



Product Disclosure Statement: Platform Document

for the BrickX Platform (ARSN 613 156 433)

Responsible entity: BrickX Financial Services Limited

ABN: 67 616 118 088

AFSL number: 494878

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This document is the product disclosure statement (PDS) that relates to the offer of membership of the BrickX Platform, and interests in each BrickX Trust available for investment through the Platform. The other parts of the PDS are each 'Additional Disclosure Document' for each BrickX Trust. The current versions of all the PDS parts are available at <https://www.brickx.com/>.

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Important Notices and Disclaimer

This information is important and requires your attention

It is important that you read this Document in its entirety prior to making any decision about investing in the BrickX Platform. In particular you should carefully consider the risk factors outlined in section 4 and the tax implications in section 11 as they relate to your personal investment objectives, financial circumstances and needs. The potential tax implications of an investment in the BrickX Platform will vary between Members. Other risk factors may exist in addition to those identified in this Document which should also be considered in light of your personal circumstances. If you have any queries or uncertainties relating to aspects of this Document or an investment in the BrickX Platform, please consult your adviser before deciding to invest.

Product disclosure statement

This document is the product disclosure statement (PDS) that relates to the offer of membership of the BrickX Platform, and interests in each BrickX Trust available for investment through the Platform. The other parts of the PDS are each 'Additional Disclosure Document' for each BrickX Trust that is available for investment through the Platform. The current versions of all the PDS parts are available from the BrickX website <https://www.brickx.com/pds>. Unless the context indicates otherwise, references to this 'Document' include references to the other parts of the PDS.

Before becoming a Member by investing in the BrickX Platform, you should consider the current version of the PDS: Platform Document.

Before investing in the Bricks of a BrickX Trust, you should consider:

- the current version of the PDS: Platform Document and the PDS: 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.

This Document is prepared in accordance with Part 7.9 of the Corporations Act. This Document is designed to assist clients in understanding and deciding whether to use any of the financial products and financial services offered by BrickX Financial Services Limited (BrickX Financial Services), and also contains information about remuneration that may be paid to BrickX Financial Services and any other relevant persons, and also contains information about how complaints against BrickX Financial Services are dealt with.

A separate BrickX Financial Services Guide (BrickX FSG) relating to the financial services provided by BrickX Financial Services is available on the BrickX Website.

BrickX Financial Services is the Responsible Entity of the BrickX Platform and the issuer of Interests and has contracted The Brick Exchange Pty Ltd (BrickX) as manager of the BrickX Platform, to assist in preparing this Document. BrickX is a corporate authorised representative (number 001000043) of BrickX Financial Services, authorised to market the BrickX Platform and arrange to deal in Interests and Bricks. To the extent BrickX distributes any marketing or promotional materials relating to the BrickX Platform, or arranges for a Member to acquire or dispose of an Interest or a Brick, such activities are undertaken as an authorised representative of BrickX Financial Services.

Not 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 section 4 of this Document in light of your personal circumstances, recognising 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 offer of Interests, please consult your stockbroker, accountant or other independent financial adviser before deciding whether to invest.

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 section 11 and obtain your own professional taxation advice prior to deciding whether to invest in this offer of Interests.

Not legal or taxation advice and investments on behalf of Minors

Similarly, you should obtain your own professional legal and taxation advice prior to deciding whether to invest in this offer of Interests in the BrickX Platform, including any Bricks.

In particular, children under 18 years of age are not able to invest directly in the BrickX Platform. However, parents, close relatives (ie. aunts, uncles, grandparents) and guardians aged 18 years or over can invest for the benefit of a Minor as trustee.

If you are investing on behalf of a Minor, you will be taken to be doing so as trustee, and it is your responsibility to obtain your own legal and taxation advice, understand your duties as trustee, and administer the trust accordingly.

Cooling-off rights

Cooling-off rights apply to the purchase by retail investors of Interests in the BrickX Platform (but do not apply to wholesale investors). This means you can withdraw your

Application and receive a refund of the \$10 application fee and any money deposited to your Digital Wallet that has not yet been invested in Bricks. This cooling-off right expires on the earlier of 14 days after the Responsible Entity confirms acceptance of your application, or 19 days after your application is accepted, or if you place an order for the purchase of any Bricks.

Confidentiality

This Document and any other information provided in connection with this Document is provided on a confidential basis. It is provided to prospective Members for the sole purpose of considering acquiring an Interest and must not be copied, supplied, disseminated or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Responsible Entity's prior written consent.

Electronic disclosure

This Document can be viewed and downloaded from the BrickX Website at <https://www.brickx.com/pds>. If you access the electronic version of the Document, you must ensure that you download and read the entire Document.

You can print the Document from the BrickX Website.

Applications for registration on the BrickX Platform will only be considered if a completed application form is submitted online via the BrickX Website. To become a Member you will need to pay an application fee (which is included in Minimum Amount required to be transferred with your Application) (refer to section 14 for further information).

Australian investors only

The offer is accessible to Australian investors only.

This Document has been prepared to comply with the requirements of Australian law. This Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Distribution of this Document outside Australia (whether electronically or otherwise) may be restricted by law.

Persons who receive this Document outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws. Any person subscribing for Interests shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Document, and are not acting for the account or benefit of a person within such jurisdiction. None of the Responsible Entity, BrickX, or any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the offer of Interests.

Updated information

Information regarding the BrickX Platform may change from time to time. Any updated information about the BrickX Platform that is considered not materially adverse to Members will be made available on the BrickX Website at <https://www.brickx.com>. You can also request a paper or electronic copy of updated information to be provided to you free of charge.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this Document. You should read any supplementary disclosures made in conjunction with this Document prior to making any investment decision.

You will receive this Document, any supplementary PDS and communications by digital delivery (i.e., on the BrickX Website at <https://www.brickx.com/pds>). You will be notified of the issue of a supplementary PDS and other communications via your nominated email address. You can opt out of digital delivery for all marketing materials, however all other financial and legal documents and updates will be delivered to you at your nominated email address.

Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the offer of Interests and Bricks that is not contained in this Document or the BrickX Website. Any information or representation that is not in this Document may not be relied on as having been authorised by the Responsible Entity in connection with the offer for Interests in the BrickX Platform.

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.

None of the Responsible Entity or BrickX promises that you will earn any return on your investment or that your investment will gain or retain its value. No company, other than BrickX Financial Services and BrickX, makes any statement or representation in this Document. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this Document should be construed as a recommendation by the Responsible Entity or any associate of the Responsible Entity, or any other person, concerning acquiring an Interest.

As part of operating the BrickX Platform, the Responsible Entity must ensure compliance with applicable occupational, health and safety standards and statutory environmental requirements. The Responsible Entity does not take account of labour standards, environmental, social or ethical considerations in operating the BrickX Platform. Entities, including third party suppliers, have not been screened on this basis.

Forecasts and forward looking statements

This Document may contain forecast financial information along with forward looking statements identified by words such as “may”, “could”, “believe”, “estimates”, “expects”, “intends” and other similar words that involve risks and uncertainties. These forecasts and forward looking statements are subject to various risk factors that could cause the BrickX Platform’s and Bricks’ actual results to differ materially from the results expressed or anticipated in these forecasts or statements. These risk factors are set out in section 4. These and other factors could cause actual results to differ materially from those expressed in any forecast or forward looking statement made by, or on behalf of, BrickX or the Responsible Entity.

Financial information

Unless otherwise specified, all financial and operational information contained in this Document is current as at the date of this Document. All currency amounts are in Australian dollars unless otherwise specified.

ASIC

This Document has not been, and does not need to be, lodged with ASIC and ASIC does not take any responsibility for the contents of this Document or the merits of the investment to which this Document relates.

Diagrams and photographs

Diagrams and photographs (screenshots) contained in this Document are intended for illustrative purposes only.

Investment timing

Any indication of times, including terms of any investments, may vary due to the time taken to process instructions or payments. Any processing times indicated are estimates only and may vary.

Definitions, abbreviations and other information

Explanations of defined terms and abbreviations used throughout this Document can be found in Schedule 1. Unless otherwise stated or implied, references to times in this Document refer to times in Sydney, New South Wales. Similarly, references to dates or years in this Document are financial years for the BrickX Platform unless otherwise stated or implied. Rounding of the figures provided in this Document may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Third party privacy notice

The Responsible Entity and BrickX may collect, use and disclose your personal information where it is reasonably necessary to provide the BrickX Platform products

and services, and for ancillary purposes in accordance with each entity's privacy policy. If the Responsible Entity and BrickX are unable to collect your personal information, they may not be able to provide these services to you.

The Responsible Entity's privacy policy is available at <https://www.brickx.com/privacy>. The policy contains information about how the Responsible Entity and BrickX collect, use and disclose your personal information, how you may access or correct your personal information held by the Responsible Entity or BrickX and how you may complain about a breach of the Australian Privacy Principles.

The Responsible Entity and BrickX may disclose your personal information, such as your name and contact details, along with your account information to their related bodies corporate, professional advisors, service providers and the Custodian. The Responsible Entity and BrickX are also permitted to collect, use and disclose your personal information when required or authorised to do so by law. The Responsible Entity and BrickX may disclose your personal information to overseas recipients.

Foreign tax reporting compliance

If requested by the Responsible Entity, the Member agrees, and it is a condition of the issue of Interests in the BrickX Platform, to provide certain information required by it in order to comply with any applicable law, including the United States Foreign Account Tax Compliance Act and the Common Reporting Standard, a regulatory requirement developed by the Organisation for Economic Co-operation and Development.

Further Questions?

If you have any queries relating to this Document please contact BrickX at info@brickx.com.

1 Welcome to the BrickX Platform

The BrickX Platform is redefining property investment in Australia

Property investing in Australia can be challenging. Affordability, deposit and lending requirements, acquisition costs including stamp duty, land tax and legal fees, lengthy investment holding periods, exit costs and commissions can make property investment an arduous commitment.

Traditionally, property investors in Australia have invested in property either directly (sometimes requiring substantial investment capital) or through property investment funds managed on behalf of investors. Whilst property investment funds afford investors the ability to invest smaller amounts, investors generally lose the ability to control where and when they invest in property.

The BrickX Platform provides an alternative approach to the traditional means of accessing the property market that aims to make investing simple and accessible.

The BrickX Platform empowers investors to invest and transact in 'fractional' or part ownership of indirect interests in underlying properties and enjoy the benefits of reduced investment processes and costs. Brick Owners can benefit from the rental yield and potential capital returns without leasing and managing those properties. The BrickX Platform also allows investors to diversify their investment portfolio to include indirect property holdings across multiple properties.

The BrickX Platform establishes a new way for investors to invest indirectly in the property market in Australia, and benefit from this sought after asset class.

Who is suited to the BrickX Platform?

The BrickX Platform may suit investors that want an investment exposure to property without the need to purchase a property outright. The BrickX Platform provides investors with the ability to diversify holdings in this asset class with ease and efficiency.

Investing via the BrickX Platform may be a suitable strategy for investors in a variety of situations, stages of life or financial position. These types of investors may include but are not limited to:

- first time property investors;
- people seeking to build a home deposit;
- existing property investors;
- self-managed super funds (SMSF);
- property syndicates; and
- retirees with long-term investment time frames.

Investing via the BrickX Platform may suit an investor's requirements if their:

- investment time horizon is varied;
- risk tolerance incorporates a willingness to accept volatility in the value of the investment over time; and
- financial means are sufficient to ensure that they are in a position to tolerate extended periods of time during which the value of their investment may fall.

A sensible approach to investment risk

The BrickX Platform facilitates easy access to quality property investments. The properties included on the BrickX Platform are selected on the basis of meeting investment criteria with a view to optimising rental yield and/or capital returns. BrickX currently engages the services of professional buyers agents and real estate agents who have market knowledge in the targeted geographical regions.

Investing indirectly in the underlying properties on the BrickX Platform is not without risk and you may lose some or all of your investment. It is important that you read and understand each of the risks set out in section 4.

You should read this Document in its entirety before deciding to invest.

2 Key features

The table below provides a summary of the key features of participating in the BrickX Platform.

The key features of investing in any particular BrickX Trust by buying particular Bricks are in the Additional Disclosure Document for that BrickX Trust, and in the RG 46 Schedule and other information for the BrickX Trust, all of which is available on the website. You should read the Additional Disclosure Document and other relevant property-specific website information before placing a Buy Order. You can also request a paper copy of this information at no charge.

