

The Zagga CRED Fund (Fund or ZCF) is a wholesale fund that aims to provide investors with an attractive rate of return and regular, risk-adjusted income by investing in a specifically curated portfolio of credit-vetted, mortgage-secured loans. The Fund seeks to achieve its targeted return through a mix of high loan-to-value ratios and stretched senior loans within its loan investments. By investing in the Fund, investors can access opportunities not readily available to private investors on a direct basis, while accessing the specialist knowledge and skills of the Investment Manager.

KEY FACTS

| | |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum investment ¹ | \$50,000 for the initial investment Multiples of \$10,000 for any additional investments |
| Investing | Units will be issued on a monthly basis (unless the Trustee decides to value the Fund more frequently) |
| Target return | RBA Official Cash Rate + 4% p.a. |
| Issue Price | \$1.00 (for the first investment) |
| Income distribution | Monthly |
| Access to funds | Subject to maintaining a minimum remaining balance of \$50,000, an investor may redeem part or all of their units only with the consent of the Trustee |
| Redemption Price | Redemption Requests accepted by the Trustee will receive the Redemption Price calculated on the most recent Valuation Date occurring prior to the redemption of units |
| Valuation | The Fund will be valued on the last business day of each month (or more frequently as the Trustee determines) |
| Management fee ² | 0.50% p.a. of the Gross Asset Value (calculated and accrued monthly on the last business day of the month and paid to the Trustee monthly in arrears) |
| Suggested minimum investment time frame | Minimum lock-up period of 12 months from the date of investment, which may be waived at the discretion of the Trustee |
| Research rating | Four-star, SUPERIOR investment grade rating by SQM Research for the underlying Lending Trust |
| Capital Risk | All investments carry some degree of risk. Investors carry the risk of capital losses in ZCF. Neither ZCF nor the Trustee shall be responsible for any loss incurred on any loan funded, except where they have acted unlawfully, recklessly or fraudulently. There is no guarantee of the investment result, the return of capital, or the amounts payable to investors. |
| Taxation | Investors should seek tax and duty advice before completing their application. The Trustee is not responsible for any tax or duty consequences or penalties as a result of an investment in ZCF. Investments by Foreign Investors may be subject to withholding tax and the Trustee is authorised under the Trust to pay such tax, and any other applicable taxes relating to ZCF, out of the Assets and income of ZCF. |

1. The Trustee may alter the minimum amounts specified at any time without prior notice to unitholders.

2. All numbers exclude GST unless otherwise noted and all dollar amounts are in AUD.

WHY INVEST IN ZCF?

If you're looking to diversify your portfolio beyond shares, fixed income and traditional property investments, the ZCF could help you meet more of your goals by investing in the growing opportunities of the Australian CRED market.

The ZCF aims to provide investors with risk-mitigated, stable cash income and capital preservation via a portfolio of investments with exposure to CRE loans. All transactions are secured by registered mortgages against real property in Australia, diversified by borrower, loan type, property sector and location.

- Deeply experienced Investment Manager
- Regular and stable cash distributions
- Attractive returns without commensurate increased in risk
- Capital preservation as loans secured by real property mortgages
- Exposure to the Australian property market without direct property ownership
- Simple investment strategy of investing in only CRED

WHAT IS CRED?

- Commercial Real Estate Debit (CRED) refers to loans made to commercial borrowers who require funding for real estate purposes
- Loans may be used to purchase or develop, vacant land or property buildings
- Land or property is mortgage collateral for the loan, and investors earn income from the fees and ongoing interest paid on the loan
- CRED ranks ahead of equity

Commercial Real Estate Capital Structure

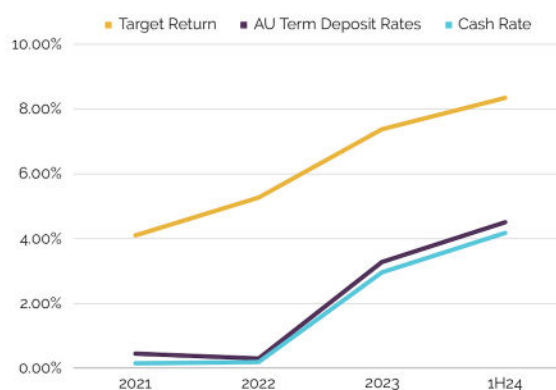
Where does CRED rank in the security and repayment waterfall?

| | | | | |
|----------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------|
| Lowest | ↑ | Risk/Return Scale | ↓ | Highest |
| ZCF ✓ | Senior debt | <ul style="list-style-type: none"> • First ranking security over property • Repaid first from asset safe proceeds | | |
| | Mezzanine debt | <ul style="list-style-type: none"> • Second ranking security over property • Same protections as senior debt but repayment/rights ranks second | | |
| | Equity | <ul style="list-style-type: none"> • Property ownership • Repaid last, after debt | | |

TARGET PERFORMANCE

| FY | 2021 | 2022 | 2023 | 1H24 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| ZCF Target Return | 4.10% ¹ | 5.27% ¹ | 7.38% ¹ | 8.35% ² |
| AU Term Deposit Rates ³ | 0.45% | 0.30% | 3.28% | 4.51% |
| RBA Official Cash Rate | 0.15% | 0.19% | 2.96% | 4.18% ⁴ |

Past performance is not a reliable indicator of future performance.



¹ Indicative rate of return assuming the ZCF was operational in the indicated period

² For the financial year ending 30 June 2024. Calculated as OCR + 4% p.a. Before expenses and any applicable management fees.

³ Average of retail deposit and investment rates; Banks' term deposits (\$10,000); 1 year.

⁴ Average Official Cash Rate financial year to date.

Zagga Investments 2 Pty Ltd (ACN 646 409 476) - Trustee. ZI2 is a corporate authorised representative (CAR No 1284351) of Zagga Investments Pty Ltd (ACN 615 154 786, AFSL 492354) (referred to in this IM as 'ZI' or 'Investment Manager') and is authorised to provide advisory and dealing in connection with the Fund to Wholesale Clients only.

The Unit Registry of the Fund is Automic Pty Limited (ABN 27 152 260 814) (trading as the Automic Group)

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