Harvest Hospitality Income Fund

Product Disclosure Statement

Harvest Hospitality Income Property Trust (ARSN 691 523 378)

Harvest Hospitality Income Operator Trust (ARSN 691 523 494)

Responsible Entity
Evolution Trustees Limited
ACN 611 839 519
AFSL no. 486217

Investment Manager
Harvest Hotels Pty Ltd
ACN 613 405 904
Authorised representative no. 001298330

Important information

This product disclosure statement (**Product Disclosure Statement** or **PDS**) is dated 20 November 2025 and relates to the offer of Stapled Units (**Offer**) in the Harvest Hospitality Income Fund (**Fund**). The Fund comprises the Harvest Hospitality Income Property Trust ARSN 691 523 378 (**HHIPT**) and the Harvest Hospitality Income Operator Trust ARSN 691 523 494 (**HHIOT**).

By investing in the Fund, Investors will be issued one ordinary unit in HHIPT and one ordinary unit in HHIOT which are stapled together (**Stapled Unit**).

This PDS is issued by Evolution Trustees Limited ACN 611 839 519, Australian Financial Services Licence (**AFSL**) no. 486217 (**Responsible Entity**, **we**, **us** or **our**) as the responsible entity of the Fund. The Responsible Entity is the issuer of Stapled Units in the Fund.

Harvest Hotels Pty Ltd ACN 613 405 904, (Authorised Representative Number 001298330) is the investment manager of the Fund (**Harvest** or **Investment Manager**). The Investment Manager is a corporate authorised representative of Boutique Capital Pty Ltd ACN 621 697 621, AFSL no. 508011.

The Responsible Entity has also appointed AMAL Trustees Pty Limited ACN 609 737 064, AFSL 483459 (**Administrator**) as the administrator for the Fund.

Updated information

The Offer or invitation to subscribe for Stapled Units under this PDS is subject to the terms and conditions in this PDS. The Responsible Entity reserves the right to change these terms and conditions and the information in this PDS may change from time to time. Information regarding the Fund that is not materially adverse to Investors may be updated by placing such information on the Investment Manager's website at https://harvesthospitality.com.au/funds/harvest-hospitality-income-fund/.

A paper copy of this information is also available free of charge on request by emailing investors@harvesthospitality.com.au.

If there is a change to information contained in, or an omission from, this PDS that is materially adverse to Investors, a new or supplementary PDS will be issued.

Glossary

Certain words and expressions used in this PDS are defined in Section 13 (*Glossary*).

Australian Securities and Investments Commission

A copy of this PDS has not been lodged with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for the content of this PDS.

Target market determination

The Responsible Entity has issued a target market determination (TMD) in relation to the Fund which, among other things, describes the class of consumers whose likely objectives, financial situation and needs the Fund are likely to be consistent with the Fund's 'target market'.

The Responsible Entity and its distributors must take reasonable steps to distribute the Fund to consumers within the target market.

The Fund's TMD can be obtained by contacting the Responsible Entity and is available on the Investment Manager's website at https://harvesthospitality.com.au/funds/harvest-hospitality-income-fund/.

Restrictions on distribution

The Offer is only available to persons receiving this PDS within Australia. Otherwise, this PDS does not constitute an offer of interests in any jurisdiction where, or to any persons to whom, it would be unlawful to make the Offer. This PDS does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than the Stapled Units.

The contents of this PDS do not consider the objectives, financial situation or needs of any particular person. Recipients are strongly encouraged to undertake their own due diligence in relation to the Fund before making an investment. In addition, recipients should read this PDS in its entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund.

To the maximum extent permitted under the law, the Responsible Entity and the Investment Manager disclaim any liability arising from any information provided in this PDS, including any errors or omissions.

By making an investment in the Fund, an Investor warrants and represents to the Responsible Entity and the Investment Manager that they have undertaken their own due diligence in relation to the Offer and an investment in the Stapled Units including without limitation, in relation to the structure of the Fund, its investments, the likelihood of returns from the Fund and the risks associated with investing in the Fund.

No performance guarantee

None of the Responsible Entity, the Investment Manager or the Administrator or their officers, employees, related parties, associates, consultants, advisers and agents, or any other person, guarantees the performance or success of the Fund, the repayment of capital invested in the Fund by an Investor, any particular rate of return on investments in the Fund or (where information about tax is provided) any particular tax treatment.

There can be no assurance that the Fund will achieve results that are comparable to the track record of the Responsible Entity or the Investment Manager, or that the Fund's investment objectives will be achieved.

An investment in the Fund does not represent a deposit with, or a liability of, the Responsible Entity, the Investment Manager, the Administrator or any of their associates.

An investment in the Fund is subject to investment risks which are described in Section 9 (Investment Considerations and risks) of this PDS, including possible delays in repayment and loss of some or all of your income or capital invested.

No personal advice

The information contained in this PDS is general information only and is not personal financial product advice. It does not consider the individual objectives, financial situation, needs or circumstances of any person.

Investors should read the whole of this PDS and assess whether the information is appropriate before making a decision about whether to invest in the Fund. Investors may wish to obtain tailored financial advice reflecting their objectives, financial situation, needs and circumstances from a professional financial adviser.

Investors should not construe the contents of this PDS as tax or investment advice.

No representation other than this PDS

No person is authorised to give any information or to make any representation in connection with the Offer which is not set out in this PDS.

This PDS supersedes any other product disclosure statement, disclosure document or marketing materials given prior to the issue of this PDS to the extent of any inconsistency. Any information or representation in relation to the Offer not contained in this PDS may not be relied upon as having been authorised by the Responsible Entity, the Investment Manager or their advisers.

Forward-looking statements and prospective financial information

Certain information contained in this PDS constitutes 'forward-looking statements' that can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'aim', 'anticipate', 'foresee', 'estimate', 'target', 'intend', 'likely', 'planned', 'continue', 'potential', or 'believe' or the negatives or other variations of those words or comparable terminology.

Furthermore, any projections or other estimates in this PDS, including estimates of returns or performance, are 'forward-looking statements' and are based on certain assumptions that may change.

Whilst there is a reasonable basis for including each of the forward-looking statements in this PDS as at the date of this PDS, due to the various risks and uncertainties, including those set out in Section 9 (Investment Considerations and risks), actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in any forward-looking statements.

The forward-looking statements included in this PDS involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, or are unknown to, the Responsible Entity and the Investment Manager. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, investors are cautioned to not place undue reliance on any forward-looking statements. The same applies to the reliability of prospective financial information within the PDS (for example, in relation to the target returns of the Fund). Investors must note that such prospective financial information is predictive in character only and may be affected by inaccurate assumptions or by unknown risks or uncertainties. The results ultimately achieved by the Fund may differ materially from those stated in the prospective financial information.

Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this PDS are forward-looking statements and subject to this cautionary statement.

Past performance is not a reliable indicator of future performance.

Summary of key documents only

This PDS contains a summary of the terms of the Fund and certain other material documents. However, potential investors should refer to the complete legal documentation for the Fund (available upon request from the Responsible Entity). Investments in the Fund are governed by the Constitutions and associated documents and nothing in this PDS limits or qualifies the powers and discretions conferred on the Responsible Entity and the Investment Manager under those documents. This PDS should be read in conjunction with the Constitutions and associated documents for the Fund. In the event of any inconsistency between the Constitutions and associated documents and this PDS, then the Constitutions and associated documents will prevail to the extent of the inconsistency.

Applications may be rejected

The Responsible Entity reserves the right to evaluate any applications or subscriptions to acquire Stapled Units and to reject any or all of them (in whole or in part), without giving reasons for rejection. Neither the Responsible Entity nor the Investment Manager is liable to compensate any investor for any costs or expenses incurred by any person in reviewing, investigating or analysing any information in relation to the Offer, the Fund or otherwise.

Cooling off rights

No cooling off rights apply to an investment in the Fund under this Offer.

Responsible Entity limitation of liability

Except in certain circumstances prescribed by law, the Responsible Entity enters into transactions in respect of the Fund in its capacity as responsible entity of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the assets of the Fund.

Updated information

The offer or invitation to subscribe for Stapled Units under this PDS is subject to the terms and conditions in this PDS. The Responsible Entity reserves the right to change these terms and conditions and the information in this PDS may change from time to time. Information regarding the Fund that is not materially adverse to Investors may be updated by placing such information on the Investment Manager's website at https://harvesthospitality.com.au/funds/harvest-hospitality-income-fund/.

A paper copy of this information is also available free of charge on request by emailing investors@harvesthospitality.com.au.

Currency

In this PDS any reference to currency, 'A$' or 'AUD' is to Australian Dollars, unless otherwise indicated.

Images

Photographs used in this PDS without descriptions are for illustrative purposes only and should not be interpreted to mean that any person shown endorses the PDS or its content. Diagrams are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this PDS.

Independent financial advice

You should obtain independent professional advice specific to your circumstances and requirements from a licensed investment adviser before deciding to invest in the Fund.

General

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The Responsible Entity authorises the use of this PDS as disclosure to Indirect Investors who access the Fund through an IDPS or IDPS-like scheme (known commonly as a master trust or wrap account or nominee or custody service) and those Indirect Investors may rely on this PDS.

The IDPS Operator is recorded as the Investor and is the person who exercise the rights and receives the benefits as an Investor. Report and documentation relating to the Fund will be sent to the IDPS Operator. Indirect Investors using these services should be aware that they may be subject to different conditions from those set out in this PDS, particularly in relation to:

- arrangements for the application and transfer of Stapled Units;
- fees and expenses;
- distribution calculation and timing; and
- reporting.

Indirect Investors should contact their adviser or IDPS Operator with any queries relating to their investment.

Questions

Any questions regarding this PDS should be directed to the Investment Manager or the Responsible Entity, whose contact details are set out in the Directory on page 94.

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MEMBERS
GOLDEN
NIGHT
EVERY TUESDAY
MEMBERS DRAW STARTING FROM 6:00
EXTENDED GOLDEN HOURS!
MEMBERS Draw
HARVEST GOLD
HARVEST

Dear Investors,

Harvest Hospitality is pleased to introduce the **Harvest Hospitality Income Fund**, committed to pursuing sustainable, regular distributions and capital growth over the medium-to-long term by **unlocking the investment potential in hospitality assets through active management**.

The Fund has been launched to leverage our competitive advantage with a strategy focused on generating income with growth potential, underpinned by four key elements:

1. Investing in diverse, high-quality hospitality assets;
2. Accessing diverse income streams from our venues;
3. Mixed revenue base from real asset backing and contract-based revenues; and
4. Potential investment upside from our active management approach.

With more than a decade successfully sourcing, acquiring and managing Australian hospitality assets, we apply a proven screening methodology centred on favourable demographics, earnings durability, and asset-level value creation. This approach is supported by our scaled operating platform, which is designed to provide investors with **recurring income, quarterly distributions, and participation in capital growth through improved asset performance**. Our target is to deliver investors a total return of 10-12%[1] over the medium to long-term (5 years).

Investment Highlights:

- Embedded resilience and expected ongoing growth of the hospitality sector, with expanding underlying revenues across food and beverage, gaming and accommodation
- Proven investment strategy executed by an experienced venue owner-operator with a scaled operating platform
- Experienced management team with long-standing expertise in venue operations and funds management.

Why invest with Harvest?

Established in 2014, Harvest has developed an operating platform that leverages its unique operating style, scale, systems, people and quantitative selection criteria to create experiences across a range of operating hospitality assets.

Harvest is recognised as one of Australia's leading hospitality investment managers, currently overseeing $340 million in assets[2]. Since its inception 11 years ago, Harvest has enhanced its expertise in acquisition, management, development, and divestment through the ownership of 18 venues across New South Wales and South Australia, establishing a proven track record for its wholesale investors.

We invite you to review the enclosed material to understand more about this compelling opportunity. Please reach out to myself or the team for further enquiries. We look forward to welcoming you as an investor in our Fund.

Regards,

Chris Cornforth
Group CEO

1. Pre-tax, post all fees. Target returns are estimates only and not a guarantee of future performance
2. As at 30 September 2025 (inclusive of assets under contract for sale)

About Harvest and the Harvest Hospitality Income Fund

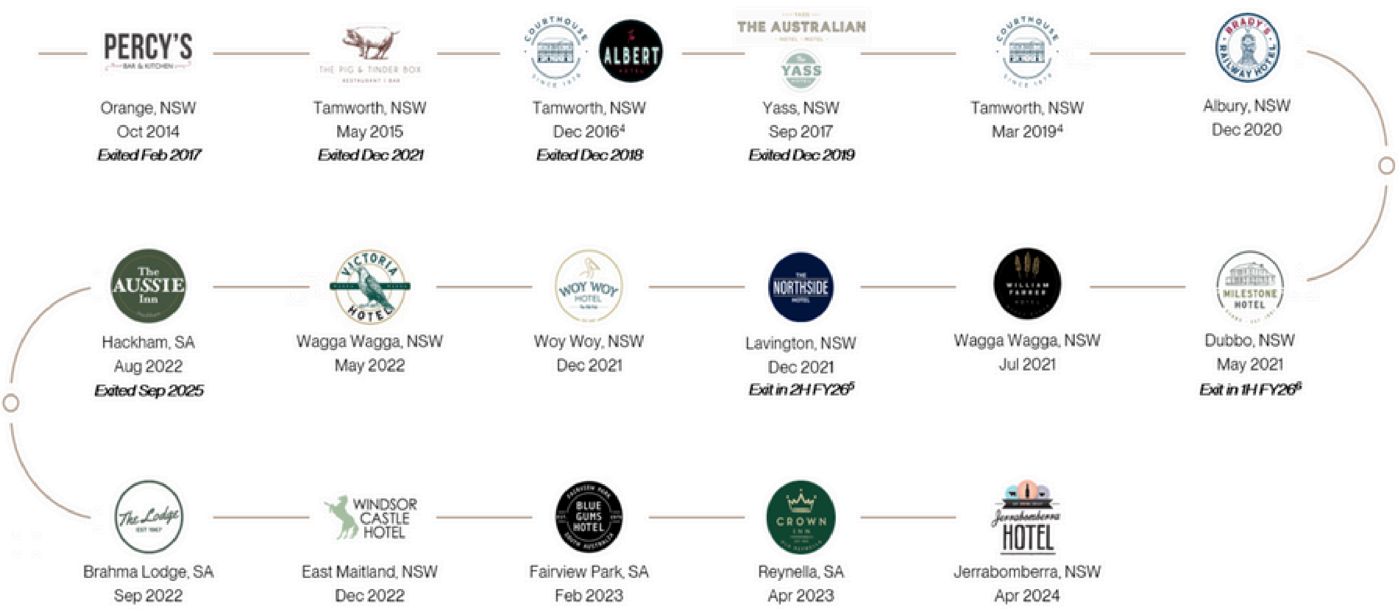
About Harvest

Established in 2014, Harvest is a specialist manager of hospitality assets with a proven track record of delivering attractive returns to its investors by unlocking the investment potential of hospitality assets through active management.

$340 million AUM[3]	12 venues across NSW and South Australia
Scale benefits from multi-venue ownership	500+ employees

Our historical and current portfolio of hospitality assets spans New South Wales and South Australia, with twelve current venues held across two closed-end funds:

- 9 venues in regional NSW (including Wagga, Albury, Tamworth, Maitland, Dubbo, Woy Woy and Jerrabomberra), and
- 3 venues in suburban Adelaide



About the Harvest Hospitality Income Fund

The objective of the Fund is to deliver sustainable and regular cash distributions and capital growth over the medium-long term from investments in mature hospitality assets which meet Harvest's origination screening criteria.

3. Assets under management as at 30 September 2025 (inclusive of assets under contract for sale)
4. Separate interests in the Albert Hotel and the Courthouse Hotel were amalgamated and sold to a fund managed by the Investment Manager
5. Sale under contract and expected to settle in 2H FY26
6. Sale under contract and expected to settle in 1H FY26

This strategy will leverage Harvest's deep sector expertise as well as the Harvest operating platform and management approach which is designed to deliver sustainable operating income from the assets, in turn driving income distributions to investors with some capital growth.

01 Diverse Hospitality Assets
- Freehold Only
- Freehold Going Concern
- Leasehold Only

02 Diverse Income Streams
- Food and beverage
- Gaming / experiences
- Accommodation
- Rent

03 Stability at the Core
- Real asset backing
- Contract-based revenues
- Mature hospitality assets / operating earnings

04 Upside from Active Management
- Centralised platform
- Procurement advantages
- Capital investment
- Community engagement

Investment Highlights

Tailwinds

Expected continued sector tailwinds in hospitality

Hospitality as a sector has proven resilient, growing through different macro and other challenges. Underlying revenue drivers remain strong into the future

Scale and Track Record

Harvest's active management and scaled operating platform can pursue strong returns

Highly customised methodology to acquire well, operate with high sophistication and leverage the broad Harvest platform to execute on each venue's strategic plan

Expertise

Highly experienced management team at the helm

At our heart we are publicans, complemented by disciplined investment management expertise and experience

Harvest Senior Executives: James Hann, Mark Pratt, Chris Cornforth, Fraser Haughton, Renee Bowden and Aaron Day

Section 1

Investment Summary

Investment Summary

This section provides a summary of the key features of an investment in the Fund. It is not intended to be exhaustive. For more detailed information please refer to the relevant section of the PDS noted in the column on the right. You should read this PDS in its entirety to make an informed decision about whether to invest in the Fund.

