU PARK

### EXECUTIVE SUMMARY

The Pine Beach Hotel Motel comprises an older style hotel-motel inclusive of main bar, gaming room, bistro, TAB, short term accommodation and drive through bottle shop and adjoining development land inclusive of three freestanding residential houses.

The property occupies an elevated position with panoramic views across the Coral Sea to Great Keppel Island. Development Approval is in place for a mixed-use development comprising a hotel, retail shops and residential apartments.

### LOCATION

Emu Park is an idyllic resort town approximately 46km east of Rockhampton and approximately 20km south of Yeppoon on the Capricorn Coast overlooking the Keppel Bay Islands Marine Park & Southern Great Barrier Reef.

Emu Park and surrounding catchment SA2 including Zilzie & Kinka Beach has a population of circa 6,000 and comprises a combination of modern and established residential development.

A broad range of amenities are in the township. Major attractions include numerous beaches, the Singing Ship and the Anzac Court War Memorial & Centenary of Anzac Memorial Walk located opposite the Pine Beach Hotel Motel.

The property is adjacent to Drakes Emu Park, a modern full line supermarket at the centre of the Emu Park Village commercial precinct.

The property occupies an elevated corner position with uninterrupted views over Main Beach, across the Great Barrier Reef to Great Keppel Island and beyond. Total site area is approximately 5,865m<sup>2</sup> over 7 titles.

### LOCATION MAP





Site Details	Description	Address	Real Property Description	Site Area*
	Pine Beach Hotel Motel	3-5 Granville Street	Lot 2 RP604536 & Lot 2 RP605585	3194 sqm
	Residential House	6 Emu Street	Lot 2 RP720044	647 sqm
	Residential House & Vacant Land	8 Emu Street	Lots 3 & 4 RP601201	1214 sqm
	Residential House	12-14 Emu Street	Lots 1 & 2 RP601201	810 sqm



## Site Description

The site comprises 7 regular shaped allotments. The hotel allotments have a total frontage to Granville Street of approximately 85 metres, with frontage to Pattison Street of approximately 46 metres and frontage to Emu Street of approximately 33 metres. There is a gentle slope across the allotments from Pattison Street down to Emu Street. The residential/development allotments comprising 6-14 Emu Street have a total frontage to Emu Street of approximately 68 metres with a generally flat topography.

## Flood Status

The property occupies an elevated position and searches by the Manager have not identified any evidence of historical flooding. The property is not identified on the Queensland Government's Coastal Hazard Areas Map as being in a Storm Tide Inundation Area.

## Contamination

The site is NOT included on the Environmental Management Register (EMR) or the Contaminated Land Register (CLR).

## Zoning

### Local Government Area

Livingstone Shire Council  
( [www.livingstone.qld.gov.au](http://www.livingstone.qld.gov.au) )

### Planning Scheme

Livingstone Planning Scheme 2018

### Zoning

L2 - Local Centre

### Preferred Uses

Food and drink outlet  
Health care services  
Office  
Shop  
Shopping Centre  
Bar

Function Facility  
Hotel  
Nightclub  
Theatre  
(Livingstone Shire Council, 2022)

## Building Description

The existing hotel property comprises an older style Hotel-Motel of primarily concrete block construction. Facilities include sports bar with TAB, bistro, gaming room, commercial kitchen, drive through bottle shop and storeroom, manager's accommodation and 3 motel units.



### Development Approval

The development land on Emu Street to which the Development Permit is applicable includes the Hotel beer garden and three casually tenanted freestanding residences.

A Development Permit for a Material Change of Use for a Mixed-Use Development comprising a Hotel, Multiple Dwelling Units (twenty-one units) and Shops (420sqm) was granted by the Livingstone Shire Council on the 23rd March 2009 for the allotments fronting Emu Street inclusive of 3 Granville Street (i.e. exclusive of the allotment currently improved with the existing hotel-motel). In June 2021 the Livingstone Shire Council extended its approval until the 13th October 2024.

Full copies of the Development Approval inclusive of plans and perspectives are available from the Investment Manager.

### Purchase Price

\$12,000,000 plus stock at value made up of:

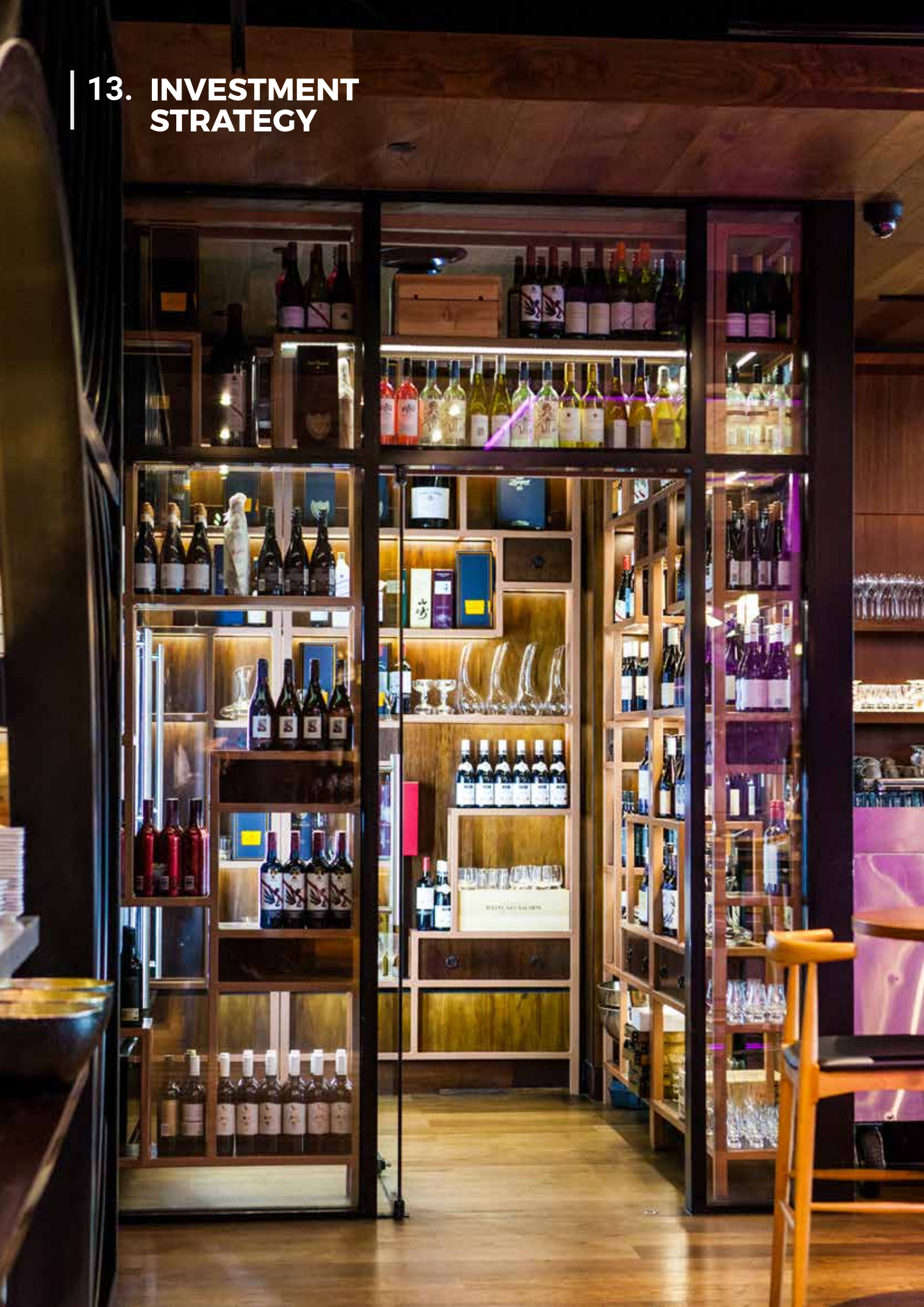
- \$9,000,000 for the freehold hotel land and business; and
- \$3,000,000 for the residential land



Artist's impression of a development completed in accordance with the Development Permit. Funds raised under the Offer are not intended to be applied to the redevelopment. Completion of the development may require additional capital and may not be completed.



# 13. INVESTMENT STRATEGY





# INVESTMENT STRATEGY

The Fund's objective is to provide investors with income and the potential for capital growth from the Initial Portfolio and as the Fund grows, the opportunity to enhance the income and value of their investments from assets acquired by the Fund over time.

The Fund will have a mandate to raise further capital and acquire additional assets subject to the investment criteria detailed in Section 13.4.

The Fund's investment strategy is to increase profitability and grow capital value from assets and businesses via the application of business and property initiatives.

## 13.1 BUSINESS INITIATIVES

### Maximise Hotel Profitability

The short-medium term operational strategy is to maximise the profitability of the Hotels by utilising the resources and expertise of the Business Manager to enhance revenue, reduce costs and minimise risks with a particular focus on the following areas:

#### Technology

Use technology to:

- Enhance customer experiences
- Deliver operational efficiencies
- Improve accuracy and cost management
- Generate customer feedback
- Directly market to/communicate with customers
- Reduce shrinkage/wastage
- Reduce costs

Examples of technology to be utilised by the Business Manager include:

- me&u – order at table platform
- Tanda – rostering, attendance and award compliance software
- MYOB – accounting system
- Talkbox – marketing CRM
- NowBookit – Restaurant reservations, table management, events & gift cards.

#### Expand Retail Offering

In Queensland, Detached Bottle Shop (DBS) opportunities exist where there are convenience shopping centres within 10 kilometres of a hotel with a commercial hotel licence. Commercial hotel licences are restricted to a maximum of three DBSs and a maximum gross lettable area of 150sqm.

There are no DBSs in operation for either the Pine Beach Hotel Motel or the Beachmere Hotel. There is also the potential for 3 DBSs within 10 kilometres of Hotel Beach House Garden City and three DBSs within 10 kilometres of Hotel Beach House Myer Centre (Brisbane CBD). It is the view of the Business Manager that the viability of a DBS is largely dependent on turnover and occupancy costs with limited opportunities in inner city and established suburban locations.

The Business Manager considers there to be a significant opportunity for online retail liquor sales via the group's retail liquor brand partner Liquor Legends.

### Economies of Scale

Utilise the buying power of the Business Manager to:

- Leverage the relationship with Liquor Legends to drive retail sales through the use of technology and Liquor Legends' capital spend
- Maximise rebates from suppliers
- Reduce costs
- Maximise marketing impact

### Back of House Resourcing

Utilise the Venu Plus Management back of house to:

- Centralise bookings
- Manage marketing
- Provide HR, recruitment, accounting and administrative services
- Implement nationally accredited training strategies for staff
- Apply for government incentives for staff training programmes
- Manage compliance
- Reduce/manage operational Workplace, Health and Safety risks



### Case Study - Recruitment

The Business Manager works closely with migration attorneys, recruiters and existing skilled foreign workers to maintain a pipeline of skilled labour into the businesses.

This employment pathway has been very successful over the years at producing skilled, loyal and hard-working long-term employees.

The Business Manager works closely on a weekly basis with a professional migration consultant who provides expert legal advice on the employment of foreign workers across a wide range of different working Visa classes.

All foreign workers are checked through the Australian Government Visa entitlement verification online system known as VEVO. These checks ensure foreign employees working conditions are compliant.

Certain employment visa classes are utilised that provide employment and residency pathways for employees. The most common visa pathway the businesses use is the Temporary Skill Shortage visa 482 subclass. This visa enables employers to address labour shortages by bringing in skilled workers where employers cannot source an appropriately skilled Australian worker.

Basic eligibility for a 482 visa requires an employee to be nominated for a skilled position by an approved sponsor, have the right skills to do the job and meet the relevant English language requirements.

The Business Manager has previously utilised sponsored foreign employees 43 times since 2015 and currently has 4 pending sponsorship applications with the Department of Immigration. There are cost and employment obligations attached with sponsoring foreign workers, however in the opinion of the Business Manager, the benefit to the businesses over the years cannot be understated and will continue to be at the forefront of the group's employment pipeline for the foreseeable future.

## 13.2 PROPERTY INITIATIVES

### Refurbishment Strategy

The Investment Manager will seek to maximise building efficiency, reduce costs and enhance revenue with a particular focus on the following areas:

- Solar initiatives/energy efficiencies
- Refurbishment and development initiatives (which will be limited to Pine Beach in the Initial Portfolio) including but not limited to:
  - Enhancements to the gaming room to improve the player experience inclusive of the acquisition of new machines
  - Landscaping improvements, particularly to the beer garden
  - Provision of outdoor dining (subject to council approval)

### Development initiatives

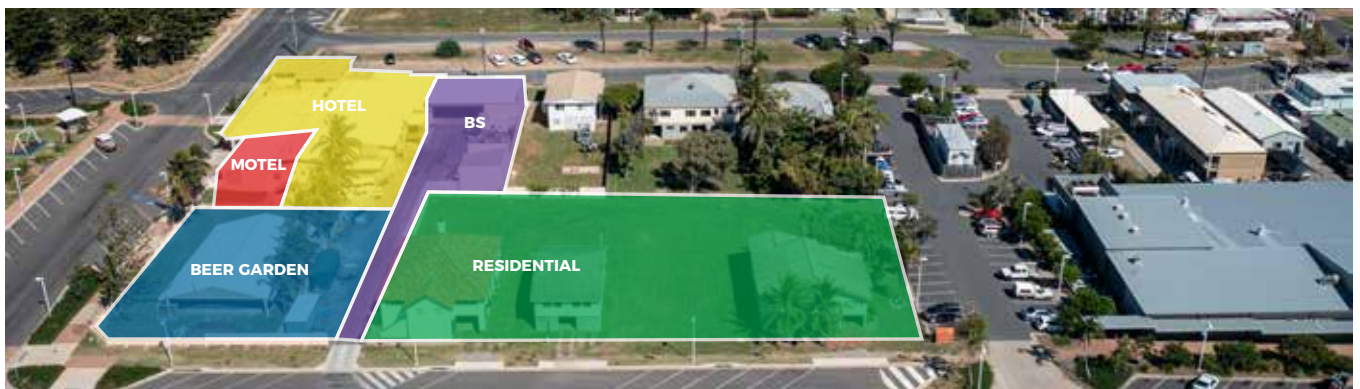
Identify and acquire additional FGC hotel assets that are underdeveloped and/or opportunities for expansion or to add additional complementary uses. Changes in hotel design and facilities over the years have resulted in many FGC hotels having inefficient floor plates and obsolete service offerings. Many FGC hotels have surplus land or excess car parking. Redesign and redevelopment of FGC hotels can add additional value, in many cases without compromising business revenues. An example of these opportunities is the Pine Beach Hotel Motel at Emu Park which is being acquired by the Fund.

## 13.3 EXAMPLE OF DEVELOPMENT POTENTIAL (PINE BEACH)

The Pine Beach Hotel Motel site presents an L-shaped allotment with three street frontages and flexible 'L2 - Local Centre' zoning.

Depicted to the right is the split of both the land currently used for hotel operations and further land available for development (currently improved with three residential houses).

Below is an aerial view in the breakdown of hotel operations by area.