Feature	Description
What is the BrickX Platform?	<p>The BrickX Platform is an online platform that allows Members to invest indirectly in properties in various locations across Australia to earn rental income.</p> <p>The BrickX Platform provides Members with access to property industry valuations and analytical data. Providing a transparent overview of each property investment assists Members to make informed investment decisions.</p> <p>The BrickX Platform also enables Members to buy and sell beneficial interests (Bricks) in one or more BrickX Trusts which hold properties with the potential to benefit from capital returns on BrickX Trust property assets (although access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain pre-qualified investors).</p> <p>Refer to section 5.1 for further information.</p>
Who can become a Member and access the BrickX Platform?	<p>Membership of the BrickX Platform is available to all Australian resident investors, including individuals, self-managed superannuation funds and other entities.</p> <p>The BrickX Platform also accepts applications from parents, close relatives (ie. aunts, uncles and grandparents) and guardians who wish to invest as trustee for the benefit of a child under 18 years of age. A trustee who invests for the benefit of a Minor must be 18 years or over, and must be an Australian resident.</p> <p>Refer to sections 6.1 and 6.2 for further information.</p>
How is the BrickX Platform structured?	<p>The BrickX Platform is a managed investment scheme that is registered with ASIC and subject to regulatory requirements.</p> <p>Refer to section 5.2 for further information.</p>
What is a “Brick”?	<p>A Brick is a unit in a BrickX Trust. A Brick represents a beneficial interest in the property held by that trust and gives the holder a proportional entitlement to any benefits generated by that property after the payment of all fees, costs, interest and expenses relating to that property.</p> <p>The property held by a BrickX Trust can consist of a single property or multiple properties.</p> <p>Refer to section 6.5 for further information.</p>

Feature	Description
How do I become a Member	<p>To become a Member, you must apply online and transfer the Minimum Amount of \$250 (which is inclusive of a \$10 application fee) to BrickX. The Minimum Amount will appear in the Member's Digital Wallet, and can be applied towards buying Bricks through your chosen investment approach.</p> <p>Refer to section 6.1 for further information.</p>
What is Smart Invest?	<p>The BrickX Platform provides Members the ability to invest across a range of properties with features that are consistent with a set strategy.</p> <p>This is the Smart Invest approach.</p> <p>The Smart Invest approach removes the need for Members to select which BrickX Trust to buy Bricks in, instead they can elect to invest via a strategy in which Bricks are automatically purchased (subject to Brick availability, diversification rules and availability of Funds Awaiting Investment).</p> <p>When using the Smart Invest approach, any distributions received are automatically applied to the purchase of additional Bricks.</p> <p>Refer to section 6.8 for further information.</p>
What is Build My Own?	<p>The BrickX Platform provides Members the ability to select the individual BrickX Trusts they wish to buy Bricks in (subject to Brick availability) and build their portfolio based on their own preferences and strategy.</p> <p>This is the Build My Own approach.</p> <p>The Build My Own approach requires Members to log on to the BrickX Platform, select the individual BrickX Trust in which they wish to buy Bricks, and complete the transaction via the Order Book.</p> <p>Refer to section 6.9 for further information.</p>
How do I buy Bricks using Smart Invest?	<p>You can select Smart Invest via your BrickX Account and nominate your monthly direct debit amount. Note Smart Invest requires a minimum direct debit of \$50 per month.</p> <p>The direct debited amount will appear in your Digital Wallet, and will be applied towards the Smart Invest approach for buying Bricks.</p> <p>By choosing Smart Invest, Members direct and authorise the automatic purchase of Bricks (subject to Brick availability, diversification rules and availability of Funds Awaiting Investment) and any distributions paid on their Bricks to be allocated to Funds Awaiting Investment.</p> <p>Refer to section 6.8 for further information.</p>

Feature	Description
How do I buy Bricks using Build My Own?	<p>Members are able to buy Bricks using the Order Book accessible on each individual BrickX Trust page of the BrickX Website.</p> <p>A Member can buy and reserve available Bricks at any time provided money is available in the Member's Digital Wallet, there are Bricks available for purchase, and the Order Book is open for trading (note that the Order Book facility may be limited or suspended for a BrickX Trust at times in BrickX's discretion).</p> <p>In addition, when BrickX launches a Property Campaign for a new or existing BrickX Trust on the BrickX Platform, Members are able to reserve Bricks during the Pre- Order Phase, and acquire such Bricks at Brick Settlement for that Property Campaign (although some Property Campaigns may be limited to certain pre-qualified investors).</p> <p>Refer to section 6.9 for further information.</p>
How do I sell Bricks?	<p>Members are able to sell Bricks they own by placing them for sale by way of a Sell Order on the Order Book, at a price set by the seller (which must not be more than 20% lower than the latest Brick valuation).</p> <p>A transaction will occur when there is a willing buyer who purchases the Bricks at the price set by the seller. Once a Sell Order has been matched with a buyer, the seller will receive payment for their Bricks into their Digital Wallet.</p> <p>Note that the Order Book facility may be limited or suspended for a BrickX Trust at times in BrickX's discretion.</p> <p>Refer to sections 6.8 and 6.9 for further information.</p>
What is the price of a Brick?	<p>The initial price of a Brick for the initial Property Campaign conducted by a new BrickX Trust is generally determined as follows:</p> $\frac{\text{property acquisition price} + \text{other net assets}}{\text{number of Bricks that will be on issue at Brick Settlement}}$ <p>The price of a Brick to be issued as part of any subsequent Property Campaign by a BrickX Trust is generally be determined as follows:</p> $\frac{\text{property acquisition price} + \text{other net assets}}{\text{number of Bricks that will be on issue at Brick Settlement}}$ <p>Outside of any Property Campaign, the Bricks in a BrickX Trust will be revalued regularly, and published on the relevant BrickX Trust page on the BrickX Website. The Brick value will generally be determined as follows:</p> $\frac{\text{net assets}}{\text{number of Bricks on issue}}$ <p>Note that:</p> <ul style="list-style-type: none"> the property acquisition price will include stamp duty and other acquisition costs; the net assets will be determined by calculating the current value of the assets of the BrickX Trust (including the cash reserve, the value of any unamortised costs for any previous property acquisition and the value of any other accrued assets) and then deducting the current liabilities of the BrickX Trust (including the value of any outstanding debt and any other accrued liabilities);

Feature	Description
	<ul style="list-style-type: none"> the cash reserve will include any additional cash that will be raised as part of a Property Campaign; debt will include any additional debt that will be raised as part of a Property Campaign; and assets and liabilities will be determined based on their most recent valuation. <p>Refer to section 6.6 for further information.</p>
Seller determined pricing	<p>When buying and selling Bricks between Members, price is driven by the Bricks available for sale, of which the price is determined by the seller.</p> <p>Price determination is assisted by the valuations of the underlying property, property related documents and industry data made available on the BrickX Website.</p> <p>Note that a Sell Order will not be accepted if it is set at a price that is more than 20% lower than the latest Brick valuation on the BrickX Website.</p> <p>Refer to sections 6.6, 6.8vi and 6.9iv for further information.</p>
Is there a minimum or maximum investment amount?	<p>A prospective Member must transfer the Minimum Amount with their Application. This amount will be available in your Digital Wallet to apply towards buying Bricks.</p> <p>The maximum number of Bricks a Member may hold in any single BrickX Trust will be specified in the Additional Disclosure Document for the relevant BrickX Trust. Note this maximum applies regardless of whether Bricks were acquired using the Build My Own or Smart Invest approach.</p> <p>Refer to sections 6.7 for further information.</p>
Is there a set investment period?	<p>Most BrickX Trusts do not have a set investment period. If there is a set investment period it will be specified in the relevant Additional Disclosure Document.</p> <p>A Member can generally place a Sell Order for their Bricks at any time after the Property Settlement for which the Bricks were issued (provided that the Order Book is open at that time and the selling price is not more than 20% lower than the latest Brick valuation).</p> <p>Once a Sell Order has been matched with a buyer, the seller will receive payment for their Bricks into their Digital Wallet.</p> <p>Members can deactivate their BrickX Account (and cancel their Interest) at any time, provided they are not holding any Bricks and have withdrawn all funds from their Digital Wallet.</p> <p>Brick Owners may at any time collectively agree to sell the property held in a particular BrickX Trust and end that trust (refer to section 12.2(c)).</p> <p>The Additional Disclosure Document for a particular BrickX Trust may specify other processes for sale of property and winding up of the BrickX Trust, including:</p> <ul style="list-style-type: none"> BrickX facilitating a meeting of Brick Owners of the BrickX Trust to determine if the Brick Owners wish to sell the property held in the BrickX Trust or to continue holding the property; and/or

Feature	Description
	<ul style="list-style-type: none"> BrickX being granted a general power to sell property and wind-up the BrickX Trust without further reference to Brick Owners when certain events occur (such as a set time period). <p>Note that in certain circumstances BrickX will have a general power to sell the property of a BrickX Trust, for example where the BrickX Trust cannot otherwise meet its costs and expenses.</p> <p>A BrickX Trust cannot wind up in full unless all the properties held by that trust are sold.</p> <p>Refer to sections 5.8, 6.10 and 6.11 for further information.</p>
What are the fees?	<p>To become a Member you must transfer the Minimum Amount, being \$250 which is inclusive of a \$10 application fee. This amount is made available in your Digital Wallet to apply to buy Bricks.</p> <p>BrickX charges a 0.5% transaction fee on any purchase or sale of Bricks.</p> <p>Any bank fees that are charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet will be charged to, and deducted from, the Member's Account and/or Digital Wallet.</p> <p>BrickX is entitled to be paid the following fees from each BrickX Trust in relation to the proper performance of its duties in respect of the particular BrickX Trust:</p> <ul style="list-style-type: none"> (a) an investment management fee; and (b) a performance fee based on the performance of the BrickX Trust against a benchmark return specified in the Additional Disclosure Document for the BrickX Trust. <p>The relevant fees for each particular BrickX Trust will be specified in section 10 below, as varied by the Additional Disclosure Document (if any) for that BrickX Trust, which will be available on the BrickX Website.</p> <p>All expenses incurred by BrickX and the Responsible Entity in the proper performance of their duties in respect of each BrickX Trust are payable to BrickX or the Responsible Entity out of the gross income and assets of that BrickX Trust.</p> <p>The fees of the Custodian for each BrickX Trust will also be payable out of the gross income and assets of that BrickX Trust.</p> <p>Refer to section 10 for further information.</p>
How are the BrickX Platform properties chosen?	<p>The Investment Team aims to acquire properties in locations across Australia that have the potential to provide positive rental income and/or capital returns.</p> <p>The Investment Team includes experienced property and finance sector individuals who will work with the BrickX team to contribute to and support the buying strategy and approach. The Investment Team and BrickX may also engage third parties with property and finance sector experience to assist with the buying strategy and approach.</p> <p>Refer to section 5.3 for further information and to the BrickX Website for details of the properties currently included on the BrickX Platform.</p>

Feature	Description
How are properties chosen for inclusion in a Smart Invest strategy?	<p>A Smart Invest strategy is set by the BrickX management team and the Investment Team. The key features of a particular strategy are disclosed on the BrickX Website. Members can also request a copy of the information on the strategy from BrickX, at no charge. BrickX Trusts available on the BrickX Platform that (in the opinion of the BrickX management team and the Investment Team) possess the key features of a Smart Invest strategy will be included in that strategy.</p> <p>The BrickX management team and the Investment Team will annually review the BrickX Trusts on the BrickX Platform for their suitability to be included in, or excluded from, a particular Smart Invest strategy. The Investment Team is also able to recommend inclusion or exclusion of BrickX Trusts in a Smart Invest strategy where assessed or considered appropriate.</p> <p>Members will be notified of the inclusion of BrickX Trusts in a Smart Invest strategy.</p> <p>Brick Owners in a particular BrickX Trust will also be notified when that BrickX Trust is excluded from a Smart Invest strategy.</p> <p>Refer to section 6.8i for further information.</p>
How does each BrickX Trust acquire a property?	<p>The particular acquisition and settlement process for property by a BrickX Trust will be set out in the relevant Additional Disclosure Document.</p> <p>Typically, a Property Campaign will be launched on the BrickX Website for the property acquisition, which will included details of the property and the amount that is required to be raised to acquire the property (note that certain Property Campaigns may be limited to pre-qualified investors).</p> <p>Each property purchase will typically be fully funded, either through the issue or sale of Bricks prior to Property Settlement for the property, or through a combination of this and debt finance. Note that if not enough Bricks to fund the purchase are sold prior to Property Settlement for a property, and/or sufficient debt cannot be raised, the property purchase may not occur and pre-orders of Bricks relating to the property purchase may not be fulfilled. If this occurs, reserved funds for the Pre-Order Phase will be fully released to Members' Digital Wallets.</p> <p>Where a Property Campaign is successful, the property will be acquired by the BrickX Trust. BrickX Financial Services, as trustee of the BrickX Trust, has appointed the Custodian to hold the property of each BrickX Trust. Under this arrangement, the Custodian becomes the registered proprietor of the property and it will be held on trust for the unit holders (ie, Brick Owners) of the relevant BrickX Trust.</p> <p>Refer to section 5.3 for further information.</p>
How are the properties managed?	<p>BrickX or third party management agents will be appointed to manage the properties held in the BrickX Trusts on the BrickX Platform, including coordinating repairs and collecting rent.</p> <p>Brick Owners do not take an active part in managing properties and will not be consulted for any day to day decisions relating to any property.</p> <p>Refer to section 5.5 for further information.</p>

Feature	Description
How are the properties valued?	<p>BrickX will provide an annual independent valuation of each property in a BrickX Trust which will be published on the corresponding BrickX Trust page within the BrickX Website. BrickX will also reflect this updated property valuation in an updated Brick valuation, also published on the corresponding BrickX Trust page.</p> <p>Refer to section 5.4 for further information.</p>
Depreciation and capital works tax deductions	<p>As part of a property acquisition, each property in a BrickX Trust has a depreciation report produced. Properties and associated depreciable assets are depreciated and/or subject to capital works deductions in accordance with tax guidelines in a straight-line method, with the depreciation/capital works allowances attributed to Bricks held at each month end by taking such allowances into account in working out the tax composition of any distributions received in respect of each Brick. If the BrickX Trust makes a loss for tax purposes, that tax loss is not distributable to a Brick Owner but may, subject to certain conditions, be able to be carried forward and offset against future net income of the BrickX Trust.</p> <p>Refer to section 11 for further information.</p>
Debt and gearing	<p>A BrickX Trust's property purchase will be funded either through the issue or sale of Bricks prior to Property Settlement for the property, or through a combination of this and debt finance.</p> <p>Refer to sections 5.9, 12.12 and 12.13 for further information.</p>
How are distributions calculated and paid?	<p>Monthly distributions may be payable to Brick Owners and will reflect the rent paid by tenants of the property to which a Brick Owner's Bricks relate, after relevant fees and expenses are paid and accrued.</p> <p>Each Brick attracts a yield from the rental of the property that will generally be determined as follows:</p> $\frac{\text{rent} - \text{expenses}}{\text{number of Bricks on issue}}$ <p>Note that expenses may include:</p> <ul style="list-style-type: none"> • strata levies, utilities charges, council rates, repair and maintenance fees, and property tax; • responsible entity and manager fees (including property manager fees); • annual audit and valuation fees; • principal and interest payments on any debt; and • other fees, costs and expenses associated with the BrickX Trust. <p>BrickX Financial Services will aim to distribute the net income from each BrickX Trust to Brick Owners monthly within 10 working days of the end of each relevant month.</p> <p>Distributions are paid directly into the Brick Owner's Digital Wallet.</p> <p>Refer to sections 6.9vii and 6.8ix for further information.</p>