Key features	Summary	More information
Fund name	Harvest Hospitality Income Fund (**Fund**), which comprises Harvest Hospitality Income Property Trust ARSN 691 523 378 (**HHIPT**) and Harvest Hospitality Income Operator Trust ARSN 691 523 494 (**HHIOT**).	n/a
How to invest	To apply to become an Investor, you should read this PDS in its entirety. Applications can be made online at https://harvesthospitality.com.au/funds/harvest-hospitality-income-fund/. Please refer to Section 12 (How to invest) for further information on how to invest in the Fund.	Section 12
Minimum subscription amount	$15,000,000 The Fund is targeting to raise this amount within four months of the date of issue of the PDS. If this amount is not raised within that four-month period, the offer period for retail investors may be extended.	Section 3.2
Minimum investment	The minimum initial investment in the Fund is $10,000 and the minimum additional investment in the Fund is $1,000. The Responsible Entity may vary the minimum initial investment and the minimum additional investment at its discretion from time to time.	Section 3.2
Minimum holdings	The minimum holding in the Fund is $10,000. The minimum withdrawal amount is also $10,000. The Responsible Entity may vary the minimum holding and minimum withdrawal amount at its discretion from time to time. If an Investor makes a withdrawal request which, if processed, would leave them with less than the minimum holding amount, the Responsible Entity may, in its sole discretion, treat the request as a request to withdraw their entire investment.	Section 3.2
Responsible Entity	The Responsible Entity of HHIPT and HHIOT is Evolution Trustees Limited ACN 611 839 519, AFSL no. 486217. The Responsible Entity provides fiduciary and advisory services to major domestic and international institutions, including pension funds, insurance companies, banks and global asset management firms. Evolution currently has A$26.2bn in funds under supervision.	Section 7.1

Key features	Summary	More information
Investment Manager	The Investment Manager of the Fund is Harvest Hotels Pty Ltd ACN 613 405 904, Authorised rep no 001298330. The role of the Investment Manager is to procure investment opportunities and manage the Fund's investments on a day-to-day basis.	Section 7.2
Administrator	The Administrator of the Fund is AMAL Trustees Pty Limited ACN 609 737 064, AFSL no 483459.	n/a
Investment structure	The Fund consists of two stapled registered managed investment schemes, being HHIPT and HHIOT. The Fund is an unlisted trust and will acquire real property assets and operating businesses in the hospitality sector. The real property assets of the Fund will be held in Harvest Hospitality Income Property Sub-Trust, a wholly owned sub trust of HHIPT (**Sub Trust**). Harvest Hospitality Income Property Sub-T Pty Ltd, a related party of the Investment Manager, will be the trustee of the Sub Trust (**Sub Trustee**). The business assets of the Fund will be held in Harvest Hospitality Income Operator Company Pty Ltd, a company wholly owned by HHIOT (**Operating Company**). Accordingly, references to the Fund’s investments in this PDS should be interpreted as investments held within the Sub Trust or the Operating Company.	Section 3.1
Fund portfolio	The Fund's assets will consist primarily of the following types of real property assets in the hospitality sector: • freehold going concern venues with mature and sustainable operating earnings and minimal requirements for material capital works, • freehold only venues with long tenure leases (or with options) to quality operators, and • leasehold only venues with longer tenure leases, predictable cashflows with operating upside, operated by the Venue Operator (a related party of the Investment Manager). Investors can access up to date information on the Fund's investment portfolio in the RG 46 disclosures, which are available on the Fund Website.	Section 2.4

Key features	Summary	More information
Investment objective and strategy	The Fund's investment objective is to provide investors with sustainable and regular cash distributions and capital growth over the medium to long-term from investments in mature hospitality assets which meet the Investment Manager's origination screening criteria. The Fund's strategy will be to acquire and/or operate a diverse portfolio of hospitality assets which are able to generate income from sources including food and beverage, gaming/experiences, accommodation and rent. This strategy will leverage Harvest's deep sector expertise as well as the Harvest operating platform and management approach to deliver sustainable operating income from the assets, in turn driving income distributions to investors with some capital growth. Assets may then be sold when the Investment Manager believes market conditions are optimal for maximising sale value. The Fund is targeting a distribution yield of 6-8% per annum and an internal rate of return (**IRR**) of 10-12%[7] over the medium to long-term (5 years).	Section 2.2
Investment term	The Fund is open-ended and it has no fixed termination date. Investors will have no ability to request withdrawal of their investment during the first two years of the Fund. See "Withdrawals and liquidity" below for details of the limited withdrawal offers and liquidity events.	Section 3.2
Gearing	The Fund may borrow to acquire assets for the Fund. Borrowing will not exceed 50% of the total assets of the Fund. If the value of the Fund's assets fall resulting in an increase to the gearing above 50%, then the Investment Manager will implement strategies to restore the level of gearing to below 50%. The Investment Manager has a target gearing level of between 35% - 50%.	Section 11.2
Distributions	The Responsible Entity intends to pay distributions quarterly. Investors will receive distributions in cash unless Investors elect to have their distributions automatically reinvested into the Fund to acquire new Stapled Units.	Section 5.5
Fees and costs	Investors are charged the following fees and costs (exclusive of GST): • Management fees and costs	Section 8

7. Pre-tax, post all fees. Target returns are estimates only and not a guarantee of future performance

Key features	Summary	More information
	◦ **management fee of 0.85% per annum** of the Gross Asset Value of the Fund at the end of each calendar month (or any part period) payable monthly in arrears; ◦ **Responsible Entity fee** of 0.05% per annum of the Gross Asset Value (calculated based on a Gross Asset Value of up to $400 million) or $60,000 (whichever is higher) payable within 14 days after the end of each month or any part period; ◦ **custody fee** of 0.02% of the Gross Asset Value (calculated based on a Gross Asset value of up to $600 million) or $20,000 (whichever is higher) payable within 14 days after the end of each month or any part period; ◦ expenses (excluding abnormal expenses) estimated at 0.50% of the Gross Asset Value. • **Performance Payment of 15% of the Fund's outperformance over an IRR of 8.0% per annum** (pre-tax, net of fees). The Performance Payment is calculated on each Calculation Date and is only payable where the NAV per Stapled Security at the end of the calculation period exceeds the highest NAV per Stapled Security at the end of any previous calculation period in respect of which a Performance Payment has been paid. • **transaction costs** which are costs incurred by the Fund for, among other things, buying and selling direct property and other Fund assets and entering into debt facilities and interest rate hedging products. Transaction costs include brokerage, stamp duty, legal and tax advice and property settlement costs including: ◦ **acquisition fee of 1.0%** of the Acquisition Value of any asset (excluding cash deposits) acquired by the Fund; and ◦ **disposal fee of 1.0%** of the gross sale price of any asset (excluding cash deposits) disposed of by the Fund. Please refer to Section 8 for a detailed explanation of fees and costs.	
Risks	Investors will be exposed to all of the risks involved in investing in property. The key risks associated with the Fund and its investments are described in Section 9.	Section 9
Withdrawals and liquidity	Investors will not have any right to withdraw from the Fund. However, the Responsible Entity intends to offer limited liquidity to Investors to enable them to redeem their investment, as described below. Please note, the nature of property as an investment class means the Responsible Entity may not be able to offer the liquidity opportunities it intends to offer in all circumstances. The Responsible Entity is not required to offer liquidity to Investors.	Section 5.4

Key features	Summary	More information
	Limited Liquidity Facility Every six months after the second anniversary of the Commencement Date the Responsible Entity intends to provide Investors with an opportunity to withdraw. The amount made available under each Limited Liquidity Facility will be up to 2.5% of the Net Asset Value per six monthly period (capped at a maximum withdrawal value of 5% p.a.). The Responsible Entity may in its sole discretion increase or decrease the amount available for a given six-month period. If the aggregate value of withdrawal requests received as part of a Limited Liquidity Facility exceeds available funds, the Responsible Entity will scale back the withdrawal requests on a pro rata basis and the unmet portion will be cancelled. Where a Limited Liquidity Facility is offered, Investors wishing to participate must submit their withdrawal requests by 4:00 pm, 15 Business Days prior to the end of the relevant six-month period. The Responsible Entity has the ability to accept requests after this time at its discretion. Proceeds from accepted withdrawal requests are generally paid within 40 days of the close of the Limited Liquidity Facility offer period, however the Responsible Entity is allowed up to 365 days in which to accept any withdrawal requests. **Periodic Liquidity Events** The Responsible Entity intends to offer a Periodic Liquidity Event on each fifth anniversary of the Commencement Date when, subject to its obligations under law, the Responsible Entity will use reasonable endeavours to provide liquidity to Investors wishing to redeem all or some of their investment in the Fund. The Responsible Entity will seek to satisfy withdrawal requests made in response to a Periodic Liquidity Event within 6 months following the close of the Periodic Liquidity Event offer period, but is allowed up to 365 days in which to accept any withdrawal requests. There may be circumstances where the Responsible Entity 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 of this may include periods of significant market stress or lack of liquidity in real estate markets.	
Taxation	The Investment Manager anticipates that a proportion of distributions will be tax-deferred for Australian tax residents. A tax deferred distribution should not be assessable income for an Investor but rather reduce the tax	Section 10

Key features	Summary	More information
	cost base of the units in the Fund. Once an Investor's tax cost base is reduced to nil, any further tax deferred distribution should give rise to a capital gain. An advantage of the investment structure is the ability of the Fund to pass on tax deferred distributions (which arise from non-cash deductions such as plant and equipment depreciation) as well as imputation credits to Australian tax residents once the Fund is in a tax paying position.	
Reporting	Investors will receive quarterly updates on the Fund (which contain information regarding the Fund's performance and current investments), transaction confirmations, distribution statements, periodic statements and an annual taxation statement. Investors are also able to use the Fund Website to keep track of the Stapled Unit price, current information on investments and other important information about the Fund, such as the RG 46 disclosures.	Section 11.12
Cooling off	No cooling off rights apply to an investment in the Fund. Indirect Investors should consult their IDPS Operator about any cooling off rights they have in relation to their investment.	Section 11.1
Valuation policy	The Investment Manager's valuation policy for the Fund requires the Fund's assets to be independently valued before the asset is purchased on an "as is" or "as if complete" basis (as appropriate). Once acquired, an updated valuation will be obtained: • for freehold only venues: at least once every 24 months; • for freehold going concern venues: at least annually; and • for leasehold only venues: at least annually. Valuations may be obtained more frequently subject to the Investment Manager determining that there is likely to be a material change in the value of a property.	Section 11.4
ASIC relief	The Responsible Entity has applied to ASIC for relief from some provisions of the Corporations Act, where relief is customary and necessary to operate the Fund as a stapled entity (**ASIC Relief**). At the time of issue of this PDS, the ASIC Relief has not yet been granted by ASIC. The Responsible Entity has no reason to believe the ASIC Relief will not be granted and will not issue any Stapled Units to prospective Investors until the ASIC Relief has been granted. For further information regarding the relief applied for, see Section 11.7.	Section 11.7

Section 2

About the Fund

About the Fund

2.1 Investment Objective

The Fund's investment objective is to provide Investors with sustainable and regular cash distributions and capital growth over the medium to long-term from investments in mature hospitality assets which meet the Investment Manager's origination screening criteria.

The Fund is targeting a distribution yield of 6-8% per annum and an IRR of 10-12%[8] over the medium to long-term (5 years).

The target return is not a forecast or guaranteed. It is predictive in character only and may be affected by inaccurate assumptions or by unknown risks or uncertainties. The results ultimately achieved by the Fund may differ materially from those stated in the prospective financial information.

2.2 The Investment Strategy

The Fund's strategy will be to acquire and/or operate a diverse portfolio of hospitality assets which are able to generate income from sources including food and beverage, gaming/experiences, accommodation and rent.

The Fund's assets will consist primarily of the following types of real property assets in the hospitality sector:

- freehold going concern venues with mature and sustainable operating earnings and minimal requirements for material capital works,
- freehold only venues with long tenure leases (or with options) to quality operators, and
- leasehold only venues with longer tenure leases, predictable cashflows with operating upside, operated by the Venue Operator (a related party of the Investment Manager).

This strategy will leverage Harvest's deep sector expertise as well as the Harvest operating platform and management approach to deliver sustainable operating income from the assets, in turn driving income distributions to investors with some capital growth. Assets may then be sold when the Investment Manager believes market conditions are optimal for maximising sale value.

8. Pre-tax, post all fees. Target returns are estimates only and not a guarantee of future performance

2.3 Investment Benefits

The potential benefits of investing in the Fund include:

1. embedded resilience and expected ongoing growth of the hospitality sector, with expanding underlying revenues across food and beverage, gaming and accommodation
2. proven investment strategy executed by an experienced venue owner-operator with a scaled operating platform
3. exposure to a diverse portfolio of hospitality sector assets
4. income from Fund assets (operating income from assets which the Operating Company is operating and rental income from assets which are owned by the Fund and leased to and operated by third parties)
5. potential capital growth of real property assets owned by the Fund
6. experienced management team with long-standing expertise in venue operations and funds management.

An investment in the Fund comes with risks. You should refer to Section 9 for more information about the risks associated with this investment.

2.4 Target asset allocation

The Fund is being launched under this Offer and therefore does not currently own any assets. The Fund will acquire assets in accordance with the Investment Strategy and the Investment Manager's selection criteria. Set out in the table below is the target allocation among the different types of hospitality sector assets that the Fund will invest in.

Hospitality asset type[9]	Target asset allocation
Freehold only[10]	20-40%
Freehold going concern[11]	30-40%
Leasehold only[12]	20-30%

The target asset allocations are a guide only and, at times, the actual asset composition of the Fund may be different from the targets set out above. It will also be influenced by various factors including the number of available opportunities, competitor demand and the ability to secure assets at suitable prices. The Investment Manager reserves the right to change the target allocations in the future. Investors are able to access details of the Fund's portfolio on the Funds Website and in the RG 46 disclosures, which will also be available on the Fund Website.

2.5 Investment Manager process

Harvest's active management and scaled operating platform means buying well and leveraging its scaled operating platform to execute well, with the goal of providing income with growth potential to investors and unlocking the investment potential of hospitality assets.

9. Excludes cash which is expected to represent between 0.5% and 5.0% of total assets
10. Freehold assets owned by the Fund but typically leased to unrelated third-party operators
11. Freehold assets owned and operated by the Fund
12. Freehold assets owned by an unrelated third party but operated by the Fund under a lease

Origination

The Investment Manager's origination process is founded on the following three-prong strategy:

Step 1: Growth corridors

- Initially assessing broad geographic areas (i.e. at state level through to local government areas) where the Investment Manager has confidence it can identify, purchase and operate venues capable of delivering returns consistent with the Fund's objectives. This is followed by both a negative screen to ensure those target areas within a target region are both likely to experience growth yet resilient to macroeconomic shocks, and supplemented by an assessment of expected growth within those target regions, e.g. analysis of investment in housing stock, new infrastructure or transport-related projects.

Step 2: Favourable demographics

- Analysing the demographics within chosen regions to ensure those regions meet target thresholds for our four core customer segments, being retirees and trade workers (weekday trade), 20-to-34-year-olds (late night trade) and families (pre-evening and weekend trade). In combination, these customer segments would be expected to maintain a diverse but stable revenue base.

Step 3: Asset specific evaluation

- Once an investment opportunity has been identified, the Investment Manager undertakes asset-specific due diligence to ensure there are sufficient underlying revenues, assess the asset's competitive positioning within its market, and ensure that there are opportunities for the Investment Manager to increase value through delivery of operational efficiencies and/or development potential.

Execution

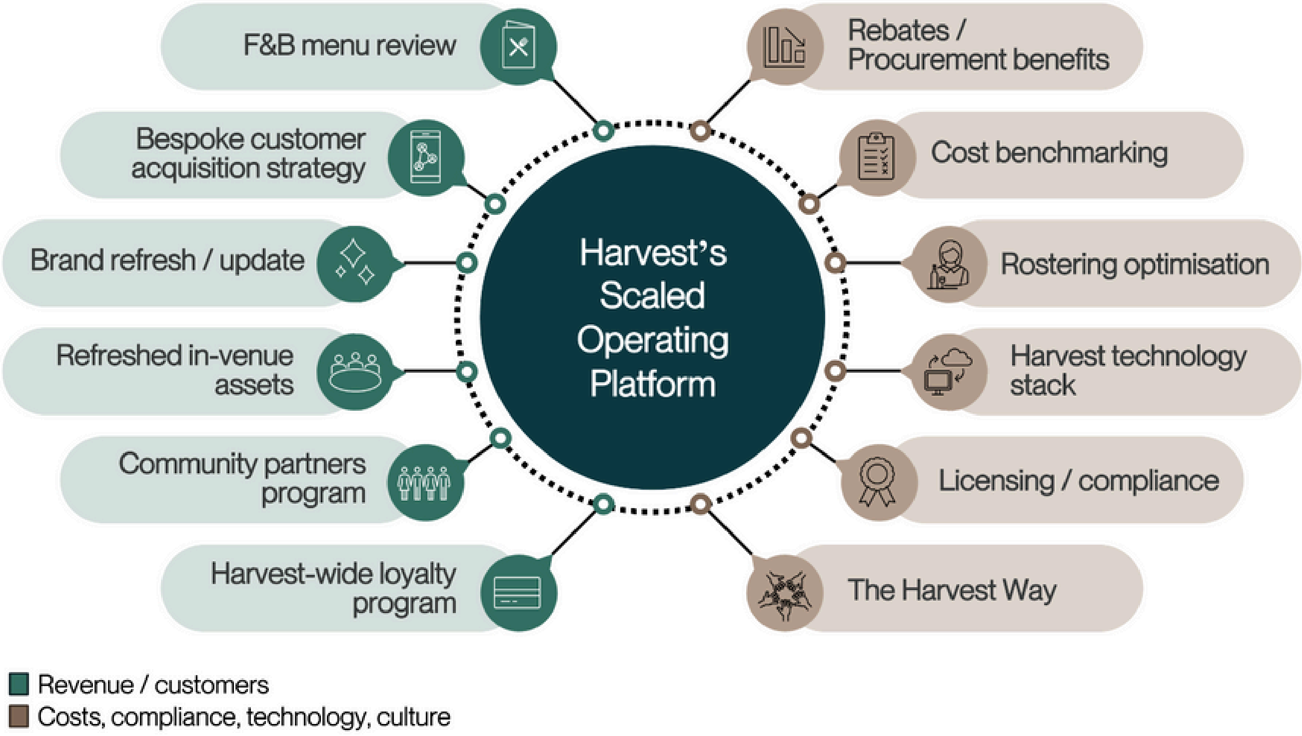
The Investment Manager's execution process is centred on three value-accretive pillars:

Immediate value capture, post-acquisition integration and cosmetic upgrades

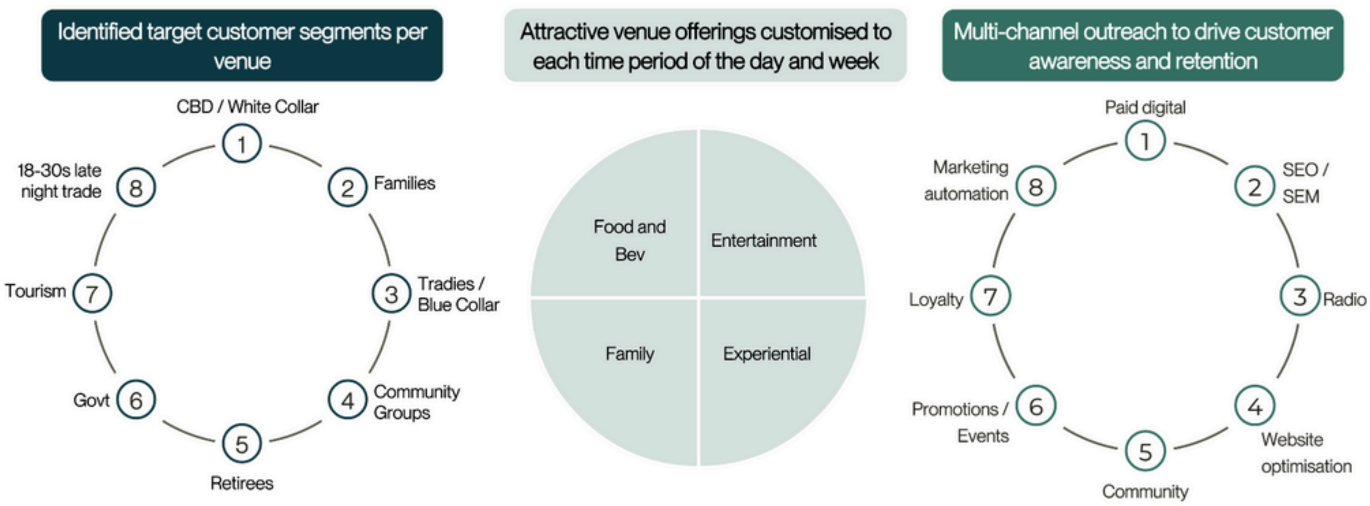
Tailored strategy to broaden customer segments

Continuous earnings improvement strategies

Step 1: **Immediate value capture, post-acquisition integration and cosmetic upgrades**
On the acquisition of a venue, the Investment Manager leverages its scaled operating platform to drive immediate value capture, integration and cosmetic upgrades.