## Future Development - Scenario #1

### Develop Short Term Accommodation Scheme & New Hotel

The Investment Manager will plan and implement a 'highest and best use' strategy to maximise the development yield over the medium-long term in the context of the demonstrated profitability and potential of the operational business. The current Development Permit for a Mixed-Use development inclusive of a hotel, bottle shop, function spaces and accommodation present a relatively unique opportunity to develop an integrated precinct while the existing hotel continues to trade. The Investment Manager believes there to be an attractive opportunity to consider the following sectors:

#### Short term Accommodation

In the Investment Manager's opinion, there is a lack of hotel style / short-term accommodation in Emu Park, with visitors opting to either stay in Yeppoon or staying in camping style accommodation. Short term accommodation would be in keeping with the current DA scheme, though it is noted that room sizes, services and key common areas (such as function areas to attract weddings) would need to be addressed as part of a modern scheme.

#### Affordable Housing / Specialist Disability Housing

Potentially inclusive of a modular construction system.

#### Complementary Retail

Inclusive of a café to allow the business to offer all day food and beverage services.

## Future Development - Scenario #2

### Reposition and Construction of New Hotel Only

**The current location of the hotel to the corner of Pattison and Granville Street does not take full advantage of the expansive ocean views out to Great Keppel Island. The development land and current site of the beer garden presents an opportunity to reposition the hotel to facilitate:**

- Potential cross-trade from the Emu Park RSL opposite the beer garden
- The streetscape and connection to the adjacent retail along Emu Street as a pedestrian connection
- The potential for function areas to be elevated to take advantage of the water views
- The relocation of services away from pre-existing residential homes. At present, storage containers, waste collection and bottle shop warehousing is conducted adjacent to residential homes (7 Pattison Street)
- A more efficient drive through bottle shop and enhanced retail offering that is focused on providing a convenience solution to beachgoers and local shoppers, given the proximity to Emu Park's main beach and the adjacent supermarket
- Should the existing pub be reconfigured to include a combination of retail and/ or complementary uses, there is the potential for surrounding development (such as the proposed apartment project directly opposite the pub at 2-4 Pattison Street) to enhance the demand for the site

Investors should note that there is no guarantee that development of whole or part of the Pine Beach development site or expansion of the Hotel will be viable over the short, medium or long term. Funds raised under the Offer are not intended to be applied to the redevelopment. Completion of the development will be subject to further regulatory approvals, may require additional capital and may not be completed.



## 13.4 INVESTMENT MANDATE

The Fund has a mandate to acquire additional hospitality assets based on the following criteria:

- Preference for assets with multiple income streams or the potential to add additional income streams.
- Preference for freehold sites with low site coverage and development potential.
- Leasehold acquisitions must be earnings accretive to the Portfolio.
- Preference for multiple asset or group acquisitions.
- The Fund will not invest in or operate adult entertainment venues.
- Leased freehold investments will be considered in the context of the lease term remaining and the opportunity to add value on taking over the business at the expiry of the lease.

### Carefully Selected Portfolio

In assessing whether a FGC asset or site is an appropriate investment to be included in the Portfolio, SIML and the Managers will have regard to the following investment criteria, designed to assist in achievement of the Fund's long-term fund investment objectives:

- Assets positioned in catchments with strong population growth and diverse economies;
- Prominent asset location and convenience for the catchment;
- Potential for development or value to be added through business improvements and/or redevelopment initiatives.

With a focus on the following sectors and geography:

Sector	Comment
<b>Pubs</b>	Core asset – multiple sources of revenue
<b>Community/Sporting/Not for Profit Clubs</b>	Management and potential purchase opportunities. Consolidation opportunities as the sector rationalises
<b>Restaurants</b>	Value-add through operational efficiencies and technology
<b>Short Term Accommodation</b>	Value-add through food and beverage, operational efficiencies and technology. Synergy of co-locating with food and beverage

Geography	Comment
<b>South East Queensland</b>	<p>The Fund's "front yard" with positive demographic and economic growth expectations in lead up to 2032 Olympics</p> <p>Preference for suburban assets with development upside. Considered by the Managers to be more resilient to economic shocks and the work from home trend</p>
<b>Regional Queensland</b>	<p>The Fund's "back yard"</p> <p>Preference for coastal regions south of the Tropic of Capricorn with forecast population growth and development upside</p>
<b>Northern New South Wales</b>	'Natural' expansion opportunity into Northern New South Wales south to Port Macquarie

Note: The criteria above are guidelines which SIML and the Managers have identified at the date of this IM which it will apply in the short to medium term. The Fund may however pursue opportunities which do not meet one or more of these criteria if SIML considers it is in the best interests of investors to do so.

## 14. ABOUT THE FUND





## 14.1 FUND DETAILS

Feature	Comments
<b>Corporate Director</b>	Stara Investment Management Limited ABN 49 653 962 871
<b>Business Manager</b>	HM&A Co Pty Ltd ABN 74 658 275 855 (trading as "Venu Plus")
<b>Investment Manager</b>	Cooe Investment Management Pty Ltd ACN 656 182 302
<b>Fund Services</b>	<p>SIML will provide funds management and incidental services. These services include:</p> <ul style="list-style-type: none"> <li>• Debt Provider reporting and covenant analysis as required under any agreements with Banks or other lenders to the Fund</li> <li>• Engaging lawyers on behalf of the Fund relating to Fund matters.</li> <li>• Overseeing the Fund's cash flow performance and monitoring of appropriate costs, fees and charges.</li> <li>• Oversee and monitoring appropriate financial services including accounting, reporting and payment processing.</li> <li>• Overseeing the preparation and lodgment of business activity statements.</li> <li>• Preparation of dividend and tax statements.</li> <li>• Maintaining registers.</li> <li>• Maintaining all the Fund's records including minutes of meetings and notices.</li> <li>• Monitoring any investor feedback and complaints resolution.</li> <li>• Maintaining appropriate insurances.</li> <li>• Convening and co-ordinating investor meetings.</li> <li>• Monthly reporting on compliance matters</li> <li>• Processing transfers of Stapled Securities.</li> <li>• SIML may engage third parties to provide these services on its behalf.</li> </ul>
<b>Minimum Investment</b>	\$50,000
<b>Fees and Costs</b>	Detailed in Section 18
<b>Investment Term</b>	<p>The Fund is open-ended and does not have a fixed investment term. However, the Company intends to offer a Limited Redemption Facility and have Periodic Liquidity Events to facilitate investors realising their investments. See Section 14.2 for more information.</p>
<b>Future Capital Raisings</b>	<p>After the Offer is closed to applications SIML may offer further shares in the Company for issue at times determined by SIML. Additional equity from future raisings is likely to be used (along with debt) to acquire new assets, undertake redevelopment or refurbishment works.</p>
<b>Dividends</b>	<p>The Company proposes to declare 100% of the net taxable income of Property Sub-Fund as dividends in respect of the Property Shares, subject to any amount which the Company considers appropriate to be retained to meet future capital expenditure. Investors will be subject to Australian income tax on their proportionate share of the net taxable income of Property Sub-Fund for the relevant year, irrespective of whether actual dividends differ from the net taxable income of Property Sub-Fund.</p> <p>The Company proposes to declare 100% of the dividends received from operating companies (including SV Operations) as dividends in respect of the Business Shares. The Company also proposes that those operating companies (including SV Operations) declare 100% of their net profit after tax as dividends after making any retentions those companies consider appropriate for future capital expenditure.</p> <p>The projected returns indicated in this IM are based on an assumption that a total of approximately \$100,000 will be retained in the first year of operation of the Company from the net profit of Property Sub-Fund and the net profit after tax of SV Operations to fund future capital expenditure. Franking credits should be available to investors for the tax paid by the Company on the taxable income of Business Sub-Fund and any franking credits paid by operating companies (including SV Operations) to the Business Sub-Fund.</p> <p>Dividends may also be declared with reference to the Business Shares that are taxable in the hands of Security holders as unfranked dividends</p>

## 14.1 FUND DETAILS CONT.

### Valuation Policy

Internal valuations of all assets of the Fund will be performed by SIML as corporate director of the Company at least annually or more frequently if considered appropriate by the Company. An external independent valuation of each real estate asset in the Property Sub-Fund will be completed every 2 years.

Under the Company's valuation policy, valuations are classified as either an internal valuation or an independent valuation. An internal valuation is a valuation performed by SIML as corporate director of the Company. An independent valuation of a real estate asset is a valuation undertaken by an external valuer in accordance with the valuation policy. An independent valuation of an operating business in the Business is a valuation performed by SIML based on expert independent advice on appropriate market multipliers based on valuations or sales of comparable businesses. Both internal and independent valuations may be adopted for the purposes of statutory and financial reporting or to determine the redemption price of a Stapled Security or the amount of any fees payable. All assets are independently valued prior to their purchase.

An internal valuation is generally undertaken each alternate year when an independent valuation does not occur. The Company may also undertake a further independent valuation if the Company determines there is likely to be a material change in the value of an asset. This will usually arise where a material change is identified during the process of completing an internal valuation. All external valuers and other experts engaged to conduct an independent valuation must be approved valuers on the Company's valuation panel and can only be appointed to the panel if they meet criteria in relation to qualifications, registration, experience and independence. The Company's valuation panel is also designed to provide a diversity of valuers. The Company's policy requires adequate rotation of valuers such that no valuer may perform an independent valuation or provide expert advice more than three times consecutively on a particular asset or business.

### Gearing

Upon completing the acquisition of the Initial Portfolio, gearing is projected to be 19.73% of GAV. See section 17.2 for more information. The Fund may increase its gearing up to a maximum of 40% of GAV.

### Offer Closing Date, Timing & Payment

Potential investors must submit their application form by the Offer Closing Date.

The Offer Closing Date is scheduled to be the earlier OF 28 April 2023 or when the offer is fully subscribed. SIML reserves the right to move the Offer Closing Date, forward or backwards, in its absolute discretion.



## 14.2 REDEMPTION FACILITY

### Limited Redemption Facility

The Fund intends to offer a Limited Redemption Facility to investors each Quarter from 1 July 2024. The amount available to meet redemption requests in any Quarter (being the three-month period ending on the last day of each March, June, September and December) will be capped at an amount equal to 0.5% of GAV and will be subject to the Fund having sufficient cash reserves to meet redemption requests and the Company's discretion.

If the Company offers the Limited Redemption Facility in any Quarter, then at the start of the Quarter, the Company will advise investors of the estimated amount available to meet redemption requests at [www.stara.net.au/portfolio/venu-hospitality-fund/](http://www.stara.net.au/portfolio/venu-hospitality-fund/). The amount available will be determined as at the day before the redemptions are processed. Accordingly, if the amount required to meet redemption requests in any Quarter exceeds the amount the Company determines to be available, then redemption requests will be met to the extent possible on a pro-rata basis. Any unfulfilled part of the redemption requests will be carried forward to the next Quarter and treated as new redemption requests for the unfulfilled amount (unless the request is withdrawn by the investor).

Redemption requests lodged after 4pm AEST on the second last Business Day of a Quarter will be deemed received the following Quarter.

The redemption price will be determined in accordance with the Constitution and the Company's share pricing policy on the Business Day before the redemption is processed, not when the request is lodged or accepted. Accepted redemption requests will normally be processed within 15 days after the end of the Quarter in which they are received and then paid within two Business Days after processing.

Where accepting a redemption request would result in the value of any investor's remaining holding being valued at less than \$10,000, the Company reserves the right to treat the redemption request as applying to the whole of the investor's holding.

### Periodic Redemption Facility

On or before 31 March 2030, and after the end of each 5-year period thereafter, the Company intends to send a notice to all investors giving them an opportunity to redeem some or all of their Stapled Securities. The Company will invite investors to submit a redemption request on or prior to a nominated date.

If the Company receives redemption requests representing 60% or more of the Stapled Securities on issue, then SIML will take steps to wind up the Fund.

If the Company receives redemption requests representing less than 60% of the Stapled Securities on issue, then SIML will seek to redeem the Stapled Securities of those investors. Following acceptance of redemption requests, the Company will seek to meet the redemption requests within three months, however the Company has up to 12 months to satisfy redemption requests.

The Company intends to pay redemption requests from surplus cash, sale of assets, or increased borrowings or a combination of these sources. However, SIML reserves the right to change how it funds redemptions at any time. Investors whose redemption requests are satisfied will receive proceeds calculated at the price prevailing on the day their redemption request (or part thereof) is processed calculated in accordance with the Constitution and the Company's share pricing policy.

Redemptions are not guaranteed. Subject to the Constitution, the Company will have absolute discretion over the amount and timing of any and all redemptions. The Company may in its absolute discretion may scale back or cancel a Periodic Liquidity Event where it believes that satisfying redemptions will have an adverse effect on the Fund or other investors.

Where the Company disposes of assets, the disposal process may occur over a period of up to 12 months, or such longer period as the Company determines is necessary.

If SIML is unable to satisfy redemption requests within the twelve-month period, then subject to its obligations at law SIML will continue to work towards satisfying those redemption requests. In each case redemptions will be processed at the price per Stapled Security prevailing on the day the redemption is processed.

Until such time as the Fund is wound up an investor may, subject to the terms of the Constitution, sell or transfer their Stapled Securities at any time. However, the Company will not operate a market for trading Stapled Securities and is not obliged to assist investors in identifying prospective purchasers of Stapled Securities. The transfer of Stapled Securities may be subject to costs, which may include stamp duty.



## Suspension or Variation of Redemptions

Notwithstanding the above, the Limited Redemption Facility and any Periodic Liquidity Event may be suspended or not offered in certain circumstances or generally if the Company believes it is in the best interests of investors to do so. In addition, The Company must, at all times, ensure that investors are not unfairly treated by any redemption facility offered. The Company may therefore vary the terms and conditions of any redemption facility to ensure the fair and equal treatment of all Investors. Any variation will be communicated to Investors via [www.stara.net.au/portfolio/venu-hospitality-fund/](http://www.stara.net.au/portfolio/venu-hospitality-fund/)

## 14.3 FUND OBJECTIVES

### Stable & Sustainable Returns

The Fund's objective is to provide investors with an investment vehicle which provides consistent income returns, capital preservation and the opportunity for capital growth.

The Fund is targeting a cash dividend of 7.5% per annum over the first year of operations after the acquisition of the Initial Portfolio.

The Fund is targeting, over the long-term investment horizon annual cash dividend returns in excess of 7.5% per annum through acquisition of further investments, developments and redevelopment and asset enhancement.

The Fund aims to provide investors with a minimum total return of 10 percent per annum over the first 7 Years.

The target returns are not forecasts and are not guaranteed. They assume a subscription price of \$1.00 per Stapled Security and are calculated in accordance with a number of key assumptions which are outlined in Section 17. The Fund's target return may vary over time according to market conditions or assumptions not holding true. Like any investment there are risks associated with an investment in the Fund. Details of specific risks associated with the Fund are set out in Section 19.

## 14.4 FUND STRUCTURE

### Overview

The Company is a corporate collective investment vehicle ("CCIV"), a type of company registered under the Corporations Act. SIML is the corporate director of the Company, and the Company has two registered sub-funds – being the Business Sub-Fund and the Property Sub-Fund.

The offer under this IM is for investors to apply for the following shares in the Company:

- Business Shares, which are a class of share that are referable to the Business Sub-Fund.
- Property Shares, which are a class of share that are referable to the Property Sub-Fund.

Business Shares and Property Shares are classes of redeemable shares in the Company and are stapled to each other, meaning they are required to be dealt with as a single security.

The "Fund" is a notional or economic vehicle formed out of the stapling of the Business Shares and Property Shares. The Fund was established to acquire a portfolio of hospitality businesses and properties. The properties will form part of the assets of the Property Sub-Fund and shares in operating companies will form part of the assets of the Business Sub-Fund. The Property Sub-Fund will also provide financial accommodation to operating companies invested in by the Business Sub-Fund, such as by making loans to those companies.