Feature	Description
What is a BrickX Trust's cash reserve?	<p>Each BrickX Trust, as part of the trust assets, will typically hold a cash reserve. The cash reserve is primarily used to provide for any fees and expenses of a BrickX Trust that may not be covered by the income generated by the property held in the BrickX Trust. For example, the cash reserve may be drawn on for:</p> <ul style="list-style-type: none"> (a) maintenance on a property; (b) expenses during a period of temporary vacancy in the property; (c) payment in advance of fees and expenses that are levied for a period beyond one month; and (d) amounts to cover holding costs and to fund the development of property that has been acquired for development. <p>The basis on which amounts will be held in the cash reserve for each BrickX Trust are generally outlined in the Additional Disclosure Document for that BrickX Trust.</p> <p>Refer to section 5.7 for further information.</p>
Does a BrickX Trust cash reserve guarantee that Brick Owners cannot make a loss on their investment?	<p>No, the cash reserve is intended to cover an estimate of anticipated expenses that may not be covered by the income generated by the property held by the BrickX Trust.</p> <p>There may be costs and expenses that exceed the cash reserve, including where there is an extended vacancy in an underlying property, or where unexpected costs and expenses are incurred.</p> <p>The cash reserve does not provide a guarantee of any kind and it is not an insurance product or a risk management product.</p> <p>Refer to section 5.7 for further information.</p>
How do I monitor my investment?	<p>Once a Member's BrickX Account is set up, their investment can be tracked through the BrickX Website.</p> <p>Members will have access to a full and complete transactional reporting history of their investment Portfolio and transaction history for both of the Build My Own and Smart Invest options.</p> <p>Refer to section 6.3 for further information.</p>
How do I withdraw funds?	<p>Members can generally withdraw Funds Available from their Digital Wallet at any time. Timing of the receipt of withdrawn funds in a Member's nominated bank account is impacted by processing times and validation checks. Any bank fees that are charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet will be charged to, and deducted from, the Member's Account and/or Digital Wallet.</p> <p>Refer to sections 6.9 and 6.8 for further information.</p>

Feature	Description
How do I disable Smart Invest?	<p>Once a Member has elected to use the Smart Invest approach, the direct debit of funds and acquisition of Bricks will continue in accordance with the terms of the Smart Invest approach until cancelled by the Member.</p> <p>A Member can opt out of Smart Invest, and cancel the recurring direct debit payments and the associated DDR and DDRSA, by logging into their BrickX Account.</p> <p>Once processed, the funds in the Member's Digital Wallet balance will become Funds Available, being available to purchase Bricks through the Build My Own approach or withdraw into the Member's nominated bank account.</p> <p>Refer to section 6.8x for further details.</p>
How do I deactivate my BrickX Account?	<p>Members can deactivate their BrickX Account (and cancel their Interest) at any time, provided they are not holding any Bricks and have withdrawn all funds from their Digital Wallet.</p> <p>Refer to section 6.11 for further information.</p>
Who is the responsible entity, manager and custodian for the BrickX Platform?	<p>BrickX Financial Services is the Responsible Entity of, and issuer of Interests in, the BrickX Platform. The Responsible Entity is also trustee for each BrickX Trust.</p> <p>The Responsible Entity has appointed BrickX as manager of the BrickX Platform. The manager may appoint "sub-managers" (including other Members) to undertake certain functions of the manager from time to time for one or more BrickX Trusts.</p> <p>The Responsible Entity has engaged an independent Custodian to hold the BrickX Platform assets (primarily, each property held in each BrickX Trust) The Custodian is the registered holder of each property in a BrickX Trust. The current appointed Custodian is Sandhurst Trustees Limited.</p> <p>Refer to section 7 for further information.</p>
Does the BrickX Platform guarantee I cannot lose money?	No, the BrickX Platform does not provide a guarantee of any kind and a Brick is not an insurance product.
Are there risks in buying Bricks?	Yes, there are a number of risks which may lead a Member to lose some or all of their investment. It is important that you read and understand each of the risks set out in section 4. Key risks specific to a particular property or BrickX Trust are summarised in the relevant Additional Disclosure Document.
How do I access the BrickX Platform's services?	You can access the BrickX Platform services by signing up online to become a Member at the BrickX Website (www.BrickX.com). If you have any questions you can contact the BrickX customer services team at info@brickx.com or on 61 2 8766 0566.

3 Key benefits of investing

Investing via the BrickX Platform can deliver benefits. It is important that, as well as reading the key benefits of investing set out below, you read and understand each of the risks set out in section 4.

Benefits	Description
Low minimum investment	<p>Purchasing a property directly generally requires large available investment funds or borrowings. In comparison, Members with access to a lower amount of investment funds can gain investment exposure to the property market by acquiring Bricks in a BrickX Trust.</p> <p>There is a Minimum Amount of \$250, inclusive of a \$10 application fee, which must be transferred to BrickX at the same time as applying to become a Member. The Minimum Amount is made available in the Member's Digital Wallet and can be applied towards buying Bricks.</p> <p>The low minimum investment makes the investment opportunity to purchase Bricks available to most investors.</p> <p>The minimum investment in Bricks is the minimum price of a single Brick.</p> <p>Refer to section 7 for further information.</p>
Property sector exposure	<p>By investing indirectly in property via the BrickX Platform, Brick Owners can achieve exposure to the property market by making a number of smaller investments in Bricks in one or more BrickX Trusts that own property assets.</p> <p>Investors may find it difficult to diversify their exposure to the property market given the significant costs involved in directly purchasing a single property or multiple properties. To achieve this diversification in the past, investors may have had to invest through a property fund where properties are pooled. Whilst property investment funds give investors the ability to invest smaller amounts, investors lose some ability to control when and which properties they invest in.</p> <p>A Brick Owner's ability to spread their Portfolio exposure across Bricks relating to different properties provides them with the opportunity to reduce and more effectively manage the associated investment risk.</p> <p>Refer to section 5 for further information.</p>

Benefits	Description
Control your investment Portfolio	<p>Members of the BrickX Platform have the flexibility to choose an investment approach. They may wish to consider information about each property, and select the BrickX Trust into which they wish to invest on the basis of the individual property or multiple properties held by that trust (Build My Own), or instruct BrickX to select BrickX Trusts to invest in based on a pre- determined strategy (Smart Invest).</p> <p>Most BrickX Trusts do not have a set investment period. If there is a set investment period it will be specified in the relevant Additional Disclosure Document.</p> <p>A Member can generally place a Sell Order for their Bricks at any time after the Property Settlement for which the Bricks were issued (provided that the Order Book is open at that time and the selling price is not more than 20% lower than the latest Brick valuation on the BrickX Website).</p> <p>Once a Sell Order has been matched with a buyer, the seller will receive payment for their Bricks into their Digital Wallet.</p> <p>Members can deactivate their BrickX Account (and cancel their Interest) at any time, provided they are not holding any Bricks and have withdrawn all funds from their Digital Wallet.</p> <p>Brick Owners may at any time collectively agree to sell the property held in a particular BrickX Trust and end that trust (refer to section 12.2(c)).</p> <p>The Additional Disclosure Document for a particular BrickX Trust may specify other processes for sale of property and winding up of the BrickX Trust, including:</p> <ul style="list-style-type: none"> • BrickX facilitating a meeting of Brick Owners of the BrickX Trust to determine if the Brick Owners wish to sell the property held in the BrickX Trust or to continue holding the property; and/or • BrickX being granted a general power to sell property and wind-up the BrickX Trust without further reference to Brick Owners when certain events occur (such as a set time period). <p>Note that in certain circumstances BrickX will have a general power to sell the property of a BrickX Trust, for example where the BrickX Trust cannot otherwise meet its costs and expenses.</p> <p>A BrickX Trust cannot wind up in full unless all the properties held by that trust are sold.</p> <p>Refer to sections 5.8, 6.10 and 6.11 for further information.</p>
Quality investments	<p>The BrickX Platform facilitates access to quality property investments. BrickX intends to select appropriate properties in locations across Australia to optimise yield and/or capital returns.</p> <p>Once acquired, BrickX regularly reviews the properties from the perspective of tenant selection, property maintenance and rental yield.</p> <p>Refer to section 5.3 for further information.</p>

Benefits	Description
Pricing	<p>When buying and selling Bricks between Members, price is driven by availability of Bricks for sale, where the sale price is determined by the seller (provided that it must not be more than 20% lower than the latest Brick valuation).</p> <p>Price determination is assisted by annual independent valuations of the underlying properties and industry data made available on the BrickX Platform. BrickX will reflect any updated independent property valuation in an updated Brick valuation.</p> <p>Refer to sections 6.6 for further information.</p>
Potential capital growth	<p>Investor demand for Bricks in a BrickX Trust, and the value of the property held by the relevant BrickX Trust as shown on the BrickX Platform, impact the price of Bricks. External property market performance and industry data relating to a particular underlying property may inform the price of Bricks.</p> <p>The BrickX Platform also allows a Brick Owner to access the benefits of the capital gain of the relevant underlying property in the relevant BrickX Trust, or may result in the Brick Owner incurring a capital loss on that property.</p> <p>The ability to spread a Brick Owner's risk across multiple properties by investing in a number of BrickX Trusts may provide access to potential capital gain on a more diverse portfolio of properties and may mitigate the impact of a capital loss on any one property.</p> <p>The Additional Disclosure Document for each BrickX Trust will include details as to when any distributions of capital can be made from that BrickX Trust.</p> <p>Refer to section 6.7 for further information.</p>
Distributions	<p>Any monthly distributions to Brick Owners primarily reflect rent paid by tenants of the property held by the relevant BrickX Trust, after the payment of relevant fees and expenses.</p> <p>Refer to sections 6.8 and 6.9 for further information.</p>
Property management	<p>BrickX or third party management agents will be appointed to manage the properties held in the BrickX Trusts on the BrickX Platform, including coordinating repairs and collecting rent.</p> <p>Brick Owners do not take an active part in managing properties and will not be consulted for any day to day decisions relating to any property.</p> <p>Refer to section 5.5 for further information.</p>
Transparency	<p>Members can generally identify and view information about all of the properties included in BrickX Trusts on the BrickX Platform, including the specific BrickX Trusts and the property they hold.</p> <p>Details of the properties on the BrickX Platform, including address, features, purchase price and rent, are set out on the BrickX Website. Members will have access to additional information displayed on the BrickX Website (accessible via their BrickX Account) about the age, condition, type, location, suburb historical returns, valuations and investment case of the property.</p> <p>Note that access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain pre-qualified investors.</p>

Benefits	Description
	Refer to section 6.3 for further information.
Easy-to-use website	The BrickX Website provides a process (the Order Book) for buying and selling Bricks on the BrickX Platform. The BrickX Website has also been designed to allow you to easily access your BrickX Account to transfer funds, review the performance of your investment and manage your Portfolio.

4 Key risks of investing

Investing via the BrickX Platform is not without risk. It is important that you read and understand each of the key risks set out below and throughout the Document before deciding to invest. Key risks specific to a particular property or BrickX Trust are summarised in the relevant Additional Disclosure Document, which is available on the website. You should read the Additional Disclosure Document and other relevant property or BrickX Trust -specific website information before placing a Buy Order.

Risks	Description
Property market and valuation risk	<p>General property market risk must be considered as a major factor impacting any investment in Bricks. The property market may decline, reflecting trends in Australian or overseas markets due to a range of factors including, but not limited to, the over- supply of real estate, changes in building regulations, demographic changes, interest rate movements, general economic conditions reflecting a downturn and market sentiment. A general downturn in the property market can potentially cause a reduction in the value of a property and ultimately a reduction in the value of Bricks in the BrickX Trust that holds that property.</p> <p>Notwithstanding investment in the property asset class, it should be noted that risks can vary materially from one sub- asset class to another, i.e. residential, commercial, agricultural, development or industrial property and that certain sub-asset classes can or may be riskier than others.</p> <p>The acquisition price of the properties held in a BrickX Trust and the value of a BrickX Trust's assets under management will be subject to market forces including, but not limited to, the property market, interest rates and other macro-economic conditions.</p> <p>Each property could be negatively impacted due to a property specific event (for example, a change in zoning), which can impact the net value, income profile and/or future distributions.</p> <p>The Responsible Entity and BrickX seek to manage this risk by keeping the properties in BrickX Trusts on the BrickX Platform under regular review with the assistance of regular value estimates, independent valuations, and input from external real estate agents, buyers agents and property management agents.</p> <p>Refer to sections 5.3 and 5.4 for further information.</p>
Benchmark risk – Smart Invest	<p>Under the Smart Invest investment approach, the Investment Team will set a strategy that aims to outperform a widely used Australian property index, and include BrickX Trusts in that strategy which, in the opinion of the Investment Team, may achieve that outcome.</p> <p>These BrickX Trusts will be reviewed regularly against the strategic objective and index, and BrickX Trusts may be added or removed from a strategy from time to time.</p> <p>BrickX Trusts selected for this investment approach may not always perform as well as the benchmark due to property market risk factors. These factors can potentially cause a reduction in the value of a property, such that Bricks acquired in connection with a particular strategy may ultimately not meet or outperform the targeted benchmark.</p> <p>Refer to section 6.8i for further information.</p>