Step 2: **Tailored strategy to broaden customer segments**
The Investment Manager implements a tailored customer acquisition strategy to broaden each venue's customer segments.



Step 3: Continuous earnings improvement strategies
The Investment Manager implements a series of improvements ranging from foundational business elements through to revenue uplift and cost optimisation measures.

Foundational

Reporting analysis 01
Weekly venue-by-venue management reporting to inform decision-making

Fundamentals & training 02
Continually deliver staff training in line with Harvest Pub Fundamentals

Revenue

Patronage uplift 03
Refine weekly marketing activities to drive increases in line with our target customer segments

Community partners 04
Continued engagement to position us centrally within our communities

Costs and margins

Refine offering 05
Continually adjust food and beverage offering and optimise rebates

Cost focus 06
Continued roster optimisation to balance customer experience and our margins

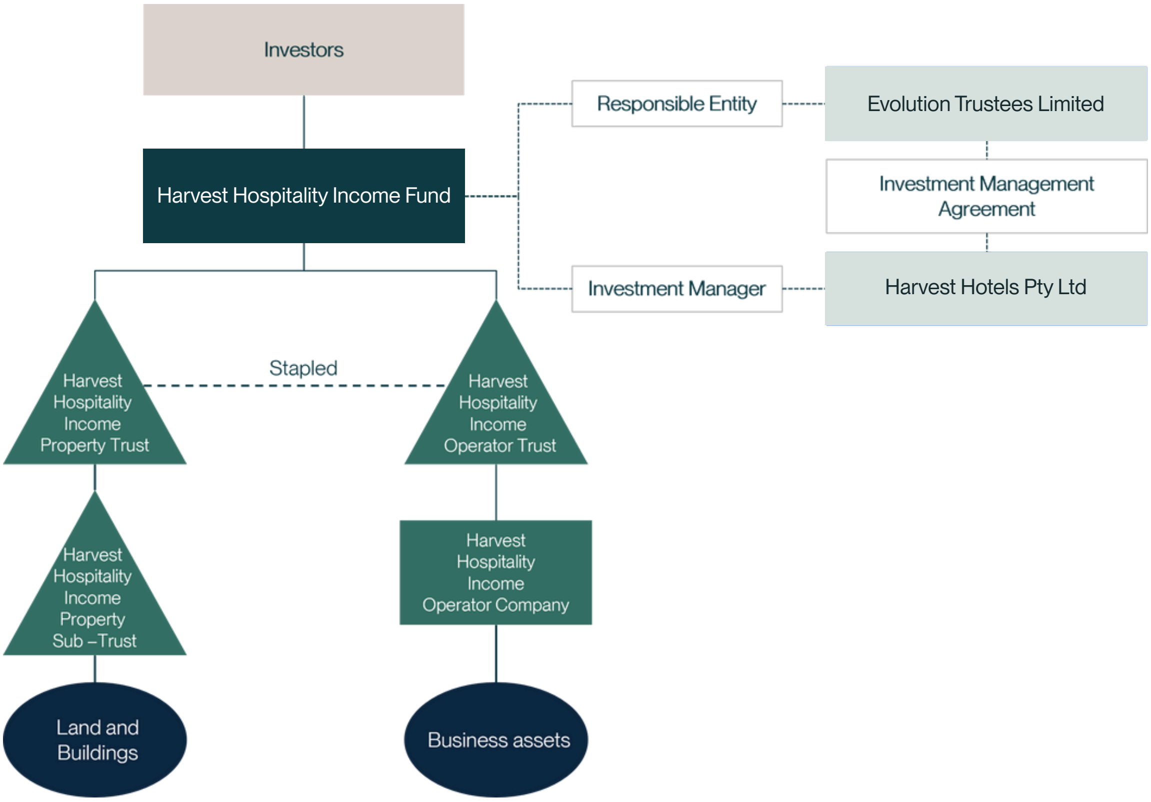
Section 3

Investment Overview

Investment Overview

3.1 Structure

Below is a diagram of the structure of the Fund.



The Fund is open-ended, which means it is intended the Fund will remain open for investment at any time. Applications to invest will be processed monthly.

The Fund consists of two registered managed investment schemes, being HHIPT and HHIOT, each established under its own respective Constitution, as well as the Sub Trust and the Operating Company which are established under separate constituent documents.

An investment in the Fund consists of a unit in HHIPT and a unit in HHIOT. Each Unit in HHIPT will be stapled to a Unit in HHIOT, meaning they are dealt with as if they were a single security and they cannot be transferred separately from one another. The stapling of the Units is permitted and governed by the Constitutions. The Responsible Entity, in its capacity as responsible entity of HHIPT and in its capacity as responsible Entity of HHIOT, will also, subject to the granting of the ASIC Relief, enter into the Stapling Deed. Accordingly, once the Stapling Deed has been entered into, a Unit in either HHIPT or HHIOT cannot be issued, transferred or redeemed unless the corresponding Unit in the other trust is issued, transferred or redeemed.

Each Stapled Unit provides the Investor with an equal undivided beneficial interest in the net assets of the Fund as a whole, but an Investor does not have an interest in any particular asset.

Each Constitution (in addition to the Corporations Act and general law) sets out the Responsible Entity's powers, duties and obligations, as well as the rights of Investors. Together with this PDS and the Stapling Deed, the Constitutions will also set out the framework under which HHIPT and HHIOT operate.

Investors' Application Money will be pooled and may be used by the Responsible Entity in conjunction with debt financing, to purchase freehold Properties or acquire leasehold interests in a hospitality venue via the Sub-Trust (freehold properties) or Operating Company (leasehold properties). HHIPT and HHIOT will own 100% of the units in the Sub-Trust and shares in the Operating Company respectively, which provides Investors with indirect exposure to the Fund's assets.

3.2 Offer of Stapled Units

The Fund is aiming to raise a minimum of $15,000,000[13] under this Offer and the Investment Manager intends to grow the Fund to circa $500 million over time.

The Fund is open-ended, meaning that the Responsible Entity will continuously be able to issue Stapled Units on terms set out in the Constitutions and this PDS. Under the Constitutions, there is no specific term of the Fund (except where required by law). Other than as required by law, the Constitution does not require the Fund to come to an end at a specified time.

The minimum initial investment in the Fund is $10,000 and the minimum additional investment in the Fund is $1,000.

The Responsible Entity may vary the minimum initial investment and the minimum additional investment at its discretion from time to time.

The minimum holding in the Fund is $10,000. The minimum withdrawal amount is also $10,000. The Responsible Entity may vary the minimum holding and minimum withdrawal amount at its discretion from time to time. If an Investor makes a withdrawal request which, if processed, would leave them with less than the minimum holding amount, the Responsible Entity may, in its sole discretion, treat the request as a request to withdraw their entire investment.

Indirect Investors should contact their IDPS Operator for minimum transaction balance requirements.

13. The Offer will not proceed until the Responsible Entity has received applications for the Minimum Subscription Amount and the ASIC Relief has been granted

Section 4

Potential Seed Assets

Potential Seed Assets

This section identifies potential opportunities for acquisition by the Fund which meet the Fund's investment criteria. The assets described in this section are currently under offer, in exclusive due diligence or under contract and, subject to the Investment Manager being satisfied with its due diligence enquiries and the Fund raising sufficient capital, it is expected they will be acquired. However, neither the Investment Manager, nor the Responsible Entity can provide any guarantees these assets will become assets of the Fund[14].

Investors should note that, while the acquisition of the proposed seed assets is subject to the Minimum Subscription Amount being raised, the Fund will not be able to acquire all of the potential seed assets if only the Minimum Subscription Amount is raised. It is therefore possible that, where the amount raised is not sufficient to acquire all of the potential seed assets, the Responsible Entity will undertake future capital raising to raise the capital required to acquire additional potential seed assets.

4.1 Brady's Railway Hotel

Brady's Railway Hotel (currently owned and operated by a fund managed by the Investment Manager) is a large-format venue in central Albury. The venue offers traditional pub fare, a public bar with TAB and sports viewing, gaming and a large outdoor beer garden and kids play area. **This venue is under exclusive due diligence.**

Highlights

- **Revenue streams:** Bar, kitchen, bottle shop, gaming
- **Asset type:** Freehold going concern
- **Region / Demographics:** Albury is a well-established, growing regional centre that is positioned as a gateway city between Sydney and Melbourne and benefits from strong regional tourism
  - Strong demographic screening: High proportion of residents across key customer segments, supporting a diverse and stable weekly trade flow at the venue
- **Infrastructure spend:** Albury is benefitting from significant infrastructure investment across healthcare, essential services, education and tourism totalling ~$1.0bn over the long-term[15]
- **Location:** Brady's is located in Albury's CBD and ~300 metres from the train station
- **Venue highlights:** Mature venue with stable, growing earnings underpinned by diverse revenue streams. Recently renovated, having undergone major capital works in 2021, and with further upside potential through minor capital works

Investment Strategy

Intention to undertake capital works of ~$800k to transform the currently unused upstairs space into a functions area, create an experiential offering in dormant accommodation rooms (virtual golf, darts, laser shooting, etc.) and refresh the gaming room.

14. The acquisition of the proposed seed assets is also subject to the ASIC Relief being granted
15. https://www.alburycity.nsw.gov.au/news/2025/may/securing-alburys-future-together-strategic-plans-guide-$1bn-investment-in-growing-city

4.2 South-east Queensland Freehold Going Concern

The venue is a large format high-exposure venue close to the Brisbane CBD and includes a growing catchment of young professionals, students, and families.

This venue is under contract, with settlement expected in April 2026.

Highlights

- **Revenue streams:** Bar, kitchen, bottle shop, gaming
- **Asset type:** Freehold going concern
- **Region / Demographics:** Region performs strongly against Harvest's screening criteria
  - Strong region screening against population size and growth criteria
  - Strong demographic screening for customer segments: families, 20- to 34-year-olds and tradies
  - Strong asset-level screening for weekly revenue
- **Infrastructure:** The recently approved Woolloongabba Priority Development Area Scheme is in close proximity to the venue, designed to fast-track the delivery of over 16,000 homes for up to 24,000[16] residents
- **Location:** The venue is located near Brisbane's CBD and is in close proximity to the Gabba as well as public transport options and tourist attractions
- **Venue highlights:** Mature venue with strong food and beverage and gaming trade supported by recent renovations to the public bar. Further upside potential through further capital works to utilise first floor and balcony.

Investment Strategy

In conjunction with leveraging recent renovations using Harvest's scaled operating platform, the strategy is further focused on upgrading the gaming room and activating the first-floor function space. Detailed strategy will be finalised during the immediate post-acquisition period.

16. https://www.edq.qld.gov.au/our-work/priority-development-areas-pda/woolloongabba

4.3 Coastal NSW Leasehold

This venue is a large format high-exposure pub situated along NSW's mid-north coast with ocean views.

This venue is under offer.

Highlights

- **Revenue streams:** Bar, kitchen, bottle shop, gaming, accommodation
- **Asset type:** Leasehold
- **Region / Demographics:** Region performs strongly against Harvest's screening criteria
    - Strong region screening against population size and growth criteria
    - Strong demographic screening for customer segments: families, 20- to 34-year-olds and tradies
    - Strong asset-level screening for weekly revenue
    - Popular tourist destination with 2,583k annual domestic night stays in 2024[17]
- **Location:** Situated in the heart of the region's commercial centre, the venue is adjacent to the beach, wharf / marina, and local shopping precincts
- **Venue highlights:** Mature venue with diverse revenue streams and beachfront views. Further upside potential through minor improvements across all departments at the venue.

Investment Strategy

In conjunction with leveraging Harvest's scaled operating platform to drive further efficiencies at the venue, the strategy is to undertake minor aesthetic upgrades across the accommodation, bar and bistro as well as updates to the gaming fleet. Detailed strategy will be finalised during the due diligence and immediate post-acquisition period.

17. https://www.tra.gov.au/en/domestic/domestic-tourism-results

Section 5

How the Fund operates

How the Fund Operates

5.1 How to invest

Investors can apply to invest in the Fund by completing an Application Form, complete any further KYC/FATCA checks that are required and pay the Application Money.

You should read the entire PDS before deciding whether to invest in the Fund. Please pay particular attention to the risks set out in Section 9 and other information concerning Stapled Units, the Fund and its assets. The risks need to be considered in light of your particular investment objectives, financial situation and needs. You should always seek your own financial advice before investing.

To apply to invest, complete and lodge the Application Form accompanying the PDS with your Application Money. These will be provided in digital form only and you agree to be contacted by us digitally only.

Please ensure you provide your contact email address in the Application Form.

Please see the instructions on the Application Form for details about lodging the form. We will only accept applications via the Investment Manager's website.

By completing and submitting the Application Form, applicants acknowledge that they have read and understood the entire PDS and specifically the risk factors described in Section 9. Please take care to ensure that you complete the Application correctly and submit it together with the required documentation. We will accept the payment methods listed on the Application Form.

A completed and lodged Application, together with the payment for the number of Stapled Units applied for, cannot be withdrawn (unless the Responsible Entity agrees) and constitutes a binding application for the number of Stapled Units specified in the Application Form, or a lesser number as determined by the Responsible Entity, on the terms set out in this PDS. The Application does not need to be signed by an Applicant to be binding on an Applicant. If the Application is not completed correctly the Responsible Entity may in its discretion either reject it or treat it as valid.

The Responsible Entity may, in its absolute discretion, accept or refuse any Application in whole or in part, and it is not bound to give any reasons for such refusal.

5.2 Unit Price

The initial allotment of each Stapled Unit issued pursuant to this PDS will be $1.00.

The initial issue price of Units in each of HHIPT and HHIOT will be determined by the Responsible Entity to be $0.50 per Unit. Stapled Units will be issued in a ratio of one-to-one, meaning that, for every one Unit in HHIPT acquired an Investor will acquire one Unit in HHIOT. Accordingly, the total initial issue price for the Stapled Units will be $1.00 per Stapled Unit.

For any subsequent issues of Stapled Units during the term of the Fund the issue price is calculated in accordance with the Constitutions. The Stapled Unit price will be calculated based on the prevailing Net Asset Value, plus the unamortised value of acquisition costs, divided by the number of Stapled Units on issue.

Acquisition costs are defined as fund establishment expenses and costs of acquiring assets for the portfolio including capital raising expenses, acquisition fees, legal fees, brokerage, stamp duty, taxes and other costs incurred in connection with the acquisition of assets held within the portfolio. Asset acquisition costs are usually written off over a five-year period, while the fund establishment costs will be written off over a 10-year period. When an asset is sold, any outstanding acquisition and sale costs are written off immediately against the sale price for unit pricing purposes. Where an asset has a shorter holding period, the amortisation of acquisition costs is in line with this period.

Calculating the price of Stapled Units in this way means that the costs of establishing the Fund and acquiring assets are shared more equitably across Investors regardless of the timing of their investment in the Fund. There is currently no buy spread however the Responsible Entity may apply (i.e. add) a buy spread to the Stapled Unit price for the issue of Stapled Units.

The Responsible Entity may issue different classes of Stapled Units and may negotiate a rebate or waiver of fees with Wholesale Clients.

Applications received prior to 5:00pm on the last Business Day of a month are processed using the Stapled Unit price on that Business Day.

Applications received after 5:00pm on the last Business Day of a month will be processed using the Stapled Unit price on the last Business Day of the following month.

The Stapled Unit price includes an allowance for any accrued distributable income from the commencement of the relevant distribution period. The Stapled Unit price will therefore decrease immediately after a distribution is declared at the end of a quarter.

The Responsible Entity has a unit pricing policy in place in relation to the Fund. Investors may obtain a copy of this policy, at no charge, by contacting the Responsible Entity.

Any interest earned on Application Money will form part of the Fund's assets and will not be retained by the Responsible Entity.

5.3 Future Issues of Units

The Responsible Entity may issue further Stapled Units (this does not include any Stapled Units issued under this PDS) if it considers doing so would be in the best interest of Investors. The approval of existing Investors will not be required for such issues.

The Responsible Entity may raise further equity by a number of methods, including:

- the issue of fully or partly paid Units;
- discounted or non-discounted pro rata rights offer to all Investors; or
- the issue of separate classes of Units.

5.4 Withdrawals

The Stapled Units will be redeemed at the relevant Stapled Unit redemption price for the Fund. The redemption price is calculated based on the Net Asset Value of the Fund minus the sell spread (if any) (**Withdrawal Price**).

Limited Liquidity Facility

On and from the second anniversary of the Commencement Date, the Responsible Entity intends to offer Investors the opportunity to request a withdrawal of their investment once every six months on a limited basis. The minimum withdrawal amount the Responsible Entity may accept from an Investor is $10,000. The Responsible Entity may vary the minimum withdrawal amount at its discretion from time to time.

The amount available to meet withdrawal requests as part of each Limited Liquidity Facility will initially be up to 2.5% of the Net Asset Value of the Fund per six monthly period and will be capped at 5% p.a. The Responsible Entity may in its sole discretion increase or decrease the amount available as part of a Limited Liquidity Facility.

Investors can apply for a withdrawal by nominating a number of Stapled Units. Any scale back will be applied on the basis of their application (i.e. number of Stapled Units). Investors wishing to participate in withdrawals for a Limited Liquidity Facility need to submit their withdrawal requests by 4:00 pm, 15 Business Days prior to the end of the relevant six-month period. The Responsible Entity may however accept requests after this time at its discretion.

If the aggregate value of withdrawal requests received as part of a Limited Liquidity Facility exceeds available funds, the Responsible Entity will scale back the withdrawal requests on a pro rata basis. Any unmet portion of a withdrawal request will be cancelled.

While the Responsible Entity will endeavour to satisfy requests received as part of a Limited Liquidity Facility within 40 days of the close of the offer, the Responsible Entity is allowed up to 365 days in which to accept any withdrawal requests.

Periodic Liquidity Events
In addition to the Limited Liquidity Facility above, subject to its obligations at law, the Responsible Entity intends to offer a Periodic Liquidity Event on each 5-year anniversary of the Commencement Date.

To provide liquidity, the Responsible Entity may:
- Sell one or more of the Fund's assets;
- Raise new equity for the Fund;
- Take on additional debt;
- Conduct equity raisings (including via an ASX listing); or
- Use a combination of these measures.

Where a Periodic Liquidity Event is offered, the Responsible Entity will seek to satisfy withdrawal requests within 6 months following the close of the offer (although under the Constitutions, the Responsible Entity has up to 365 days after the close of the offer to use their reasonable endeavours to meet the requests, if needed). This may mean that withdrawal requests are satisfied in one or more instalments. In each case the amount received by Investors will be determined using the Withdrawal Price prevailing on the day their redemption is processed.

Liquidity events may also be cancelled, deferred or suspended in exceptional circumstances including for so long as it is impracticable to offer liquidity, or if it would not be in the best interests of Investors for liquidity to be offered.

5.5 Distributions

The Responsible Entity intends to pay distributions quarterly. As the Responsible Entity may use income of the Fund to operate or maintain the assets and/or acquire additional properties for the Fund, the payment and quantum of distributions remains at the discretion of the Responsible Entity.