## What is a CCIV?

SIML considers the CCIV to be the optimal legal structure for the Fund.

The CCIV regime came into effect on 1 July 2022 and was developed to address Australia's identified need for a collective investment vehicle that provides flow-through tax treatment, maintains investor protection, and is more internationally recognisable than the "managed investment scheme", which is a trust-based collective investment vehicle.

A CCIV is a type of company that is limited by shares. As a company, a CCIV is a legal person—separate from its 'owners' and 'operator'—and can, for example, enter into contracts in its own name. There are some key differences between a CCIV and a regular company. For example, a CCIV can only have one director, which must be a public company—and cannot have an alternate director, a secretary, or employees. All CCIVs must have a constitution. Refer to Section 20.1 for details of the Company's constitution and the rights of shareholders in the Company.

## What is the role of the Corporate Director?

A CCIV can only have one director, which must be a public company that holds an AFS licence authorising it to operate the CCIV as corporate director. The corporate director effectively "runs" the CCIV and is responsible for operating the business and conducting the affairs of the CCIV, and performing the functions conferred on it by the CCIV's constitution and the Corporations Act. The corporate director owes duties to the CCIV and its members (being the shareholders). Among other things, a corporate director must, in exercising its powers and carrying out its duties, act in the best interests of the members of the CCIV.

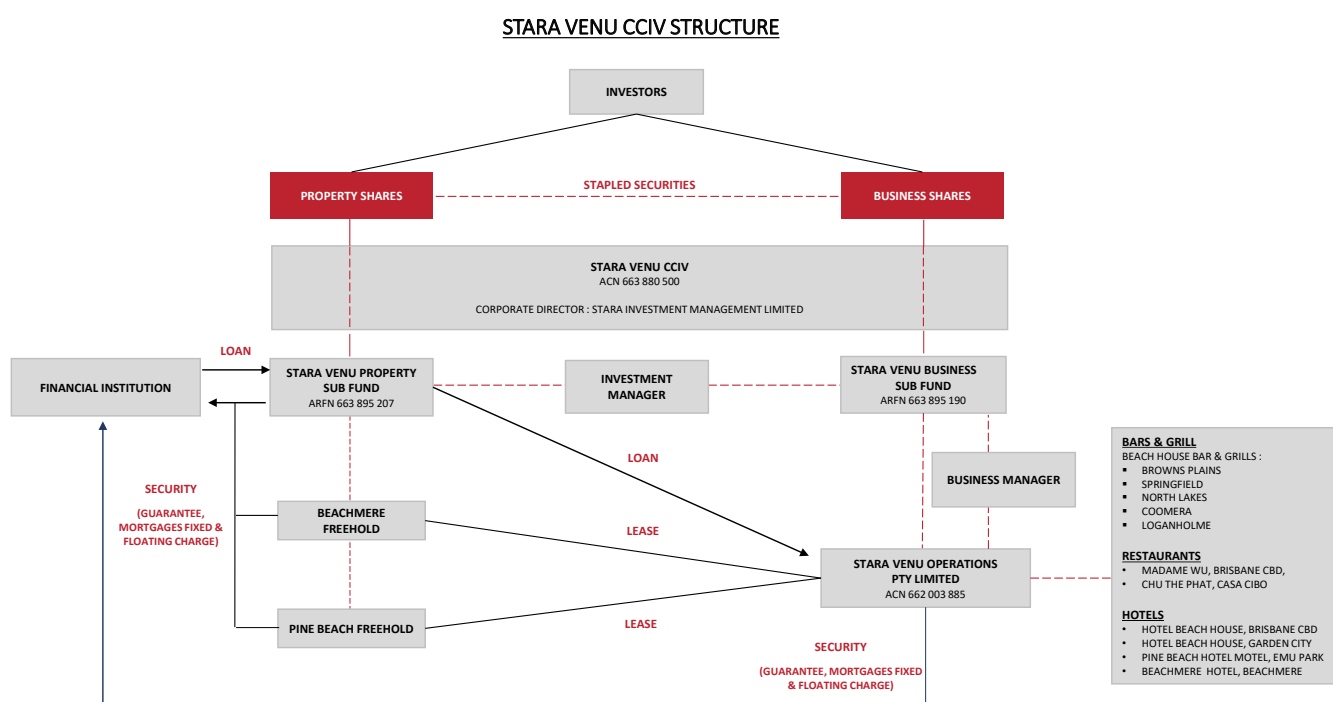
SIML is a public company that holds AFS licence number 535500 and is the corporate director of the Company.

## What is a Sub-Fund?

"Sub-Fund" is a term that describes part of the business of a CCIV. All things done by a CCIV (such as shares issued and assets acquired) must be referable to one (and only one) Sub-Fund. Each Sub-Fund is a distinct, segregated, protected, and generally separately regulated part of a CCIV.

The Company has two sub-funds, being the Business Sub-Fund and the Property Sub-Fund. Broadly, the business of the Business Sub-Fund is to establish or acquire hospitality businesses, and the business of the Property Sub-Fund is to acquire hospitality properties and provide financial accommodation to hospitality businesses invested in by the Business Sub-Fund.

## What does the Fund look like?



## 15. THE INVESTMENT MANAGER





# THE INVESTMENT MANAGER

**Cooee Investment Management Pty Limited**

## 15.1 MANAGER HISTORY

The executive team of the Investment Manager has over 100 years of collective experience in the legal, funds management, valuation and real estate sectors across all disciplines of investment, capital management, development management, income protection, sustainability and value creation.

## 15.1 MANAGEMENT TEAM



### PAUL WEIGHTMAN

Managing Director – Stara Real Estate  
Capital & Advisory Pty Ltd

Director – Stara Investment  
Management Limited

Director – Cooee Investment  
Management Limited

Paul is a director of SIML and the Investment Manager.

Paul was the founding Executive Chairman and was subsequently the CEO & Managing Director of Cromwell Property Group (ASX:CMW) from the time it was established in 1998 until his retirement at the end of 2020.

Paul oversaw major transactions and Cromwell's managed funds, was a responsible officer for Cromwell's licensed financial operations in UK, Luxembourg, Singapore and Australia and was a Director of LDK Heath Care, Cromwell Investment Services Limited (UK), and the SGX listed Cromwell European REIT, which he launched and has a market capitalisation of in excess of \$1.82 billion. Under Paul's management, Cromwell never failed to meet earnings or distribution guidance.

Before his appointment as CEO of Stara Real Estate Capital & Advisory Pty Ltd and its associated companies (Stara Group), Paul practiced in Australia and internationally as a solicitor for more than 20 years. He holds degrees in commerce and law and has extensive experience in property development and investment, financial structuring, public listings, mergers and acquisitions, revenue matters and joint ventures. Paul continues to maintain a practicing certificate as a solicitor and is a Fellow of the Royal Institute of Chartered Surveyors.

Paul was responsible for capital raising in Cromwell Property Group and its funds and has led equity raisings valued at more than \$5 billion. Paul has considerable experience with print & electronic media and was the public face and spokesperson for Cromwell for more than 22 years.

Paul has acted as a director of companies in the property, energy & retail sectors. Following his retirement from Cromwell, Paul established Stara Group, which provides investment and operating advice and capital solutions to a range of private, institutional investors and fund managers.



## JODIE CLARK

Executive Director

COO - Stara Group

Director – Stara Investment  
Management Limited

Director – Cooeee Investment  
Management Limited

Jodie is a director of SIML and the Investment Manager.

Jodie is a qualified and skilled senior executive with more than 25 years' experience in multiple domestic and international property markets covering asset and funds management operations across agency, development, property & asset management, funds management, real estate investments, corporate mergers and acquisitions and investor relations.

Jodie joined Paul as director of Stara Real Estate Capital & Advisory in 2021 having most recently been the COO of Cromwell Property Group from 2004 – 2021 during which she ran the group's global operations extending her experience to include group business operations and people strategy focusing on brand, technology, people and culture, office services, diversity & inclusion and sustainable platform operations in 15 countries.

Jodie's is an accomplished and driven C Suite Executive with non-executive director and Remuneration Committee Chair experience, serving on a listed, high growth property Board.

Jodie is a Graduate of the Australian Institute of Company Directors, holds National Real Estate Licenses in all states of Australia, and is RG146 Compliant.



## PATRICK WEIGHTMAN

Executive – Transactions & Advisory

Director – Stara Investment  
Management Limited

Patrick is a director of SIML.

Patrick has 10 years' experience in the real estate industry, having most recently been Transactions Manager for Cromwell Property Group from 2014-2021, where his primary focus was Australian-based acquisitions and disposals of real estate and other assets on behalf of both Cromwell's listed and unlisted Property Funds. In addition to undertaking due diligence processes and negotiations between parties, Patrick has further experience in undertaking development feasibilities, lease review and assisting in the formulation of both single asset and portfolio strategies.

Patrick has a background in both commercial office and retail property valuations, becoming a Registered Valuer in Queensland in 2014.

An associate member of the API, Patrick has a Bachelor of Business Management (Real Estate and Development Major) and a Bachelor of Commerce from the University of Queensland and is currently undertaking studies for Certificate IV in Real Estate Practice through REIQ.



## **STEVE de Nys**

Director – Cooe Investment Management Pty Limited

Director – Desyn Investments Pty Ltd

Steve is a director of the Investment Manager.

With more than 30 years of commercial property investment and advisory experience across the Eastern Seaboard, Steve has a network of relationships with investors and property professionals throughout Australia.

He is a co-founder of Stronghold ([www.strongholdinvest.com.au](http://www.strongholdinvest.com.au)), a specialist business park and hospitality fund manager established in 2013 with circa \$220 million in assets under management.

Steve was previously a Divisional Director and Joint Head of Industrial at Savills Queensland and a National Director and Queensland Head of Industrial for global property services firm Jones Lang LaSalle (JLL).

Steve has provided property advisory, transactional and investment services across numerous regional markets, in addition to Sydney, Melbourne and Brisbane.

Steve holds a Bachelor of Business in Property (Valuation) from the University of South Australia, is a past Chair of the Property Council of Australia's Queensland Industrial Committee and is a founding Director of Suburban Futures.

Desyn Investments is the Investment Manager of circa \$50 million in hospitality assets inclusive of Brothers Sports Club (Bundaberg), The Grand Hotel (Cairns) and The Cardinia Club (Pakenham).

## **15.3 SERVICES TO BE PROVIDED BY THE INVESTMENT MANAGER**

The Investment Manager will be responsible primarily for the management of the Fund, in consultation with SIML. Refer to Section 20 for further details on the responsibilities of the Investment Manager.



## 16. THE BUSINESS MANAGER



# THE BUSINESS MANAGER

HM&A Co Pty Ltd (trading as “Venu Plus”)

## 16.1 MANAGER HISTORY

The Business Manager is owned and run by Adrian & Nick Rosato with the pair previously founding rawGROUP in 2001. Adrian & Nick have extensive experience in the hospitality sector, having grown rawGROUP into a significant independent operator featuring a multi-brand, growth focused, food and beverage operation.

## 16.2 MANAGEMENT TEAM



### ADRIAN ROSATO

Director  
RSA, RSG, RMLV & APPROVED MGR

Since completing university Adrian has owned and operated hospitality businesses throughout South East Queensland.

In 2001 Adrian co-founded rawGROUP and is responsible for the operational, financial and administrative functions of rawGROUP inclusive of the establishment of new businesses from brand creation and concept through to commencement.

Adrian has vast experience in all matters relating to hospitality administration including licensing, compliance, human resources, supplier negotiations, finance and sales.

Adrian Rosato holds Bachelor's Degrees in Business and Laws from QUT.



### NICK ROSATO

Director  
RSA, RSG, RMLV & APPROVED MGR

Nick Rosato started his working life as a Queensland Police Officer before retiring as a decorated detective in 1992.

He has since owned and operated hospitality businesses throughout South East Queensland.

A founding director of rawGROUP since 2001, Nick has been responsible for sourcing new venue opportunities, lease negotiations, fit outs, marketing and human resource management.

He manages a diverse team inclusive of head of marketing, operations manager, executive chef and maintenance and is responsible for day-to-day operational matters.

Nick is an active life saver and a board member of the Northcliffe Surf Club and a member of the Brisbane and Gold Coast Turf Clubs.



## 16.3 SERVICES UNDERTAKEN BY THE BUSINESS MANAGER

The Business Manager will be responsible for all aspects of the management of the Businesses and FCC Hotels, including the employment and management of staff. Refer Section 20 for further details on the responsibilities of the Business Manager.





## | 17. FINANCIAL INFORMATION



# FINANCIAL INFORMATION

## Key Assumptions

<b>Acquisition Price of Hotels and Businesses</b>	\$80,600,000 plus stock at value capped at \$900,000; total of \$81,500,000
<b>Equity Required</b>	\$75,000,000 of which a minimum of \$7,100,000 will be subscribed by entities associated with the Managers.
<b>Transaction Costs</b>	<ul style="list-style-type: none"> <li>Stamp Duty: \$4,727,000</li> <li>Acquisition Fee: \$1,612,000</li> <li>Due Diligence Costs: \$854,550</li> </ul>
<b>Business Management Fee</b>	2.65% of all Revenue from the Businesses (excluding any Revenue derived from gaming activities) + 1,500 per annum for administration, service and management of each electronic gaming machine operated in each of the Businesses.
<b>Investment Management Fee</b>	1.0% of GAV
<b>Average Interest Rate to 30 June 2024</b>	5.1%
<b>GAV per Stapled Security</b>	86.3 cents*
<b>Capital Expenditure</b>	Upfront: \$0.2 million  Growth Capex: 0.25% of GAV, and determined by acquisitions as and when required
<b>Projected Fund Gross Revenue</b>	\$58,148,524 annualised for the 2023 financial year
<b>Projected Year 1 Fund EBITDA (after Investment Manager and Business Manager fees and Fund administration costs)</b>	\$8,366,336 annualised for the 2023 financial year
<b>Projected Year 1 Fund Net Profit (Fund EBITDA after tax and interest)</b>	\$5,903,555 annualised for the 2023 financial year

(\*) with the purchase price adopted as the Fair Value of the Investment – this is below the issue price of \$1.00 per Stapled Security after accounting for transaction costs.



## 17.1 TARGET RETURNS

<b>Target Total Returns</b>	10% per annum
<b>Target Year 1 cash Dividend Yield</b>	7.5%
<b>Dividend Frequency</b>	Paid quarterly
<b>Dividend Policy</b>	<p>Investors will be subject to Australian income tax on their proportionate share of the net taxable income of Property Sub-Fund for the relevant year, irrespective of whether actual distributions differ from the net taxable income of Property Sub-Fund. The Company proposes to declare 100% of the net taxable income of Property Sub-Fund as dividends in respect of the Property Shares, subject to any amount which the Company considers appropriate to be retained to meet future capital expenditure.</p> <p>The Company proposes to declare 100% of the dividends received from operating companies (including SV Operations) as dividends in respect of the Business Shares. The Company also proposes that those operating companies (including SV Operations) declare 100% of their net profit after tax as dividends after making any retentions those companies consider appropriate for future capital expenditure.</p> <p>The projected returns indicated in this IM are based on an assumption that a total of approximately \$100,000 will be retained in the first year of operation of the Company from the net profit of Property Sub-Fund and the net profit after tax of SV Operations to fund future capital expenditure. Franking credits should be available to investors for the tax paid by the Company on the taxable income of Business Sub-Fund and any franking credits paid by operating companies (including SV Operations) to the Business Sub-Fund.</p> <p>Dividends may also be declared with reference to the Business Shares that are taxable in the hands of Security holders as unfranked dividends.</p>

The first dividend is expected to be paid in July 2023 for the period to the end of June 2023. The initial annualised dividend yield is forecast to be 7.5 cents in cash, with a 2.5 cents per Stapled Security franking credit attached based on the annualised tax paid by the Business Sub-Fund on the assumption that it is considered a trading trust for tax purposes.