Risks	Description
Management risk	<p>The current management team has significant experience in managing and operating financial, online and property businesses across several years, industries and geographies.</p> <p>BrickX mitigates the risk of loss of key experience by ensuring that the each of the current executive team and board members bring widespread experience and a diversified skill set within their own right.</p> <p>The Investment Team and BrickX may also engage third parties with property and finance sector experience to assist with the buying strategy and approach for a BrickX Trust.</p> <p>Refer to the BrickX website for further information about the experience of management and the Investment Team.</p>
Vacancy risk	<p>There is a risk that a property may be vacant for a period of time. If a property is likely to be vacant for an extended period, distributions may not be paid to Brick Owners who own an interest in the BrickX Trust that holds that property, expenses of the BrickX Trust may not be able to be met out of the property income and cash reserve and, if required, the BrickX Trust may be required to sell the relevant property and be wound up.</p> <p>To mitigate the potential risk associated with a vacancy, each BrickX Trust has landlord insurance in place for the property and typically holds a cash reserve as part of its assets to provide for any fees and expenses of a BrickX Trust that may not be covered by the income generated by the BrickX Trust, including in some cases due to short term vacancies in the underlying property. The basis on which the amounts are held in the cash reserve for each BrickX Trust is generally outlined in the Additional Disclosure Document for that BrickX Trust.</p> <p>Refer to sections 5.3, 5.7 and 7.3 for further information.</p>
Tenant default risk	<p>Distributable income for a BrickX Trust may be significantly impacted should a tenant of a property held by that BrickX Trust default (fail to pay rent) under their lease. Where appropriate, the Responsible Entity may take out landlord's insurance for a property held by a BrickX Trust to reduce the impact of a tenant's default.</p> <p>If a tenant defaults under their lease, steps may be taken to require the tenant to remedy the default and recover the outstanding rent owing, failing which a tenant may be evicted in accordance with the terms of the lease agreement. However, if as a result of a default by a tenant, expenses of the BrickX Trust are not be able to be met out of the property income and cash reserve, the BrickX Trust may be required to sell the relevant property and be wound up</p> <p>Refer to section 5.6 for further information.</p>
Liquidity risk	<p>An investment in a BrickX Trust on the BrickXPlatform is illiquid.</p> <p>Brick Owners are only able to sell Bricks after the Property Settlement for which their Bricks were issued and where there are buyers willing to purchase the Bricks at a corresponding price (and when the Order Book is open), or when the BrickX Trust sells the relevant property held by the BrickX Trust and it is wound up.</p> <p>Members are only able to deactivate their BrickX Account (and cancel their Interest) if they no longer hold any Bricks.</p> <p>Refer to sections 6.8vi, 6.9iv, 6.10 and 6.11 for further information.</p>

Risks	Description
Investment risk – Smart Invest approach	<p>As the property market changes, so may the criteria and strategy used to select BrickX Trusts. Any changes to a Smart Invest strategy will be disclosed on the BrickX Website. A BrickX Trust included in a particular Smart Invest strategy may be subsequently excluded from the strategy on the basis that the Investment Team or the BrickX management team determine the property no longer meets the criteria of the strategy.</p> <p>If a BrickX Trust is excluded from a strategy, Brick Owners of that BrickX Trust will be notified, and can place Bricks for sale in accordance with the regular Brick sale process via the Order Book.</p>
Borrowing	<p>The Responsible Entity may seek to obtain debt financing from a lender in order to partially fund the acquisition of property in certain BrickX Trusts.</p> <p>The ability of the Responsible Entity, as trustee of a BrickX Trust, to repay principal and interest and to meet all loan covenants under a debt facility is material to the performance and ongoing viability of the relevant BrickX Trust. Repayments under a debt facility could materially reduce the distributions to Brick Owners in that BrickX Trust. If there are not sufficient funds to meet the interest or principal repayments, property values fall, there is a breach of the loan covenants, or any other default of a term or condition in a debt facility, the debt facility may be in default and this may enable the relevant lender to enforce its rights against the relevant BrickX Trust, and the assets (including the property) within that BrickX Trust. These enforcement rights could include the relevant lender (or receiver) taking possession of, and selling, the property and winding up the relevant BrickX Trust.</p> <p>All amounts owed to a lender (and other creditors) of a BrickX Trust will rank before each Brick Owner's interest in the BrickX Trust, and payment of interest and agreed principal repayments on borrowings must be serviced before any distributions are made to a Brick Owner. Any increases in variable market interest rates will increase interest costs which may result in a reduction in distributions.</p> <p>Refer to sections 5.9, 12.12 and 12.13 for further information.</p>

Risks	Description
Counterparty risks	<p>The Responsible Entity, BrickX, their agents and delegates may use third party service providers, including real estate agents, buyers agents, property valuers and property management agents as well as external companies to provide services associated with identity and credit checks and the transfer and holding of money.</p> <p>There is the risk that counterparties to contracts that the Responsible Entity or BrickX has entered with respect to a particular BrickX Trust, a particular property or the BrickX Platform may fail to comply with their obligations.</p> <p>Failure by a counterparty to comply with contractual obligations could have a negative impact on the income of the relevant BrickX Trust or the value of a property in a relevant BrickX Trust , and the value of a Brick Owner’s investment in a relevant BrickX Trust.</p> <p>There is also a risk that BrickX, as manager of the BrickX Platform, may fail to comply with its obligations under the Management and Cooperation Agreement with the Responsible Entity, including where it has appointed any “sub-managers” for a BrickX Trust and any of those sub-managers fail to perform their obligations. Failure to comply with such agreements may cause the Responsible Entity or BrickX to terminate the agreement, putting the Responsible Entity and/or BrickX in a position where it is unable to operate the BrickX Platform and may potentially have to wind up theBrickX Platform.</p> <p>Refer to section 12 for further information</p>
General market and economic risk	<p>All investment returns are influenced by the performance of the market to which the investments are exposed. The forces of supply and demand, interest rates, global events and the state of the domestic economy can all have an impact on both the value of investments in various markets and the returns generated by those investments.</p> <p>Events including changes in economic, social, technological or political conditions, together with market sentiment may have a negative effect on the pricing or value of investments within a particular market. An investor should consider the possible impact of these types of market events on Australian property values prior to making any investment decision.</p>
Legal and regulatory risk	<p>There is a risk that domestic or international law or regulation may change, adversely impacting the regulation of the BrickX Platform.</p> <p>Legal risk also includes the risk of losses occurring as a result of legal issues, principally losses arising out of the non- enforceability or non-enforcement of contracts. Non- enforcement may arise from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability resulting from bankruptcy or insolvency.</p> <p>Whilst none of the Responsible Entity or BrickX can predict either the likelihood of the occurrence, or the specific outcome, of any of these risks, there is a possibility that due to any of these factors the performance of the BrickX Platform may be negatively impacted.</p>

Risks	Description
Technology	<p>BrickX relies on the effective use and function of technology to manage the BrickX Platform. As with many technology-led businesses, there are risks associated with reliance on technology including technology failure interrupting the availability of services, the loss of data, or data being stolen.</p> <p>BrickX has implemented a Disaster Recovery Plan/Business Continuity Plan that is in accordance with industry standards. BrickX also has a data recovery plan that is consistent with industry standards.</p>
Loss of Australian financial services licence	<p>An investment in Bricks may be impacted in the event that the Responsible Entity's AFSL is revoked or suspended or if conditions are imposed which alters BrickX Financial Services' or BrickX's capacity to operate or manage the BrickX Platform or provide the services as described in this Document.</p> <p>The loss of BrickX Financial Services' AFSL will also cause the appointment of BrickX as authorised representative to terminate.</p> <p>Refer to section 7.1 for further information.</p>
The BrickX Platform insolvency	<p>An investment may be impacted in the event that the BrickX Platform becomes insolvent.</p>
Wind up of the BrickX Platform	<p>Should the BrickX Platform be wound up, properties in the BrickX Trusts might be sold and the BrickX Trusts wound up. In that case, each Member would be entitled to the net proceeds of redemption of the Bricks that that Member held in a BrickX Trust, after payment of fees, costs and other liabilities relating that BrickX Trust or the property held in it.</p> <p>In addition, a proportion of the costs and liabilities of operating the BrickX Platform might also be payable from the proceeds of redemption of Bricks before paying the net proceeds to Members.</p> <p>Members will have a proportionate entitlement to any residual funds in the BrickX Platform, after payment of wind up costs and amounts owed to creditors (if any) of the BrickX Platform. Note that a Member's Digital Wallet does not form part of the assets of a BrickX Trust or the BrickX Platform. However, on a wind up of the BrickX Platform, the balance of a Member's Digital Wallet will need to be withdrawn as the facility will no longer be available.</p>
Risks of damage to or loss of any property	<p>There are a range of events that can impact the value of any property – ranging from fire, flood, earthquake and other natural disasters through to accidents, negligence and failures of maintenance. These events may negatively impact the value of a property which in turn will negatively impact the value of the Bricks in the relevant BrickX Trust.</p> <p>Whilst such risks cannot be entirely removed, BrickX seeks to mitigate these risks by:</p> <ul style="list-style-type: none"> • Obtaining insurance with respect to the properties where appropriate; and • procuring that property managers be appointed to some or all properties and requiring regular inspections of those properties. <p>Refer to sections 5.3 and 5.5 for further information.</p>

Risks	Description
Costs associated with each property may exceed rental income and cash reserves	<p>Unique costs will be incurred in relation to the acquisition, maintenance and repair of each property in a BrickX Trust.</p> <p>There will also be costs associated with the management of the property, such as the costs associated with entering into leases, annual audit and property valuations.</p> <p>If a BrickX Trust's expenses cannot be funded from its gross income (for example, if there are unexpected costs), and the cash reserve has been exhausted, the Responsible Entity may be required to cause the relevant BrickX Trust to sell the property held in the BrickX Trust to meet those expenses.</p> <p>Refer to sections 5.5, 5.7 and 5.8 for further information.</p>
Settlement risk	<p>Should property purchases for a Property Campaign conducted by a BrickX Trust fail to settle, the Pre-Order Phase may not complete and all reserved Bricks for the Pre-Order Phase may be cancelled with reserved funds for the Pre-Order Phase fully released to Members' Digital Wallets.</p> <p>If Brick Settlement for the Property Campaign has already occurred, the Bricks may be redeemed or the BrickX Trust may be wound up and any assets of the trust distributed to Brick Owners.</p>
Order Book pause	<p>In certain circumstances, purchases and sales of Bricks could take longer than expected because the Order Book is not available. BrickX will monitor the Order Book to prevent fraudulent transactions and manipulation activities.</p> <p>BrickX has the ability to intervene and 'stop' transactions on the BrickX Platform should there be a suspicion of fraudulent transactions or manipulation activity. At this point no transactions will be available to the Brick Owners until such time as the Order Book is re-opened.</p> <p>BrickX may also suspend or halt trading on the Order Book from time to time where it considers it reasonable to do so in the interests of Members and the BrickX Platform. For example, BrickX may halt or suspend trading on the Order Book for a particular BrickX Trust where a new Property Campaign is being launched, and then re-open trading once the relevant Additional Disclosure Document is issued and Property Settlement for the Property Campaign has been completed. To the extent possible, BrickX will give notice of any impending suspension or halt in trading on the Order Book for any BrickX Trust.</p>

Other risk factors may exist in addition to those identified in this Document, which should also be considered in light of your personal circumstances. If you have any queries or uncertainties relating to aspects of this Document or an investment in the BrickX Platform or a BrickX Trust, please consult your legal, accounting, tax, financial or other adviser before deciding to invest.

5 How the BrickX Platform works

5.1 Overview

The BrickX Platform enables Members to indirectly invest in residential, commercial, agricultural, development or industrial property in various locations across Australia.

The BrickX Website enables Members to:

- access information about properties included on the BrickX Platform and also property market data;
- buy and sell beneficial interests (Bricks) in one or more BrickX Trusts (which hold residential, commercial, agricultural, development or industrial properties);
- select an approach that will inform how Bricks will be bought (refer to section 6.1 for further details); and
- view and reinvest distributions derived from the rental yield of the properties in each BrickX Trust in respect of which the Member holds Bricks.

Prospective Members must meet BrickX's on-boarding criteria in order to access property information and market data made available on the BrickX Website without holding Bricks or an Interest. Note that certain property investment opportunities on the BrickX Platform may be limited to certain pre-qualified investors.

5.2 Structure

The BrickX Platform is a managed investment scheme that is registered with ASIC and subject to regulatory requirements and oversight. BrickX Financial Services is the Responsible Entity of the BrickX Platform. BrickX is the owner of the technology and website behind the BrickX Platform. The Responsible Entity has appointed BrickX as manager of the BrickX Platform to assist with operating the BrickX Platform (see section 7.3 for further information).

The BrickX Platform is comprised of a number of unit trusts (BrickX Trusts). The Responsible Entity is trustee of each BrickX Trust. Each BrickX Trust holds property that is selected through a process managed by BrickX. A Brick issued by a BrickX Trust, once held by a Brick Owner, entitles that Brick Owner to their proportionate share (determined by the number of Bricks held) of the capital and net returns generated by the property held by the relevant BrickX Trust (primarily generated by renting the property), after the payment of all relevant costs (see section 10 for further information on costs).

To acquire an Interest in the BrickX Platform, an Applicant must complete an Application and pay the Minimum Amount, inclusive of the application fee. This amount is made available to the Member in their Digital Wallet and can be applied towards buying Bricks.

Where a new BrickX Trust is to be established to acquire property, or where an existing BrickX Trust is to acquire additional property, a Property Campaign to raise

capital to acquire the property will be launched on the BrickX Platform and an Additional Disclosure Document will be issued (although access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain pre-qualified investors). The capital will be raised by subscription for new Bricks in the relevant BrickX Trust and also through debt facilities in certain circumstances.

As trustee of each BrickX Trust, BrickX Financial Services has engaged the Custodian to hold legal title to the assets of each BrickX Trust.. The Custodian holds legal title to all properties held in BrickX Trusts on the BrickX Platform as custodian for each BrickX Trust.

A Member can reserve Bricks for a Property Campaign that is being undertaken by a BrickX Trust during the Pre-Order Phase for that Property Campaign. All reserved Bricks are transacted at Brick Settlement for the relevant Property Campaign.

Following Property Settlement for the relevant Property Campaign, Brick Owners will be able to sell their Bricks that were issued as part of that Property Campaign to other Members using the Order Book at a price determined by the seller.

5.3 BrickX Platform properties

The BrickX team and the Investment Team meet periodically to form an acquisition strategy and investment mandate. The Investment Team and BrickX may also engage third parties with property and finance sector experience to assist with the buying strategy and approach.

Properties are selected having regard to a number of factors such as (but not limited to) the following:

- property characteristics;
- suburb capital growth and yield returns;
- independent valuations; and
- the potential to exceed any set benchmarks (relevant when selecting an investment strategy under Smart Invest).

Properties are acquired by BrickX Financial Services as trustee of the relevant BrickX Trust and held by the Custodian. The purchase price paid for a property, together with purchase costs and provisioning for a cash reserve (together with the value of any property currently held by the BrickX Trust), determines the Brick price for each Property Campaign being conducted by the relevant BrickX Trust (see section 6.6 for further information).

Details of properties included in each BrickX Trust on the BrickX Platform, including address, features, purchase price and rent, are set out in the Additional Disclosure Documents and other information on the BrickX Website.