An Investor's share of any distributable income is based on the number of Stapled Units held by the Investor at the end of the distribution period.

All Distributions will be paid directly by Electronic Funds Transfer (**EFT**) into an Investor's nominated Australian bank account. Distributions will ordinarily be paid within 3 months after the end of the distribution period.

It is the Responsible Entity's intention to pay distributions predominantly from the Fund's cash from operations available for distribution. However, in some cases distributions may be made from excess cash and cash equivalents, capital or borrowings, for example as a consequence of a regearing of an asset following capital expenditure.

The Responsible Entity does not consider there are any material risks to Investors associated with the inclusion of these amounts in distributions.

The Responsible Entity will provide Investors with a distribution statement for each distribution payment made which will summarise the components of the distribution. The characterisation of distributions made will be broken down between income and capital. The basis of this breakdown will depend on the tax position of HHIPT and HHIOT at the time the distribution is declared. Please refer to Section 10 below for further information regarding the taxation implications of investing in the Fund.

Distributions are not guaranteed and neither are any capital returns.

5.6 Distribution Reinvestment Plan (DRP)

Investors can elect whether they wish to receive distributions or whether they wish for them to be reinvested into new investment opportunities under a Distribution Reinvestment Plan (**DRP**).

Where they are reinvested, Stapled Units are issued at the Stapled Unit price calculated at the commencement of the first Business Day of the month which follows the relevant distribution period.

Distributions will not be automatically reinvested unless an Investor elects to receive Distributions periodically on their Application.

5.7 Indirect Investors

The above information about withdrawals from the Fund applies to the IDPS Operator and not the Indirect Investor. Indirect Investors should consult their IDPS Operator about withdrawals from their investment.

5.8 Financing

The Fund may enter into debt facilities to assist in the acquisition of assets for the Fund.

The Investment Manager anticipates that the facilities will be predominantly interest only, however some amortisation may be required to the extent that leasehold-only assets form part of the Fund's investments.

Further specific details on the Fund's gearing policy are included at Section 11.2.

Section 6

ASIC Disclosure Principles and Benchmarks

ASIC Disclosure Principles and Benchmarks

The Australian Securities and Investment Commission (**ASIC**) requires responsible entities of unlisted property funds to address six benchmarks and eight disclosure principles set out in Regulatory Guide 46 Unlisted property schemes: Improving disclosure for retail investors (**RG 46**). These benchmarks and principles are intended to assist retail Investors to understand, compare, and assess unlisted property trusts, such as the Fund.

The table below provides a summary of the disclosure benchmarks and principles set out in RG 46. It also confirms whether the Responsible Entity complies with each benchmark and cross refers to where further disclosure in accordance with the disclosure principles can be found in the PDS.

A comprehensive statement of RG 46 disclosures setting out a full description of ASIC's disclosure principles and benchmarks and the Responsible Entity's disclosure against these principles and benchmarks can be found available on the Fund Website. Investors should ensure they access and read a copy of the Fund's most recent RG 46 disclosures prior to making a decision to invest in the Fund.

ASIC's disclosure principles and benchmarks	Does the Responsible Entity comply with ASIC's benchmark / disclosure principles?	Where can I find further information?
Scheme borrowings and Gearing (Disclosure Principles 1 & 3 and Benchmark 1) These principles and benchmarks relate to the extent to which the Fund's assets are funded by interest bearing liabilities and ensuring disclosure is provided in respect of what this means to Investors. ASIC's Benchmark 1 is for the Responsible Entity to have in place a Gearing policy that governs the Gearing within a fund at the individual facility level.	Yes	Section 11.2
Interest cover ratio (ICR) (Disclosure Principle 2 and Benchmark 2) This principle and benchmark relates to how the Fund's cost of liabilities (interest cover) is maintained and providing disclosure in respect of what this means to Investors. ASIC's Benchmark 2 is for the Responsible Entity to have in place a policy that governs the management of ICR within a fund at the individual facility level.	Yes	Section 11.3
Interest capitalisation (Benchmark 3) ASIC's Benchmark 3 states that the interest of the Fund should not be capitalised.	No	RG 46 disclosures on Fund Website

ASIC's disclosure principles and benchmarks	Does the Responsible Entity comply with ASIC's benchmark / disclosure principles?	Where can I find further information?
The Fund intends to primarily expense interest costs as they are incurred on a regular basis. However, the Fund may capitalise interest expenses in circumstances where a loan is used to fund development or refurbishment work where capitalising interest expenses is generally accepted practice due to the potential lack of income generated by the asset while works are being completed.		
Portfolio diversification (Disclosure Principle 4) This disclosure principle relates to disclosure around the level of diversification in a portfolio. As at the date of this PDS the Fund does not own any assets. As and when assets are acquired details of the portfolio will be made available in the RG 46 disclosures which will be made available on the Fund Website. However, the Responsible Entity may choose not to disclose individual asset valuations or yields where it would be inappropriate and not in the best interests of Investors to do so. This information is considered commercially sensitive and any disclosure of such information may compromise future divestment optionality for assets within the Fund's portfolio.	No	RG 46 disclosures on Fund Website
Valuations (Benchmark 4) ASIC's Benchmark 4 addresses the way in which valuations are carried out on the Fund's assets. The benchmark requires the Responsible Entity to maintain and comply with a written valuation policy that meets ASIC's minimum requirements.	Yes	Section 11.4
Related party transactions (Disclosure Principle 5 and Benchmark 5) This principle and benchmark relates to the Responsible Entity's policy for related party transactions and how this is disclosed to Investors. ASIC's Benchmark 5 requires the Responsible Entity to maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.	Yes	Section 11.5

ASIC's disclosure principles and benchmarks	Does the Responsible Entity comply with ASIC's benchmark / disclosure principles?	Where can I find further information?
Distribution practices (Disclosure Principle 6 and Benchmark 6) This disclosure principle and benchmark relates to the source of distributions. ASIC's Benchmark 6 requires the Responsible Entity to only pay distributions from its cash from operations (excluding borrowings) available for distribution.	No	Section 5.5
Withdrawal arrangements (Disclosure Principle 7) This disclosure principle addresses disclosure of withdrawal arrangements within the Fund.	Yes	Section 5.4
Net Tangible Assets (Disclosure Principle 8) This disclosure principle addresses disclosure of the NTA backing per Stapled Unit of the Fund. This is the first offer of Stapled Units in the Fund and therefore the Fund does not currently hold assets. As and when assets are acquired the NTA per Stapled Unit will be published in the RG 46 disclosures which will be made available on the Fund Website. Note that while the NTA for the Fund can be calculated in accordance with the requirements of RG 46 by subtracting the intangible assets from the net assets of the Fund (plus/minus any other adjustments) and dividing this amount by the number of Stapled Units in the scheme on issue, this is not an accurate representation of the value of the Fund's assets as this would exclude the intangible assets of the hotel operations (including, but not limited to, goodwill, gaming entitlements, liquor licences, lease liabilities or similar assets). As a result, the Responsible Entity considers it to be a more accurate representation of both the value of the assets of the Fund and its level of risk to calculate the net asset value backing per Stapled Unit of the Fund, which includes the intangible assets within the net asset value.	Yes	RG 46 disclosures on Fund Website

Section 7

Overview of the Responsible Entity and Investment Manager

Overview of the Responsible Entity and Investment Manager

7.1 Overview of the Responsible Entity

Evolution Trustees Limited is the responsible entity of the Fund and is a specialist fiduciary company based in Australia, providing a range of corporate trust and responsible entity services. Evolution works with asset managers and institutions to streamline compliance and governance, allowing investment managers to focus on asset returns. Evolution's services include acting as responsible entity, trustee for managed investment schemes, security trustee and offering governance and compliance advisory services. Evolution is focused on advancing the best interests of the investors whose money it takes care of.

7.2 Overview of Investment Manager

Harvest Hotels Pty Ltd ACN 613 405 904, Authorised rep no 001298330 is the appointed investment manager of the Fund.

The Investment Manager is part of the Harvest Hospitality group, which currently manages a portfolio of hospitality venues across New South Wales and South Australia. Harvest Hospitality seeks to identify and acquire assets in high growth areas and implement a combination of operational and capital improvements using its comprehensive operating platform to generate returns for investors.

The role of the Investment Manager is to:

- procure investment opportunities and manage the Fund's investments on a day-to-day basis;
- ensure compliance with laws and Fund documents;
- provide administrative support, including records, registers, reporting and disclosures while keeping the Responsible Entity informed of material issues; and
- prepare and maintain marketing materials, facilitating compliance with design and distribution obligations under the Corporations Act, as well as overseeing distribution activity.

Senior Executives

Chris Cornforth
Group CEO & Co-Founder
Chris' comprehensive understanding of the market and decades of experience in hospitality underpin Harvest's ability to create meaningful experiences for patrons, deliver value for investors, and build a business that attracts great people and grows quality assets in high-growth regions.

Fraser Haughton
Chief Development Officer & Co-Founder
Fraser has over 18 years of hospitality experience and the proven ability to curate bespoke capital improvements that meet the demands of our patrons and communities. His management and operational experience together with his eye for design sees Fraser execute high quality re-developments to increase the value of assets.

James Hann
Chief Investment Officer

At Harvest, James plays a pivotal role in driving growth initiatives, supporting the expansion of Harvest's pub portfolio, and exploring new strategic opportunities. With a strong background in funds management and investment banking, his expertise spans the full investment lifecycle—from acquisition and management to divestment, across a range of sectors including infrastructure, renewable energy, property, gaming, technology, and industrials.

Aaron Day
CEO, Pubs

Since joining Harvest in 2018, Aaron has played an integral role in driving operational efficiencies and pub performance; notably in delivering the Harvest Way to staff. His background in procurement, projects and operations has geared Aaron with the skills to deliver strategies and tactics that see Harvest operate at its best.

Renee Bowden
Chief Financial Officer

As a Chartered Accountant, Renee has a well-rounded background in mergers and acquisitions, valuations, due diligence, audit and insolvency. She leads Harvest's finance and corporate development team from strength-to-strength which has provided a clear line of sight into the financial performance and opportunities of the portfolio.

Mark Pratt
Executive Director

Mark has extensive experience in funds management and capital markets, gained through senior leadership roles, including his time as Executive General Manager of Property at Australian Unity. There, he led strategy and operations across diverse sectors such as commercial property, healthcare real estate, social infrastructure, and private debt. His deep industry insights and strong network make Mark a key asset to driving Harvest's growth.

7.3 Investment Committee

John White
Chair

John is a seasoned executive and board member with 30+ years in global property investment, finance, and funds management.

He was CEO of Hotel Property Investments, a $1.6B REIT invested in pubs across Australia, and previously Senior MD and Global Investment Strategist at Heitman LLC, managing a $3B fund and leading Asia-Pacific operations.

With earlier roles at Challenger and HSBC, he brings expertise across equity and debt markets. John is a Non-Executive Director at HousingFirst, providing social housing across Melbourne, and holds advanced finance and management qualifications.

Damien Elias
Independent Member

Damien is CEO of Grant Samuel, a leading Australasian independent corporate advisory firm, and has over 20 years' investment banking experience.

Damien has advised on a wide range of corporate advisory transactions spanning public and private company M&A, strategic/commercial advice, capital raisings and valuation. Damien has broad industry experience including infrastructure, property, general industrials, and leisure/entertainment.

Prior to joining Grant Samuel, Damien worked with global management consultancy AT Kearney.

Charlie Viola
Independent Member

Charlie is the Executive Chair and Founding Partner of Viola Private Wealth, with over 24 years of investment management experience. He specialises in advising high-net-worth individuals, family offices, and institutional investors (as well as significant portfolios), focusing on bespoke, high-touch services.

Charlie was formally a partner and Managing Director at Pitcher Partners Sydney, where he grew assets under management from $50m to $3.5bn, managing $2bn personally. Recognised on Barron's Top 100 advisers list, Charlie also serves as a Non-Executive Director of the Wests Tigers NRL club and Autism Awareness Australia.

James Hann
Executive member

Refer to page 42

Section 8

Fees and Costs

Fees and Costs

8.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.
You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

8.2 Fees and other costs

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Information on taxation is set out in Section 10. You should read all the information about fees and costs because it is important to understand their impact on your investment.

The fees set out below are inclusive of the net effect of GST (i.e. net of the amount of GST recoverable from the Australian Taxation Office as input tax credits or reduced input tax credits).

Fees and costs summary

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment[18]	Estimated to be 1.59% per annum of the Gross Asset Value in the Fund's first financial year.	The fees payable to the Investment Manager and the Responsible Entity are calculated monthly and deducted from the Fund's assets. The costs and expenses are deducted from the assets of the Fund as and when incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be nil in the Fund's first year of operation.	The Performance Payment is calculated and, if positive, payable annually, within 10 days of the end of the relevant 12-month period out of the assets of the Fund and reflected in the price of Stapled Units.
Transaction costs[19] The costs incurred by the scheme when buying or selling assets	Estimated to be 6.18% per annum of the Gross Asset Value in the Fund's first financial year	These costs are payable when incurred from the assets of the Fund and reflected in the price of Stapled Units. Transaction costs include any acquisition fees and disposal fees.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[20]		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.

18. This amount represents a reasonable estimate of management fees and costs for the current financial year adjusted to reflect a 12-month period, assuming the Fund's total average Gross Asset Value on a consolidated pro forma basis is $68,250,000 in the Fund's first financial year. Management fees may be negotiated in certain circumstances. For more information see Section 8.4 'Differential fees' under the heading 'Additional explanation of fees and costs

19. This amount represents a reasonable estimate of transaction costs for the current financial year adjusted to reflect a 12-month period, assuming the Fund's total average Gross Asset Value on a consolidated pro forma basis is $68,250,000 in the Fund's first financial year

20. Fees may be payable to your financial adviser. Such fees are not included in the table above. For more information see 'Advice Fees' under the heading 'Additional explanation of fees and costs'

Type of fee or cost	Amount	How and when paid
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)[21]		
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	At the date of this PDS, the buy spread is nil and the sell spread is nil.	Paid into the Fund when an Investor buys or sells Stapled Units and reflected in the price of Stapled Units. The current buy spread and the sell spread will be published on the Fund's website.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Switching fee The fee for changing investment options	Nil	Not applicable.

21. Fees may be payable to your financial advisor. Such fees are not included in the table above. For more information see "Advice Fees" under the heading 'Additional explanation of fees and costs'

8.3 Example of annual fees and costs for an investment in the Fund

This table gives an example of how the ongoing annual fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE		BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING YEAR
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management fees and costs	2.67%[22]	**And**, for every $50,000 you have in the Fund you will be charged or have deducted from your investment **$1,333** each year
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment $0 in performance fees each year
PLUS Transaction costs	10.38%[22]	**And**, you will be charged or have deducted from your investment **$5,188** in transaction costs
EQUALS Cost of Fund		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs in the range of **$6,521 to $7,173*** **What it costs you will depend on the investment option you choose and the fees you negotiate**

** Additional fees may apply.*

22. These amounts represent the ratio of the Fund's estimated management fees and costs, performance fees, and transaction costs to the Fund's estimated total average net assets on a consolidated pro forma basis for the first financial year of $40,644,960. They include any management fees and costs, performance fees, and transaction costs incurred in the Fund's underlying investments. These amounts change over time as the costs of managing the Fund and the Fund's investments change and based on the performance of the Fund. For example, in years where the Fund acquires or disposes of real property assets, directly or indirectly, acquisition fees or disposal fees and other transaction costs will be paid and the amounts will therefore be higher than in years when the Fund does not transact. Changes to the fees and costs of the Fund may take the form of a notice on the Fund's website. Further information is included under the heading 'Additional explanation of fees and costs'

8.4 Additional explanation of fees and costs

This section provides important information about fees and other costs that you may be charged. All fees are, unless otherwise indicated, inclusive of GST less any reduced input tax credits.

Costs for the Fund are generally based on reasonable estimates given the Fund has been offered for the first time this financial year.

(a) Ongoing annual fees and costs

The ongoing annual fees and costs identified in the fees and costs table above are the fees and costs paid for general administration of the Fund. These fees and costs are paid by the Fund and therefore indirectly by you in proportion to your investment in the Fund. These fees and costs comprise:

1. Management fees and costs

Management fees and costs include the following fees and costs:

(A) Management fee

The Management Fee of 0.85% (plus GST) per annum of the Gross Asset Value of the Fund (i.e. $85 (plus GST) out of every $10,000 of the Fund's Gross Asset Value) accrues monthly within the Stapled Unit price and is then deducted from the assets of the Fund. The Management Fee will generally be paid to the Investment Manager monthly in arrears.

The Management Fee may be lower for Investors who are wholesale clients. See 'Differential fees' below for further information.

(B) Responsible Entity fee

The Responsible Entity Fee of 0.05% (plus GST) per annum of the Gross Asset Value (calculated based on a Gross Asset Value of up to $400 million, i.e. $5 (plus GST) for every $10,000 of Gross Asset Value or $60,000 (plus GST) (whichever is higher)) is intended to provide a reasonable estimate of the costs associated with the Responsible Entity's administration of the Fund. The Responsible Entity Fee is generally deducted monthly in arrears and is reflected in the asset value of the Fund.

(C) Custody fee

The 'custody fee' of 0.02% (plus GST) per annum of the Gross Asset Value (calculated based on a Gross Asset value of up to $600 million, i.e. $2 (plus GST) for every $10,000 of Gross Asset Value or $20,000 (plus GST) (whichever is higher)) is payable to the Responsible Entity for providing custody services to the Fund (including custody services provided by a related body corporate of the Responsible Entity).

(D) Expenses (excluding abnormal expenses)

The amount for 'Expenses' is intended to provide a reasonable estimate of the costs charged towards the appointment of the Administrator. These expenses include, but are not limited to, expenses incurred establishing and maintaining registers and accounting records, compliance costs and audit, accounting and legal fees, and other expenses incurred in respect of external service providers. The Investment Manager is entitled to be reimbursed from the assets of the Fund as and when the Investment Manager incurs the relevant expense. Expenses are generally deducted monthly in arrears and is reflected in the asset value of the Fund. A reasonable estimate of the expenses for the Fund's first financial year is 0.45% (plus GST) of the Gross Asset Value (i.e. $45 (plus GST) for every $10,000 of Gross Asset Value).

(E) Abnormal expenses

These are expenses which are not necessarily incurred in any given year. They include (but are not limited to) the cost of preparing a new offer document and/or marketing material for the Fund, convening and hosting a meeting of Investors, agents costs, legal costs incurred by changes to the Constitutions, or commencing or defending legal proceedings.

These also include the termination fee payable to the Investment Manager upon the termination of the Investment Management Agreement, where the termination is as a result of a special resolution of Investors passed at a meeting convened by the Responsible Entity for this purpose, of the greater of 3% (plus GST) of the Gross Asset Value (i.e. $300 (plus GST) for every $10,000 of Gross Asset Value) and $2 million (plus GST).

All abnormal expenses will be charged to the Fund as and when they are incurred.
A reasonable estimate of the abnormal expenses for the Fund's first financial year is 0% of the Gross Asset Value (i.e. $0 for every $10,000 of Gross Asset Value).