The Managers expect the cash dividend to increase in subsequent financial years as:

- Professional management expertise and refurbishment strategies are implemented at Pine Beach Hotel Motel
- Rebates and purchasing power are applied across the group resulting in cost saving synergies
- Further initiatives are carried out as per the investment strategy.



## 17.2 SOURCES AND USES OF FUNDS

The total amount required to fund the purchase of the Initial Portfolio and to pay transaction costs (inclusive of stamp duty) and fees is \$90,900,000.

### Equity Funding

\$75 million is sought to be raised by the Company through the issue of Stapled Securities pursuant to this IM to assist in the acquisition of the Initial Portfolio. Each Stapled Security is being offered at a price of \$1.00 per Stapled Security, with each Property Share being issued at a price of \$0.305 and each Business Share being issued at a price of \$0.695. Consequently, \$22,875,000 will be raised by the Company from the issue of Property Shares (which will form part of the assets of the Property Sub-Fund) and \$52,125,000 will be raised by the Company from the issue of Business Shares (which will form part of the assets of the Business Sub-Fund).

### Debt Funding

The acquisition of the Initial Portfolio will be partly funded by debt. SIML has received a non-binding letter of commitment for limited-recourse debt from a major Australian Bank ("Bank") to assist in funding the acquisition of the Initial Portfolio and intends to draw up to \$15,900,000.

The following are details of the terms of the facilities received from a leading Australian bank:

Facility Type	Limit	Term and Repayment	Interest Rate
Market Rate Loan	\$14,750,000	3 years interest only	3.95%pa
Bank Guarantee facility	\$1,000,000	Yearly review	TBC
Asset Finance Facility	\$300,000	Principal and interest over agreed term	TBC

Based on a total drawdown of \$15,900,000, the facilities will represent a loan-to-value ratio of 19.73% based on a total GAV of \$80.6m, with the purchase price adopted as the Fair Value of the Investment, supported by third-party valuations.

### Uses of Funds

Uses of Funds	Property Sub-Fund (\$m)	Business Sub-Fund (\$m) <sup>1</sup>	Total (\$m)
<b>Purchase Price Raw, Beachmere and Pine Beach Businesses Net of Adjustment for Employee Entitlements and Working Capital</b>		59.14	59.14
<b>Purchase Price Pine Beach and Beachmere Freehold</b>	20.70		20.70
<b>Stock</b>		0.90	0.90
<b>Stamp Duty</b>	1.25	3.48	4.73
<b>Aquisition Fee</b>	0.49	1.12	1.61
<b>Due Diligence, Valuation and Other Transaction Costs</b>	0.25	0.61	0.86
<b>Loan Establishment Fees</b>		0.15	0.15
<b>Provision for Security Deposits</b>		1.20	1.20
<b>Fund Working Capital</b>	0.18	1.38	1.56
<b>Marketing Costs</b>		0.05	0.05
<b>Total Uses</b>	<b>22.875</b>	<b>68.025</b>	<b>90.900</b>

<sup>1</sup> The amounts shown as being paid by the Business Sub-Fund may be paid out of the assets of the Business Sub-Fund or out of the assets of SV Operations. As shown in Section 17.5, \$45,865,000 will be used by the Business Sub-Fund to subscribe for shares in SV Operations.

## **17.3 STRUCTURE OF INTER-FUND FACILITIES**

The business of the Property Sub-Fund is to own and lease real estate to the owners of hospitality businesses (including SV Operations) and to provide financial accommodation to those owners. The facilities outlined in Section 17.2 will be provided by the Bank to the Property Sub-Fund. The facilities will be secured by mortgages granted by the Property Sub-Fund over the assets of the Property Sub-Fund. The Property Sub-Fund will in turn provide financing of \$15,900,000 to SV Operations to assist with the acquisition of the Initial Portfolio.

SV Operations will guarantee the repayment of the facilities and security will also be provided to the Bank by and over the assets of SV Operations.

## **17.4 VALUATION INFORMATION**

### **Pine Beach Hotel Motel**

Independent third-party valuation conducted by a leading Australian Valuation firm in December 2022 supports the purchase price of \$12m apportioned as \$9m for the hotel and \$3m for the development land.

### **Beachmere Hotel**

Independent third-party valuation conducted by a leading Australian Valuation firm in November 2022 supports the purchase price of \$17.5m as a freehold going concern.

### **Raw Group Businesses**

Enterprise valuation conducted by Vincents Chartered Accountants which supports the purchase price of \$51.1m.

## 17.5 PRO FORMA BALANCE SHEET

	Property Sub-Fund (\$m)	Business Sub-Fund (\$m) <sup>1</sup>	Total (\$m)
<b>Assets</b>			
Land and Buildings at cost	20.70		20.70
Cash	0.18		0.18
Shares in Stara Venu Operations Pty Ltd		45.865	52.125
Loan to Stara Venu Operations Pty Ltd	15.90		15.90
Capitalised acquisition and establishment costs	1.99	6.26	8.25
	<b>38.775</b>	<b>52.125</b>	<b>90.90</b>
<b>Liabilities</b>			
Borrowings	15.90		
	<b>15.90</b>		<b>15.90</b>
<b>Contributed Capital</b>	<b>22.875</b>	<b>52.125</b>	<b>75.000</b>

### Pro Forma Balance Sheet Stara Venu Operations Pty Ltd

Stara Venu Operations Pty Ltd (\$m)	
<b>Assets</b>	
Plant & Equipment	
Pine Beach	0.54
Beachmere	1.30
Raw Businesses	5.81
Cash floats	0.25
Security deposits	1.20
Cash	1.38
Stock	0.90
Goodwill	47.555
	<b>61.765</b>
<b>Liabilities</b>	
Borrowings	15.90
	<b>15.90</b>
<b>Contributed capital</b>	<b>45.865</b>



## 17.6 PROJECTIONS

	Forecast 2023 P&L			Forecast 1.4.23 - 30.6.23 P&L			Forecast 2024 P&L		
	Property Sub-Fund	Business Sub-Fund	Total	Property Sub-Fund	Business Sub-Fund	Total	Property Sub-Fund	Business Sub-Fund	Total
<b>Revenue</b>									
Bars		15,511,000			3,867,126	3,867,126		16,350,649	16,350,649
Bottle Shop (off premises)		10,076,000			2,512,099	2,512,099		10,322,287	10,322,287
Food		29,703,000			7,405,405	7,405,405		31,120,030	31,120,030
Gaming (after State Gaming Tax)		2,073,575			516,973	516,973		1,994,271	1,994,271
Other income		1,600,000			398,904	398,904		734,019	734,019
		58,963,575			14,700,508	14,700,508		60,521,257	60,521,257
<b>COGS</b>						-			-
Bars		4,988,925			1,243,814	1,243,814		5,227,899	5,227,899
Bottle Shop (on premises)		7,644,319			1,905,844	1,905,844		7,830,557	7,830,557
Food		10,042,600			2,503,772	2,503,772		10,235,560	10,235,560
Other		68,500			17,078	17,078		3,715,564	3,715,564
Gross Profit		36,287,731			9,047,078	9,047,078		37,227,240	37,227,240
<b>Operating Expenses</b>		25,472,916			6,350,782	6,350,782		26,872,459	26,872,459
						-			-
NET PROFIT / EBITDA		10,814,814			2,696,296	2,696,296		10,354,782	10,354,782
Plus Other Income		786,411			196,064	196,064		1,360,423	1,360,423
ADJUSTED NET PROFIT / EBITDA		11,601,225			2,892,360	2,892,360		11,715,205	11,715,205
Rent	1,077,325	(1,077,325)		268,593	(268,593)	-	1,109,645	1,109,645	1,109,645
EBITDA	1,077,325	10,523,900	11,601,225	268,593	2,623,767	2,892,360	1,109,645	10,605,560	11,715,205
<b>Fees</b>									
Admin	100,000	200,000	300,000	24,932	49,863	74,795	100,000	200,000	300,000
Fund and Investment	50,000	757,500	807,500	12,466	188,856	201,322	50,000	757,500	807,500
Business Management		1,607,535	1,607,535	-	400,783	400,783	-	1,607,535	1,607,535
	150,000	2,565,035	2,715,035	37,397	639,502	676,899	150,000	2,565,035	2,715,035
<b>Depreciation</b>		1,000,000			249,315			1,000,000	
<b>Interest</b>		758,683			189,151			777,308	
<b>Fees</b>	150,000	2,565,035	-	37,397.26	639,502	2,715,035	150,000	2,565,035	2,715,035
			-	-	-				-
NPBT	927,325	6,200,183		231,196	1,545,799		959,645	6,263,217	
<b>Tax</b>		1,860,055			463,740			1,878,965	
NPAT	927,325	4,340,128		231,196	1,082,059		959,645	4,384,252	

## 17.6 PROJECTIONS CONT.

	Forecast 2023			Forecast 1.4.23 - 30.6.23			Forecast 2024		
	Property Sub-Fund P&L	Business Sub-Fund	Total	Property Sub-Fund P&L	Business Sub-Fund	Total	Property Sub-Fund P&L	Business Sub-Fund	Total
SOI	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Cash available for distribution	927,325	5,340,128		231,196	1,331,374	1,562,570	959,645	5,384,252	
Cash distributed	927,325	4,697,675		231,196	1,175,054	1,406,250	959,645	4,852,855	5,812,500
Cash distribution per stapled security	0.0124	0.0626	0.0750	0.0031	0.0157	0.0188	0.0128	0.0647	0.0775
Comprising:									
Unfranked dividend		0.0133			0.0033	0.0033		0.01333	
Distribution	0.0124			0.0031		0.0064	0.0128		0.0261
Franked Dividend		0.0493			0.0123			0.0514	
Franking credit		0.0248	0.0248		0.0062	0.0062		0.02505	
Gross up									
Taxable		0.0998			0.0249			0.1026	
Franking credit		0.02480			0.00618			0.02505	
Checks		3,697,675	0.075		925,739	0.01875		3,852,855	0.0775
		0.049302333	5,625,000		0.012343184	1,406,250		0.0513714	5,812,500
		0.0750	4,697,675		0.0188	1,175,054		0.0775	4,852,855

## 17.7 MATERIAL ASSUMPTIONS UNDERLYING THE PROJECTIONS

The projections are based on events and conditions existing at the date of this IM, including the material assumptions set out below. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not a representation that the events or assumptions will occur. The various assumptions should be read in conjunction with the risks described in Section 19.

### Specific Assumptions

Specific assumptions include:

- Continuation of recent revenue growth trends in the Businesses, resulting in:
  - Gaming growth of 4.6% FY23 to FY24 with a focus to improving overall gaming net revenue (after taxes) via installation of new machines at the Pine Beach Hotel Motel.
  - Food and beverage growth of 3.9%.
  - Retail liquor growth of 2.4%, with a particular focus on improving the bottleshop operations at Pine Beach Hotel Motel.
- Capital expenditure spend of \$200,000 forecast to be targeted towards the Pine Beach Hotel Motel for installation of new gaming machines, updating furniture and improving drive through retail liquor premises.
- Salaries have been forecast on the basis of expected resourcing requirements and have excluded current income from DETA (Queensland Department of Education and Training) training incentives.
- No loss of key personnel.
- Increase to promotions, advertising and entertainment expenditure is forecast to increase by 3.3% from FY23 to FY24, reflecting the ongoing focus of management on improving the efficiency of promotions and advertising and addressing the lack of current advertising and promotions at the Pine Beach Hotel Motel.
- Growth in property holding costs, including utilities, insurance, council rates and land taxes, of 3.56% from FY23 to FY24.
- Leases of the premises from which the Businesses are conducted will be renewed by Stara Venu Operations Pty Ltd on comparable terms to existing leases.
- Intra-Fund leases are entered into pursuant to which it is agreed rent on the Hotels totalling \$1.077m per annum be paid.
- We have assumed total average debt costs of 5.1% in Year 1 of the Fund from establishment, with establishment fees of 0.50%.
- Business Sub-Fund pays tax at the rate of 30%.
- No material amendment to any material supply contract relating to any of the Businesses being acquired.
- The above forecasts and the forecasts herein are presented on a static basis in terms of capital raised to complete the transaction. The open nature of the fund will cause projections to change as further capital is raised and further acquisitions are made. You should refer to the Risks section contained within this IM for further information.

### General Assumptions

SIML has also made the following general assumptions for the projections in addition to those outlined above:

- Business cost and price inflation of between 3-8% per annum.
- No significant changes in Commonwealth or State legislation, regulatory requirements or government policy.
- No significant changes to the political or economic environment in Australia and the markets in which the Fund operates.
- No significant changes to the competitive environment in which the Fund operates or in the strategy of a major competitor during the projection period.
- No changes to the corporate rates of taxation in Australia and no changes in taxation legislation which will have a material impact on the Fund.



## 18. FEES AND TAXATION INFORMATION



## 18.1 FEES AND CHARGES

The following fees are payable with respect to the Fund to either SIML, the Investment Manager or the Business Manager. All fees are expressed as exclusive of GST.

Fee Type	Amount	Paid To	When Paid
<b>Investment Management Fee</b>	1.0% of GAV per annum	Investment Manager	Monthly in arrears
<b>Business Management Fee</b>	2.65% of Revenue (excluding any Revenue derived from Gaming Activities) per annum plus \$1,500 per annum for administration, service and management of each electronic gaming machine operated in each licenced premises.	Business Manager	Monthly in arrears
<b>Development Management Fee</b>	Charged as a percentage of total development costs: <ul style="list-style-type: none"> <li>• 2.5 % (if external development and project managers are retained)</li> <li>• 5.0% (if no external development and project managers are retained)</li> </ul>	Investment Manager	As expenses are incurred on the relevant project
<b>Acquisition fee</b>	2.0% of the contracted purchase price of assets acquired by the Fund.	SIML	On completion of an acquisition of an asset.
<b>Disposal Fee</b>	2.0% of the gross value of an asset disposed of (directly or indirectly) by the Fund	SIML	This fee is only payable if an asset is disposed of (directly or indirectly) by the Fund within three years from the date of registration of the Property Sub-Fund and the Business Sub-Fund.

## Performance Fee

SIML is entitled to be paid a performance fee of 20% of the Fund's outperformance above a benchmark return of 10 percent per annum. The fee is to be calculated and paid annually from the date Stapled Securities are first issued pursuant to this IM. The fee is also to be calculated and paid on the occurrence of certain events, such as if any action is taken to remove SIML as corporate director.

For the purposes of the performance fee, the performance of the Fund is measured with reference to the redemption price of Stapled Securities (calculated with certain assumptions) and the total amount of dividends declared or paid on Stapled Securities (as well as the amount of any franking credit on a dividend). The share of the performance fee borne by each Sub-Fund is based upon each Sub-Fund's net asset value weighting, which is the relevant Sub-Fund's net asset value as at the end of the most recent financial reporting period, divided by the aggregate total of each Sub-Fund's net asset value at that same time.

The following are examples of the calculation of the performance fee under the Constitution at various calculation dates. The examples assume there are 75,000,000 Stapled Securities on issue as at each "Calculation Date", which were issued pursuant to this IM on 1 April 2023 (with Property Shares being issued at \$0.305 per share and Business Shares being issued at \$0.695 per share).