The list of properties included in each BrickX Trust on the BrickX Platform are generally available on the BrickX website at <https://www.brickx.com/properties> and the information is updated regularly (although access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain

pre-qualified investors). You will generally find the following information on each property and each BrickX Trust on the BrickX website:

- address and property features;
- purchase price
- any loan amount, relevant terms and rates;
- estimated rental returns and property expenses;
- latest Brick valuation;
- tenancy updates.

Properties are reviewed on an ongoing basis having regard to a number of factors such as (but not limited to) the following:

- property inspections;
- rental history;
- relevant recent market sales activity;
- the relevant objective and benchmark of the strategy (relevant when using Smart Invest); and
- annual independent property valuations.

All findings relating to the performance of the properties and the strategies are generally made available to Members on the BrickX Platform.

5.4 Valuations

The BrickX team will arrange for an annual independent valuation of each property held in a BrickX Trust, which will be published on the relevant BrickX Trust page of the BrickX Website. BrickX will also arrange additional valuations as required where there is reason to suspect significant movement in the true underlying value of a property between formal valuations and may also be arranged where a new Property Campaign is being launched by a BrickX Trust.

5.5 Property management, maintenance and repairs

The BrickX Platform enables Brick Owners to own a beneficial interest in the underlying properties in each BrickX Trust available for investment on the BrickX Platform (by acquiring Bricks in the BrickX Trust that holds the property), without having to (or being able to) manage or maintain the properties in the way that a traditional property investor might.

Property managers (either BrickX or third party property managers) will be appointed by a BrickX Trust to manage and maintain the properties in each BrickX Trust. The property manager performs the following functions in relation to managing a property:

- making leasing arrangements, including sourcing the tenants and determining rent;

- tenancy management;
- rental collection;
- undertaking periodic inspections of each property;
- providing written reports relating to the state of the property and items requiring attention; and
- co-ordinating repairs or maintenance.

5.6 Failure by a tenant to pay rent (default)

If a tenant fails to meet their obligations under a lease agreement, including the obligation to pay rent, steps may be taken to require the tenant to remedy the failure, failing which a tenant may be evicted in accordance with the terms of the lease agreement. Where appropriate, the Responsible Entity may take out landlord insurance for a property to reduce the impact of a tenant default.

Any costs incurred in seeking that a tenant remedy a failure to comply with a lease agreement are payable from the gross rental income of the relevant BrickX Trust, which therefore reduces the net income of the relevant BrickX Trust and the distributions payable to Brick Owners in relation to a Brick in the relevant BrickX Trust.

5.7 Cash reserve

Each BrickX Trust typically maintains a cash reserve as part of its assets. The basis on which the cash reserve for each BrickX Trust is calculated will be included in the Additional Disclosure Document for that BrickX Trust. If a BrickX Trust holds more than one property the amount required to be held in the cash reserve may be adjusted if some of the properties are sold.

The purpose of the cash reserve is to cover necessary and ordinary expenses (for example, repairs and maintenance) where it is anticipated that the income of the BrickX Trust may not be sufficient to cover those expenses. For example, there may be expenses where billed services extend beyond a one month period, or where a property will be developed, there may be holding costs and development activities that need to be funded prior to the property generating income. The cash reserve may also be used to cover a period of short term vacancy in the property.

If the cash reserve is drawn down, some of the rental income of the BrickX Trust may be retained to replenish the cash reserve, which may therefore reduce the net income of the relevant BrickX Trust and the distributions payable to Brick Owners in relation to a Brick in the relevant BrickX Trust for that period.

The cash reserve is an asset of the relevant BrickX Trust. It is not a guarantee that Brick Owners will not make a loss on their investment in that BrickX Trust and it is not a risk management product held by the relevant BrickX Trust for the benefit of Brick Owners.

In the event that a BrickX Trust's expenses cannot be funded from the cash reserve within the BrickX Trust, other steps may need to be taken to meet the expenses. This may include obtaining a short term loan. Where a short term loan is obtained, the loan will need to be paid back in full from future rental income of the BrickX

Trust, and this will reduce future distributions that can be paid to Brick Owners in the relevant BrickX Trust.

If a BrickX Trust holds more than one property and only some of the properties are sold, the proceeds of the sale(s) will typically be held in the cash reserve and any capital distributions to Brick Owners will be made as described in the Additional Disclosure Document for the relevant BrickX Trust.

5.8 Issuing more Bricks and winding up a BrickX Trust

In the event that a BrickX Trust's expenses relating to a property cannot be funded from the gross income of the BrickX Trust, and the cash reserve and short term loan (if any) have been exhausted, BrickX Financial Services (as trustee) may choose to issue additional Bricks in the relevant BrickX Trust to meet the expenses. If so, existing Brick Owners of the relevant BrickX Trust will typically be given an opportunity to subscribe for those new Bricks pro rata to their existing holding in the relevant BrickX Trust.

If Brick Owners do not subscribe for all of the Bricks within the specified period, other Members (who may not already be Brick Owners in the relevant BrickX Trust) may also be given an opportunity to subscribe for Bricks in that BrickX Trust.

In these circumstances, the value of Bricks and the proportion of Bricks in the BrickX Trust that each Brick Owner owns may be diluted.

If the additional Bricks are not fully subscribed after this process, and there are multiple properties in the BrickX Trust, one or more properties may need to be sold to cover the expenses and the BrickX Trust may then be able to continue without being wound up. However, if all property in the BrickX Trust is required to be sold to meet the expenses, the BrickX Trust may need to be wound up.

The winding up of a BrickX Trust will constitute a selling event in respect of Bricks, and a transaction fee of 0.5% of the sale proceeds will be charged, which will be payable to BrickX.

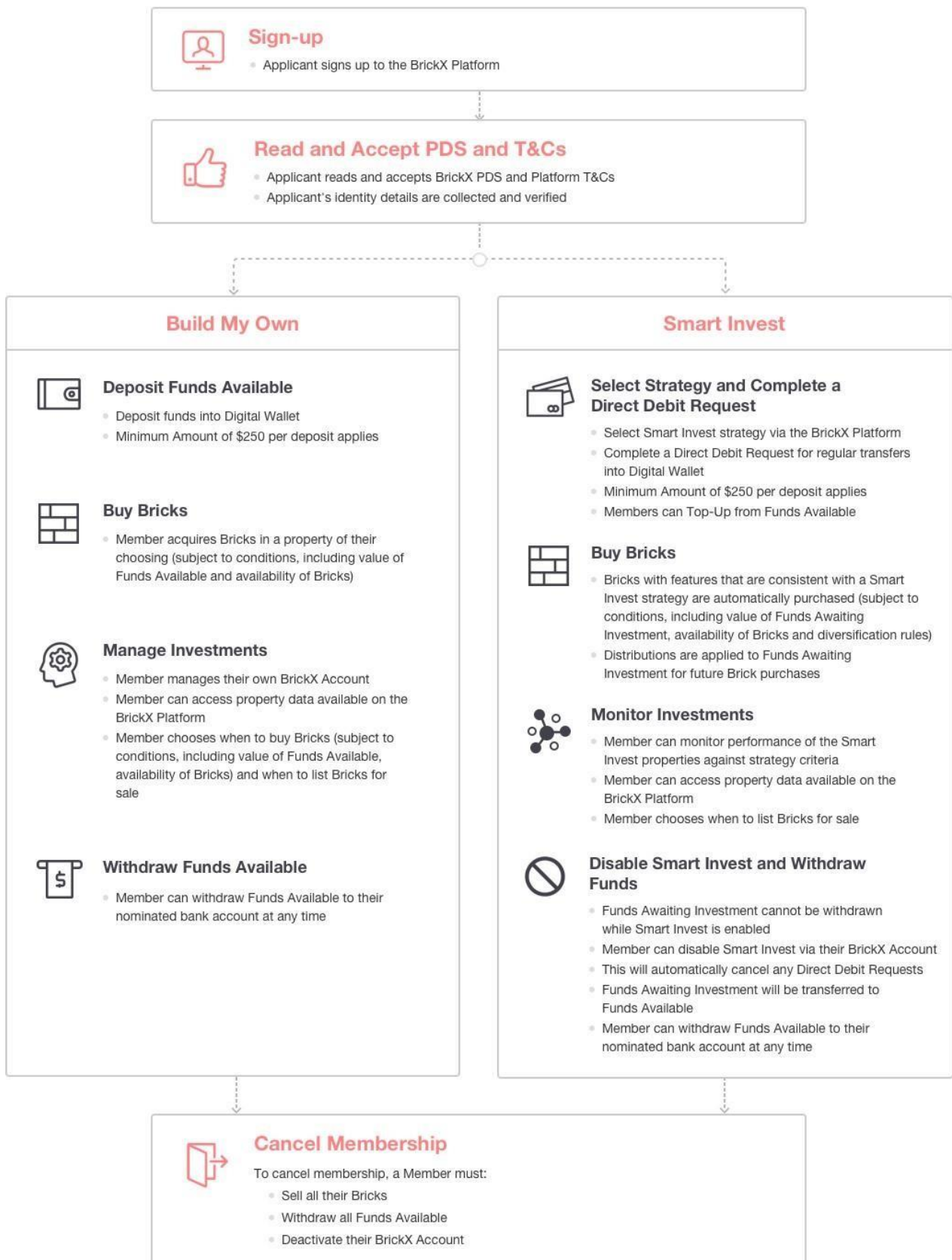
5.9 Debt and gearing

A BrickX Trust's property purchase as part of a Property Campaign will be funded either through the issue or sale of Bricks prior to Property Settlement, or through a combination of this and debt finance. Finance will be arranged by BrickX and it is expected that the loan to value ratio for any debt funded BrickX Trust will not exceed 70% of the purchase price for property in that BrickX Trust. The debt will typically be provided to a BrickX Trust by the relevant lender on a limited recourse basis, meaning that the lender's recourse will only extend to the assets of the relevant BrickX Trust (including the real property held by the relevant BrickX Trust).

For further details about a BrickX Trust's funding arrangements, please refer to the Additional Disclosure Document for the relevant BrickX Trust and to sections 12.12 and 12.13.

6 How to participate on the BrickX Platform

6.1 Overview



NB: Post exit annual tax/distribution statement for the relevant financial year will be provided for deactivated accounts

6.2 Becoming a Member

Prospective members who wish to use the BrickX Platform must first read and accept this Document and the BrickX FSG, then apply to become a member at

www.brickx.com, and consent to the terms of use of the BrickX Website. To satisfy Australian regulations affecting the BrickX Platform (including the AML/CTF Act – see section 12.11), the Application process requires prospective members to provide identification information.

Children under 18 years of age are not able to invest directly in the BrickX Platform. However, parents, close relatives (i.e. aunts, uncles, grandparents) and guardians aged 18 years or over can invest as trustee for the benefit of a Minor.

If you are investing on behalf of a Minor, you will need to make the application in your name as trustee, holding the interest in the BrickX Platform on trust for the Minor as beneficiary. In addition to providing identification information, the Application process requires you to provide the full name of the child, and sign a declaration of bare trust.

An Application that is not able to be verified will not proceed and the Applicant will be notified. The Responsible Entity reserves the right to reject any Application.

An Applicant must also transfer to BrickX the Minimum Amount, inclusive of a \$10 application fee. This amount is made available to the Member in their Digital Wallet, and can be applied towards acquiring Bricks.

When an Applicant's details have been verified, and the application fee paid, the Responsible Entity will issue an Interest to that person (which results in them becoming a Member), BrickX will set up their BrickX Account and Digital Wallet and notify them that their application has been accepted and their BrickX Account and Digital Wallet have been set up.

To learn more about how to apply, please see section 14.

6.3 Benefits of becoming a Member

By acquiring an Interest and becoming a Member, a Member is entitled to (amongst other things) acquire Bricks and access the market and property information made available on the BrickX Website (although access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain pre-qualified investors).

A Member may hold an Interest without holding any Bricks, however a Member may not hold Bricks without first holding an Interest.

6.4 Your Digital Wallet

A Member's Digital Wallet is an arrangement between the Member and BrickX under which BrickX holds money transferred by a Member, and any money that a Member receives as a distribution or from the sale of Bricks, on trust for a Member. A Member can use the money in their Digital Wallet to purchase Bricks.

Any interest earned on money in a Member's Digital Wallet is retained by the Responsible Entity for its own benefit.

Any bank or other related fees that are charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet will be charged to, and deducted from, the Member's Account and/or Digital Wallet.

A Member's Digital Wallet will record Funds Available, being funds that can be allocated to purchase Bricks using the Build My Own approach. See section 6.9ii for further details.

If a Member has elected to use the Smart Invest approach, funds allocated towards purchasing Bricks using this approach will appear in your Digital Wallet as Funds Awaiting Investment and cannot be withdrawn while the Smart Invest approach is enabled.

Where a Member has transferred funds into their Digital Wallet using a method of transfer that is not instantaneous, BrickX may, at its discretion, advance some or all of the funds paid into the Member's Digital Wallet (to a maximum value of \$20,000) ahead of completion of the funds transfer to the Digital Wallet to enable the Member to buy Bricks. If this occurs, you will only be able to buy Bricks using those funds and your Account. You will not be able to sell Bricks or withdraw funds from your Digital Wallet. Once your funds transfer to your Digital Wallet is complete, the ability to sell Bricks and withdraw funds will be enabled.

Note that depositing money into a Digital Wallet does not constitute a deposit with an Australian deposit-taking institution and is not covered by the Australian Government Guarantee Scheme. The Digital Wallet does not form part of the assets of any BrickX Trust or the BrickX Platform.

In the case of an unauthorised payment or a payment that was incorrectly executed due to an error by BrickX, BrickX shall, at the Member's request, refund the payment amount including all fees deducted. This shall not apply where the unauthorised payment arises from a Member's failure to keep the personalised security features of their Digital Wallet safe, in which case the Member shall remain liable for the transaction.

6.5 What are "Bricks"?

A Brick is a unit in a BrickX Trust that represents a beneficial interest in property held by that BrickX Trust.

A Brick gives the holder a proportional entitlement to the benefits generated from the underlying property after the payment of all costs, interest and expenses relating to the property. Brick Owners will have a beneficial interest in the underlying property held by the relevant BrickX Trust.