(F) Indirect Costs

Indirect costs generally include any amount that the Responsible Entity knows, reasonably ought to know or, where this is not the case, may reasonably estimate, will reduce the return of the Fund. A reasonable estimate of the indirect costs for the Fund's first financial year is 0.03% (plus GST) of the Gross Asset Value (i.e. $3 (plus GST) for every $10,000 of Gross Asset Value).

Indirect costs may change from year to year and indirect costs for future periods may be higher or lower than the indirect costs currently disclosed.

2. Performance fee

Performance fees refer to the amounts deducted from your investment in relation to the performance of the product. In respect of the Fund, the performance fees are comprised of the Performance Payment. This is the amount paid to the Investment Manager as an incentive to maximise the value of the Fund's investment portfolio and return to Investors. The amount, if applicable, represents the performance of the Fund's investment portfolio in comparison to a financial benchmark.

The financial benchmark for the Fund is an IRR equal to or greater than 8.0% per annum (pre-tax, net of fees) (**Benchmark**). On each Calculation Date, the Investment Manager is entitled to a Performance Payment of 15% of the Fund's outperformance above the Benchmark for each Calculation Period.

The Performance Payment is calculated and accrued periodically but only payable where the NAV at the end of the Calculation Period exceeds the highest NAV per Stapled Unit at the end of any previous Calculation Period in respect of which there was a performance fee (**High Water Mark**).

Any Performance Payment to which the Investment Manager is entitled will, at the election of the Investment Manager, be paid in cash (subject to the Responsible Entity determining it has sufficient working capital available), or via its entitlement to Carry Units which are explained in Section 11.5.

Example of calculation of the Performance Payment

This example is provided for information purposes only to illustrate the calculation of the Performance Payment. Actual results may vary significantly from those in the example.

For example, if the Fund:

- raised $10 million at an opening Stapled Unit price of $1.00 per Stapled Unit;
- paid quarterly distributions of $0.013 per Stapled Unit for the year;
- had a Stapled Unit price of $1.05 per Stapled Unit at the end of the year (before the deduction of the Performance Payment).

The Stapled Unit IRR based on these series of cash flows is calculated to be 10.19% for the year. The outperformance amount above the hurdle IRR of 8% for the year would be $0.02 per Stapled Unit, being the amount that, if included in the Stapled Unit IRR cash flows as an outflow at the end of the year reduces the Stapled Unit IRR to be 8% for the year.

Therefore the Performance Payment payable per Stapled Unit would be $0.0032 (being 15% of $0.02) or $35,453 for the Fund. Applying this example to an Investor with a $50,000 investment balance, they would have received aggregate distributions of $2,500 for the year and a capital return of $2,339 after deducting $161 for their share of the Performance Payment.

3. Transaction Costs

Transaction costs are costs incurred for buying and selling assets. These costs may include brokerage, settlement costs, legal and tax advice, amounts payable in connection with interest rate hedging, stamp duty to the extent applicable and other government taxes or charges and including any applicable underlying transaction costs associated with the underlying assets. Transaction costs also include Fund establishment costs. These costs are in addition to the management fees and costs.

The transaction costs shown in the fees and costs summary at Section 8.2 are net of any amount recovered in the buy/sell spread and are an additional cost to Investors.

A reasonable estimate of the transaction costs for the Fund's first financial year is 5.97% (plus GST) of the Gross Asset Value (i.e. $597 (plus GST) for every $10,000 of Gross Asset Value). Actual transaction costs for a financial year may differ from the amount disclosed in this PDS.

Transaction costs include the following:

(A) Acquisition fee

This is the fee that is paid to the Investment Manager in respect of coordinating the acquisition process of an asset. The acquisition fee is 1.00% (plus GST) of the Acquisition Value of any asset (excluding cash deposits) acquired by the Fund. This fee is payable within five Business Days of the completion of the acquisition of that asset (or part thereof) and is payable out of the Fund's assets.

(B) Disposal fee

This is the fee that is paid to the Investment Manager in respect of coordinating the sale of any asset in which the Fund holds a direct or indirect interest. The disposal fee is 1.00% (plus GST) of the gross sale price of the relevant asset. The disposal fee will be payable to the Investment Manager out of the assets of the Fund within 5 Business Days of completion of the relevant sale.

(C) Summary of transaction costs

A summary of the estimated transaction costs for the Fund's first year of operation is set out below:

Transaction cost	% of GAV	How and when paid
Stamp duty	3.87% (no GST applicable)	Payable when incurred from Fund assets
Acquisition fee	1.00% (plus GST)	As above
Acquisition consultancy costs incl. legal, valuation, due-diligence and tax	0.37% (plus GST)	As above
Establishment fee	0.73% (plus GST)	Payable following the establishment of the Fund
TOTAL	**5.97% (plus GST)**	

(b) Member activity related fees and costs

The buy/sell spread (where applied) is a portion of the transaction costs that is recovered from Investors by the Responsible Entity when issuing and redeeming Stapled Units. The buy/sell spread affects the issue price and the withdrawal price. The issue price (the price at which a Stapled Unit may be acquired) is calculated by adding the applicable buy spread to the prevailing Stapled Unit price. The withdrawal price (the price at which a Stapled Unit may be redeemed) is calculated by subtracting the applicable sell spread from the prevailing Stapled Unit price. The difference between the issue price and the withdrawal price is referred to as the buy/sell spread.

The buy/sell spread is set by the Responsible Entity and may change as a result of changes in the underlying transaction costs incurred by the Fund.

At the time of this PDS, the Responsible Entity will not apply a buy spread or a sell spread.

The buy/sell spread will be reviewed on a regular basis. The Responsible Entity may introduce or vary the buy/sell spread from time to time and prior notice may not be given. The buy/sell spread will not be paid to the Responsible Entity but rather retained as an asset of the Fund.

The Fund does not currently charge any establishment fee to open your investment, contribution fee, withdrawal fee, exit fee or switching fee to Investors with respect to their investment in the Fund.

Taxation

Unless otherwise stated, all fees in this section of the PDS show the net effect of GST (i.e. inclusive of GST less any input tax credits including reduced input tax credits). Where the Fund is entitled to an input tax credit or reduced input tax credit under the GST legislation for GST paid in respect of the services provided to it, the cost to the Fund of paying GST will be reduced proportionally.

For additional information in relation to the taxation implications of an investment in the Fund please see Section 10.

Fees for other services

The Responsible Entity or the Investment Manager or a related party of the Responsible Entity or Investment Manager may also provide other services to the Fund in the future. Should that occur, the Responsible Entity or the Investment Manager or a related party of the Responsible Entity or the Investment Manager will charge fees for those services at commercial market rates for the provision of those services.

At the date of this PDS, the following fees and costs may be paid from the Fund in addition to the amounts disclosed in the Fees and Costs Summary table. These amounts are consistent with current commercial market rates and are separate to the management fees and costs and the transaction costs of the Fund:

- Operating fee. This fee is charged by the Venue Operator where it is the operator of a freehold going concern or leasehold asset. This fee is 10% of the EBITDA of each asset operated by the Venue Operator (plus GST) and is payable to the Operating Company pursuant to the Management Services Agreement monthly in arrears.

- Debt arranging fee. This fee is charged where the Investment Manager arranges financing for the Fund. This fee is 0.5% (plus GST) of the total amount that has been or may be borrowed on the date the facility is entered into or the date of any renewal, extension or variation of the terms of a facility, including any increase to the facility limit and is payable to the Investment Manager pursuant to the Investment Management Agreement.

Differential fees

The Investment Manager has agreed that investors who are Wholesale Clients will pay a reduced Management Fee of 0.70% (plus GST) of the Gross Asset Value of the Fund (i.e. $70 (plus GST) for every $10,000 of Gross Asset Value).

The Investment Manager may also negotiate bespoke fee arrangements with Investors who are Wholesale Clients which involve fee reductions or rebates. Those fee arrangements will not adversely impact the fees paid by other Investors as set out in this section.

Changes to fees and expenses

The Responsible Entity may change the fees and expenses referred to in this PDS. The Responsible Entity will provide at least 30 days' notice to Investors of any proposed increase in fees or expense recoveries or introduction of new fees.

The maximum fees chargeable by the Responsible Entity and the Investment Manager as set out in the Constitution and the Investment Management Agreement are the same as those outlined in this section but for the below:

- The maximum Responsible Entity fee chargeable under the Constitution is 1.00% (plus GST) per annum of the Gross Asset Value (i.e. $100 (plus GST) for every $10,000 of Gross Asset Value), subject to a minimum annual fee of $30,000 increasing annually by CPI as at 30 June each year. The Responsible Entity confirms it will waive its entitlement to the full Responsible Entity fee and only charge the fee as set out at Section 8.4(a)1.(B) above.

- The maximum Custody fee chargeable under the Constitution is 1.00% per annum (plus GST) of the Gross Asset Value (i.e. $100 (plus GST) for every $10,000 of Gross Asset Value), subject to a minimum annual fee of $20,000 increasing annually by CPI as at 30 June each year. The Responsible Entity confirms it will waive its entitlement to the full Responsible Entity fee and only charge the fee as set out at Section 8.4(a)1.(C) above.

Waiver and deferral of fees

The Responsible Entity may, in its discretion, accept lower fees and expenses than it is entitled to receive, or may agree to defer payment of those fees and expenses for any time. If payment is deferred, then the fee or expense will accrue until paid. Any deferred fees and expenses will also be paid upon any retirement or removal of the Responsible Entity.

At the date of this PDS, the Responsible Entity has waived its entitlement to part of the Responsible Entity fee and part of the Custody fee it is entitled to charge under the Constitution as outlined above. At the date of this PDS, no fees have been deferred.

Advice fees

The Responsible Entity does not pay any fees or commission to financial advisers.

You may agree with your financial adviser that an initial advice fee will be paid for ongoing financial planning services your financial adviser provides for you in relation to your investment. This advice fee is additional to the fees shown in this section and is paid to the Australian financial services licensee responsible for your financial adviser (or your financial adviser directly if they are the licensee). It is not paid to the Responsible Entity.

Other payments and benefits

Your financial adviser may receive payments and/or other benefits from the organisation under which they operate. These payments and benefits are not paid by the Fund.

Section 9

Investment Considerations and risks

Investment Considerations and risks

9.1 General

As with any investment, there are risks associated with investing in the Fund. Many of these risks are outside the control of the Responsible Entity and cannot be completely mitigated. If these risks eventuate, they could affect the performance of the Fund and the repayment of your capital.

Investors should note that the performance of this investment, distributions, the repayment of capital or of any particular rate of return, is not guaranteed by the Responsible Entity, the Investment Manager, their directors or their associates.

Before deciding whether to invest in the Fund, you should consider your attitude towards risk.

9.2 Risks Specific to the Fund

(a) Responsible Entity and Investment Manager risk

There is a risk the Responsible Entity may be replaced as responsible entity of the Fund or its key personnel may change, or that the Investment Manager may be replaced as investment manager of the Fund or its key personnel may change.

(b) Investment Manager risk

The success of the Fund is dependent on the Investment Manager being able to execute its strategy and achieve the Fund's objectives. If the Investment Manager is unable to achieve this, then this may adversely affect the Fund's returns.

If the Investment Manager either becomes insolvent or encounters financial difficulties, which means that it is unable to perform its role under the Investment Management Agreement, then the Responsible Entity will most likely need to terminate the Investment Management Agreement. If that were to occur, then the Responsible Entity would either need to find a replacement investment manager or wind up the Fund. This could result in you suffering a loss or a diminished return on your investment in the Fund.

(c) Related party and conflicts of interest risks

The Investment Manager is not a related party of the Responsible Entity. The contractual arrangements between the Responsible Entity and the Investment Manager are negotiated at arm's length between the parties. The Responsible Entity may from time-to-time enter into transactions with related entities.

In the course of managing the Fund, the Responsible Entity and the Investment Manager may have conflicts in respect of their duties in relation to the Fund, other funds they operate or manage and their own respective interests. The Responsible Entity and the Investment Manager have policies and procedures in place to manage these appropriately.

By investing in the Fund, Investors acknowledge that the Responsible Entity and the Investment Manager may each engage in related party transactions, provided those transactions are on arm's length terms and are in the best interests of Investors.

As at the date of this PDS, the Investment Manager has lent $550,000 to the Sub Trustee for the purpose of enabling the Sub Trustee to enter into preliminary contractual and due diligence arrangements with respect to proposed seed assets for the Fund. If and when the Minimum Subscription Amount is raised and the

ASIC Relief has been granted, the Sub Trustee must repay this amount, plus a $82,500 commitment fee, to the Investment Manager. The terms of the loan have been negotiated in accordance with the Harvest Hospitality Related Party Transactions Framework and Conflict of Interest Policy.

Investors should also note that the directors of the Investment Manager are also directors of the Operating Company which will appoint the Investment Manager (which is a related party of the Investment Manager) to operate the assets acquired (or leased) by the Fund on a day-to-day basis pursuant to the Management Services Agreement. The appointment and ongoing monitoring of the Investment Manager will occur in accordance with the Investment Manager's Related Party Transactions Framework and Conflict of Interest Policy.

(d) Key person risk

The Investment Manager relies on a small number of professionals. If any of these key personnel from the Investment Manager left the company a suitable replacement may not be sourced within a reasonable time frame, and any replacement would be subject to similar risks.

(e) Borrowing risk

The Fund may incur borrowings in order to acquire assets. These borrowings create leverage, which magnifies the potential or risk of capital gains and losses. A fall in the value of one or more of the Fund's assets or the net income derived from those assets could result in a breach of a borrowing condition. If there is a default of the debt facility, the financier may enforce its security against the Fund's assets and, amongst other things, sell one or more of the Fund's assets.

As a leveraged investment, the Fund is subject to the terms and conditions of the Fund's debt facilities, including its key covenants. Breaches of these covenants or any other default of terms may enable the financiers to take action against the Fund. There is also a risk that interest rates may rise, which may increase the interest rate expense applicable to the Fund's debt facilities. As a result of this, distributions to Investors may be adversely affected.

The term of any debt facility will typically be for a period of three to five years. At the end of the facility term the Fund will likely need to extend the facility or refinance it with a new facility. Upon expiry of the debt facility, the financier has no obligation to roll over (i.e. extend or renew) the debt facility.

In the event that the Fund requires refinancing, there is no certainty that debt funding to replace the debt facility at the end of the term will be obtained or will be obtained on comparable terms. In that event, assets may have to be sold at short notice and in a market that may not be conducive to a quick sale.

(**f) Due diligence risks**

In acquiring assets for the Fund, the Investment Manager will engage appropriate experts to conduct due diligence in relation to each asset. However, despite those investigations, the Investment Manager cannot guarantee the identification and mitigation of all risks associated with the asset, or the successful acquisition of all assets which it seeks to acquire.

(g) Liquidity and withdrawal risk

Investors in the Fund will only have limited opportunities to withdraw their investment and there is no guarantee those opportunities will be satisfied in full or at all. In addition, there will not be any established secondary market for Stapled Units. This may represent a risk to you in the event that you require the return of your investment more urgently.

(h) Return risk

The Fund seeks to deliver the target IRR to Investors of between 10% and 12% per annum on capital invested (pre-tax, post-fees). As a general rule, higher potential returns have higher levels of uncertainty (high risk) than investments with lower potential returns and low levels of uncertainty (low risk).

The target rate of return is not a forecast.

It is possible that the Fund may not be successful in meeting the target rate of return. None of the Responsible Entity, the Investment Manager or any other person or entity guarantees any income or capital return from the Fund. Investors should also note that Fund operating expenses, including management fees, may exceed income or realised profits, therefore requiring the difference to be paid from the Fund's assets.

(i) Concentration risk

The Minimum Subscription Amount is $15,000,000, however the Investment Manager is targeting to grow the Fund to approximately $500 million (total subscribed equity) over time. Lower than anticipated amounts raised by the Fund may result in a smaller Fund size and a smaller number of assets that can be acquired by the Fund, leading to less diversification in the portfolio (and higher concentration risk) which can increase risk and volatility of returns.

Concentration risk is the risk that the investment portfolio of the Fund may lack a diversification of assets. Generally, the more diversification in the Fund's portfolio, the lower the impact that an adverse event affecting one asset in the portfolio will have on the income or capital value of the overall portfolio.

The Fund will be predominantly invested in real estate assets in the hospitality sector, and therefore there is limited diversification of investments of the Fund (other than cash resulting from income earned from rental receipts). This may expose the Fund to any events which have an adverse effect on the value of real estate assets in the hospitality sector. Additionally, it may take some time before a sufficient number of assets are acquired for the Fund to provide genuine diversification of investments.

9.3 Risks relating to the Fund's assets

(a) Supplier risks

The Fund is reliant on ongoing arrangements with a range of third-party suppliers for the delivery of core products and services. While these arrangements are subject to standard commercial terms, there is no guarantee they will continue on the same basis over time. Any change in these relationships may have an impact (positive or negative) on the Fund's operations or financial performance.

(b) Demographics and changes in consumer preferences and tastes risk

The Fund is exposed to changes in demographic trends and consumer behaviours that may affect demand for the hospitality venues which it owns and/or operates. Factors such as population growth, income levels, lifestyle preferences and social attitudes toward hospitality, alcohol or gaming may influence visitation and spending patterns over time. The emergence of alternative forms of entertainment, including digital channels, may also impact consumer engagement with venue-based offerings. These changes may affect the Fund's financial performance.

(c) Competition risk

The assets of the Fund are operated in a dynamic and competitive market, with potential competition from other hospitality venues, online and mobile entertainment platforms, retail liquor outlets, and alternative leisure providers.

Competitors may benefit from superior financial or operational resources, more favourable commercial arrangements, or faster adoption of new technologies.

Changes in local policy settings or regulatory classifications may also affect the relative position in the market of the Fund's assets.

In this environment, evolving consumer preferences and innovation by competitors may influence patronage, asset performance, and long-term competitiveness.

While the Investment Manager seeks to monitor and respond to these trends there can be no assurance that the market position or operating performance of the Fund's assets will not be affected over time.

(d) Property market risk

Many factors can affect the property market generally as well as particular assets owned by the Fund. These factors will impact both the valuations of investments from time to time as well as their performance over time. They include the asset quality, geographic location, changes to current and expected future income, development, unforeseen capital expenditure, (where relevant) tenant quality and financial standing, inadequate insurance or the occurrence of uninsurable events, environmental and contamination risks and supply and demand in property markets. If the value or income of the Fund's assets fluctuate over time, this movement may materially impact net assets and profits available for distribution from the Fund.

(e) Valuation risk—sale price

The ongoing value of real property is influenced by changes in property market conditions (e.g. supply, demand, capitalisation rates and rental and occupancy rates). There is no guarantee that the Fund will enjoy a capital gain on the sale or realisation of its assets, or that the value of an investment will not fall as a result of the assumptions on which the valuation is based, proving to be incorrect.

(f) Liquidity risk

Investment in a direct property asset is not a liquid investment as property ownership usually requires a time-consuming process for asset disposal, which can affect the timing and amount of distributions.

(g) Property income

There is a risk that the Fund's revenue may decrease as a result of falls in revenue or profitability at the venues it operates.

Where the business conducted from the venue is not performing as well as expected, the income of the Fund will be lower than estimated and the value of your investment may decrease.

