

The Zagga CRED Fund (Fund or ZCF) is a wholesale fund that aims to provide investors with regular, risk-adjusted income by investing in a specifically curated portfolio of credit-vetted, mortgage-secured loans. The Fund seeks to achieve its target return through senior debt transactions diversified across a mix of geographic locations, sectors, and borrower profiles.

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
Platform availability	BT Panorama HUB24 Mason Stevens Netwealth Praemium ZIA1670AU *Registered as a Foreign Investment Trust with the FSA of Japan
Fund rating	• VERY STRONG investment grade rating by Foresight Analytics • 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 commercial real estate debt (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 increase in risk
- Capital preservation as loans secured by real property mortgages
- Exposure to the Australian property market without direct ownership
- Simple investment strategy of investing in only CRED

WHAT IS CRED?

- 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 for Return Scale ↓ Highest	Senior debt	<ul style="list-style-type: none">• First ranking security over property• Repaid first from asset sale 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	2024	2025
ZCF Return	4.10% ¹	5.27% ¹	7.38% ¹	8.35%	8.99%
AU TD Rate	0.45%	0.30%	3.28%	4.50%	4.11%
AU OCR	0.15%	0.19%	2.96%	4.25%	4.21%

All rates shown as % p.a. Past performance is not a reliable indicator of future performance

AU TD = Australian 12 month Term Deposit Rate

AU OCR = Australian Official Cash Rate.

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

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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