The property of a BrickX Trust can consist of a single property (eg. A house), or multiple properties (e.g. multiple apartments).

Each BrickX Trust will have a fixed number of Bricks on issue at any one time, as outlined on the BrickX Website. Each Brick on issue represents a proportionate interest in the BrickX Trust based on the number of Bricks on issue. For example, if a BrickX Trust has 10,000 Bricks on issue, then each Brick will represent 1/10,000 of the beneficial interest in the underlying property of the BrickX Trust. An Initial Brick Owner(s) may initially hold all Bricks on issue in a BrickX Trust, in which case later Members will acquire Bricks from the Initial Brick Owner(s).

The interests in each BrickX Trust constitute a class of interests separate to interests in each other BrickX Trust and separate to an Interest.

6.6 Brick price

When Bricks are first issued in a BrickX Trust, the initial Brick price will generally be determined at the start of the Pre-Order Phase for the initial Property Campaign for the BrickX Trust in accordance with the following approach:

$$\frac{\text{property acquisition price} + \text{other net assets}}{\text{number of Bricks that will be on issue at Brick Settlement}}$$

The price of a Brick to be issued as part of any subsequent Property Campaign will generally be determined at the start of the Pre- Order Phase for that Property Campaign in accordance with the following approach:

$$\frac{\text{property acquisition price} + \text{other net assets}}{\text{number of Bricks that will be on issue at Brick Settlement}}$$

Outside of any Property Campaign, the Bricks in a BrickX Trust will be revalued regularly, and published on the relevant BrickX Trust page on the BrickX Website. The Brick value will generally be determined as follows:

$$\frac{\text{net assets}}{\text{number of Bricks on issue}}$$

Note that:

- the property acquisition price will include stamp duty and other acquisition costs such as legal fees, buyers' agent fees, due diligence fees, trust establishment and other costs;
- the net assets will be determined by calculating the current value of the assets of the BrickX Trust (including the cash reserve, the value of any unamortised costs for any previous property acquisition and the value of any other accrued assets) and then deducting the current liabilities of the BrickX Trust (including the value of any outstanding debt and any other accrued liabilities);
- the cash reserve will include any additional cash that will be raised as part of a Property Campaign;
- debt will include any additional debt that will be raised as part of a Property Campaign acquisition related costs (including stamp duty and other fees) for initial property acquired by a BrickX Trust will be amortised over the term of the BrickX Trust. Acquisition related costs (including stamp duty and other fees) for subsequent property acquired by a BrickX Trust will be amortised over the period set out in the Additional Disclosure Document that is issued in respect of that subsequent acquisition. This amortisation will be reflected in regular Brick valuation updates; and
- assets and liabilities will be determined based on their most recent valuation.

Where there is more than one property held in a BrickX Trust, the values used to calculate the Brick price will be the total values across all properties held by the BrickX Trust (i.e. the total acquisition price of all properties held, the total debt held across all properties etc).

Each Property Campaign for a BrickX Trust (including the initial launch of a BrickX Trust) will typically have a Pre-Order Phase for the Bricks to be issued as part of that Property Campaign, with a confirmed end date for the Pre-Order Phase. During this Pre-Order Phase, Members (via their chosen investment approach) are typically able to reserve Bricks at the Brick price for that Property Campaign until all Bricks to be issued are pre-ordered or the Pre-Order Phase ends (whichever occurs first). Members are able to cancel any orders to reserve Bricks up until the end of the Pre-Order Phase. Note that access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain pre-qualified investors.

A Member who has reserved Bricks during the Pre-Order Phase acquires title to such Bricks (and becomes a Brick Owner) at Brick Settlement for the Property Campaign.

Information about the particular process and date of Brick Settlement for a Property Campaign conducted by a BrickX Trust will be in the Additional Disclosure Document for that trust.

Members cannot trade the Bricks to be issued in respect of a Property Campaign until after the Property Settlement date for that Property Campaign. After a Property Settlement date, the price of Bricks is determined by Member supply and demand. The selling Brick Owner can set the sale price of Bricks at any price they wish, provided that it cannot be a price that is more than 20% lower than the latest Brick valuation.

To assist Brick Owners and Members in considering the Brick price, BrickX will publish regular Brick valuation estimates, independent annual property valuations and industry data on the BrickX Website.

Some aspects of the approach used to calculate the Brick valuations may involve the Responsible Entity exercising discretion in accordance with the Corporations Act. The Responsible Entity has a policy regarding its use of discretion in Brick pricing. A copy of this policy is available free of charge by contacting the Responsible Entity on (02) 8766 0566.

6.7 Brick ownership

Ownership of a Brick provides investment exposure to the property of a BrickX Trust once the property has been purchased and is held in the BrickX Trust. It is important to note that Members do not invest directly in the property, but hold an indirect beneficial interest in the property through their Bricks.

A Brick entitles the Brick Owner to receive a share of the net income earned in relation to the property held by the relevant BrickX Trust and ultimately any net proceeds of sale of the property. Brick Owners are not entitled to any particular part of the assets of a BrickX Trust. A Member must hold at least one Brick in a BrickX Trust to be entitled to a share of any net income earned in relation to the underlying property held in the BrickX Trust and any net proceeds of the sale of such property.

The minimum investment in a BrickX Trust is one Brick. The maximum number of Bricks a Brick Owner can hold in any single BrickX Trust will be specified in the Additional Disclosure Document for the particular BrickX Trust. Note this maximum applies regardless of whether Bricks were acquired using the Build My Own or the Smart Invest approach.

BrickX, as the manager of the BrickX Platform, assists the Responsible Entity to maintain an up to date Register of Brick Owners for each BrickX Trust, which accounts for all Bricks issued, bought and sold in that BrickX Trust.

In the event of a fraudulent action or misuse of the BrickX Platform, BrickX, as the manager, has the right to buy Bricks acquired through such fraud or misuse using its own funds or to reverse transactions. Any Bricks purchased by BrickX will subsequently be sold down on the Order Book.

Holding a Brick is not the same as a direct investment in property, and there are some important differences between owning Bricks in a BrickX Trust which holds property on the BrickX Platform and owning a property directly. These differences include the following:

- a Brick Owner that holds Bricks does not have any direct control over who resides in the property;
- a Brick Owner will not have any right to redevelop, sub-divide or otherwise make changes to the nature or use of the property; and
- a Brick Owner cannot pledge the property as security for debt.

A Brick Owner will not be able to unilaterally determine when the property held by a BrickX Trust is sold. However, Brick Owners may at any time, by notifying BrickX Financial Services, pass a resolution (approved by Brick Owners in the BrickX Trust that hold at least 50% of the Bricks on issue) requiring BrickX Financial Services to wind up the BrickX Trust and sell the property.

The Additional Disclosure Document for a particular BrickX Trust may specify other processes for sale of property and winding up of the BrickX Trust, including:

- BrickX facilitating a meeting of Brick Owners of the BrickX Trust to determine if the Brick Owners wish to sell the property held in the BrickX Trust or to continue holding the property; and/or
- BrickX being granted a general power to sell property and wind-up the BrickX Trust without further reference to Brick Owners when certain events occur (such as a set time period).

Note that in certain circumstances BrickX will have a general power to sell the property of a BrickX Trust, for example where the BrickX Trust cannot otherwise meet its costs and expenses.

A BrickX Trust cannot wind up in full unless all the properties held by that trust are sold.

6.8 Smart Invest

i. What is Smart Invest?

The Smart Invest approach offers Members the ability to make investments in accordance with a selected strategy. Unlike the Build My Own approach, Members participating in Smart Invest do not choose individual BrickX Trusts to purchase Bricks in. Rather, Members select an investment strategy and Bricks are purchased for participating Members as and when Bricks become available in BrickX Trusts that

are included in the selected investment strategy (subject to availability of funds and diversification rules).

The features, objectives and parameters of each strategy will be set by BrickX management and the Investment Team and will be executed by BrickX at the election of a participating Member.

The Investment Team and the BrickX management team will determine the BrickX Trusts to be included in a strategy on the basis that such properties (in the reasonable opinion of the Investment Team and the BrickX management team) meet the investment criteria of the strategy. The BrickX Trusts included in a strategy will be reviewed at least annually, and BrickX Trusts will be included and excluded where the Investment Team and the BrickX management team are of the view that BrickX Trusts may or may no longer meet the investment criteria of the strategy. Members will be notified of the inclusion of BrickX Trusts in a particular strategy.

By opting into Smart Invest, a Member provides BrickX with a standing instruction to acquire Bricks as and when Bricks become available in BrickX Trusts that are included in the selected investment strategy (subject to availability of funds and diversification rules) and to allocate that Member's distributions to Funds Awaiting Investment (so that the funds cannot be withdrawn but can be used to acquire further Bricks). As eligible Bricks become available, purchases will be made automatically without further involvement by participating Members.

BrickX Trusts may be excluded from a strategy from time to time in accordance with the property review process. Brick Owners of an excluded BrickX Trust will be notified, and can place Bricks for sale in accordance with the regular Brick sale process via the Order Book. See 6.8vii below. The Smart Invest approach does not involve BrickX or BrickX Financial Services selling Bricks on your behalf where they no longer meet the selected investment strategy.

Refer to the BrickX Website for details of available strategies.

ii. How do I participate?

Once you sign-up and have been successfully verified, you may opt into the Smart Invest investment approach. This will require you to set-up via your BrickX Account, the recurring date and transfer amount that you wish BrickX to direct debit from your nominated bank account. A minimum recurring, monthly direct debit of \$50 is required.

Reconciled direct debit funds are transferred to your Digital Wallet and held as Funds Awaiting Investment to purchase available Bricks.

Once you have opted into Smart Invest, you may make discretionary lump sum transfers (referred to as "Top-Ups") from your Funds Available into your Funds Awaiting Investment to purchase Bricks using the Smart Invest approach.

iii. Direct debit

Fund transfers from a prospective Member's nominated bank account in to their Digital Wallet for use in Smart Invest are executed through an external third party direct debit service. Fund transfers via direct debit will typically take around 4 Business Days to complete. In addition to the terms under this Document,

prospective Members must complete a Direct Debit Request (DDR) and agree to the standard terms and conditions set out in the Direct Debit Request Service Agreement (DDRSA). These documents provide BrickX with consent and instructions to act in accordance with the prospective Member's direct debit instructions.

The details of the DDR and the DDRSA documents are only recorded in the Member's BrickX Account once the prospective Member confirms and authorises BrickX to proceed accordingly.

BrickX understands that Members may, from time to time, wish to make changes to their DDR. A Member may skip a month in their recurring payment by notifying BrickX through the Member's BrickX Account by providing 24 hours' notice. This suspends the DDR for one month, which will skip the direct debit for that skipped month. The DDR will resume after the skipped month.

Other variations can also be made to the DDR, including variations to the monthly amount that is direct debited and the payment date. This will result in a new DDR being generated to reflect the new instructions from the Member.

Members are able to disable Smart Invest by logging into their BrickX Account and following the steps to cancel their direct debit arrangement. This will terminate your DDR and DDRSA. Any remaining Funds Awaiting Investment will become Funds Available and can be used to purchase Bricks through Build My Own, or withdrawn into the Member's nominated bank account.

iv. Top-Up transfers

Once the DDR is set up, prospective Members are able to transfer lump sum amounts from Funds Available to Funds Awaiting Investment for allocation to buying Bricks using the Smart Invest investment approach.

To transfer discretionary lump sum funds from Funds Available, a Member must log in to their BrickX Account and place a Top-Up request for the desired amount. Top-Ups can be requested at any time. Note Members are unable to transfer Funds Awaiting Investment to Funds Available unless they first disable Smart Invest.

Smart Invest can be disabled by logging into your BrickX Account on the BrickX Platform and following the steps to cancel your direct debit arrangement. This automatically disables Smart Invest and transfers balances from Funds Awaiting Investment to Funds Available.

v. Buying Bricks

To buy a Brick using Smart Invest, a Member must have sufficient Funds Awaiting Investment in their Digital Wallet to cover the Brick purchase price and the applicable transaction fees.

Members' Funds Awaiting Investment are allocated based on the order of the receipt of direct debit transfers. Once cleared funds have been received in the Digital Wallet, Smart Invest will seek to buy available Bricks, subject to availability of funds and diversification rules.

Smart Invest Brick purchases are triggered by the following events:

- availability of Funds Awaiting Investment; and

- availability of Bricks, either because new BrickX Trusts are included in the selected investment strategy or Bricks (at or below Brick valuation) in BrickX Trusts included in the strategy are listed for sale using the Order Book.

Where there are Funds Awaiting Investment, but Bricks are not available for purchase at a particular time, Bricks will be purchased as they become available.

Smart Invest will apply Member's Funds Awaiting Investment in accordance with the following considerations:

- Firstly, where there is a sufficient balance in Funds Awaiting Investment to purchase an available Brick at or below the Brick valuation.
- Secondly, diversification across more than one BrickX Trust within the strategy where the amount invested in Bricks exceeds \$500. No diversification will be applied to the initial \$500 invested. Brick purchases will continue where Brick price is equal or less than Brick valuation.
- Thirdly, where the most significant Brick price discount against Brick valuation exists, including any applicable transaction fees.

Smart Invest may also allocate Member's Funds Awaiting Investment to reserve Bricks on their behalf during the Pre-Order Phase for a Property Campaign being conducted by a BrickX Trust within the selected investment strategy at the Brick price for that Property Campaign.

Where multiple Members are eligible to purchase the same Brick (having regard to the considerations listed above), Bricks will be allocated based on the time and date cleared Funds Awaiting Investment are received in each Member's Digital Wallet.

Once BrickX has applied the Member's Funds Awaiting Investment to purchase a Brick, the Member will then be a Brick Owner of that Brick. The Member can see the Bricks they have purchased or pre-ordered by logging into their BrickX Account.

vi. Selling Bricks

After the Property Settlement date for the relevant Bricks, Brick Owners are able to offer their Bricks for sale through the Order Book facility on the BrickX Platform, with the sale price determined by Member supply and demand.