(h) Risk of damage to buildings

Property assets naturally deteriorate over time and are subject to disasters and severe weather events, which can damage the structure of buildings (for example, fire, flood or falling trees). There is a risk that the value of the Fund's assets could diminish if the buildings deteriorate or are damaged, due to a potential adverse impact on building asset value and/or unexpected costs associated with repairs.

The Fund's income may be diminished if all or part of the building needs to be closed for repairs or is required to incur unforeseen capital expenditure.

(i) Capital Expenditure

There is a risk that capital expenditure could exceed expectations resulting in increased funding costs and therefore lower than expected distributions. The Investment Manager will work closely with tenants (where relevant) and consultants in an effort to ensure ongoing capital expenditure estimates are accurate.

(j) Environmental risk

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, as well as restrictions associated with flora and fauna conservation.

Owners of real estate assets are required to comply with a range of environmental laws.

As a property owner, the Fund is exposed to the risk that under various Federal, State and Local environmental laws, it may be liable for the cost of removal or remediation of hazardous or toxic substances on, under, in or emanating from the buildings erected on the properties.

In common with all other owners of property, there is a risk that environmental laws may become more stringent in the future or that environmental conditions on or near the buildings may have a materially adverse effect on the properties in the future.

(k) Disposal risks

The Fund may be required to make representations and give warranties in connection with the disposal of assets. The Fund may be required to indemnify the purchasers of the asset to the extent any claims arise in connection with the disposal of the asset.

9.4 General Investment Risks

There are also other more general risks that can affect the value of an investment in the Fund. These include the following:

(a) Market risk

An investment in the Fund is subject to general market risks, in Australia or in another country or region. For example, an investment is subject to:

- a downturn in general economic and market conditions;
- movements in relevant markets;
- unfavourable movements in interest rates, employment rates or inflation;
- changes to the law, government policy and tax settings;
- changes to governments;
- changes to consumer confidence;
- political or social unrest; and
- natural disasters, including terrorist attacks or war.

(b) Force majeure risk

Force majeure is the term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of god, fire, flood, earthquakes, war, pandemics, acts of terrorism and labour strikes. Some force majeure risks are uninsurable or are unable to be insured economically.

If there is a force majeure event, it may adversely affect the ability of the Investment Manager to achieve the investment strategy of the Fund.

(c) Personal circumstances risk

Investment risks can affect your financial circumstances in a number of ways, including:

- your investment in the Fund may not keep pace with inflation, which would reduce the future purchasing power of your money;
- the stated aims and objectives of the Fund may not be met;
- the amount of any distribution you receive from the Fund may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments; and
- your investment in the Fund may decrease in value, which means you may get back less than you invested.

Other factors such as your age, the length of time you intend to hold your investment, other investments you may hold, and your personal risk tolerance will affect the levels of risk for you as an Investor. As the risks noted in this section do not take into account your personal circumstances, you should consider obtaining tax and financial advice before making a decision about investing in the Fund.

(d) Taxation risk

Changes to tax law and policy (including any changes in relation to how income of the Fund is taxed, the deductibility of expenses or stamp duty law) might adversely impact the Fund and your returns. You should obtain independent tax advice in respect of an investment in the Fund.

(e) Legal and counterparty risk

The Fund (including the Sub Trust and the Operating Company) may, in the ordinary course of business, be involved in litigation and disputes. For example, the Operating Company may be involved in industrial disputes and may be subject to third party or other legal claims. A material or costly dispute or litigation may affect the value of the assets or the expected income of the Fund.

The Fund 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, property management arrangements, custody arrangements, debt financing arrangements, property development arrangements and tenancy arrangements. The Fund may be adversely affected where a party fails to perform under these agreements.

(f) Regulatory and economic risk

There is the risk that the value of an investment may be affected by changes in domestic or international policies, regulations or laws (including taxation laws). There is also a risk that a downturn in domestic or international economic conditions may adversely affect investments.

These factors are outside the control of the Responsible Entity and the Investment Manager, but they may have a negative impact upon the operation and performance of the Fund.

It is important to note that not all risks can be foreseen. It is therefore not possible for the Investment Manager to protect the value of the Fund's investment from all risks. Investors should ensure they obtain appropriate professional advice regarding the suitability of an investment in the Fund having regard to their individual circumstances, including investment objectives, their level of borrowings, their financial situation and individual needs.

Neither the Responsible Entity nor the Investment Manager guarantees the repayment of investments or the performance of the Fund. Investors are strongly encouraged to obtain independent financial advice before investing in the Fund.

Section 10

Taxation Information


Taxation Information

10.1 Overview

The purpose of this summary is to explain, in general terms, some of the Australian tax consequences of investing in the Fund. It does not take into account the specific circumstances of any prospective Investor and should not be used as the basis upon which prospective Investors decide whether or not to invest in the Fund.

The taxation implications of investing in the Fund are particular to each Investor's circumstances. Prospective Investors should seek professional taxation advice before investing, or dealing with their investment, in the Fund. Nothing contained in this PDS should be construed as the giving of, or be relied upon, as tax advice.

This summary is intended only for Investors who are assessed on gains arising on the disposal of their Stapled Units under Australia's capital gains tax (**CGT**) rules. It does not consider the tax position of Investors who are taxed on any other basis, such as Investors who are in the business of trading or dealing in securities. In addition, this summary is intended only for Investors who are Australian tax residents. Any non-resident Investors should obtain their own tax advice.

This summary is based on current Australian taxation and stamp duty law as at the date of this PDS. However, taxation issues are complex and taxation laws, their interpretation by the Courts, and the associated administrative practices of the Australian Taxation Office (**ATO**) and state revenue authorities may change over the term of an investment in Stapled Units.

Investors will hold Stapled Units comprising an equal proportion of HHIPT Units to HHIOT Units. Each HHIPT Unit and each HHIOT Unit cannot be traded separately from one another. However, each of these Units constitutes a separate asset for CGT purposes and will be treated separately for Australian tax purposes.

10.2 Tax Treatment of HHIPT

(a) As an Attribution Managed Investment Trust

It is intended that HHIPT will be a Managed Investment Trust **(MIT)**, and it is expected that HHIPT will elect into the Attribution Managed Investment Trust **(AMIT)** tax regime from the time HHIPT meets the relevant qualifying criteria. The AMIT regime is a set of tax rules that applies on an elective basis to determine the taxation position of MITs and their members. An important aspect of the AMIT regime is that the taxation of the members of an AMIT is based on attribution rather than distribution. In particular, if an eligible MIT elects to be treated as an AMIT, the taxable income of the trust will flow through to the unitholders of the trust based on the amount and character of taxable income which the trustee chooses to "attribute" to the unitholder, rather than being based on the share of the trust income to which the unitholder is presently entitled.

On the basis that HHIPT is an AMIT for tax purposes, Australian resident Investors should be taxed on the tax components of HHIPT that are attributed to them each year.

The tax components of HHIPT that are attributed to an Australian resident Investors will be disclosed in a statement, known as the "AMIT member annual statement" **(AMMA Statement),** following HHIPT's financial year end of 30 June.

Aside from the tax components of HHIPT, which are attributed to an Investor in respect of the relevant financial year, the AMMA Statement will also state an estimate of the expected cost base adjustment to their HHIPT Units for the relevant year. The cost base for a HHIPT Unit is relevant to calculating any capital gain or capital loss on transfer or redemption (refer to Section 10.2(c) (Transfer or redemption of HHIPT Units) below).

The tax components which are attributed by HHIPT to Investors will include the tax components of HHIPT that are reflected in any distributions made by HHIPT to Investors for the relevant year. Investors may also be attributed additional tax components where there is a difference between the taxable income of HHIPT and the taxable components of HHIPT that are reflected in distributions made by HHIPT to Investor

Trust losses may also arise in HHIPT. Such losses will not become directly available to Investors in the year they arise. However, it may be possible for those losses of HHIPT to be utilised by HHIPT in a future income year (subject to satisfying the applicable trust loss utilisation provisions).

(i) Cost Base Adjustments
Investors should be subject to the regime for cost base adjustments provided for interests in an AMIT.

Under this regime, Investors may experience an upward cost base adjustment to the extent that the taxable components attributed to them for the year exceed the amounts distributed to them for the year, or a downward cost base adjustment to the extent that the distributions made to them exceed the taxable components attributed to them. The AMMA Statement that Investors are provided will contain details of the Responsible Entity's estimate of these cost base adjustments.

(ii) Disposal of Investments by HHIPT – Capital Gains
The disposal of certain investments by HHIPT (such as leasehold interests) may give rise to capital gains for HHIPT. Accordingly, the taxable components that an Investor is attributed from HHIPT may include a component of taxable capital gains, which should be included in the Investor's taxable capital gains for the relevant year.

The amounts attributed to Investors may also include amounts that are referable to the discount capital gains concession. To the extent that these amounts are distributed from HHIPT to Investors, no downward cost base adjustment should arise for the Investors in respect of these amounts.

(b) Tax treatment if HHIPT does not qualify as an AMIT
If HHIPT does not satisfy or ceases to satisfy the qualification requirements for being an AMIT and is not a public trading trust, it will be taxed under the default trust taxation rules in Division 6 of the *Income Tax Assessment Act 1936* (Cth).

In that event, the Responsible Entity should not itself be subject to Australian income tax on the income of HHIPT provided Investors become 'presently entitled' to all of the income of HHIPT each financial year. The Responsible Entity intends to operate HHIPT to ensure that this requirement is satisfied. If this does not occur, income tax may become payable by the Responsible Entity on that share of the net taxable income that is not taxable in the hands of the Investors.

If HHIPT does not satisfy or ceases to satisfy the requirements for being an AMIT and is a public trading trust, the expected tax treatment will be similar to the expected tax treatment that would apply for HHIOT if it is a public trading trust (refer to Section 8.3.1). While HHIPT is not expected to be a public trading trust for tax purposes, this is ultimately subject to various factors, some of which will be determined by the composition of the Investors from time to time.

(c) Transfer or redemption of HHIPT Units
The transfer or redemption of a HHIPT Unit is a taxable event for CGT purposes.

To the extent that the capital proceeds received from the transfer or redemption exceed the cost base of a HHIPT Unit, the Investor who transfers or redeems the HHIPT Unit will realise a capital gain. If the capital proceeds are less than the Investor's reduced cost base, the Investor will make a capital loss.

The Investor's cost base and reduced cost base in a HHIPT Unit should be equal to the amount paid to acquire the HHIPT Unit, together with any incidental costs, as adjusted for any capital distributions.

The application of the AMIT regime to HHIPT means that the cost base of HHIPT Units may be adjusted for the relevant year based on the distributions received on HHIPT Units and the tax components attributed to the Investor in respect of the HHIPT Units for the relevant year. Any such cost base adjustments that arise in respect of the financial year in which HHIPT Units that are redeemed or disposed of should be taken into account in calculating the capital gain or loss which arises for Investors in respect of the redemption or disposal.

Investors may be able to claim a CGT discount to reduce any net capital gain arising on the disposal or redemption of their HHIPT Units if they have held their HHIPT Units for at least 12 months prior to the disposal or redemption (excluding the acquisition and disposal dates) and relevant conditions are satisfied. If the CGT discount applies, the Investor must offset any available capital losses against the capital gains before applying the applicable CGT discount rate (50% for an individual or trust and 33.33% for a complying superannuation fund or life insurance company). The CGT discount does not apply to an Investor that is a company or a non-resident.

10.3 Tax Treatment of HHIOT

HHIOT is not expected or intended to be an AMIT. This is on the basis that HHIOT is expected to be a 'trading trust' for tax purposes. While HHIOT is expected to be a trading trust, the tax treatment of HHIOT will depend on whether or not it is a 'public' trading trust.

On the basis that there will be more than 50 Investors and the Investors with the 20 largest holdings should not hold more than 75% of the beneficial interests in the income or property of HHIOT, HHIOT should be a public trading trust.

We have outlined at Section 10.3(a) the tax consequences of HHIOT being a public trading trust.

(a) HHIOT as a Public Trading Trust

Where HHIOT is a public trading trust, it will be taxed like a company under Division 6C of the *Income Tax Assessment Act 1936* (Cth) for Australian tax purposes and the net income of HHIOT will be liable to tax at the corporate rate of 30% (or 25% in initial stages where turnover is below $50 million). In such circumstances, the following discussion is relevant:

(1) Distributions from HHIOT

The distributions from HHIOT (other than certain capital distributions) to Investors will be taxed as dividends and may be franked. Franked dividends are paid to Investors out of profits on which HHIOT has already paid tax.

The assessable income of an Investor will typically include the amount of the distributions from HHIOT, as well as the amount of franking credits, if any, attached to those distributions.

Eligible Investors may be entitled to offset, against tax payable, franking credits in respect of dividends received from HHIOT (subject to the 'qualified person' rules – discussed below). To the extent that the Investor's share of the franking credits exceeds the Investor's tax liability, the Investor may be entitled to a refund of the excess, at least where the Investor is an individual or a complying superannuation fund.

The entitlement to franking credits is subject to legislative restrictions, in particular the satisfaction of the 'qualified person' or holding period rules, which includes the related payment rules. An Investor may be denied the franking credits in respect of distributions on HHIOT Units where the Investor and/or the Responsible Entity has not held their interest in the underlying securities 'at risk' for a continuous period of 45 days for ordinary shares (ignoring the day of acquisition and disposal) over the prescribed period.

(2) Redemption of HHIOT Units

A redemption of a HHIOT Unit is a taxable event for CGT purposes. To the extent that the proceeds on redemption exceed the cost base of HHIOT Unit, the Investor will make a capital gain. The amount of any capital gain should be reduced to the extent that the redemption price has otherwise been included in the Investor's assessable income (e.g. as a dividend).

However, if the proceeds on redemption are less than the Investor's reduced cost base, the Investor will make a capital loss.

For CGT purposes, the Investor's cost base and reduced cost base in HHIOT Units should generally be equal to the amount paid to acquire them, together with any incidental costs, adjusted for any relevant capital distributions. In some circumstances an Investor may also be able to use an average cost method to work the cost base or reduced cost base in their HHIOT Units.

If the Investor has held HHIOT Units for at least 12 months (excluding the acquisition and disposal dates), then the Investor may be entitled to a 50% CGT discount (where they are an individual or trust) or a 33⅓% CGT discount (where they are a complying superannuation entity or life insurance company). The CGT discount does not apply to an Investor that is a company or a non-resident.

If the CGT discount applies, the Investor must offset available capital losses against the capital gains then multiply the result by the relevant discount percentage to calculate the amount of their capital gain.

The redemption price paid by the Responsible Entity in respect of the redemption of a HHIOT Unit that represents money paid, or property transferred for the issue of the relevant HHIOT Unit should not be treated as a dividend, except to the extent that the amount so paid or credited exceeds the money paid or the value of property transferred to the Responsible Entity for the purpose of the issue of that HHIOT Unit.

(3) Transfer of HHIOT Units

The transfer of a HHIOT Unit is also a taxable event for CGT purposes. To the extent that the proceeds of transfer exceed the cost base of the HHIOT Unit, the Investor who transfers the HHIOT Unit will make a capital gain. However, if the proceeds of transfer are less than the Investor's reduced cost base, the Investor will make a capital loss. If the Investor has held HHIOT Unit for at least 12 months (excluding the acquisition and disposal dates), then the Investor may be entitled to the CGT discount (as applicable).

10.4 Other Tax Considerations

(a) Tax reform

The comments above are based on the taxation legislation and administrative practice as at the issue date of this PDS, together with changes to the taxation legislation as announced by the Government. However, it should be noted that the Australian tax system is in a continuing state of reform. Any reform of a tax system causes a degree of uncertainty, whether it be uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

As these reforms may impact on the tax position of the Fund and Investors, it will be necessary to closely monitor the progress of these reforms, and it is strongly recommended that prospective Investors seek their own professional advice, specific to their own circumstances, in relation to the taxation implications of investing in the Fund.

(b) Tax File Number

Providing a Tax File Number (**TFN**) is not compulsory. However, without an Investor's TFN or appropriate exemption information, the Responsible Entity is required to withhold tax from the Investor's distributions at the highest marginal tax rate (plus Medicare levy) until a TFN or exemption is quoted. An Australian Business Number (**ABN**) may be used as an alternative to a TFN if the investment in the Fund is undertaken in the course of carrying out an enterprise. The Responsible Entity is authorised under taxation laws to collect TFNs in connection with an investment in the Fund.

(c) Goods & Services Tax (GST)

Australian GST applies at the rate of 10% to 'taxable supplies'.

For GST purposes, the following should not attract GST for either the Responsible Entity or the Investors:

- the subscription for, issue and redemption of HHIPT Units and HHIOT Units; and
- the payment of distributions on HHIPT Units and HHIOT Units.

An Investor may not be entitled to claim any 'input tax credits', including 'reduced input tax credits', for any GST incurred on acquisitions that the Investor makes in connection with their investment in HHIPT Units and HHIOT Units, such as, for example, the acquisition of third-party services.

Investors must take their own advice as to whether they are entitled to claim input tax credits in their particular circumstances.

(d) Stamp Duty

The Fund (i.e. HHIOT and HHIPT) may hold indirect interests in land in New South Wales, South Australia, Queensland and/or Victoria.

To the extent that an Investor's acquisition of Stapled Units occurs before the Fund acquires, or contracts to acquire, any land assets (and, if applicable, other dutiable property, noting our comments relating to Queensland further below), no duty should be payable on the Investor's investment.

Otherwise, whether an Investor's acquisition of Stapled Units will give to a duty liability will broadly depend on whether HHIOT and/or HHIPT is a landholder in any Australian jurisdiction, and whether the Investor makes a relevant acquisition (subject to our comments further below relating to Queensland which has its own unique provisions for acquisitions in trusts).

Having regard to the Australian jurisdictions in which the Fund will (or may) invest in, HHIOT and HHIPT should only be a landholder if they hold interests in land (including freehold and leasehold interests, and items fixed to land), whether directly or indirectly through downstream entities, with a total unencumbered value exceeding a particular threshold (being $2 million or more in New South Wales, $1 million in Victoria, and any value in South Australia).

If HHIOT and/or HHIPT is a landholder, then an Investor may become liable to pay duty in the following jurisdictions if, as a result of their acquisition of Stapled Units, their percentage ownership of the total units on issue in the HHIOT and/or the HHIPT is at or exceeds certain thresholds, being:

- 20% in New South Wales and Victoria (or if HHIOT and HHIPT are both widely held unit trusts in each of these States, then 90%);
- 50% in South Australia (or if HHIOT and HHIPT are both widely held unit trusts in South Australia, then 90% - however, see our comments further below); and
- 50% in all other Australian States and Territories (subject to our following comments relating to Queensland).

The liability for duty can also arise where an Investor's percentage ownership of the HHIOT Units or HHIPT Units on issue exceeds the relevant thresholds when combined with interests held by their related or associated persons (including interests acquired by unrelated persons who are acting in concert or under substantially one arrangement).

