



# Product Disclosure Statement:

Additional Disclosure Document –  
BrickX Trust No. 30  
Property Code: NML01

for the BrickX Platform (ARSN 613 156 433)

Responsible entity: BrickX Financial Services Limited

ABN: 67 616 118 088

AFSL number: 494878

Date: 7 July 2021

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## INTRODUCTION

The purpose of this document is to provide information to Members or potential Members of the BrickX Platform managed investment scheme (ARSN 613 156 433), to help them to decide whether they wish to invest in the particular property identified above ('the Property'), by investing in Bricks of the BrickX Trust which holds the Property, and which is also identified above.

This document is part of the Product Disclosure Statement ("PDS") for the BrickX Platform managed investment scheme (ARSN 613 156 433). The other parts of the PDS are the document titled 'Product Disclosure Statement for the BrickX Platform (ARSN 613 156 433): Platform Document' (the '**Platform Document**') and each 'Additional Disclosure Document' for each of the BrickX Trusts that are available for investment through the Platform.

There is an 'Additional Disclosure Document' for each property and Bricks of the corresponding BrickX Trust that are available for investment through the BrickX Platform. The current version of the Platform Document and each Additional Disclosure Document are available from the BrickX website <https://www.brickx.com/pds>

This document is issued by the Responsible Entity of the BrickX Platform, BrickX Financial Services Limited ABN 67 616 118 088; AFSL number: 494878.

Capitalised terms used in this document have the same meaning as in the Platform Document unless the contrary intention appears.

**Before becoming a member and investing in the Property and Bricks of a BrickX Trust, you should consider:**

- the current version of the Platform Document, Financial Services Guide and any Additional Disclosure Document relating to the Bricks of that BrickX Trust;
- the 'RG46 Schedule' information for the Property and the Bricks of the corresponding BrickX Trust, available on the BrickX website; and
- the other information about the Property and corresponding Bricks and BrickX Trust, available on the BrickX website via the 'Properties' tab or the relevant 'Property Code' link in the RG46 Schedule'.


## 1. INVESTMENT PURPOSE AND KEY FEATURES OVERVIEW

<b>Purpose</b>	The purpose of investment in the Property through this BrickX Trust is to gain exposure to an income-producing commercial property in a growing Melbourne suburb close to the CBD, with the potential for capital gains if a Brick, or the property itself, is sold in a favourable market.
<b>Overview of Key Features</b>	<ul style="list-style-type: none"><li>- Investment in Commercial property located in the Arden Precinct in North Melbourne.</li><li>- Two (2) existing tenants, with respective exposure to the Educational Services sector for health professionals and separately, to the Luxury Building segment.</li><li>- Both existing tenants are established businesses, with rent paid in full during Covid-19: calendar 2020. Each tenant is required to provide security by way of a bank guarantee up to three months' rent plus GST, which can be used to rectify a breach of the lease by the tenant (for example, a failure to pay rent).</li><li>- Weighted Average Lease Expiry ("WALE") of 2.5 years, with initial lease expiry of December 2023 (Unit one) and January 2024 (Unit two).</li><li>- Both leases incorporate material outgoings being paid by the tenants, with a combined net passing income of \$106,950 p.a. and fixed 3.00% per annum increases;</li><li>- Renewal Option for the tenant(s) to renew existing leases for an additional term of 5 years, subject to market review of rental. Upon renewal, fixed increases of 3% p.a.</li><li>- Average estimated net rental yield of 4.2% over 5 years and estimated ROI of 13.4%.</li><li>- Return on Investment metrics consider the potential capital returns with average compound annual growth rate per square metre of 8.61% over the past 5 years (Source: Colliers).</li></ul>