To sell a Brick, a Brick Owner must place a 'sell' order into the Order Book for the relevant BrickX Trust, specifying the number of Bricks they wish to sell and the price per Brick that they wish to sell for. A Member can only sell Bricks that they own. The Responsible Entity may refuse to process any sale or transfer arranged by a Brick Owner not using the Order Book process.

Note that a Sell Order will not be accepted for processing at a price that is more than 20% below the latest Brick valuation (see section 6.6 for further information).

vii. The Order Book

The Order Book shows all current open offers to sell Bricks. The Order Book is arranged from lowest to highest price. Multiple Sell Orders placed at the same price are combined to display a single offering, but are executed chronologically in the order that the Sell Orders are submitted.

When there are matching Buy Orders and Sell Orders, in terms of Brick price and the number of Bricks sought or being sold, the Responsible Entity will cause the relevant Bricks to be transferred from the selling Brick Owner (or Brick Owners if multiple sellers are being aggregated to meet a Buy Order) to the buying Member.

When a Buy Order and Sell Order match occurs, each Member's respective BrickX Account and Digital Wallet will be updated to reflect their new Brick holdings and Funds Available or Funds Awaiting Investment, and the relevant BrickX Trust Register will be updated. Both the buyer and the seller of the Bricks will be charged a transaction fee of 0.5%, which will be paid to BrickX.

A selling Brick Owner can cancel a Sell Order at any time before it is matched with a corresponding Buy Order. No transaction fees are paid for cancelled Sell Orders.

BrickX will monitor the Order Book and will endeavour to prevent fraudulent transactions and manipulation activities. BrickX has the ability to intervene and 'stop' transactions on the BrickX Platform should there be a suspicion of fraudulent transactions or manipulation activities. At this point no transactions will be available to the Brick Owners until such time as the Order Book is re-opened.

BrickX may also suspend or halt trading on the Order Book from time to time where it considers it reasonable to do so in the interests of Members and the BrickX Platform. For example, BrickX may halt or suspend trading on the Order Book for a particular BrickX Trust where a new Property Campaign is being launched, and then re-open trading once the relevant Additional Disclosure Document is issued and the Property Settlement for the Property Campaign has been completed. To the extent possible, BrickX will give notice of any impending suspension or halt in trading on the Order Book for any BrickX Trust.

viii. Reserving Bricks during the Pre-Order Phase

When a new Property Campaign is going to be conducted by a BrickX Trust (including the initial Property Campaign for a new BrickX Trust), an Additional Disclosure Document containing information about the property to be acquired and held by that trust will typically be displayed on the BrickX Website, along with other information about the investment (although access to some property investment opportunities and BrickX Trusts on the BrickX Platform may be limited to certain pre-qualified investors). The start and end of the Pre-Order phase for that Property Campaign will be specified in that document.

During the Pre-Order Phase for a Property Campaign, Members with sufficient Funds Awaiting Investment in their Digital Wallets may have Bricks reserved (pre-ordered) in the BrickX Trust that is conducting the Property Campaign at the Brick price that has been set for that Property Campaign (see section 6.6).

The Responsible Entity reserves the right to adjust the maximum allocation of Bricks available to Smart Invest for each Property Campaign, subject to the proportion of Members participating in Smart Invest and Build My Own respectively.

Where Bricks are reserved by you during the Pre-Order Phase for a Property Campaign, an amount equal to the purchase price of reserved Bricks will be reserved from your Funds Awaiting Investment. Members who have reserved Bricks will acquire those Bricks at Brick Settlement for the relevant Property Campaign.

Prior to Brick Settlement for a Property Campaign, should BrickX become aware of any information that adversely affects the agreed purchase value of the property or properties, or determine that the relevant BrickX Trust should not proceed to purchase a property or properties at the altered price or for any other reason, BrickX may cease the Pre-Order Phase, remove the Property Campaign (and BrickX Trust where it is the initial Property Campaign for that trust) from the BrickX Platform, and Brick Settlement will not take place. If this occurs, all pre-orders will be cancelled, with reserved funds fully released to Members' Digital Wallets.

ix. Receiving distributions

Brick Owners are entitled to receive monthly distributions on Bricks that they hold provided they hold the Bricks at 11:59pm on the last day of the relevant distribution period (typically month end), and rent and other income from the property in the relevant BrickX Trust exceeds any costs and expenses incurred in relation to that BrickX Trust for that distribution period.

Distributions are added to your Funds Awaiting Investment and trigger the BrickX search for purchase of additional available Bricks. Distributions received from Bricks acquired using Smart Invest are not available for withdrawal for as long as Smart Invest is enabled. Instead, such distributions will be automatically applied to the purchase of additional Bricks. Brick Owners will still be subject to income tax on these distributions despite not physically receiving the distributions (see section 11).

Each Brick attracts a yield from the net rental of the underlying property in the relevant BrickX Trust that is generally determined as follows:

$$\frac{\text{rent} - \text{expenses}}{\text{number of Bricks on issue}}$$

It is expected that each BrickX Trust will receive rent from tenants of the property based on a commercial market rent. The rent will generally be paid by the tenant monthly in advance and collected by the property manager on behalf of the BrickX Trust.

All expenses relating to the operating and running of the property are deducted, or accrued from the gross income of the relevant BrickX Trust. Expenses may include:

- strata levies, utilities charges, council rates, repair and maintenance fees, and property tax;
- responsible entity and manager fees (including property manager fees);
- annual audit and valuation fees;
- principal and interest payments on any debt; and
- other fees, costs and expenses associated with the BrickX Trust.

For further information, see section 10.5.

BrickX Financial Services may withhold distributable amounts in a BrickX Trust to cover upcoming repairs and/or charges in respect of property in that BrickX Trust, including as part of "replenishing" the cash reserve of the BrickX Trust.

A policy of “distribution smoothing” will typically be adopted for each BrickX Trust to streamline the amounts paid as distributions to Brick Owners and reduce distribution peaks and troughs. The distribution smoothing policy involves BrickX Financial Services as trustee of the BrickX Trust distributing funds to Brick Owners of the BrickX Trust based on expected income and predictable expenses within the BrickX Trust, with the aim of providing a consistent and more predictable level of distribution payments each month.

BrickX Financial Services will aim to distribute the net rental income from properties within a BrickX Trust to Brick Owners via their Digital Wallet generally within 10 business days of month end and the amount distributed will be held as Funds Awaiting Investment.

x. **Withdrawing funds**

A Member is not able to withdraw Funds Awaiting Investment (including distributions allocated to Funds Awaiting Investment) whilst Smart Invest is enabled.

To disable Smart Invest, a Member must log in to their BrickX Account and cancel their recorded direct debit arrangement. This automatically disables Smart Invest.

Once Smart Invest is disabled, the Funds Awaiting Investment will be reallocated to Funds Available, and may be used to purchase Bricks using the Build My Own approach or withdrawn into the Member’s nominated bank account.

Where a Member has transferred funds into their Digital Wallet using a method of transfer that is not instantaneous, BrickX may, at its discretion, for the purpose of allowing a Member to buy Bricks, advance some or all of the funds paid into the Member’s Digital Wallet (to a maximum value of \$20,000) ahead of the funds transfer to **the Digital Wallet** being completed. If this occurs, the Member will not be able to withdraw funds from their Digital Wallet until the funds transfer by the Member is complete. Once the funds transfer by the Member into the Digital Wallet is complete, the ability for the Member to withdraw funds (provided Smart Invest is disabled) will be enabled.

6.9 **Build My Own**

i. **What is Build My Own?**

The Build My Own approach offers Members the ability to select and purchase Bricks in individual BrickX Trusts. Unlike the Smart Invest approach, Members participating in Build My Own have control over when they buy Bricks and which Bricks they buy (subject to availability of Bricks, availability of funds and restrictions on ownership).

ii. **How do I participate?**

Once you sign-up and have been successfully verified, you can select the Build My Own investment approach. You are then able to transfer funds to your Digital Wallet at any time. To become a Member, you will need to transfer the Minimum Amount. Funds available in your Digital Wallet for the Build My Own approach will be recorded in your Digital Wallet as “Funds Available”.

Fund transfers are executed through external third party payment gateways. Fund transfers can take between 2 to 3 working days to complete. Where a Member has transferred funds to their Digital Wallet using a method of transfer that is not instantaneous, BrickX may, at its discretion, advance some or all of the funds paid into the Member's Digital Wallet (to a maximum value of \$20,000) ahead of the funds transfer being complete, for the purpose of allowing a Member to buy Bricks. During this period, the Member will only have the ability to buy (and not sell) Bricks. Once the funds transfer in to the Digital Wallet is complete, the ability to sell Bricks and withdraw funds will be enabled.

iii. Buying Bricks

To buy a Brick, a Member must have sufficient Funds Available to cover the Brick purchase price and the relevant transaction fees.

Members are able to reserve Bricks during the Pre-Order Phase for a Property Campaign being conducted for a BrickX Trust at the Brick price for that Property Campaign (see section 6.6 for further information). These orders to buy reserved Bricks can be cancelled at any time up until the end of the Pre-Order Phase, which will be detailed in the Additional Disclosure Document and on the individual BrickX Trust page within the BrickX Website. If a Member cancels an order to reserve Bricks before the end of the Pre-Order Phase, they have no further obligation to purchase those Bricks, and they will not be charged transaction fees.

A Member can view available Bricks for sale on the relevant BrickX Trust page relating to the BrickX Trust they wish to invest in at any time. Details about BrickX Platform properties, including market data, property information, and the number and price of available Bricks are accessible to Members on the BrickX Website. This information is provided to inform Members' decisions to buy Bricks, and the price at which such Bricks should be acquired. Bricks relating to a BrickX Trust will only be available for sale after the Property Settlement for the Property Campaign for which they were issued. Note that certain Property Campaigns and BrickX Trusts may be limited to pre-qualified investors.

If a Member wishes to acquire Bricks that are listed for sale following a Property Settlement for a BrickX Trust, the Member must then specify the number of Bricks they wish to buy against what is available in the Order Book (which shows Members how many Bricks are for sale and what the sale price is).

iv. Selling Bricks

After the Property Settlement for the Property Campaign for which Bricks were issued, Brick Owners are able to offer their Bricks for sale through the Order Book facility on the BrickX Platform, with the sale price determined by Member supply and demand.

To sell a Brick, a Brick Owner must place a 'sell' order into the Order Book for the relevant BrickX Trust, specifying the number of Bricks they wish to sell and the price per Brick that they wish to sell for. A Member can only sell Bricks that they own.

Note that a Sell Order will not be accepted for processing at a price that is more than 20% lower than the latest Brick valuation (see section 6.6 for further information).

Where a Member has transferred funds to their Digital Wallet using a method of transfer that is not instantaneous, BrickX may, at its discretion, for the purpose of enabling the Member to buy Bricks, advance some or all of the funds paid into the Member's Digital Wallet (to a maximum value of \$20,000) ahead of the funds transfer being complete. If this occurs, the Member will only have the ability to buy (and not sell) Bricks. Once the funds transfer by the Member is complete, the ability to sell Bricks and withdraw funds will be enabled.

Where Brick Settlement for a Property Campaign that is conducted for a BrickX Trust is before the Property Settlement for that Property Campaign, Brick Owners will not be able to list the Bricks they were issued at the Brick Settlement for sale until the Property Settlement has completed.

v. The Order Book

The Order Book shows all current open offers to sell Bricks in each BrickX Trust. The Order Book is arranged from lowest to highest price. Multiple Sell Orders placed at the same price are combined to display a single offering, but are executed chronologically in the order that the Sell Orders are submitted.

When there are matching Buy Orders and Sell Orders, in terms of Brick price and the number of Bricks sought or being sold, the Responsible Entity will cause the relevant Bricks to be transferred from the selling Brick Owner (or Brick Owners if multiple sellers are being aggregated to meet a Buy Order) to the buying Member.

When a Buy Order and Sell Order match occurs, each Member's respective BrickX Account and Digital Wallet will be updated to reflect their new Brick holdings and Funds Available, and the relevant BrickX Trust Register will be updated. Both the buyer and the seller of the Bricks will be charged a transaction fee of 0.5%, which will be paid to BrickX.

A selling Brick Owner can cancel a Sell Order at any time before it is matched with a corresponding Buy Order. No transaction fees are paid for cancelled Sell Orders.

BrickX will monitor the Order Book and will endeavour to prevent fraudulent transactions and manipulation activities. BrickX has the ability to intervene and 'stop' transactions and manipulation activities on the BrickX Platform should there be a suspicion of fraudulent transactions. At this point all transactions and Order Books will not be available to the Brick Owners until such time as the Order Book is re-opened. BrickX may also suspend or halt trading on the Order Book from time to time where it considers it reasonable to do so in the interests of Members and the BrickX Platform. For example, BrickX may halt or suspend trading on the Order Book for a particular BrickX Trust where a new Property Campaign is being launched, and then re-open trading once the relevant Additional Disclosure Document is issued and the Property Settlement for the Property Campaign has been completed. To the extent possible, BrickX will give notice of any impending suspension or halt in trading on the Order Book for any BrickX Trust.

Figure 1: Order Book showing current open orders

Invest in ANN01
CLOSE

Brick Valuation
(Jun 2017)
\$112.84

Bricks available		Recent Transactions
Quantity	Price	% Difference from Brick Valuation
11	\$113.00	+0.15%
12	\$114.00	+1.03%
15	\$115.00	+1.92%
30	\$116.00	+2.80%
55	\$117.00	+3.69%
+ Show More		

Place your order
Funds available: \$19.23

Quantity
0

Av. Brick Price
\$0.00

Order Total
\$0.00

How many Bricks would you like to buy? Enter a Quantity to continue your transaction.

Cost of Bricks	\$0.00
Transaction fee (1.75%)	\$0.00
Order Total	\$0.00

☐ I agree to this transaction

CONFIRM PURCHASE >

Note: Bricks are bought starting with the lowest available price.

Figure 2: Order Book.