For Queensland duty purposes, both HHIOT and HHIPT will seek to qualify as a widely held unit trust or as an imminent widely held unit trust under the Duties Act 2001 (Qld). This will mean that any investments by Investors should not give rise to any duty in Queensland (provided acquisition of units are less than 50%). If HHIOT and HHIPT do not qualify as a widely held unit trust for any reason at the time that an Investor acquires their interests, and HHIOT and HHIPT has Queensland dutiable property, then trust acquisition duty will be payable in Queensland on that acquisition. This is because HHIOT and HHIPT will no longer be a public unit trust and will be treated as a private unit trust. If HHIOT and HHIPT becomes a private unit trust, then the duty payable by the Investor who is acquiring the Stapled Units and will be calculated at rates of up to 5.75% of the greater of the consideration paid by the Investor for the units (i.e. the subscription monies) so far as it relates to Queensland dutiable property or, the unencumbered value of the Investor's interest in the underlying Queensland dutiable property held by HHIOT and HHIPT in Queensland.

For South Australian duty purposes stamp duty is only charged on transactions or dealings involving land used for residential or primary production purposes. Given the type of investments that the Fund will be making (i.e. investments in commercial related business assets), it is not expected that any underlying landholdings which may be held by the Fund would be residential or primary production land in South Australia. Therefore it is unlikely for any duty liability to arise in South Australia in relation to an Investor's investment in the Fund.

Additionally, HHIOT and HHIPT are not expected to qualify as a public unit trust in New South Wales or Victoria and therefore acquisitions in the Fund may be taxed as acquisitions in private unit trusts in those jurisdictions if the Fund is a landholder. In the case of Victoria, if at the time of an investment by an Investor, any land held by the Responsible Entity of the Fund qualifies as "tax reform scheme land" (whether because of a transaction by which the Fund acquired that land or because the land had already previously qualified through other transactions), then generally an Investor will not have to pay any Victorian duty in respect of their acquisition of Stapled Units in the Fund in respect of that land even if the Fund is a landholder.

Section 11

Additional Information

Additional Information

11.1 Cooling off rights

At the time this Offer is made the Fund will not be 'liquid' (as that term is defined in the Act) and therefore no cooling-off period applies.

Indirect Investors should consult their IDPS Operator about any cooling off rights they may have in respect of any investment they may make in the Fund.

11.2 Gearing Policy

Gearing is the level of debt finance that is used to purchase properties or manage the capital expenditure within a fund.

Gearing increases the exposure of Investors to movements in the value of the underlying properties in which a fund invests. It can magnify capital gains, however, it can also magnify capital losses. A highly geared fund will have a lower asset buffer to rely on in times of financial stress.

The gearing ratio for the Fund is calculated on a look-through basis using the following formula in accordance with RG 46:

Gearing ratio = total interest-bearing liabilities / total assets

Each financier will set a gearing ratio covenant. The covenant will set the maximum gearing ratio that the Fund may have. The RG 46 gearing ratio will be updated in the Fund's RG 46 disclosures; however, Investors should note that the methodology for calculating the gearing ratio in the Fund's future debt facilities may vary slightly from the formula set out above. For example, future financiers may permit the offset of the balance of cash held by the Fund from the total interest-bearing liabilities for the Fund.

If the level of gearing increases, the headroom over LVR covenant reduces and interest costs increase.

Borrowings are generally secured by the properties held by the Fund. This means that repayment of these borrowings ranks ahead of an Investor's interest in the Fund.

Under the Fund's gearing policy, it is not intended that borrowing will exceed 50% of the total assets of the Fund. If the value of the Fund's assets fall resulting in an increase to the gearing above 50%, then the Investment Manager will implement strategies to restore the level of gearing to below 50%. The Investment Manager has a target gearing level of between 35% - 50%.

At the date of this PDS the Fund does not own any Assets and therefore has no gearing. The status of the Fund's gearing will be made available in its RG46 disclosures which will be made available on the Fund Website.

11.3 Interest Cover Policy

A geared fund will incur an interest expense that will increase with the size of the loan or interest rate margins applied by the financier. A higher geared fund will be more sensitive to interest rate movements.

An interest cover ratio (ICR) is a measure of a fund's ability to meet its interest expenses from the earnings of the fund. The ICR is a key indicator of a fund's financial health.

The closer a fund is to an ICR of one (1), the closer the fund's cash flow is to meeting interest expenses only. If the ICR falls below one (1), the fund earnings are insufficient to meet interest expenses.

The following ICR formula as set down by RG 46 is used by the Investment Manager to calculate the Fund's ICR:

ICR = EBITDA - unrealised gains + unrealised losses / interest expense

Each financier will set an ICR covenant. The covenant will set the minimum ICR that the Fund must maintain. Note that the definition of ICR in the Fund's future debt facilities may vary slightly from the definition above.

At the date of this PDS the Fund does not own any Assets and therefore has no ICR. The status of the Fund's ICR will be made available in its RG 46 disclosures which will be made available on the Fund Website.

11.4 Valuation Policy

The Investment Manager maintains and complies with a written valuation policy for the valuation assets owned by the Fund that meets ASIC's RG 46 Benchmark 4.

The valuation policy requires valuations to be completed at different intervals depending on the nature of the asset as set out below:

1. Freehold only - at least once every 24 months;
2. Freehold going concern - at least annually;
3. Leasehold - at least annually.

In respect of all assets, the Investment Manager's valuation policy requires the Investment Manager to monitor asset performance regularly and to procure an out-of-cycle valuation if internal modelling or market conditions suggest a material change to the value of an asset (more than 5% movement).

All independent valuations are undertaken by an external valuer which is selected having regard to criteria set out in the valuation policy regarding qualifications, experience, independence and expertise in the hospitality sector. All valuers must carry adequate professional indemnity insurance as approved by the Investment Manager from time to time.

All assets must be independently valued before the asset is purchased on an "as is" or "as if complete" basis (as appropriate).

The Investment Manager's policy requires adequate rotation of valuers such that no valuer may perform an independent valuation more than three times consecutively on a particular property unless approved by the Investment Manager. A valuer appointed from the valuation panel must also have no conflicting interests.

Valuations are completed using a primary methodology which is determined having regard to the nature of the asset as set out below:

Asset type	Main Method	Check method
Freehold and leasehold property interests asset	Capitalisation of net operating income	Comparable sales
Operating businesses	Earnings multiples (EBITDA or revenue)	Discounted cashflow analysis

Investors should note that the Investment Manager may limit the ongoing disclosure of the underlying individual asset values provided by either independent valuers or internal valuers where they are deemed to be commercially sensitive, and making such information public (even on a historic or lag basis) may compromise any future divestment optionality of respective or neighbouring venues which would have the potential to be detrimental to the interests of Investors. Due to the nature of the assets within the Fund, publishing underlying individual assets values may limit the ability of Investment Manager to competitively transact in those assets over time.

A copy of the valuation policy is available on request from the Investment Manager.

11.5 Conflicts of interest and related party transactions policy

The Investment Manager, the Sub Trustee and the Venue Operator are related parties. Related parties of the Responsible Entity and the Investment Manager, including employees, family, friends and associated affiliates, may invest in the Fund on the same terms as other Investors in the Fund.

The Responsible Entity and the Investment Manager may appoint any of their related entities to provide services and to perform functions in relation to the Fund, including acting as their delegate. As of the date of this PDS, it is proposed that:

(a) The Responsible Entity has appointed a related party, Evolution Custodians Pty Ltd, to provide custody services for the Fund. Evolution Trustees Limited will provide custody services for the Sub-Trust.

(b) The directors of the Sub-Trustee and the Operating Company are Chris Cornforth, James Hann and Mark Pratt and the directors of the Venue Operator are Chris Cornforth, James Hann and Fraser Haughton, who are executives of the Investment Manager.

(c) The Operating Company will appoint the Venue Operator to operate certain hospitality venues acquired by the Fund on a day-to-day basis pursuant to the Management Services Agreement.

These above arrangements are each based on arm's length commercial terms.

The Investment Manager has lent $550,000 to the Sub Trustee for the purpose of enabling the Sub Trustee to enter into preliminary contractual and due diligence arrangements with respect to proposed seed assets for the Fund. If and when the Minimum Subscription Amount is raised and the ASIC Relief has been granted, the Sub Trustee must repay this amount, plus a $82,500 commitment fee, to the Investment Manager. The terms of the loan have been negotiated in accordance with the Harvest Hospitality Related Party Transactions Framework and Conflict of Interest Policy.

The Responsible Entity is entitled to be paid a fee for work performed in connection with the Fund in its personal capacity and not in its capacity as the responsible entity or trustee of the Fund. The Responsible Entity may retain these fees for its own purposes and is not required to account for them to the Fund or to Investors.

The Investment Manager will be issued a class of units in the Fund known as 'Carry Units'. The purpose of these Carry Units is to facilitate the distribution of the Performance Payment (as set out in Section 8.4(a)) to the Investment Manager. It is intended that Carry Units are to be issued to the Investment Manager in respect of each financial year (with the first series being in respect of the year ending on 30 June 2026) at an issue price of $0.01 per Carry Unit.

Where a Performance Payment has been earned (see Section 8.4(a)) (referred to as a 'Carry Unit Amount') the Investment Manager can request that the Responsible Entity declares a distribution payable to it as the holder of Carry Units for the Carry Units Amount. The Responsible Entity must pay the relevant amount within 90 days following the end of the relevant income year provided it is satisfied in its absolute discretion it has sufficient cash or liquid assets available to do so. If sufficient cash is not available to pay the Performance Payment then the Investment Manager may elect to defer payment until funds are expected to become available.

Alternatively, the Investment Manager may request a partial distribution in cash for part of the Carry Unit Amount (if any) with any balance to be converted into Stapled Units of the unpaid balance of the Carry Unit Amount. Other than as set out above, the Carry Units do not provide the Investment Manager with any additional rights such as rights to vote or to receive distributions of income or capital from the Fund.

In the course of managing the Fund, the Responsible Entity and the Investment Manager may have conflicts in respect of their duties in relation to the Fund, other funds they operate or manage and their own respective interests. The Responsible Entity and the Investment Manager have policies and procedures in place to manage these conflicts appropriately.

If the Responsible Entity transacts with a related party, it will be required to obtain member approval or ensure that the transaction is conducted on commercial, arm's length terms, or otherwise meets one of the exceptions in accordance with law. The Responsible Entity must also ensure that the appointment is in the best interests of Investors.

11.6 Continuous disclosure

If the Fund becomes a 'disclosing entity' under the Corporations Act, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. If the Fund is a 'disclosing entity' under the Corporations Act, you have a right to obtain a copy of the following documents at no cost to you:

(a) the annual financial report for the Fund most recently lodged with ASIC by the Responsible Entity;

(b) any half-year financial report for the Fund lodged with ASIC by the Responsible Entity; and

(c) any continuous disclosure notices for the Fund given by the Responsible Entity.

If the Fund is a 'disclosing entity', the Responsible Entity will disclose information to Investors which may have a material effect on the price or value of Stapled Units or would be likely to influence persons who commonly invest in deciding whether to acquire or dispose of Stapled Units. Investors have a right to obtain a copy of these documents at no charge. Please contact the Responsible Entity to obtain a copy of the requested document. Any continuous disclosure obligations applicable to the Responsible Entity will be met by following ASIC's good practice guidance via website notices rather than lodging copies of these notices with ASIC. Such material information will be made available as soon as practicable on the Fund Website.

11.7 ASIC relief

The Responsible Entity has applied for the following relief from ASIC in relation to the Fund:

Responsible Entity's powers and responsibilities

The Responsible Entity has applied for relief in relation to HHIOT and HHIPT under Sections 601FC(1) and 601FD(1) of the Corporations Act to allow the Responsible Entity and its officers to act in the best interests of Investors in their capacity as holders of units in both HHIOT and HHIPT rather than the interests of Investors as holders of units in one trust.

The Responsible Entity has applied for relief in relation to HHIOT and HHIPT under Sections 601FC(1) and 601FD(1) of the Corporations Act to allow the Responsible Entity, its officers and employees to have regard to the interests of Investors in their capacity as holders of units in both HHIOT and HHIPT in performing their obligation to not make use of information in order to cause detriment to those Investors.

The Responsible Entity has applied for relief in relation to HHIOT and HHIPT under Sections 601FD(1)(e) and 601FE(1)(b) of the Corporations Act to allow the officers and employees of the Responsible Entity to have regard to the interests of Investors in their capacity as holders of units in both trusts in performing their obligation to not make use of their position in order to cause detriment to those Investors.

The Responsible Entity has applied for relief in relation to HHIOT and HHIPT under Section 601LC of the Corporations Act to allow financial benefits to flow across the Fund without the approval of Investors.

Distribution reinvestment

The Responsible Entity has applied for relief in relation to HHIOT and HHIPT under Section 1012D(3) of the Corporations Act to expand the product disclosure statement exemption which allows interests in a registered scheme to be issued without a product disclosure statement where the proceeds of distributions received from that scheme are used to acquire further interests in the same scheme to cover a situation where the proceeds of the distribution from a scheme are applied to acquire additional units in that scheme and/or the other stapled scheme.

Disclosure of fees and costs

The Responsible Entity has applied for relief in relation to HHIOT and HHIPT under Section 1013D(1)(d) of the Corporations Act to allow the fees and costs of the consolidated stapled trusts to be shown in one fees and costs table rather than two separate fees and costs tables.

11.8 ESG Considerations

Environmental, social and governance (ESG) factors are not the primary driver of investment decisions of the Fund. The Investment Manager will make investment decisions based primarily on financial factors. However, the Fund will favour investment opportunities with strong ESG credentials where they are likely to have a material impact on investment value, risk, or reputation.

11.9 Important Documents

(a) Constitution

The Fund's Constitutions (in addition to the general law) set out the terms and conditions under which the Fund operates, as well as many of the rights, liabilities, duties and obligations of Investors and the Responsible Entity. Your rights, duties and obligations as a holder of Stapled Units will be governed by the Constitution and the general law relating to trusts. These rights include the right to attend Investor meetings, receive and reinvest distributions, and participate in proceeds of the termination and winding up of the Fund.

Some key terms of the Constitutions are described below, but it does not summarise all of the provisions. Other terms have been described elsewhere in this PDS, including in relation to the nature of an Investor's interest in the Fund's assets, applications and redemptions of Stapled Units, Unit pricing, transfers of Stapled Units, distributions and Responsible Entity fees.

You may obtain a copy of the Constitutions free of charge on request to the Responsible Entity.

(i) Classes of Stapled Units

The Responsible Entity may create and issue one or more different classes of Stapled Units with rights, obligations or restrictions differing from each other class of Stapled Unit, and may at any time consolidate, divide or re-classify Stapled Units, provided that any consolidation, division or re-classification must be undertaken for all Stapled Units in a class and does not alter the aggregate beneficial interest in the Fund's assets held by an Investor or value of the relevant Investor's aggregate holding of Stapled Units.

Each class does not have segregated assets and liabilities, and does not constitute a separate trust.

(ii) Transfer of Stapled Units and security over units

Investors may transfer Stapled Units in the manner as the Responsible Entity from time to time prescribes but must not do so without the express written consent of the Responsible Entity (which may be withheld in its absolute discretion).

Investors may not create any encumbrance or other security interest over their Stapled Units without the consent of the Responsible Entity.

(iii) Responsible Entity's role, obligations and rights

The Responsible Entity's duties and obligations to Investors will be imposed, and functions and powers conferred, by the Constitutions, the Corporations Act (where relevant) and general law.

Examples of the Responsible Entity's powers include acquiring and disposing of the Fund's assets, entering into agreements, operating accounts, and raising money.

Under the Constitutions, the Responsible Entity will have (among other things) a broad power of investment, an entitlement to be paid the specified fees out of the Fund's assets, a right to pay out of the Fund's assets fees and costs incurred by the Responsible Entity in the performance of its duties (including payment of the fees and costs of the Investment Manager under the Investment Management Agreement, and other Fund expenses such as in connection with custody, administration, valuation and dealing of Fund assets), and (subject to limitations operating by law) a right to be indemnified out of the Fund's assets for any fees or costs incurred by it, in its own capacity or through an agent, manager, adviser or delegate.

(iv) Responsible Entity's indemnity and limitation of liability

The Responsible Entity, as the trustee of the Fund, will have to the fullest extent permitted by law, a right to be indemnified out of the Fund's assets for any cost, expense liability incurred by it, in its own capacity or through an agent, manager, advisor or delegate.

To the fullest extent permitted by law, the Responsible Entity will not be liable in contract, tort or otherwise to any future trustee, any Investor or any other person.

(v) Liability of Investors

Generally, the liability of Investors is limited to the amount unpaid (if any) of the issue price of the Stapled Units they hold. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

(vi) Responsible Entity's retirement and removal

The Responsible Entity must retire as responsible entity of the Fund when required by law or directed to retire by an extraordinary resolution which requires Investors holding in aggregate at least 50% of all Stapled Units on issue vote in favour of (in person or by proxy) the resolution and provided that the Responsible Entity must not retire until a replacement responsible entity is appointed.

(vii) Termination of the Fund

The Responsible Entity at any time may terminate the Fund by written notice to the Investors with effect from the termination date specified in the notice.

The Investors may at any time terminate the Fund by extraordinary resolution provided that Investors holding in aggregate at least 50% of all Stapled Units on issue vote in favour of (in person or by proxy) the resolution.

(viii) Amending the Constitutions

The Responsible Entity may amend the Constitutions, however, where the Responsible Entity proposes to:

(A) amend or replace the Constitutions (**Proposed Change**); and

(B) the Responsible Entity reasonably considers the Proposed Change will materially adversely affect Investors rights,

the Proposed Change must be approved by the Investors by special resolution.

(b) Stapling deed

Subject to the granting of the ASIC Relief, the Responsible Entity will be subject to certain obligations in relation to the Stapled Units and the operation of the Fund under a stapling deed.

The stapling deed requires the Responsible Entity to:

(i) facilitate the operation of HHIOT and HHIPT as a single stapled entity and all matters relating to Stapled Units; and

(ii) not do anything, or omit to do anything, which would result in the unstapling of Stapled Units.

(c) Investment Management Agreement

The investment management agreement is between the Responsible Entity and the Investment Manager under which the Investment Manager agrees to provide investment management services to the Responsible Entity in respect of the Fund.

Under the terms of the Investment Management Agreement:

(i) the Responsible Entity will appoint the Investment Manager to assist in the marketing of the Fund, source investments for the Fund and manage the investments of the Fund;

(ii) the Investment Manager must manage the Fund in accordance with relevant laws and the terms of the Constitutions;

(iii) the Investment Manager must provide regular reporting to the Responsible Entity and be subject to the regular monitoring of the Responsible Entity; and

(iv) the Investment Management Agreement may be terminated in certain circumstances including where either party has breached the Investment Management Agreement or becomes insolvent, or on notice.

(d) Management Services Agreement

Under the Management Services Agreement (**MSA**) the Venue Operator is appointed to operate the venues acquired by the Fund on a day-to-day basis. The services provided under the MSA in respect of each venue owned or operated by the Fund are set out below:

(i) oversee the day-to-day running of the venues;

(ii) procure and maintain agreements with third party suppliers;

(iii) develop and implement marketing and activity plans;

(iv) manage the human resource function;

(v) manage the accounting and finance functions, including but not limited to payroll, creditor payments, statutory payments;

(vi) manage the bank accounts

(vii) manage the compliance with liquor laws and other statutory requirements;

(viii) if required, develop a capital expenditure plan;

(ix) if required, oversee and project manage all capital works including obtaining any necessary approvals required to carry out any refurbishment works;

(x) provide reports to the Operating Company, including providing:

1. quarterly financial management accounts;
2. online access to compliance reporting, including tax and superannuation obligations; and
3. online access to annual reports;

(xi) maintain a complete set of financial accounts;

(xii) if required, obtain and manage debt finance, including ongoing reporting and compliance with financiers' requirements; and

(xiii) provide any other marketing, finance, project management, executive, risk, HR or IT functions as required by the Operating Company from time to time.