Please note, this example is provided for illustrative purposes only and is not a financial projection. Actual results may significantly vary from the example.

### Calculation Date 1 April 2024

## Actual Performance

	Property Sub-Fund	Business Sub-Fund
Redemption price:	\$0.305	\$0.695
The total amount of dividends paid since 1 April 2023:	\$0.058	\$0.012*
<b>Sub-Fund performance:</b>	<b>\$0.363</b>	<b>\$0.707</b>
<b>Fund performance:</b>	<b>\$ 1.07</b>	

\*This amount includes the value of any franking credits.

## Benchmark Performance

	Property Sub-Fund	Business Sub-Fund
Issue price:	\$0.305	\$0.695
10 percent per annum:	\$0.0305	\$0.0695
<b>Sub-Fund benchmark performance:</b>	<b>\$0.3355</b>	<b>\$0.7645</b>
<b>Fund benchmark performance:</b>	<b>\$1.10</b>	

## Performance Fee Entitlement

The Fund's performance (\$1.07) is less than the benchmark performance (\$1.10) on the Calculation Date, so SIML is not entitled to a performance fee.

### Calculation Date 1 April 2025



## Actual Performance

Property Sub-Fund	Business Sub-Fund	
Redemption price:	\$0.320	\$0.730
The total amount of dividends paid since 1 April 2023:	\$0.058	\$0.012*
	\$0.060	\$0.015*
<b>Sub-Fund performance:</b>	<b>\$0.438</b>	<b>\$0.757</b>
<b>Fund performance:</b>	<b>\$1.195</b>	

\*This amount includes the value of any franking credits.

## Benchmark Performance

Property Sub-Fund	Business Sub-Fund	
Issue price:	\$0.305	\$0.695
10 percent per annum:	\$0.061	\$0.139
<b>Sub-Fund benchmark performance:</b>	<b>\$0.366</b>	<b>\$0.834</b>
<b>Fund benchmark performance:</b>	<b>\$1.20</b>	

## Performance Fee Entitlement

The Group Performance (\$1.195) is less than the Group Benchmark Performance (\$1.20) on the Calculation Date, so the Corporate Director is not entitled to a performance fee.

**Calculation Date 1 April 2026**

## Actual Performance

Property Sub-Fund	Business Sub-Fund	
Redemption price:	\$0.351	\$0.779
The total amount of dividends paid since 1 April 2023:	\$0.058	\$0.012*
	\$0.060	\$0.015*
	\$0.062	\$0.018*
<b>Sub-Fund performance:</b>	<b>\$0.531</b>	<b>\$0.824</b>
<b>Fund performance:</b>	<b>\$1.355</b>	

\*This amount includes the value of any franking credits.

## Benchmark Performance

Property Sub-Fund	Business Sub-Fund	
Issue price:	\$0.305	\$0.695
10 percent per annum:	\$0.061	\$0.139
<b>Sub-Fund benchmark performance:</b>	<b>\$0.366</b>	<b>\$0.834</b>
<b>Fund benchmark performance:</b>	<b>\$1.30</b>	

## Performance Fee Entitlement

The Fund performance (\$1.355) is greater than the benchmark performance (\$1.30) on the Calculation Date, so the Corporate Director is entitled to a performance fee.

## Amount of the Performance Fee

The amount of the performance fee SIML is entitled to be paid is equal to 20% of the amount by which the Fund's performance exceeded the benchmark. On a per-Stapled Security basis, the Fund's performance (\$1.355) exceeded the benchmark performance (\$1.30) by \$0.055. As there were 75,000,000 Stapled Securities on issue as at the Calculation Date, the amount SIML is entitled to be paid is equal to \$825,000 (being  $\$0.055 \times 0.20 \times 75,000,000$ ).

## Fees Changes

Investors will be provide with at least 30 days written notice of any change to any of the fees payable with respect to the Fund as disclosed in this Section 12.

## Expenses

Following the issue of Stapled Securities, the Company will reimburse SIML for costs it has incurred with respect to the establishment of the Fund.

In addition to the above, all expenses of operating the Fund will be paid from the assets of the Fund and the Managers and SIML are entitled to be reimbursed for all expenses incurred in performing their roles from the assets of the Fund.

Normal administrative and operating costs (excluding management fees) are estimated to be up to 0.37% pa of GAV. The Fund may also incur abnormal costs from time to time.

## Waiver or Deferral of Fees

SIML and the Managers may waive or defer the whole or any part of their entitlement to fees and/or expenses to which they would otherwise be entitled. Where payment or reimbursement is deferred, the deferred amount accrues and may be paid from the assets of the Fund at a later date.

## 18.2 TAX INFORMATION

### Introduction

The following is a summary of some of the key Australian tax considerations and issues you may wish to consider when investing in the Fund and is general in nature. You should consider taking advice from a licensed adviser, before making a decision about your investments.

The following tax comments are based on the applicable Australian tax legislation, case law, published rulings, determinations and administrative practice of the relevant revenue authorities in force as at the date of this IM.

Tax laws are subject to continual change and the tax consequences of investing in the Fund differ between investors. Investors should be aware that a number of taxation issues may arise when they invest. Taxation comments made in this IM are of a general nature only and are not intended to provide exhaustive or definitive advice, nor relied upon as such. All investors should satisfy themselves as to the possible tax consequences of their investment in the Fund, by consulting their own professional tax advisers before investing in the Fund.

The categories of Investors considered in this summary are individuals, companies and trusts (other than superannuation funds, managed investment trusts ("MITs"), pension funds or public trading trusts), each of whom holds their shares on capital account and are residents of Australia for tax purposes.

The comments below do not address the Australian tax consequences for Investors who:

- hold their Stapled Securities on revenue account or as trading stock for income tax purposes;
- acquired their Stapled Securities pursuant to an employee share, option or rights plan;
- are partnerships, complying superannuation or pension funds, insurance companies, MITs, public trading trusts or banks;
- are under a legal disability;
- are exempt from Australian income tax;
- are subject to the taxation of financial arrangements ("TOFA") rules in Division 230 of the Income Tax Assessment Act 1997 ("ITAA 1997") in relation to gains and losses on their Stapled Securities; or
- are not residents of Australia (for income tax purposes).

Investors who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of owning the Stapled Securities under the laws of their country of residence, as well as under Australian law. The below comments relate to Australian tax law only.

### Acquisition of Stapled Securities

This Offer is open to investors that are residents of Australia only. Upon acceptance of the Offer and making a valid application, investors who are Australian tax residents will acquire stapled securities consisting of:

- One Business Share
- One Property Share

For Australian income tax purposes, Property Sub-Fund and Business Sub-Fund should be treated as separate and distinct entities. Each Business Share and each Property Share should be considered a separate capital gains tax ("CGT") asset.

The Stapled Securities should be treated for CGT purposes (including the CGT discount rules) as having been acquired when the Company issues shares to the investor.

The cost base of the Business Shares and Property Shares issued to the investor should comprise the amount paid by the Australian tax resident investor for the relevant Stapled Securities plus certain incidental costs incurred in respect of the acquisition.

The issue price for Stapled Securities is \$1.00 per security. The issue price for Business Shares is \$0.695 per share. The issue price for Property Shares is \$0.305 per share.



## Income Tax Implications of Distributions paid on Property Shares

### Attribution Managed Investment Trust (“AMIT”) status and Withholding Management Investment Trust

This Offer is open to Wholesale Clients who are residents of Australia only. It is intended that Property Sub-Fund will be taxed as a unit trust classified as a withholding MIT and will meet certain criteria including that a substantial proportion of the investment management activities will be carried out in Australia throughout each income year for assets that are

- situated in Australia at any time in the relevant income year; or
- taxable Australian property at any time in the relevant income year.

Broadly, Attribution Managed Investment Trusts (“AMITs”) are widely held unit trusts meeting certain regulatory requirements and which have elected to apply the AMIT regime.

Whilst the intention is that Property Sub-Fund will be managed and operated as an AMIT and withholding MIT, this status may be subject to temporary circumstances outside of the control of the Company.

To the extent that the Property Sub-Fund is not considered to be a withholding MIT, investors should be warned that their tax consequences may be different from those discussed herein.

Australian tax resident investors should generally be subject to Australian income tax on the taxable income in the year they are ‘attributed’ the income. Any attribution must be worked out by the Company on a fair and reasonable basis in accordance with the Constitution.

Where Property Sub-Fund is in a tax loss position in a particular year, the loss should be retained in Property Sub-Fund (i.e. it should not be able to be distributed to investors). Any such tax losses may be able to be carried forward by Property Sub-Fund and used to offset taxable income in future years (subject to satisfaction of certain loss integrity tests).

If the cash distributed to an investor for a year exceeds the investor’s share of Property Sub-Fund’s net taxable income, the excess should constitute a tax deferred distribution. Tax deferred distributions generally reduce the investor’s CGT cost base of their Property shares. Once the cost base of an investor’s shares has been reduced to nil any additional tax deferred distributions should be assessable to the investor as a capital gain.

Conversely, if the cash distributed to an investor is less than the investor’s share of Property Sub-Fund’s net taxable income, the investor should be entitled to a cost base increase on their Property Shares. These cost base adjustments should impact upon the capital gains tax position upon the eventual ultimate disposal of the investor’s Property Shares.

An AMIT member annual statement (“AMMA statement”) will be issued by the Company to each investor within three months of the end of the income year (i.e. by 30 September each year). The AMMA statement will set out details of any taxable income components, non-assessable components and capital gains (if any) attributed for the year, as well as the net annual cost base adjustment (if any) in respect of the Investor’s cost base in their Property Shares.

## Capital Gains

Where the taxable component attributed to an Australian tax resident investor on an AMMA statement issued by Property Sub-Fund represents a capital gain, the investor should be required to include the capital gain in their net capital gain calculation. The amount of any net capital gain should be included in the investor’s assessable income. Where an investor is attributed a discounted capital gain, the investor should be required to include the grossed-up amount of the capital gain (i.e., twice the discounted gain) in their net capital gain calculation.

In calculating their net capital gain, a CGT discount may be available on the capital gain for individual investors, trustee investors (in certain circumstances) and investors that are complying superannuation entities. Any current year or carry forward capital losses of the investor should offset the capital gain first before the CGT discount can be applied.

## Income Tax Implications of Distributions paid on Business Shares

### Distributions paid on Business Shares

SIML is of the view that Business Sub-Fund is likely to be considered to be a public trading trust for Australian tax purposes. Accordingly, Business Sub-Fund should be taxed as a company and distributions paid on Business shares should be deemed to be dividends for Australian income tax purposes.

Distributions paid on Business Shares should constitute deemed dividends and are therefore be included as assessable income of Australian tax resident investors. Australian tax resident investors may be entitled to a tax offset equal to any franking credits attached to the dividend, subject to meeting certain integrity rules. Such investors should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

Any franking credit tax offset may be able to be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on an individual's or complying superannuation fund's taxable income, such investors may be entitled to a refund of the excess tax offset.

### Disposal or Redemption of Stapled Securities by Australian tax resident investors

Property shares and Business shares should be treated as separate CGT assets. An investor will make a capital gain on the disposal or redemption of a particular stapled security where the capital proceeds received on disposal or redemption exceeds the CGT cost base of the stapled security. The CGT cost base of a stapled security should broadly be the amount paid to acquire the stapled security plus any eligible/incidental costs. The cost base of Property shares may be adjusted under the AMIT annual increase / decrease rules which are described above.

A CGT discount may be available on the capital gain for individual investors, trustee investors (in certain circumstances) and investors that are complying superannuation entities provided that the disposed Stapled Securities are held for at least 12 months prior to sale. Any current year or carry forward capital losses should offset the capital gain first before the CGT discount can be applied.

An investor should make a capital loss on the disposal or redemption of a particular Property share or Business share to the extent that the capital proceeds received on disposal or redemption are less than the CGT reduced cost base of the share. If an investor makes a net capital loss in an income year, this amount is carried forward and may be available to offset against capital gains derived in subsequent income years.

### Tax File Numbers

It is not compulsory for investors to quote a Tax File Number ("TFN") or Australian Business Number ("ABN"). If an investment in the Fund is made in the normal course of business or enterprise, the investor may quote an ABN instead of a TFN. Failure to quote an ABN or TFN or claim an exemption will oblige the Company to withhold tax at the top marginal rate (including Medicare levy) on gross payments (including distributions of income).

### GST

The acquisition, redemption or disposal of the Stapled Securities should not be subject to GST. No GST should be payable in respect of distributions of trust income paid to investors. Investors should seek their own advice on the impact of GST in their own circumstances. All fees and expenses referred to in this Information Memorandum are quoted exclusive of GST and reduced input tax credits.

### Transfer Duty / Landholder Duty

Assets of the Fund will be situated in Queensland, with comments below referring to transfer duty specific to Queensland only.

In Queensland, transfer duty on land is usually calculated on either the unencumbered value of the property or the amount you agree to pay (the consideration), whichever is higher. The higher amount is called the 'dutiable value'.

Generally, no duty is payable in Queensland on the issue, redemption, acquisition or transfer of shares in a company unless the person, or the person and related persons of the person (whether alone or jointly), acquire an interest in the company of 50% or more; or the person, or related persons of the person (whether alone or jointly), acquire an interest in the company that, when aggregated with interests already held by the person and related persons of the person (whether alone or jointly), is 50% or more.

### Disclaimer

Tax laws are subject to continual change and the tax consequences of investing in the Fund differ between investors. Investors should be aware that a number of taxation issues may arise when they invest. Taxation comments made in this IM are of a general nature only and are not intended to provide exhaustive or definitive advice, nor relied upon as such. All investors should satisfy themselves as to the possible tax consequences of their investment in the Fund, by consulting their own professional tax advisers before investing in the Fund.

## | 19. THE RISKS





## 19.1 INTRODUCTION

Owning Stapled Securities will expose investors to a number of risks. These can be broadly classified as including:

- General risks of investing in securities.
- Risks specific to the Fund and the Stapled Securities.

Some of the risks of owning Stapled Securities are described below. Those risks ought not to be taken as exhaustive of the risks of owning Stapled Securities. Those risks, and other risks not described below, may in the future affect the value of, and returns from, an investment in the Fund. As many risks are outside the control of SIML, neither SIML, the Business Manager, Investment Manager nor any other person guarantees that the projections in Section 17 of this IM will be achieved. An investment in the Fund may lead to a loss of capital invested. You should read the IM in full and seek professional advice before deciding whether to invest in the Offer.

## 19.2 GENERAL RISKS OF INVESTING IN SECURITIES

<b>Market risk</b>	Investment returns from the Fund are affected by general market conditions and may decline over short or extended periods due to market sentiment, valuation, economic, technological, legal, social and/or political factors. None of these conditions are within SIML's control and no assurances can be given that such factors will be anticipated.
<b>General Regulatory risk</b>	The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws.
<b>General economic risk</b>	General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.
<b>Taxation risk</b>	Changes to tax law and policy (including any changes in relation to how income of the Fund is taxed or to deductibility of expenses or stamp duty law) might adversely impact the Fund and your returns and may necessitate a change to the Fund's structure to ensure investor interests are protected. You should obtain independent tax advice in respect of an investment in the Fund.
<b>Environmental risk</b>	The valuation of an investment by the Fund could be adversely affected by discovery of environmental contamination or the incorrect assessment of costs associated with an environmental contamination.
<b>Disaster risk</b>	<p>The performance of the Fund may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks.</p> <p>Further, any failure by an insurer or re-insurer may adversely affect the Fund's ability to make claims under an insurance policy. The Fund will aim to maintain all appropriate insurance coverage against liability to third parties and real estate damage in the usual course of business. However, insurance against certain risks, such as earthquake, cyclone, acts of terrorism and force majeure events may be unavailable, available in amounts that are less than the full market value or subject to large deduction or excess. Further, there can be no assurance that particular risks are insurable or will continue to be insurable, on an economically feasible basis. The cost of uninsured losses may adversely affect the Fund's performance.</p>
<b>Litigation Risk</b>	The Company may, in the ordinary course of business, be involved in possible litigation and disputes. For example, tenancy disputes, environmental and occupational health and safety claims, and any legal claims or third party claims. A material or costly dispute or litigation may impact the value of the assets or expected income of the Fund.