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	<ul style="list-style-type: none"> <li>- The Responsible Entity has secured, on behalf of this BrickX Trust, a debt facility to partially fund the purchase of the Property. This means the Property is subject to a mortgage, serviced by the gross rental income of the Property. A summary of the terms on which this debt facility has been obtained is set out in further detail below.</li> </ul>
<b>Property Address</b>	121 Arden Street, North Melbourne VIC 3051
<b>Property Type</b>	Office and Retail Shops
<b>Purchase Price</b>	The property was purchased for \$1,780,000 plus acquisition costs, on or about 8 <sup>th</sup> June 2021.
<b>Debt</b>	\$890,000 (drawdown is subject to conditions precedent and execution of documentation)
<b>Gearing</b>	50% debt against the Purchase Price
<b>Interest Rate</b>	3.18% p.a
<b>Acquisition Costs</b>	\$106,880
<b>Cash Reserve</b>	\$43,120
<b>Total Trust value</b>	\$1,930,000
<b>Initial Brick Price</b>	\$104
<b>Estimated Net Rental Yield</b>	The annual rent payable under the leases is \$106,950 prior to annual fixed increases/market review resulting in a target average net rental yield of 4.2% p.a (gross yield of 6.19% p.a).
<b>Estimated Total Return</b>	<p>As at June 2021, North Melbourne precinct had a historical capital growth rate of 8.61% per annum, over the last 5 years. Assuming the continuation of this level of growth, BrickX's estimated return on investment (ROI) is 13.60% (includes allowance for costs in selling the property at the end of its 5 year term).</p> <p>Past performance is not necessarily indicative of future performance.</p> <p>This estimation was based on facts as at June 2021, and any subsequent changes to growth rates or levels of rental income would have an effect on estimated ROI. In addition, fluctuations in Brick Price will influence the effective return, and thus you should regularly refer to Returns and Valuation info on the summary page for the latest information.</p>
<b>Investment Period</b>	<p>There is no minimum or maximum period for holding Bricks in this BrickX Trust. Bricks holders can put their bricks for sale on the platform at any time for other investors to purchase. As with any sale and purchase of a product, there must be a willing buyer to sell your bricks.</p> <p>On the 5 year anniversary of settlement of the property on the Platform, the Responsible Entity will facilitate a meeting of Brick Owners to determine whether to sell the Property and terminate this BrickX Trust. At any time prior to the 5 year anniversary, the Manager and/or Brick Owners may also consider passing a resolution (approved by Brick Owners holding at least 50% of the Bricks on issue) to wind-up the trust and sell the property. In the event that the vote to sell does not exceed 50%, the property will remain on the BrickX Platform.</p>
<b>Maximum Bricks per investor</b>	There is a maximum number of Bricks that can be held collectively by a Brick Owner (and its associates, associated persons or related persons) in this BrickX Trust. The Maximum is no greater than 15% (1,500) of the Bricks in the Trust.

## 2. THE PROPERTY

<b>Description</b>	 <ul style="list-style-type: none"> <li>- Newly refurbished, ground floor retail and office investment</li> <li>- Gross Building Area of 389m<sup>2</sup>;</li> <li>- Dominant Arden Street frontage of 20m providing excellent exposure, multiple points of access and tenancy flexibility;</li> <li>- A high-performing commercial investment positioned within walking distance to the new Metro Rail Network (under construction, with the Metro Tunnel Project on track to be completed by 2025), i.e. Arden train station and on the cusp of Melbourne CBD.</li> <li>- See video here - <a href="https://player.vimeo.com/video/552264767">https://player.vimeo.com/video/552264767</a></li> </ul>
<b>Location</b>	<ul style="list-style-type: none"> <li>- Arden Street is renowned as the home of North Melbourne Football Club, the precinct is dotted with parklands, destination cafes, pubs and has been a focal point of recent development.</li> <li>- Arden Street links Abbotsford Street's tram network and Errol Street's historic retail village.</li> <li>- Linkage to Melbourne's public transport network, includes the 57 Tram just metres from the doorstep and the new Arden Station in North Melbourne providing direct access to the CBD.</li> <li>- The Property is within the Arden Urban Renewal Project with plans for the State Government to revitalize the Precinct potentially accommodating an additional 34,000 jobs and 15,000 residents across the precinct by 2051* (source: Victorian Planning Authority).</li> </ul>

## 3. DETAILS OF THE DEBT FACILITY

<b>Borrower</b>	The Responsible Entity in its capacity as Trustee for this BrickX Trust
<b>Lender</b>	National Australia Bank (the "Bank")
<b>Facility Type</b>	Business Markets Loan - Interest Only basis.
<b>Total Facility Limit</b>	\$890,000
<b>Facility Expiry Date</b>	2 Years [July 2023]
<b>Interest Rate</b>	Fixed Rate of 3.18% per annum.
<b>Security</b>	Standard terms and conditions per Bank loan documentation for a secured transaction of this nature.
<b>Other Material Provisions</b>	Standard provisions per Bank loan documentation for a secured transaction of this nature.

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#### 4. KEY RISKS – SUMMARY

In summary, the key risks of investing in this particular property and this BrickX Trust include but are not limited to those set out in the PDS and in this section.

This risk information is **additional** to the risk information in the Platform Document and overrides that document if there is an inconsistency.

The Manager considers that the key risks associated with purchasing the Property as an asset of the Trust, in addition to the general property investment risks and steps taken to address these as noted in the PDS, are addressed in the Property purchase terms.

In addition, the Manager has given consideration to the following risks and adopted the following mitigants.

Vacancy Risk	Mitigant
<b>Period of Vacancy in the event the Tenant does not extend their respective lease renewal options for an additional term.</b>	<p>The Manager considers the risk in relation to the Tenant of Unit 1 not renewing its lease renewal option for an additional 5 years, to be on the downside given the substantial refit undertaken at the Tenant's cost, noting the revitalisation planned for the precinct and the proximity to the new Metro Station.</p> <p>In relation to the Tenant of Unit 2 not renewing its lease renewal option for an additional 5 years, the Manager is less certain of the outcome.</p> <p>Notwithstanding the existing tenants' decision to renew their leases for an additional 5 year term, the Manager considers there to be various commercial options available in the time to expiry to address this potential risk.</p>
<p>Having regard to the risks identified above and the proposed steps to be taken to address them, the risks articulated in the PDS and the nature of the investment activities of the BRICKX Trusts, the Manager does not consider that any of the above risks would expose any of the following parties to unacceptable or unexpected risks:</p> <ul style="list-style-type: none"> <li>• the Trustee;</li> <li>• holders of units (Bricks) in the Trust;</li> <li>• the Manager;</li> <li>• the custodian of the assets of the Trust - Australian Executor Trustees Limited; or</li> <li>• the Sub-Custodian.</li> </ul>	

#### 5. FEES SPECIFIC TO THIS BRICKX TRUST

This section describes the fees and costs that are specific to investment in the BrickX Trust that is the subject of this document. Other BrickX Trusts may have different fees and costs.