The MSA will continue for the period the venue is owned by the Fund but may be terminated by the Operating Company if the Venue Operator breaches a material obligation which is not remedied within 45 days of written notice.

The Operating Company may terminate the MSA without cause but if this occurs it must pay the Venue Operator a termination fee equal to the greater of:

1. three times the aggregate of the management fee (see below) paid to the Investment Manager over the previous 12 months prior to the month in which the termination of the MSA occurs; or
2. $2,000,000.

The Venue Operator is entitled to be paid a fee for the provision of the services calculated as 10.0% of the relevant venue's EBITDA (as disclosed in the management accounts) for the previous month payable monthly in arrears.

The MSA may also be terminated by both the Operating Company and the Venue Operator at any time by mutual agreement.

11.10 Privacy

The Responsible Entity may collect personal information from Investors as part of the application process or during the administration of the Fund.

The Responsible Entity will use this information to process your Application and administer your investment in the Fund. If you do not provide the Responsible Entity with your contact details and other information, then it may not be able to process your Application.

Under the Privacy Act 1988 (Cth), you can access personal information about you held by the Responsible Entity, except in limited circumstances. Please let the Responsible Entity know if you think the information is inaccurate, incomplete or out of date.

The Responsible Entity may disclose Investors' personal information to external service providers engaged to supply administration, financial or other services, and anyone that Investors have authorised (including an Investor's custodian or financial adviser) or if required by law. Service providers appointed by the Responsible Entity will be required to adhere to the Responsible Entity's privacy policy.

Under various laws and regulatory requirements, the Responsible Entity may have to pass on certain information to other organisations, such as the Australian Taxation Office or the Australian Transaction Reports and Analysis Centre (**AUSTRAC**).

By applying to invest, you give the Responsible Entity permission to pass information it holds about you to other companies which are involved in helping it administer the Fund, or where they require it for the purposes of compliance with anti-money laundering and counter terrorism financing laws or in connection with the holding of Application Money.

The Responsible Entity's **Privacy Policy** is available from the Responsible Entity.

The Responsible Entity's **Privacy Policy** is also available on its website:
https://www.evolutiontrustees.com.au/wp-content/uploads/2024/01/Privacy-Policy-2023-1.pdf

11.11 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

As a part of the application for Stapled Units, Applicants will be required to provide customer identification materials to enable the Responsible Entity to comply with anti-money laundering and counter terrorism financing legislation. In addition to the customer identification material and documents required to be provided with an Application, the Responsible Entity may require further information or documentation from an Investor at any time in order to satisfy its obligations under anti-money laundering and counter terrorism financing legislation.

The Responsible Entity is a 'reporting entity' pursuant to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) **(AML/CTF Act)** and, as such, must be 'reasonably satisfied' that an Investor exists and is who they claim to be prior to issuing Stapled Units to them. This means that all Applicants must provide the identification information as set out in the Application Form. The Responsible Entity will not issue Stapled Units

to an Applicant unless satisfactory identification documents are attached to the Application Form or provided by your financial adviser.

The Responsible Entity may also need to obtain further information from you while you remain an Investor in the Fund. If the Responsible Entity suspects that you are in breach of the AML/CTF Act applicable in Australia or elsewhere, or the Responsible Entity believes it is required to take action under any laws relating to the AML/CTF Act or any other applicable law in Australia or elsewhere, the Responsible Entity may take any action it considers appropriate, including transferring your Stapled Units and refusing or ceasing to provide you with services, in order to comply with any laws relating to the AML/CTF Act or any request of a relevant authority. The Responsible Entity will not be liable for any resulting loss.

The Responsible Entity will maintain all information collected from Applicants and Investors in a secure manner in accordance with the AML/CTF Act and relevant privacy principles. Information about an Applicant or Investor will only be disclosed where required by the laws of Australia.

This means that identification information may be disclosed to AUSTRAC or other government or law enforcement agencies. The Responsible Entity may also disclose this information to other entities involved with the Fund to the extent that this information is required to fulfil that their AML/CTF obligations. The Responsible Entity is not liable for any loss you may suffer as a result of its compliance with the AML/CTF Act.

11.12 Right to Information

Investors will receive the following Fund information:

(a) an email of confirmation following the allotment of Stapled Units under the Offer;

(b) distribution statements or statements of account and transaction summaries;

(c) quarterly reports on the Fund's performance and investments;

(d) Fund updates and the RG 46 disclosures accessible on the Fund Website;

(e) Annual statements including tax statements.

Information provided to Investors by the Responsible Entity or the Investment Manager will be delivered electronically.

Investors may also use the Fund Website to keep track of the Stapled Unit price, current information on the Fund's investments and other important information about the Fund.

11.13 Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act **(FATCA)** is a US law that impacts Investors worldwide. FATCA attempts to minimise US income tax avoidance by US persons investing in assets outside the US, including through their investments in foreign financial institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service **(US IRS).**

The Australian Government has entered into an Inter-Governmental Agreement (IGA) with the Government of the United States of America for reciprocal exchange of taxpayer information. Under the IGA and enacted legislation, 'Reporting Australian Financial Institutions' have due diligence and reporting obligations.

The Fund may be a 'Reporting Australian Financial Institution' under the IGA and may therefore comply with applicable FATCA obligations as determined by the FATCA provisions, the IGA and any associated guidance from the Australian Taxation Office (**ATO**). These obligations, if applicable, include (but are not limited to) identifying and documenting the status of Investors in the Fund, and identifying any reportable as a US person, US controlled entity or a non-complying FATCA financial institution. The Fund may be then obligated by law to report certain information on reportable Investors to the ATO which may in turn report this information to the US IRS.

In order for the Fund to comply with its applicable FATCA obligations, the Responsible Entity may be obligated to request certain information from Investors. The Tax Information Form included with the Application Form must be completed by all Applicants and requires self-certification of an Applicant's tax status under Australian FATCA rules. This may be used by the Investment Manager to determine if reporting is required in relation to your investment in the Fund. Information that is required to be reported may be reported by the ATO to the US IRS.

The Fund and the Responsible Entity are not liable for any loss an Investor may suffer as a result of the Fund's compliance with FATCA.

The Responsible Entity will also provide information about the Fund's FATCA status when required so that FATCA withholding is not applied to payments received on its investments. If the Responsible Entity (on behalf of the Fund) suffers any amount of FATCA withholding and is unable to obtain a refund for such withholding, the Responsible Entity (on behalf of the Fund) will not be required to compensate Investors for any such withholding and the effects of these amounts will be reflected in the returns of the Fund.

This information is of a general nature only. Please consult your tax adviser should you wish to understand the implications of FATCA to your particular circumstances.

11.14 Common Reporting Standard (CRS)

The Common Reporting Standard (**CRS**) is a global reporting standard for the Automatic Exchange of Information developed by the Organisation for Economic Co-operation and Development (**OECD**). Australia has signed the multilateral convention and legislation to implement CRS in Australia to be administered by the ATO. Under CRS, Australian financial institutions' have due diligence and reporting obligations.

The Fund is an Australian financial institution under CRS and must therefore comply with its CRS obligations and any associated guidance from the ATO. These obligations include (but are not limited to) the Fund documenting the status of Investors that are non-residents of Australia and certain entities controlled by non-residents of Australia. The Fund is then obligated by law to report on certain information for applicable Investors to the ATO which may in turn report this information to the tax authority in the applicable jurisdictions.

In order to comply with its CRS obligations, the Responsible Entity is obligated to request certain information from Investors. Certain information collected will be reported to the ATO which may in turn report this information to the tax authority in applicable jurisdictions. Penalties can apply if Investors fail to provide the information or provide false information.

Neither the Fund nor the Responsible Entity are liable for any loss an Investor may suffer as a result of its compliance with CRS.

This information is of a general nature only. Please consult your tax adviser should you wish to understand the implications of CRS to your particular circumstances.

11.15 Consents

The Investment Manager, the Sub Trustee and the Venue Operator have given their consent and have not, before the issue of the PDS, withdrawn their consent to be named in this PDS, and to the inclusion of statements made by or based on statements made by it in this PDS in the form and context in which they appear.

11.16 Electronic instructions

Investors can provide instructions on their account and investment to the Responsible Entity by email, subject to the Responsible Entity's discretion to require original documentation.

In respect of electronic instructions, the Responsible Entity will not accept an instruction unless it bears the Investor's investor code and which appears to indicate to the Responsible Entity that the communication has been provided by the Investor, for example, a signature which is apparently the Investor's and that of an authorised signatory for the investment or an email address which is apparently the Investor's.

The Responsible Entity (and its related parties, officers, employees, consultants, advisers and agents) (Fund Parties) will not be responsible for any loss or delay that results from a transmission not being received by any of the Fund Parties and will only process electronic instructions received in full and signed by authorised signatories of the Investor.

Only instructions received from an Investor or a person authorised by the Investor will be accepted by the Responsible Entity. Investors must comply with any security or verification procedures required by the Responsible Entity from time to time.

The Fund Parties will assume that any instruction received in respect of an Investor's investment has been authorised by the Investor, and the Fund Parties will not investigate or confirm that authority (unless the Responsible Entity is actually aware that the instruction was not authorised).

The Responsible Entity may refuse to act on any instruction until the validity of the instructions have been confirmed, and the Fund Parties will not have any liability to the Investor or any other person for any consequences resulting from not acting on the instruction.

If an Investor chooses to provide electronic instructions, the Investor releases each of the Fund Parties from any claims and indemnifies those parties against all costs, expenses, losses, liabilities or claims arising from any payment or action those parties make based on instructions (even if not genuine) that any of those parties receive and which they reasonably believe are genuine, including as a result of gross negligence or wilful default by any of those parties.

Each Investor also agrees that neither the Investor, nor anyone claiming through the Investor, has any claim against any of the Fund Parties in relation to acting on instructions received (authorised by the Investor or otherwise).

Investors should be aware that there is a risk that fraudulent requests can be made by someone who has access to an Investor's account information.

The Responsible Entity may vary the conditions of service of any communications at any time by providing notice, either in writing, by email or other electronic communication.

11.17 Complaints

The Responsible Entity has established a complaint handling process and is committed to properly considering and resolving all complaints.

If you have a complaint, please contact the Responsible Entity using any of the following:

- In writing or in person: Level 15, 68 Pitt Street, Sydney NSW 2000
- By telephone: +61 2 8866 5150
- By email: info@evolutiontrustees.com.au

Please provide the reason for your complaint and any other additional details. The Responsible Entity will acknowledge your complaint within one Business Day of receiving it. The Responsible Entity may contact you in respect to obtaining additional information or clarification in respect to your complaint. A response to your complaint will be provided within 30 calendar days of receipt. If we cannot provide a response within 30 calendar days, we will notify you of the reasons for the delay.

If an issue has not been resolved to your satisfaction, then you can lodge a complaint with the Australian Financial Complaints Authority **(AFCA).** AFCA provides fair and independent financial services complaint resolution that is free to consumers:

Website: www.afca.org.au
Telephone: 1800 931 678 (free call)
Email: info@afca.org.au

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001.

Please note that a complaint must have gone through the Responsible Entity's complaints handling process before it can be referred to AFCA.

Section 12

How to invest

How to invest

12.1 Read this PDS before completing the Application

You must read this PDS in its entirety before completing the Application Form. Please pay particular attention to all of the risk factors in Section 9 of this PDS. You should consider the risks in light of your own investment situation.

You should also consider consulting financial, taxation or other professional advisers before deciding whether to invest in the Fund.

12.2 How to invest

Applications to invest in the Fund must be made by completing the Application Form available online https://harvesthospitality.com.au/funds/harvest-hospitality-income-fund/

By submitting a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of the PDS.

The Responsible Entity has the sole discretion whether to accept or reject an Application. If your Application is rejected, wholly or in part, then we will notify you via email.

12.3 Application Instructions

The Application Form should be completed in accordance with the instructions available online at the link above.

In addition to completing the Application Form, for your application to be considered you must have completed any further KYC/FATCA checks that are required and also have paid the Application Money. Further instructions on these items are provided through the application process.

Section 13

Glossary

Glossary

In this PDS the following terms have the following meanings unless the context otherwise requires:

Term	Meaning
ACN	Australian Company Number as defined in the Corporations Act.
Acquisition Value	In relation to an asset that is acquired for the Fund, as follows: • if the asset is acquired pursuant to a contract of sale, then the gross purchase price of the asset as it appears on the contract of sale (excluding any GST component and before any deductions or adjustments); or • if the asset is acquired in some way other than pursuant to a contract of sale, then the gross value of the asset as determined by the Responsible Entity (acting reasonably) immediately prior to the acquisition of the asset (excluding any GST component and before any deductions or adjustments).
AFS licence or AFSL	Australian financial services licence as defined in the Corporations Act.
Applicant	Someone who applies to become an Investor pursuant to this PDS.
Application	An application to subscribe for Stapled Units and become an Investor.
Application Form	The form to be completed for the purpose of making an Application
Application Money	The money paid (or property transferred) by an Applicant for a Stapled Unit.
ASIC	The Australian Securities and Investments Commission.
ASIC Relief	The relief the Responsible Entity has applied for necessary to operate the Fund described at Section 11.7.
Attribution Managed Investment Trust or AMIT	An attribution managed investment trust for the purposes of the *Income Tax Assessment Act 1997* (Cth).
Business Day	A day on which banks are open for ordinary banking business in Sydney, New South Wales.

Term	Meaning
Calculation Date	In respect of the Performance Payment, means each of the following: • each anniversary of the commencement date of the Fund; • the date the last of the Fund's assets is sold; • the date of termination of the Fund; • the Business Day prior to termination of Investment Management Agreement for any reason; and • the date of completion of a Reorganisation Proposal (as that term is defined in the Constitutions).
Calculation Period	In respect of the Performance Payment, means: • for the first Calculation Period, the period beginning on the Commencement Date and ending on the first Calculation Date, and • for each subsequent Calculation Period, the period from the previous Calculation Date up to and including the relevant Calculation Date.
Commencement Date	The date Stapled Units are first issued pursuant to this PDS.
Constitution	The constitution of HHIPT or HHIOT, as the context requires.
Corporations Act	The *Corporations Act 2001* (Cth) for the time being in force together with the regulations.
Custodian	Evolution Custodians Pty Ltd and Evolution Trustees Limited as the context requires.
EBITDA	Earnings before interest tax depreciation and amortisation.
Fund	Harvest Hospitality Income Fund (comprising HHIOT and HHIPT).
Fund Website	https://harvesthospitality.com.au/funds/harvest-hospitality-income-fund/
Gross Asset Value	For the Fund means the total value, from time to time, of the assets of the Fund as most recently determined by the Responsible Entity.
GST	Goods and Services Tax as defined in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Harvest Hospitality	The Harvest group of entities, including Harvest Hotels Pty Ltd ACN 613 405 904.
HHIOT	Harvest Hospitality Income Operator Trust ARSN 691 523 494.
HHIOT Unit	An ordinary unit in HHIOT.

Term	Meaning
HHIPT	Harvest Hospitality Income Property Trust ARSN 691 523 378.
HHIPT Unit	An ordinary unit in HHIPT.
IDPS	Investor directed portfolio service. An IDPS is provided by an IDPS Operator, which may make investments into products on behalf of its clients and provides a reporting service to those investors. Some master trust and wrap accounts are examples of IDPSs.
IDPS Operator	The public company that is a holder of an Australian financial services licence that is authorised to operate an IDPS and who provides an IDPS or a function that forms part of the IDPS.
Indirect Investor	A unitholder who acquired Stapled Units in the Fund, or will acquire Stapled Units in the Fund, through an IDPS.
Investment Management Agreement	The agreement dated 10 October 2025 between the Responsible Entity and the Investment Manager under which the Investment Manager is appointed to manage the assets of the Fund.
Investment Manager	Harvest Hotels Pty Ltd ACN 613 405 904.
Investment Strategy	The investment strategy for the Fund set out in Section 2.2.
Investor	A registered holder of Stapled Units.
IRR	The internal rate of return is the annualised, effective compound return rate on Investors' equity invested into the Fund.
Limited Liquidity Facility	The redemption opportunity described at Section 5.4.
Management Services Agreement	The agreement pursuant to which the Venue Operator is appointed to operate the venues summarised at Section 11.9(d).
Minimum Subscription Amount	$15,000,000.
Net Asset Value or NAV	The net asset value of the Fund, being the aggregate of the net asset values of each of HHIPT and HHIOT as calculated in accordance with each respective Constitution.
Offer	The offer of Stapled Units.

Term	Meaning
Operating Company	Harvest Hospitality Income Operator Company Pty Ltd, a company wholly owned by HHIOT.
Performance Payment	The distribution paid to the Investment Manager as an incentive to maximise the value of the Fund's investment portfolio and return to Investors.
Periodic Liquidity Event	The redemption opportunity described at Section 5.4.
Product Disclosure Statement or PDS	This product disclosure statement.
Responsible Entity, we, us or our	Evolution Trustees Limited ACN 611 839 519, AFSL 486217
RG 46	ASIC Regulatory Guide 46 Unlisted property schemes: Improving disclosure for retail investors.
Stapled Units	One ordinary unit in HHIPT and one ordinary unit in HHIOT which are not to be transferred separate from one another.
Stapling Deed	The deed to be executed by the Responsible Entity under which the units in HHIPT are stapled to the units in HHIOT.
Sub Trust	Harvest Hospitality Income Property Sub-Trust.
Sub Trustee	Harvest Hospitality Income Property Sub-T Pty Ltd ACN 691 730 837.
Unit	A HHIPT Unit or a HHIOT Unit, as the context requires.
Venue Operator	Harvest Hospitality Services Pty Ltd ACN 687 063 421.
Wholesale Client	Has the meaning given to the term in the Corporations Act.

Directory

RESPONSIBLE ENTITY

Evolution Trustees Limited
ABN 29 611 839 519, AFSL No 486217
Level 15
68 Pitt Street
Sydney NSW 2000
Website: www.evolutiontrustees.com.au
Email: info@evolutiontrustees.com.au

INVESTMENT MANAGER

Harvest Hotels Pty Ltd
ACN 613 405 904
Suite 16.02
99 Walker Street
North Sydney NSW 2060
Website: www.harvesthospitality.com.au
Email: info@harvesthospitality.com.au

CUSTODIAN

Evolution Custodians Pty Ltd
ACN 689 821 565
Level 15
68 Pitt Street
Sydney NSW 2000
Website: www.evolutiontrustees.com.au
Email: info@evolutiontrustees.com.au

ADMINISTRATOR

AMAL Trustees Pty Limited
ACN 609 737 064
Level 13
20 Bond Street
Sydney NSW 2000
Website: www.amal.com.au/trustee-services
Email: funds@amaltrustees.com.au

UNIT REGISTRY

Automic Pty Ltd
ACN 152 260 814
Level 5, 126 Phillip Street Sydney NSW 2000
Website: www.automicgroup.com.au
Email: hello@automicgroup.com.au