### Counterparty Risk

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

### Document risk

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

## 19.3 RISKS SPECIFIC TO FUND AND THE STAPLED SECURITIES

### Specific Regulatory risk

The Company is a corporate collective investment vehicle ("CCIV"), a type of company registered under the Corporations Act. The CCIV regime came into effect on 1 July 2022 and was developed to address Australia's identified need for a collective investment vehicle that provides flow-through tax treatment, maintains investor protection, and is more internationally recognisable than the "managed investment scheme" (Australia's trust-based collective investment vehicle). As a new type of investment vehicle, there is risk the regulation of the CCIV may change, and any changes to the regulation of the CCIV may have an adverse impact on the Company and the value of, and returns from, an investment in the Fund. It is considered risks associated with regulatory changes are greater for CCIVs than is the case for other investment fund structures (such as trusts) given the CCIV was only recently developed. There is also risk costs associated with the operation and administration of the Company may be greater than anticipated or than would be the case were the Fund structured using trusts given the CCIV was only recently developed and is unfamiliar to service providers.

### Key person risk

An investment in the Fund means that an investor is delegating relevant investment decisions to SIML, the Business Manager and Investment Manager. The success of the Fund, therefore, depends on the competency of the Managers and their ability to identify investment opportunities and to operate the Businesses.

The key executives of the Managers are identified in Sections 15 and 16. How the Fund performs depends partly on the performance of the Managers and their key executives. In addition, the Business Manager will employ staff to operate the Businesses. Should any of the key executives or key operational staff employed by the Business Manager no longer be available to perform their roles, then this may have an adverse impact on the performance of the Fund and the value of Stapled Securities.

### Liquidity and Redemption risk

Despite the Company offering certain liquidity opportunities as described in Section 14, there may be circumstances where the Company is not able to satisfy redemption requests within the timeframes specified, or at all. The ability to withdraw (in part or in full) at any particular time is not promised nor guaranteed. It may be difficult for the Company to maintain the Limited Redemption Facility and to offer any Periodic Liquidity Events. This may occur as a result of, for example, movements in the property market, redemption requests exceeding the Fund's available liquid assets or the Company not being able to realise sufficient assets in a timely manner or at an optimal sale price.

Notwithstanding the Company's current intentions, the market conditions may mean that it has to suspend the redemption opportunities disclosed in this IM. Under the Constitution, the Company is allowed up to 365 days in which to accept any redemption request. A redemption request submitted during a Quarter which is not satisfied, either in whole or in part, automatically rolls over to the following Quarter, unless the investor requests otherwise or the Company suspends redemptions. Any redemption requests rolled over to the next Quarter do not have priority, but form part of the pool of new redemption requests for that next Quarter.

**Limited track record**

The Company is a newly established corporate collective investment vehicle and has no track record or past performance.

**Significant investor risk**

It is possible that an investor (and their associated entities) could acquire and hold a substantial holding of Stapled Securities. A significant investor may be able to materially influence decisions and resolutions regarding the Company, removal of SIML, and any change to the Constitution. This risk is mitigated by the fact that SIML's consent is required for an acquisition of an interest in the Company of more than 3.75million Stapled Securities.

**Co-investment risk**

In certain instances, the Fund may invest alongside financial, strategic or other co-investors (including, potentially, one or more of SIML's affiliates). There is a risk that co-investors may have economic or business interests or objectives that are inconsistent with those of the Fund or may be in a position to take actions contrary to the Fund's investment objectives, which may detrimentally affect the Fund.

**Borrowing risk**

The Company will borrow money to partially fund the purchase of Initial Portfolio. The Company may also increase borrowing to redevelop assets or acquire new assets. Gearing comes with risk and gearing an investment can increase the potential for capital losses, as well as gains. In the event the Company is unable to service its respective borrowings, the lender may enforce its security over the assets of the Fund. This may include the lender exercising its power to sell the Fund's assets which may lead to those assets being sold for a lower price than would have been obtained had they been sold voluntarily by the Company in the ordinary course of business.

**Interest rate risk**

While the Company may fix the interest rate on the Fund's borrowings, it is under no obligation to do so meaning some or all of the Fund's debt may be unhedged and therefore subject to fluctuations in interest rates. Changes to interest rates can have a direct and indirect impact (negative or positive) on returns. The income return on your investment is not guaranteed and the target returns might not be achieved. This could happen due to factors such as the deterioration of the financial position or credit rating of the financial institution or authorised deposit-taking institution in which a deposit is held, negative fluctuations in the Australian and overseas interest rates, market illiquidity, adverse movements of exchange rates, negative changes in monetary policy and other economic, social and political factors. The forecast base interest rates adopted in the financial projections are outlined in this IM. There is no guarantee these interest rates will be achieved. If actual interest rates are higher it would negatively impact on the financial projections and distributions to investors.

**Breach of loan covenants**

The Company will procure debt funding to complete the acquisition of the Initial Portfolio. The lender will impose lending covenants that include, amongst other things, loan-to-value (LVR) ratios and Interest cover (ICR) ratios. In the event of a breach of any covenant, that is not remedied, the lender will have the right to take certain measures which may include, but not be limited to, withholding income distributions to investors, or in the most serious instances, the forced sale of one or more assets in the Portfolio.

**Re-leasing risk**

The Businesses are operated under leases from landlords. Where the Fund owns a FGC hotel, it will be the landlord. In cases where the Fund does not own the freehold, the Fund must negotiate with the owner of the freehold property to secure a lease. The Businesses within the Initial Portfolio which are operated under a lease from a third party and the expiry dates of the current leases are set out on the following page.



<b>Business Name/ Location</b>	<b>Lease Expiry</b>	<b>Option</b>	<b>Extension Status</b>
<b>BEACH HOUSE BAR &amp; GRILL BROWNS PLAINS, Grand Plaza</b>	14 April 2024	Nil	The Landlord has agreed in principle to an extension to 31 October 2030. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Business.
<b>BEACH HOUSE BAR &amp; GRILL SPRINGFIELD, Orion Shopping Centre</b>	9 September 2025	Nil	The Landlord has agreed in principle to an extension to 9 December 2031. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.
<b>BEACH HOUSE BAR &amp; GRILL NORTH LAKES, Westfield Shopping Centre</b>	5 July 2026	Nil	The Landlord has agreed in principle to an extension to 5 July 2028. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.
<b>BEACH HOUSE BAR &amp; GRILL LOGANHOLME, Logan Hyperdome</b>	29 October 2027	Nil	The Landlord has agreed in principle to an extension to 29 October 2030. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.
<b>BEACH HOUSE BAR &amp; GRILL COOMERA, Westfield Shopping Centre</b>	10 April 2029	Nil	The Landlord has agreed in principle to an extension to 10 April 2031. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.
<b>HOTEL BEACH HOUSE GARDEN CITY, Westfield Shopping Centre</b>	3 September 2026	Nil	The Landlord has agreed in principle to an extension to 3 September 2028. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.
<b>HOTEL BEACH HOUSE BRISBANE CBD, Myer Centre Brisbane</b>	13 July 2023	Nil	The landlord has agreed to an extension to 13 July 2026. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.
<b>MADAME WU, Riparian Plaza</b>	14 January 2024	1 x 5 year Option	14 January 2029 extended term upon exercise of Option.
<b>CHU THE PHAT, 111 Melbourne Street South Brisbane</b>	30 April 2027	Nil	
<b>CASA CIBO ITALIAN, Westfield Shopping Centre</b>	6 October 2027	Nil	The landlord has agreed to an extension to 6 October 2029. Assignment of the lease to a subsidiary of the Company and the extension of the term of the lease are conditions precedent to Financial Close of the acquisition of the Businesses.

<b>Transaction risk</b>	The acquisition of the Businesses and the Hotels are subject to a number of conditions precedent which include the approval of the Office of Liquor and Gaming Regulation to the transfer of liquor licences and the assignment and extension of leases. If these conditions precedent are not satisfied one or more of the acquisitions may not proceed. In that case application monies will be refunded to investors.
<b>Change in capital structure</b>	Changes in the capital structure of the Company, for example the raising of further debt or the issue of further equity to repay or refinance debt, or to fund the acquisition of additional assets, may affect the value of, and returns from, an investment in the Fund.
<b>Value of Fund's assets</b>	The value of FGC Hotels and Business in the Portfolio may fall or rise due to changes in various factors, including the supply and demand for such assets and the capitalisation rates commonly applied to such assets.
<b>Development risks</b>	The Company may elect in the future to redevelop or refurbish a premises in which a Business is operated or a FGC hotel. The refurbishment or redevelopment of assets is subject to additional risks associated with the timing, completion and cost of the development. For example, completion of delivery of the development may be delayed (including due to unforeseen circumstances, contractor default and weather), costs associated with the development may be more than anticipated or counterparties involved in the development may default. Any of these circumstances may have an adverse financial impact on the Fund.
<b>COVID-19</b>	The COVID-19 pandemic situation and the lockdown and social distancing measures imposed to mitigate the spread of the virus have had profound impacts on the economy and business activity in general. The hospitality industry was particularly impacted by lockdowns. While there are no lockdowns in Australia currently, should governments re-introduce lockdowns, it would have an adverse impact on the value of, and returns from, an investment in the Fund.
<b>Liquor and gaming regulatory risk</b>	Because the assets of the Fund include hotels and gaming venues, changes in liquor and gaming laws or their interpretation may affect the value of the Fund's assets and therefore the value of, and returns from, an investment in the Fund.
<b>Rent review risk</b>	The Fund will operate a number of Businesses under lease agreements with third-party landlords. Those leases typically contain annual rent reviews linked to CPI and in some cases a market rent review. Rent is also subject to market review at the commencement of any of the additional option term and will be renegotiated for any extended term or new lease. The level of CPI and the outcome of the market reviews and future negotiations may affect the value of, and returns from, an investment in the Fund.
<b>Outgoings and operating cost risk</b>	Under the lease agreements, the Fund may be required to pay outgoings imposed on it as tenant. In addition, the level of operating costs payable to third parties associated with the operation of the Businesses from time to time may affect the value of, and returns from, an investment in the Fund.
<b>Assumptions</b>	The failure to achieve the assumptions used in preparing the forecasts in Section 17 of this Offer Document may affect the value of, and returns from, an investment in the Fund.
<b>Competition</b>	The Fund could be adversely affected by increased competition in the pub, gaming and retail liquor markets in which it operates. The Hotels and Businesses will compete for customers with a wide variety of other pubs, pub companies and brewers, some of which could be better equipped and could have access to greater financial resources than the Fund.

## Hospitality industry conditions

In the food and beverage hospitality market generally, individual FGC hotels or Businesses may compete with other pubs and clubs that have an overlapping catchment area. Therefore, any competitive threat that is likely to apply at a local level might come from existing or new pubs and clubs. In the gaming market the Fund will compete with casinos, pubs, clubs and other providers of gaming product, including non-traditional gambling businesses such as Internet casinos and sports betting operators. Changes in regulations could allow both increased and broader competition to the Fund's businesses. Competitor actions could be difficult to predict and could affect the value of, and returns from, an investment in the Fund.

## Changes in industry conditions

The Fund's performance is dependent upon the ongoing strength of the pub, gaming and retail liquor industries in Australia which in turn are linked to, among other things, macroeconomic factors including the level of economic growth, employment, interest rates, taxation rates and growth in household disposable income in Australia. If there is a general weakening of Australian economic conditions, this could have a material adverse impact on the value of, and returns from, an investment in the Fund.

## Regulatory risk

In Australia, the pub, gaming, and retail liquor industries are subject to extensive legislation and regulation by State and Territory government bodies. The regulatory regime is complex and is subject to change over time depending on the policies of the relevant Government in place. Failure to comply with regulation or change in regulation could have a material adverse impact on the value of, and returns from, an investment in the Fund.

## Gaming regulation

The risk of additional regulatory restrictions being imposed on gaming operations or a change in the regulatory environment is a key business risk. A change could have a material adverse impact on the value of, and returns from, an investment in the Fund.





## 20. ADDITIONAL INFORMATION



## ADDITIONAL INFORMATION

### 20.1 MATERIAL DOCUMENTS

#### Constitution

The rights attaching to shares issued in the Company are governed by the constitution of the Company, the Corporations Act, and the general law. The Constitution is the primary document that governs the way the Company operates and sets out many of the rights, liabilities and responsibilities of both members and SIML as corporate director. The Constitution has effect as a contract between the Company and each member, the Company and SIML (as corporate director), a member and each other member, and SIML (as corporate director) and each member.

A copy of the Constitution is available from SIML on request. Certain rights or provisions contained in the Constitution, such as the rights for SIML to be paid fees, are disclosed elsewhere in this IM. Some of the other key provisions of the Constitution are summarised below.

Responsibility for the operation of the business and the conduct of the affairs of the Company is vested in the Corporate Director, being SIML. SIML may exercise all powers of the Company except any powers that the Corporations Act or the Constitution requires the Company to exercise in general meeting or members to exercise at a meeting of members.

The Corporate Director is indemnified against all losses or liabilities incurred by it acting as corporate director, and the Company may enter into a contract of insurance in respect of the corporate director, an associate of the corporate director, an auditor of the company or the corporate director, and an agent appointed by, or a person otherwise engaged by, the Company or the corporate director. Further, the Constitution provides the Corporate Director is exempt from liability for a contravention of section 1224D of the Corporations Act (which contains duties owed by the corporate director of a CCIV) unless the contravention was dishonest or involved a lack of good faith.

The Constitution sets out rules for the calling and holding of meetings of members. At a meeting of members of the Company (or of a sub-fund or of a particular class of share):

- (a) on a show of hands, each member has one vote
- (b) on a poll, each member has one vote for each dollar of the value of the total relevant shares the member holds
- (c) the chair has a casting vote, and also, if the chair is a member, any vote the chair has in their capacity as a member, and
- (d) if a share is held jointly and more than one member votes in respect of that share, then only the vote of the member whose name appears first in the register of members counts.

The Constitution sets out rules for the declaration and payment of dividends. The Corporate Director may at any time declare a dividend is payable in respect of shares referable to a sub-fund, and may declare a dividend is payable in respect of one class of share (such as Property Shares) to the exclusion of another (such as Business Shares). The methods of payment of a dividend may include the payment of cash, the issue of further shares, the grant of options over unissued shares, and the transfer of specific assets. Subject to their terms of issue, each share in a class on which a dividend is declared to be paid carries the right to participate in the dividend in the same proportion that the amount paid on the share bears to the total issue price of the share.