**Note: The Platform Document may provide a general description of certain fees and costs (for example, a range of investment management or performance fees), and state that the particular fees for a specific BrickX Trust will be specified in the Additional Disclosure Document for that BrickX Trust. Such fees and costs are set out in this section.** Otherwise, the fees and costs in this section are **additional** to other fees and costs mentioned in the Platform Document, in particular the Membership Establishment fee when you first join the BrickX Platform and the standard BrickX Platform Transaction Fee payable when you sell, redeem or buy any bricks (which is also mentioned as a Contribution fee, Withdrawal fee, Exit fee and Switching fee). In the event the fees and costs mentioned in the Platform Document are inconsistent with this document, this document overrides the Platform Document.

All fees and charges in this section are quoted exclusive of any taxes, including GST.

##### Management costs

The fees and costs for managing your investment.

Type of fee or cost	Amount	How and when paid
<b>Investment management fee paid to BrickX</b>	1.2% per annum of the Gross Asset Value <sup>1</sup> . The fee is calculated daily, but if the Gross Asset Value is not determined on a day then the fee is calculated on the Gross Asset Value last determined.	Payable out of the assets of the BrickX Trust monthly in arrears within 30 days of the end of each month before payment of net distributions to Brick Owners.
<b>Expenses</b>	All expenses incurred by BrickX and/or the Responsible Entity in the proper performance of their duties in respect of this BrickX Trust.	All expenses are payable or reimbursable out of the assets of this particular BrickX Trust. However, note:

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	<p>These include finance costs incurred in connection with the establishment of the debt facility, namely:</p> <ul style="list-style-type: none"> <li>• Application Fee \$1,500 (once off fee); and</li> <li>• Service Fee of \$100 per month.</li> </ul> <p>An estimate of all other expenses not already disclosed is in the range of 0.8% to 1.41% per annum of the Property Purchase Price for this BrickX Trust.)</p>	<p>- the Application Fee is paid to the lender on acceptance of the debt facility; and</p> <p>- the Service Fee is payable to the lender in arrears on the last business day of each month.</p>
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**Additional fees and costs**

These fees and costs are explained in '10.5 Additional explanation of fees and costs' in the Platform Document.

Type of fee or cost	Amount	How and when paid
<p><b>Property Management Fee</b></p> <p><b>Payable to nominated property manager</b></p>	<p>Annual property management fee of up to 6% (plus GST) of gross rent.</p>	<p>Calculated monthly and paid in arrears within 30 days of the end of each month.</p> <p>The fee will be deducted from gross rental income before any distribution is paid to Brick holders from the BrickX Trust for the relevant month.</p>

**Notes:**

1: This is in addition to the Property Management Fee described below. 'Gross Asset Value' means the total value of the current and non-current assets of the BrickX Trust.

**IMPORTANT NOTE:**

**No investment advice**

The information contained in this document should not be taken as financial product advice and has been prepared as general information only without consideration of your personal investment objectives, financial circumstances or needs. Before acting on the information in this document, you should consider the appropriateness of such advice having regard to your objectives, financial situation and needs. In particular, you should give careful consideration to the risk factors outlined in the "KEY RISKS – SUMMARY" section of this document, and the "Key risks of investing" section of the Platform Document, in light of your personal circumstances, recognizing that other risk factors may exist in addition to those identified and should also be considered before deciding whether to invest.

If you have any queries or uncertainties relating to aspects of this document or the investment in Bricks, please consult your accountant or other independent financial adviser before deciding whether to invest.

Similarly, the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives. You should consider the tax implications outlined in the Platform Document and obtain your own professional taxation advice prior to deciding whether to invest in this offer of Interests.

**No guarantee**

Except as required by law, and only to the extent so required, neither the Responsible Entity, nor any other person, warrants or guarantees the future performance of the BrickX Platform or any BrickX Trust, the repayment of capital, or any return on any investment made.

**Forecasts and forward looking statements**

This document may contain forecast financial information along with forward looking statements that involve risks and uncertainties. These forecasts and forward looking statements are subject to various risk factors that could cause the

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BrickX Platform's and Bricks' actual results to differ materially from the results expressed or anticipated in these forecasts or statements. These and other factors could cause actual results to differ materially from those expressed in any forecast or forward looking statement.

**Consents**

In respect of statements in this PDS made by the Manager or based on a statement made by the Manager, the Manager has consented to such statements being included in this PDS, in the form and context in which they are included, and the Manager has not withdrawn its consent to such inclusion.