Under the Constitution, the Corporate Director may issue shares (including redeemable shares and shares with such preferred, deferred or other special rights, obligations or restrictions as determined by the Corporate Director, including preference shares and redeemable preference shares). The Constitution does not prescribe the way the issue price for shares is to be calculated, and the Corporate Director may determine to issue shares for any consideration it thinks fit (including cash or non-cash consideration) in its absolute discretion subject to its duties at law. However, subject to the terms of issue of a Share, the Constitution provides a share may only be redeemed at a price equal to the net asset value of the relevant sub-fund (plus or minus certain adjustments on account of costs and expenses) divided by the number of shares on issue in the relevant sub-fund.



The Constitution may be modified, or repealed and replaced with a new constitution in the following ways:

- (a) by special resolution of the members of the Company
- (b) by the corporate director, if the corporate director reasonably considers the change will not adversely affect members' rights in a material way
- (c) by special resolution of the members of a sub-fund, if the corporate director reasonably considers the change will not adversely affect the rights of any member of any other sub-fund, or
- (d) in any other way permitted by the Corporations Act as if the Company were a "retail CCIV".

However, the rights of the corporate director to be paid any amounts whether by way of fees, reimbursement of costs or expenses incurred, or otherwise, or any of its rights of indemnification, may not be modified or altered in any way without its consent.

#### Terms of Issue of Property Shares and Business Shares

This IM contains an offer to invest in the Fund by applying for the following shares in the Company:

- (a) Business Shares, being a class of share that is referable to the Business Sub-Fund.
- (b) Property Shares, being a class of share that is referable to the Property Sub-Fund.

The Constitution contains the terms on which Business Shares and Property Shares are issued.

Business Shares and Property Shares are each a class of ordinary share in the Company that may (as summarised below) be redeemed at the option of the holder of the share or the Company. Property Shares and Business Shares are not preference shares.

Property Shares and Business Shares are issued on terms that they are stapled such that they are treated as a single security and they must be acquired, held and disposed of together.

Holders of Business Shares and Property Shares may, at their option, request the Company redeem their shares in response to a redemption offer made by the Company in relation to those shares. Business Shares and Property Shares carry the right to participate in any Limited Redemption Facility or Periodic Liquidity Event offered by the Company from time to time.

The Company may, at its option, redeem Property Shares and Business Shares in any of the following circumstances:

- (a) The Corporate Director determines, in its absolute discretion, the continued holding of Property Shares or Business Shares by the member would be to the material disadvantage to the relevant sub-fund, including other members of the relevant sub-fund.
- (b) In the opinion of the Corporate Director, the continued holding of the shares by the member would be contrary to an applicable law.
- (c) The member holds less than any minimum shareholding amount set by the Corporate Director.
- (d) The redemption is required by legislation where the mechanism for redemption is contained in that legislation, the order of a court of competent jurisdiction, or a lien, the exercise of which results in a redemption.
- (e) The Company has given notice to all holders of Property Shares or Business Shares that the Company will redeem all Property Shares or Business Shares on issue.
- (f) The redemption is otherwise permitted or provided for by the Constitution.

## Investment Management Agreement

The Company intends to appoint the Investment Manager to provide investment and administration services to the Fund pursuant to an Investment and Administration Agreement. The key obligations and services to be provided by the Investment Manager are as follows:

- identifying and originating investment opportunities for the Fund;
- undertaking and overseeing due diligence on potential acquisitions;
- negotiating and managing loan facilities in connection with the acquisition, operation or divestment of a Fund asset;
- overseeing documentation and recommending to SIML the execution of the loan agreement and security documents in connection with any loan facility;
- reviewing and monitoring of each Fund asset's performance against forecast expectations;
- preparing and, with the approval of SIML, sending to each investor reports on the status of the Fund;
- consideration of exit strategies for the Fund's assets, analysis and review of alternatives;
- liaising with SIML on matters as may reasonably be required by SIML;



- monitoring on a regular basis compliance with:
  - (i) all laws, procedures, standards and codes of practice that apply in relation to the services provided by the Investment Manager;
  - (ii) all requirements and directions of any government authority in relation to the services provided by the Investment Manager;
- liaising with advisers and the Fund's auditors;
- in consultation with SIML, preparing, registering, printing, promoting and distributing any document required by law to be prepared concerning the Fund;
- appointment of a property manager and overview of the property management services;
- arranging appropriate insurances for the Portfolio;
- appointing and instructing accountants and tax agents and overseeing the preparation of monthly management and annual financial statements;
- approving property and capital expenditure budgets;
- negotiating and approving leasing transactions;
- appointing and supervising real estate sales agents;
- appointing valuers and undertaking pro-active valuation management;
- engaging lawyers on behalf of SIML relating to matters concerning the Portfolio;
- preparing and distributing a quarterly communication to investors; and
- all other necessary and incidental services reasonably required by SIML to be performed in connection with the Agreement.

## Development Management Services Agreement

The Company also intends to appoint the Investment Manager to provide development management services to the Fund pursuant to a Development Management Services Agreement. The obligations and services to be provided are as follows:

The Investment Manager (or an agent appointed by it to assist in doing so) is responsible for and will manage the delivery of projects approved by SIML, including each of the following areas of responsibility that apply to a particular project:

- approvals (as they relate to the design and construction);
- design;
- construction;
- fit out;
- commissioning;
- handover;
- defect liability period;
- general project management.

## Business Management Agreement

The Company intends to appoint the Business Manager to provide the business management services to the subsidiaries (including SV Operations) of the Business Sub-Fund pursuant to the Business Management Agreement. The key obligations and services to be provided by the Business Manager are as follows:

- Management, supervisions and oversight of the Businesses and provision of all "back office" functions for the Businesses.
- Financial management and reporting for the Businesses.
- The implementation of systems and procedures associated with and in respect of the Portfolio.
- Management of food and beverage services at the Businesses and Hotels, including plate and menu design, purchasing and pricing, human resource management and training, marketing and promotions.
- Financial management of and reporting, and the preparation of monthly and annual accounts, of the Portfolio.
- Marketing and brand promotion and development.
- The design and implementation of physical changes to the layout of the premises.
- Liaising with and providing information to auditors and such other consultants nominated from time to time.
- Ensuring full compliance with all provisions of the liquor licences and gaming licences, and other licences related to the Portfolio.
- Employment and management of all staff engaged in the operations of the Fund.

## Put and Call Option and Implementation Deed

<b>Date of Option</b>	4 January 2023
<b>Grantor</b>	<p>Beach House Coomera Pty Ltd (ACN624 285 043) as trustee for Beach House Coomera Unit Trust</p> <p>Hotel Garden City Pty Ltd (ACN 124 513 864) as trustee for the Hotel Garden City Unit Trust</p> <p>Raw Group Browns Plains Pty Ltd (ACN 152 949 294) as Trustee for Beach House Browns Plains Unit Trust</p> <p>Beach House Springfield Pty Ltd (ACN 605 304 452) as Trustee for Beach House Springfield Unit Trust</p> <p>Raw Group Franchise Northlakes Pty Ltd (ACN 608 314 576) as Trustee for the Raw Franchise Northlakes Unit Trust</p> <p>Raw Group Eagle Street Pty Ltd (ACN 165 912 943) as Trustee for the Madame Wu Unit Trust</p> <p>CTP Melbourne St Pty Ltd (ACN 611 159 749) as Trustee for The Chu The Phat Unit</p> <p>Casa Ci Pty Ltd (ACN 617 633 422) as Trustee for the Casa Cibo Unit Trust</p> <p>Raw Group CBD Pty Ltd (ACN 112 158 853) as Trustee for the Beach House CBD Unit Trust</p> <p>Beach House Loganholme Pty Ltd (ACN 618 980 064) as Trustee for the Beach House Loganholme Unit Trust</p> <p>Beach House Northlakes Pty Ltd atf Beach House Northlakes Unit Trust</p>
<b>Grantee</b>	Stara Real Estate Capital & Advisory Pty Ltd ACN 646 102 829
<b>Other parties</b>	<p>Stara investment Management Limited ACN 653 962 871 in its own rights and as Corporate Director of the Company</p> <p>Raw Group Management Pty Ltd ACN 108 219 147 in its own right and as trustee of the Raw Management Trust ("Raw")</p> <p>Nicholas John Rosato</p> <p>Adrian Mario Rosato (together the "Principals")</p>
<b>Exercise Date/Long Stop Date</b>	31 May 2023

## Purchase Price

\$51,100,000 plus stock at valuation to a maximum value of \$300,000

Purchase price is subject to adjustment:

Additions:

Value of Stock

Deductions:

Value of employee entitlements assumed by HW&T Co Pty Ltd

\$250,000 for working capital

Value of loans made by suppliers which may be set off against future rebates

Other:

Up to \$350,000 of the Purchase Price will be deferred for up to 30 days after financial close to assist in funding any working capital requirements

## Property

All of the assets of each of the Raw Businesses including:

- Plant & Equipment
- Intellectual Property Rights including business name and domain name
- Rights under the lease of the premises from which the business is conducted
- Business records
- Goodwill
- Rights under Liquor Licence
- Rights under business agreements
- Stock

## Conditions Precedent

Due Diligence (satisfied)

Approval to the transfer of liquor licenses to the Company from the Office of Liquor and Gaming Regulation

All necessary third party and government consents having been given

Consents of landlords of the business premises to the assignment of the leases to the Company and variation of leases

Approval by the parties of the Information Memorandum

SIML receiving applications for a minimum of 7,100,000 shares in the Company from parties associated with the Grantor by 31 January 2023

## Material terms

The Beach House Northlakes business is subject to a franchise agreement from Raw Group Franchise Northlakes Pty Ltd (ACN 608 314 576) as Trustee for the Raw Franchise Northlakes Unit Trust ("Franchisor") to Beach House Northlakes Pty Ltd atf Beach House Northlakes Unit Trust ("Franchisee"). Franchisor is required to enter into an option with Franchisee to purchase the business conducted by the Franchisee at a price of \$2,100,000 and to nominate the Company to exercise the option. Franchisor is required to assign the lease from which the Beach House Northlakes business is conducted to the Company.



The Grantee is required to establish the Fund and to issue this Information Memorandum.

The Grantee is required to procure the Company to enter into the Investment and Administration Agreement, the Development Management Services Agreement and the Business Management Agreement.

	Raw and the Principals must cause the employment of all of the employees of the Grantor to be terminated and for them to be employed by HW&T Co Pty Ltd at Financial Close.
<b>Nomination</b>	Grantee may nominate a party to exercise the call option.
<b>Interdependence</b>	The options in respect of the Raw Business are interdependent i.e. they must all proceed to completion contemporaneously.
<b>Settlement</b>	30 days after exercise of option

## Pine Beach Business Option

<b>Date of Option</b>	22 December 2021
<b>Grantor</b>	Christina Irene Archer
<b>Grantee</b>	Stara Real Estate Capital & Advisory Pty Ltd ACN 646 102 829
<b>Exercise Date/Long Stop Date</b>	7 days after date of satisfaction of Conditions Precedent
<b>Purchase Price</b>	<p>\$1,800,000 plus stock at valuation to a maximum value of \$300,000</p> <p>Purchase price is subject to adjustment:</p> <p>Additions:</p> <p>Value of Stock</p> <p>Deductions:</p> <p>Value of employee entitlements assumed by purchaser</p> <p>Jackpots</p>
<b>Property</b>	<p>All of the assets of the Pine Beach Hotel Motel including:</p> <ul style="list-style-type: none"> <li>• Plant &amp; Equipment</li> <li>• Intellectual Property Rights including business name and domain name</li> <li>• Rights under the lease of the premises from which the business is conducted</li> <li>• Business records</li> <li>• Goodwill</li> <li>• Rights under Liquor Licence and Gaming authorities</li> <li>• Rights under business agreements</li> <li>• Stock</li> </ul>

<b>Conditions Precedent</b>	Due Diligence (satisfied)  Approval to the transfer of liquor licenses to the Company and the issue of a gaming machine licence to the Company from the Office of Liquor and Gaming Regulation
<b>Condition Date</b>	28 February 2023
<b>Nomination</b>	Grantee may nominate a party to exercise the call option.
<b>Interdependence</b>	The options in respect of the Pine Beach Business and the Pine Beach Land are interdependent i.e. they must all proceed to completion contemporaneously.
<b>Settlement</b>	30 days after exercise of option

## Pine Beach Land Option

<b>Settlement</b>	30 days after exercise of option
<b>Date of Option</b>	22 December 2021
<b>Grantor</b>	Erik Charles Archer and Christina Irena Archer
<b>Grantee</b>	Stara Real Estate Capital & Advisory Pty Ltd ACN 646 102 829
<b>Exercise Date/Long Stop Date</b>	31 May 2023
<b>Purchase Price</b>	\$7,200,000 (3-5 Granville Street) \$3,000,000 (6-14 Emu Street)
<b>Property</b>	3-5 Granville Street Emu Park, Lot 2 on RP 604536 and Lot 2 on RP 605585  6-14 Emu Street Emu Park, Lot 1 on RP 604536 and Lots 1-4 on RP 601201
<b>Conditions Precedent</b>	Due Diligence (satisfied)  Exercise of the Pine Beach Business Option
<b>Condition Date</b>	
<b>Nomination</b>	Grantee may nominate a party to exercise the call option.
<b>Interdependence</b>	The options in respect of the Pine Beach Business and the Pine Beach Land are interdependent i.e. they must all proceed to completion contemporaneously.
<b>Settlement</b>	30 days after exercise of option

## Beachmere Business Option

<b>Date of Option</b>	6 September 2022
<b>Grantor</b>	Comiskey Management Services Pty Ltd ACN 115 254 307 as Trustee for Newpub Family Holdings Trust
<b>Grantee</b>	Stara Real Estate Capital & Advisory Pty Ltd ACN 646 102 829

<b>Purchase Price</b>	<p>\$7,000,000 plus stock at valuation to a maximum value of \$180,000</p> <p>Purchase price is subject to adjustment:</p> <p>Additions:</p> <p>Value of Stock</p> <p>Floats</p> <p>Deductions:</p> <p>Value of employee entitlements</p> <p>Jackpots</p> <p>Gratuities</p>
<b>Property</b>	<p>All of the assets of the Beachmere Hotel including:</p> <ul style="list-style-type: none"> <li>• Plant &amp; Equipment</li> <li>• Intellectual Property Rights including business name and domain name</li> <li>• Rights under the lease of the premises from which the business is conducted</li> <li>• Business records</li> <li>• Goodwill</li> <li>• Rights under Liquor Licence</li> <li>• Rights under business agreements</li> <li>• Stock</li> </ul>
<b>Conditions Precedent</b>	<p>Due Diligence (satisfied)</p> <p>Approval to the transfer of liquor licenses to the Company and the issue of a gaming machine licence to the Company from the Office of Liquor and Gaming Regulation</p>
<b>Condition Date</b>	28 February 2023
<b>Nomination</b>	Grantee may nominate a party to exercise the call option.
<b>Interdependence</b>	The options in respect of the Raw Business are interdependent i.e. they must all proceed to completion contemporaneously.
<b>Settlement</b>	30 days after exercise of option

## Beachmere Land Option

<b>Date of Option</b>	6 September 2022
<b>Grantor</b>	Nebula Group Holdings Pty Ltd ACN 616 990 964
<b>Grantee</b>	Stara Real Estate Capital & Advisory Pty Ltd ACN 646 102 829
<b>Purchase Price</b>	\$10,500,000
<b>Property</b>	<p>2 James Road Beachmere 4570</p> <p>Lot 32 on SP 249233</p>
<b>Conditions Precedent</b>	<p>Due Diligence (satisfied)</p> <p>Exercise of the Pine Beach Business Option</p>
<b>Condition Date</b>	28 February 2023



<b>Nomination</b>	Grantee may nominate a party to exercise the call option.
<b>Interdependence</b>	The options in respect of the Pine Beach Business and the Pine Beach Land are interdependent i.e. they must all proceed to completion contemporaneously.
<b>Settlement</b>	30 days after exercise of option

## 20.2 REPORTING

SIML will provide investors with the following reports:

<b>Quarterly</b>	<ul style="list-style-type: none"> <li>• Reports of the actual results achieved by the Fund against budgets and forecasts.</li> <li>• Distribution report</li> <li>• Project updates (if applicable in relation to any development or refurbishment)</li> <li>• Market commentary</li> </ul>
<b>Annually</b>	<ul style="list-style-type: none"> <li>• Taxation and performance reports</li> <li>• Full year results achieved by the Fund against budgets and forecasts</li> <li>• Achievements of the Fund against the Fund's business plan</li> <li>• Portfolio valuation and movements.</li> </ul>

## 20.3 RELATED PARTY TRANSACTIONS

SIML may from time to time face conflicts between its duties to other funds, its own interests, and its duties as corporate director of the Company.

SIML will manage such conflicts in accordance with the Constitutions, ASIC policy and its conflict of interest policy.

SIML has an interest in and is associated with the Investment Manager. The Investment Manager is entitled to fees under the Investment and Administration Agreement. The Investment Manager has been appointed in accordance with SIML's policies on arm's length commercial terms. The Business Manager is not a related party of SIML.

## 20.4 CHANGE OF CORPORATE DIRECTOR

The retirement or removal of SIML as corporate director of the Company is regulated by both the Corporations Act and the Constitution.

If SIML wants to retire as corporate director, then SIML will call a meeting of members of the Company to explain its reason for wanting to retire and to enable members to vote on a special resolution choosing another company to be the new corporate director.

If the members of the Company want to remove and replace SIML as corporate director of the Company, then members can take action under Part 2G.4 of the Corporations Act to enable members to consider and vote on both a special resolution that SIML be removed, and a special resolution choosing another company to be the new corporate director. The quorum for any meeting of members called by or at the request of members (including pursuant to Part 2G.4 of the Corporations Act) is the number of members that together hold at least 25 percent of the shares issued in the Company by value.

## **20.5 CONFLICTING INVESTOR INTERESTS**

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

## **20.6 NO COOLING OFF RIGHTS**

There are no cooling-off rights or cooling-off period that apply in respect of your investment in the Fund.

## **20.7 MINIMUM INVESTMENT**

The Minimum Investment is \$50,000 (or such lower amount as SIML accepts at its discretion). Subsequent investments in the Fund will be at SIML's discretion.

## **20.8 PRICE OF STAPLED SECURITIES**

The price for each Stapled Security issued under this IM is \$1.00.

The issue price for Property Shares issued under this IM is \$0.305.

The issue price for Business shares issued under this IM is \$0.695.

Any interest earned on application monies will form part of the Fund's assets.

## **20.9 REDEMPTION PRICE**

Stapled Securities will be redeemed at a price calculated in accordance with the Constitution, being the net asset value of the Fund on a per Stapled Security basis adjusted by an amount determined by the SIML at its discretion on account of transaction costs and other expenses.

Where the Fund offers a Limited Redemption Facility (see Section 14.2), redemption requests received prior to 4pm AEST on the second last Day of any Quarter are processed using the Redemption Price as at the last Business Day of that Quarter.

Redemption requests received after 4pm AEST on the second last Business Day of any Quarter are processed using the redemption price as at the last Business Day of the following Quarter (unless the Fund in its discretion decides to accept redemption requests received after the final Business Day of the Quarter).

Any redemption request submitted during a particular Quarter which is not satisfied, either in whole or in part, automatically rolls over to the following Quarter as a new request, unless the investor requests otherwise, or the Fund suspends redemptions. Any redemption requests rolled over to the next Quarter do not have priority, but form part of the pool of new redemption requests for that next Quarter.

## **20.10 TRANSFER OF STAPLED SECURITIES**

There will not be any established secondary market for the sale of Stapled Securities. If you want to sell your Stapled Securities, then the Fund may endeavour to assist you however, it is not required to do so. SIML may at its discretion, refuse to register any transfer of Stapled Securities.

## **20.11 GST**

All Fees quoted in this IM are quoted exclusive of GST. The Fund may not be entitled to claim a full input tax credit in all instances

## **20.12 PRIVACY**

SIML collects personal information about you from your application form. SIML uses this information primarily so it can verify your identity and establish your investment in the Fund. SIML will also collect and may use and disclose your personal information to process your application and manage your investment, comply with its obligations under applicable laws and regulations and improve its products and services. SIML may also use your information to provide you with detail of future investment offers made by SIML.

If you do not provide SIML with all the personal information on request, then SIML may be unable to establish and manage your investment in the Fund. The types of organisation to which SIML may disclose your personal information include SIML and its related parties, external parties which provide services in relation to the Fund (e.g. registry service providers and providers of printing and post services), government authorities and professional advisors (including legal and accounting firms, auditors, consultants and other advisors).

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

Please contact SIML if you have any questions about how they handle your personal information, or if you wish to access the personal information it holds about you.

## **20.13 ANTI-MONEY LAUNDERING LAW**

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and its associated rules ("AML/CTF Law") is aimed at addressing money laundering in Australia and the threat to national security caused by terrorism. The AML/CTF Law requires reporting entities, such as SIML, to collect certain information from customers and verify that information to reasonably satisfy themselves the person they are dealing with is who they claim to be. SIML will comply with the AML/CTF Law with respect to the Fund and will therefore collect certain customer identification information (and verify that information) before it issues Stapled Securities to an applicant. You will be required to provide the identification information set out in the application form. SIML will not issue you with Stapled Securities unless satisfactory identification documents are provided.

SIML reserves the right to reject any application where such documents are not provided to it prior to, or accompanying, your application or if it believes on reasonable ground that processing the application may breach any law in Australia or any other country. SIML will incur no liability to you if it does so.



## 20.14 COMPLAINTS AND CONTACTING US

SIML is committed to striving for excellence in relation to its products and services and wants to ensure that it responds to concerns as quickly and efficiently as possible. Despite our best endeavours, we realise that complaints will occur from time to time and, to this end, we have in place comprehensive complaints resolution processes to ensure they are resolved with minimum inconvenience.

If you have a complaint, please contact us on +61 7 3155 7000. If you are not satisfied with the response you receive, you may write to us as follows:

**Post:** Level 1, The Annex, 12 Creek Street Brisbane QLD 4000

**Email:** [enquire@stara.net.au](mailto:enquire@stara.net.au)

Please provide the detail and reason for your complaint and we will endeavour to acknowledge your complaint within one business day or as soon as practicable and we will attempt to resolve the matter and respond within five business days of receipt. A final response may take up to 30 calendar days, depending on the particular circumstances of the complaint.

## 20.15 FATCA AND CRS

The Foreign Account Tax Compliance Act ("FATCA") is tax legislation of the United States of America ("US") that is aimed at reducing tax evasion by US citizens and entities by detecting US taxpayers who use accounts with offshore financial institutions to conceal income and assets from the US Internal Revenue Service ("IRS"). The Australian Government and the US Government entered into an Inter-Governmental Agreement ("IGA") for the reciprocal exchange of taxpayer information as part of the implementation of FATCA. The Common Reporting Standard ("CRS") is the single global standard set by the Organisation of Economic Co-operation and Development ("OECD") for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts.

Both FATCA and CRS obligations are imposed on Australian financial institutions through the operation of Subdivisions 396-A and 396-C of Schedule 1 to the Tax Administration Act 1953 (Cth). The Company may be subject to FATCA and CRS obligations and may be required to obtain and give certain information about investors to the Australian Taxation Office. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

## 21. FAQs, GLOSSARY AND DIRECTORY



## 21.1 FREQUENTLY ASKED QUESTIONS

Q1	<b>If I acquire Stapled Securities will my entitlement to distributions be limited to that generated by assets being acquired under the Information Memorandum?</b>	No, by acquiring Stapled Securities you will participate in the distributions generated by all assets acquired by this Fund including those that may be acquired in the future.
Q2	<b>If I become an investor in the Fund, can I acquire additional Stapled Securities in the future?</b>	Yes, you will be able to participate in any future capital raising for the Fund.
Q3	<b>If I become an investor in the Fund, am I required to acquire more Stapled Securities as the Fund purchases additional assets?</b>	No, however, if additional capital is raised and you do not acquire further Stapled Securities, then your proportionate ownership in the Fund will be reduced.
Q4	<b>If I become an investor but do not acquire additional Stapled Securities, will I be exposed to the additional assets acquired by the Fund?</b>	Yes, you will own a reduced percentage of the total number of Stapled Securities in a larger pool of assets
Q5	<b>Is the Fund likely to acquire additional assets in the next 12 months?</b>	The Fund has a mandate to acquire and develop additional assets. Therefore, it is possible additional assets will be acquired prior to 31 March 2024..
Q6	<b>What happens if the Fund sells one or more of its assets?</b>	Your Stapled Security holding will not change if the sale of an asset occurs during the term of the Fund. SIML may elect to distribute the net proceeds of any sale to investors or to retain them as part of the Fund to acquire additional assets or to further develop existing assets.
Q7	<b>Who determines what assets to buy, develop or sell?</b>	SIML has the responsibility to meet the objectives of the Fund, as described in this IM. The Investment Manager and the Business Manager will provide guidance to SIML on the purchase, development or divestment of assets.



## 21.2 GLOSSARY OF TERMS

<b>ABS</b>	Australian Bureau of Statistics.
<b>AEST</b>	Australian Eastern Standard Time
<b>AFS</b>	Australian financial services.
<b>Businesses</b>	The businesses described in Section 2.1.
<b>Business Day</b>	A day on which banks are open for business in Brisbane, except a Saturday, Sunday or public holiday.
<b>Business Manager</b>	HM&A Co Pty Ltd ACN 658 275 855 (trading as "Venu Plus").
<b>Business Share</b>	A class of share in the Company that is referable to the Business Sub-Fund.
<b>Business Sub-Fund</b>	Stara Venu Business SF ARFN 663 895 190, a registered sub-fund of the Company and whose assets include all shares on issue in SV Operations.
<b>The Company</b>	Stara Venu CCIV ACN 663 880 500.
<b>Constitution</b>	The constitution of the Company as amended from time to time.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth).
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation.
<b>FGC</b>	Freehold going concern – assets which have freehold and business operations in single ownership.
<b>Financial Close</b>	The completion of the acquisition by the Fund (directly or indirectly) of Hotels and Businesses and the issue of Stapled Securities as the context may require.
<b>Gross Asset Value (GAV)</b>	The aggregate amount determined by the most recent valuation of the assets directly and indirectly owned by the Property Sub-Fund and the Business Sub-Fund. The amount includes the gross value of the assets of any subsidiary of the Business Sub-Fund including SV Operations. Please refer to the Valuations Policy outline in Section 14.1 of this IM.
<b>Hotels</b>	The freehold titles to the Pine Beach Hotel Motel and Beachmere Hotel as described in Sections 10 and 12.
<b>IM</b>	This Information Memorandum.
<b>Initial Portfolio</b>	The Businesses and the Hotels.
<b>Investment Manager</b>	Cooee Investment Management Pty Ltd ACN 656 182 302.
<b>Limited Redemption Facility</b>	The quarterly redemption facility summarised in Section 14.
<b>Managers</b>	The Business Manager and the Investment Manager.
<b>Offer</b>	The offer of 75 million Stapled Securities under this IM.
<b>Offer Closing Date</b>	28 April 2023. However, SIML may elect to extend or close the Offer early at its absolute discretion.
<b>Periodic Liquidity Event</b>	The liquidity event/facility summarised in Section 14.
<b>Portfolio</b>	The portfolio of leasehold business and freehold hotels owned (directly or indirectly) by the Fund from time to time.
<b>Property Sub-Fund</b>	Stara Venu Property SF ARFN 663 895 207, a registered sub-fund of the Company and whose assets will include, among other things, real property assets.
<b>Property Share</b>	A class of share in the Company that is referable to the Property Sub-Fund.
<b>Quarter</b>	Each three calendar months ending on the last Business Day of each March, June, September and December.

<b>Revenue</b>	Gross revenues from the trading activities of the Businesses, including but not limited to revenues from Bars, Bottle Shops, Food and Beverage sales and Gaming (net of State Gaming Tax) net of GST.
<b>SIML</b>	Stara Investment Management Limited ABN 49 653 962 871, the holder of AFS licence number 535500, and being the corporate director of the Company.
<b>Stapled Security/ies or Security/ies</b>	Each stapled security consists of a Business Share and a Property Share.
<b>Sub-Fund</b>	Either or both the Business Sub-Fund and the Property Sub-Fund as the context requires.
<b>SV Operations</b>	Stara Venu Operations Pty Ltd ACN 662 003 885 (a company the shares in which are wholly owned by the Company with respect to the Business Sub-Fund)
<b>Venu Hospitality Fund (the “Fund”)</b>	The assets and businesses of the Business Sub-Fund and the Property Sub-Fund are, while separate to each other, collectively referred to as the “Venu Hospitality Fund” or the “Fund” in this IM.
<b>Wholesale Client</b>	Has the meaning given to that term in section 761G of the Corporations Act

## 21.3 CONTACT DIRECTORY

### Corporate Director

Name	Paul Weightman
Address	Level 7, The Annex, 12 Creek Street, Brisbane Qld 4000
Website	<a href="http://www.stara.net.au">www.stara.net.au</a>
Email	<a href="mailto:paul@stara.net.au">paul@stara.net.au</a>

### Business Manager

Name	Adrian Rosato
Address	Unit E, Town Square, Westfield Garden City, Corner Logan and Kessels Roads, Upper Mt Gravatt Qld 4122
Website	<a href="http://www.venuplusmgmt.com.au">www.venuplusmgmt.com.au</a>
Email	<a href="mailto:adrian@venuplus.com.au">adrian@venuplus.com.au</a>

### Investment Manager

Name	Steve de Nys
Address	Level 7, The Annex, 12 Creek Street, Brisbane Qld 4000
Email	<a href="mailto:sdn@desyninvest.com.au">sdn@desyninvest.com.au</a>

## 22. HOW TO INVEST





# HOW TO INVEST

Investors who wish to apply for Stapled Securities in the Venu Hospitality Fund should complete an application online at:

[www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php](http://www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php)

Please note these important dates for the application process.

<b>28 April 2023</b>	Completed applications must be submitted to the online portal no later than 5.00pm AEST on 28 April, 2023
<b>2 May 2023</b>	The subscription for Stapled Securities must be paid in cleared funds before 2 May, 2023.

## 1. Before You Start

Please read the IM and the Application Form before you become a client by committing to subscribe for Stapled Securities in the Fund.

Do not complete the Application Form without making an informed decision. The Company encourages you to consider seeking professional advice.

## 2. Express Interest in the Fund

Before you submit your Application Form – notify the Company of your proposed investment amount for confirmation of an allocation.

## 3. Complete the Application Form

Applications can be completed online at:

[www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php](http://www.olivia123.com/stara-investment-management-pty-ltd/venu-hospitality-fund.php)

## 4. Make payment

Pay for your Stapled Securities in accordance with the instructions in the online portal.

Please use the reference details provided by Olivia 123.



**VENU**  
HOSPITALITY FUND