Sell Bricks in ANN01
CLOSE

Brick Valuation
(Jun 2017)
\$112.84

Bricks available		Recent Transactions
Quantity	Price	% Difference from Brick Valuation
11	\$113.00	+0.15%
12	\$114.00	+1.03%
15	\$115.00	+1.92%
30	\$116.00	+2.80%
55	\$117.00	+3.69%
+ Show More		

You currently own
2 Bricks in ANN01

Pending Sell Orders
0 Brick

You can sell up to
2 Bricks

Sell your Bricks

Quantity
1

Sale price
\$ 112 .00

You receive
\$110.04

1 Brick @ \$112.00	\$112.00
Transaction fee (1.75%)	-\$1.96
You Receive	\$110.04

☐ I agree to this transaction

CONFIRM SELL ORDER >

Note: Bricks are bought starting with the lowest available price.

vi. Reserving Bricks during the Pre-Order Phase for a Property Campaign

On or after the date on which exchange occurs in relation to the acquisition of property for a BrickX Trust that is conducting a Property Campaign, information about the property is displayed on the BrickX Website, which marks the commencement of the Pre-Order Phase for that Property Campaign.

During the Pre-Order Phase, Members with sufficient Funds available in their Digital Wallets have the ability to reserve (pre-order) Bricks in the Property campaign for the BrickX Trust at the Brick price for that Property Campaign (see section 6.6). Note that certain Property Campaigns may be limited to pre-qualified investors.

The required funds in the Member's Digital Wallet to cover the Bricks they wish to pre-order and the associated transaction fees (0.5%) will be reserved until Brick Settlement for the Property Campaign, which means the Member cannot use such funds to buy or reserve other Bricks, or withdraw such funds, unless the pre-order is cancelled by the Member. Pre-orders can be cancelled at any time up until the end of the Pre-Order Phase from the pending orders section in a Member's BrickX Account. Transaction fees are not charged on cancelled pre-orders.

Figure 3: Screen shot of pending orders.

Pending Orders

Pending Sell Orders								
Date placed	Days listed	Property	Qty of 'Bricks'	'Brick' Sell Price	You Receive [?]	Lowest Available 'Brick' Price [?]	Reference	
08 Jul 2016	3	PRA01	200	\$200.00	\$39,300.00	\$200.00	1a2a4b6b1afc	<button>CANCEL</button>
04 Jul 2016	7	PRA01	215	\$201.00	\$42,458.74	\$200.00	e703cfb029b5	<button>CANCEL</button>
04 Jul 2016	7	ANN01	100	\$123.00	\$12,084.75	\$123.00	cabd373afd63	<button>CANCEL</button>
TOTAL					\$93,843.49			

Members who have reserved Bricks in a Pre-Order Phase will acquire those Bricks at Brick Settlement for the Property Campaign.

Prior to Brick Settlement, should BrickX become aware of any information that adversely affects the agreed purchase price of a property, or determine that the relevant BrickX Trust should not proceed to purchase that property at that price or for any other reason, BrickX may cease the Pre-Order Phase (and if the Property Campaign is for a new BrickX Trust, remove the BrickX Trust from the BrickX Platform). In this case, Brick Settlement will not take place for that Property Campaign and all pre-orders will be cancelled, with reserved funds fully released to Members' Digital Wallets.

vii. Receiving distributions

Brick Owners are entitled to receive distributions provided they hold the Bricks at 11:59pm on the last day of the relevant distribution period (typically month end), and rent from property in the relevant BrickX Trust exceeds any costs incurred in relation to that BrickX Trust for that distribution period.

Each Brick attracts a yield from the net rental of the underlying property in the relevant BrickX Trust that is generally determined as follows:

$$\frac{\text{rent} - \text{expenses}}{\text{number of Bricks on issue}}$$

It is expected that each BrickX Trust will receive rent from the tenant of a property held by the BrickX Trust based on a commercial market rent. The rent will generally be paid by the tenant monthly in advance and collected by the property manager on behalf of the BrickX Trust.

All expenses relating to the operating and running of the property held by a BrickX Trust are deducted, or accrued from the gross income of the relevant BrickX Trust. Expenses may include:

- strata levies, utilities charges, council rates, repair and maintenance fees, and property tax;
- responsible entity and manager fees (including property manager fees);
- annual audit and valuation fees;
- principal and interest payments on any debt; and

- other fees, costs and expenses associated with the BrickX Trust.

For further information, see section 10.5.

BrickX Financial Services may withhold distributable amounts to Brick Owners cover upcoming repairs and/or charges in respect of a property held by the relevant BrickX Trust, including as part of “replenishing” the cash reserve of the BrickX Trust.

A policy of “distribution smoothing” will typically be adopted for each BrickX Trust to streamline the amounts paid as distributions to Brick Owners and reduce distribution peaks and troughs. The distribution smoothing policy involves BrickX Financial Services as trustee of the BrickX Trust distributing funds to Brick Owners of the BrickX Trust based on expected income and predictable expenses within the BrickX Trust, with the aim of providing a consistent and more predictable level of distribution payments each month.

BrickX Financial Services will aim to distribute the net rental income from properties within a BrickX Trust to Brick Owners via their Digital Wallet generally within 10 business days of month end and the amount distributed will be held as Funds Awaiting Investment.

viii. Withdrawing funds

To withdraw Funds Available from their Digital Wallet, a Member must log in to their BrickX Account and place a withdrawal request. The withdrawn funds will be paid into the Member’s nominated bank account. Where a Member has transferred funds to their Digital Wallet using a method of transfer that is not instantaneous, BrickX may, at its discretion, for the purpose of allowing the Member to buy Bricks, advance some or all of the funds paid into the Member’s Digital Wallet (to a maximum value of \$20,000) ahead of a funds transfer being complete. If this occurs, the Member will not be able to withdraw funds from their Digital Wallet until the transfer by the Member is complete. Once the funds transfer is complete, the ability to withdraw funds will be enabled.

6.10 Termination of a BrickX Trust

On termination of a BrickX Trust, BrickX Financial Services will sell the properties held by that BrickX Trust, redeem all issued Bricks in the relevant BrickX Trust and pay an amount to the Brick Owners which represents their share of net proceeds of sale of the property less any transaction and trust wind-up charges, fees and costs including a sell transaction fee of 0.5%. Note that a Brick Owner must be holding Bricks in the relevant BrickX Trust as at the date of termination in order to be entitled to receive a share of the net proceeds. The proceeds of any redemption on the termination of a BrickX Trust will be paid to the Brick Owner’s Digital Wallet as soon as practicable after the proceeds of the sale have been received.

BrickX will advise Brick Owners of the date when redemption payments will be paid to their Digital Wallet.

6.11 Deactivating your BrickX Account

A Member’s BrickX Account can be deactivated at any time by logging into their BrickX Account using the BrickX Website. A Member is only able to deactivate their

BrickX Account when they do not hold any Bricks and all of their funds have been withdrawn from their Digital Wallet.

Once a Member's BrickX Account is deactivated, they cease to be a Member and will need to reapply in order to participate in the BrickX Platform.

6.12 Promotions, offers and incentives

BrickX may, from time to time, run promotions, offers and incentives, which may include reimbursing or waiving fees, making bonus payments into a Member's Digital Wallet and offering additional Bricks. Eligibility to participate in such promotions, offers and incentives will be subject to satisfaction of eligibility criteria, which shall be determined at BrickX's discretion. For example, eligibility may be restricted to prospective members and not offered to existing Members, or to acquisitions of Bricks in a particular BrickX Trust, or to wholesale investors only, or to Members who invest through certain distribution channels or as a result of certain marketing campaigns. Unless otherwise notified to Members or disclosed in an Additional Disclosure Document, any costs associated with promotions, offers and incentives will be funded entirely by BrickX from its own funds and will not be drawn from, or impact upon the assets of, the BrickX Platform or any BrickX Trust.

The purpose of such promotions, offers and incentives is to encourage new and increased investment into the BrickX Platform, with the aim of increasing the Member and Brick Owner base and potentially the number of Buy Orders and Sell Orders that may be placed. Please refer to section 10.3 for the fees that BrickX will receive on Buy Orders and Sell Orders.

Promotions, offers and incentives form part of BrickX's marketing activities, undertaken as an authorised representative of BrickX Financial Services, or by third parties who are appropriately authorised and licensed to conduct those activities. However, unless otherwise notified to Members or disclosed in an Additional Disclosure Document, the Responsible Entity will not receive any separate payment or other benefit from any promotion, offer or incentive in addition to the amounts to which it is entitled in the ordinary course of the operation of the BrickX Platform.

xi. Bank Fees

Any bank fees that are charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet will be charged to, and deducted from, the Member's Account and/or Digital Wallet.

7 Management of the BrickX Platform

7.1 Responsible Entity

BrickX Financial Services, as responsible entity for the BrickX Platform and trustee of each BrickX Trust, is responsible for all compliance and regulatory aspects of operating the BrickX Platform. BrickX Financial Services holds an AFSL (AFSL No. 494878), which authorises it to (among other things) provide general financial product advice in relation to, and deal in, securities and interests in managed investment schemes and to act as the responsible entity of the BrickX Platform and trustee of each BrickX Trust.

The powers and duties of the Responsible Entity are set out in the BrickX Platform Constitution, the trust deed of each BrickX Trust, the Corporations Act and general trust law.

The duties of the Responsible Entity under the Corporations Act include:

- acting in the best interests of Members and, if there is a conflict between Members' interests and the Responsible Entity's interests, giving priority to Members' interests;
- ensuring that the assets of the BrickX Platform are clearly identified as BrickX Platform property and held separately from property of the Responsible Entity and property of any other fund and are valued at regular intervals;
- ensuring that payments out of the assets of the BrickX Platform are made in accordance with the Corporations Act; and
- reporting to ASIC any significant breach of the Corporations Act in relation to the BrickX Platform which has had, or is likely to have, a material adverse effect on the interests of Members as well as any significant breach of the Responsible Entity's general obligations as an AFSL holder.

Under the BrickX Platform Constitution, the Responsible Entity has all the powers in respect of the assets of the BrickX Platform that it is possible under the law to confer on a responsible entity as though it were the absolute owner of the assets and acting in its personal capacity. The BrickX Platform Constitution contains a number of provisions relating to the rights of Members and the obligations of the Responsible Entity. The BrickX Platform Constitution gives the Responsible Entity the right to be paid fees and expenses in relation to the BrickX Platform and governs matters such as Member meetings, the issue and withdrawal of Interests (where permitted) and Interest pricing, as well as what happens when the BrickX Platform is terminated. A more detailed summary of key provisions of the BrickX Platform Constitution is set out in section 12.1.

The Responsible Entity is not liable in contract, tort or otherwise to Members for any loss suffered in any way relating to the assets of the BrickX Platform except to the extent the Corporations Act imposes such liability.

The Responsible Entity is the issuer of all Interests and Bricks in each BrickX Trust and is the issuer of this Document. BrickX has been contracted by the Responsible Entity

to carry out general investment management functions (other than property management) in relation to the BrickX Platform under the Management and Cooperation Agreement. A summary of this agreement is set out at section 12.3.

Subject to the requirements of the Corporations Act, the role of the Responsible Entity does not include making an assessment as to whether the BrickX Platform, or any BrickX Trust, has the capacity to pay distributions. The Responsible Entity provides no assurance that distributions will be paid to Members of the BrickX Platform. The ability of any BrickX Trust to pay distributions will be dependent on the financial performance of the underlying property and is not guaranteed.

The Responsible Entity is a member of the Australian Financial Complaints Authority, an external dispute resolution body.

7.2 Custodian

The Responsible Entity has appointed an independent custodian (the Custodian) to hold the assets of the BrickX Platform, under a custodian services agreement.

Sandhurst Trustees Limited (ABN 16 004 030 737) is the current Custodian and was appointed in August 2023 (at which time a transition process was commenced to transfer custody of all assets of the Brick X Platform from the previous Custodian).

Sandhurst Trustees Limited is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 (the Bank). They are a highly regarded financial services provider and part of the Bank's wealth management arm. Under the custodian services agreement, the Custodian's role is limited to holding the assets of the BrickX Platform and the Custodian has entered into the custodian services agreement solely in its capacity as the custodian of the BrickX Platform and in no other capacity.

Under the custodian services agreement, the Custodian will not, in the absence of gross negligence, wilful default or fraud on the part of the Custodian, be liable to the BrickX Platform or to any investor in any BrickX Trust for any act or omission, in the course of, or in connection with providing services to the BrickX Platform or any BrickX Trust or for any losses, claims, damages, liabilities and expenses or damage which the BrickX Platform or any BrickX Trust may sustain or suffer as a result of, or in the course of, the discharge by the Custodian of its duties pursuant to the custodian services agreement.

Under the custodian services agreement, the BrickX Platform will indemnify the Custodian to the fullest extent permitted by law against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including legal fees and disbursements, incurred by the Custodian, save where such actions, suits or proceedings are the result of fraud, wilful misconduct or gross negligence of the Custodian.

The Custodian has not withdrawn its consent to be named in this PDS as custodian of the BrickX Platform in the form and context in which it is named. The Custodian does not make, or purport to make, any other statement that is included in this PDS and there is no statement in this PDS which is based on any statement by the Custodian.

To the maximum extent permitted by law, the Custodian expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. The Custodian does not guarantee the repayment of capital or any particular rate of capital or income return.

7.3 Manager

The Responsible Entity has appointed BrickX as manager of the BrickX Platform. BrickX is an authorised representative of BrickX Financial Services (authorised representative number 001000043) for the purposes of providing general financial product advice and dealing services in relation to interests in managed investment schemes and dealing services in relation to general insurance products. The Responsible Entity has also engaged BrickX to carry out general investment management functions (other than property management) in relation to the BrickX Platform under the Management and Cooperation Agreement. A summary of this agreement is set out at section 12.3.

The BrickX management team brings together over 20 years of technology, property and commercial experience.

BrickX's responsibilities in relation to the BrickX Platform primarily include sourcing, acquiring and managing the assets held by each BrickX Trust, selecting and supervising service providers and marketing the BrickX Platform. BrickX is also responsible for providing the technology and platform functionality for the BrickX Platform and maintaining the BrickX Website.

BrickX is responsible for (amongst other things):

- marketing and providing general financial product advice in relation to the BrickX Platform;
- processing Applications, including performing regulatory identification and verification checks as required by the AML/CTF Act;
- maintaining up to date Registers on behalf of the Responsible Entity;
- providing recommendations to the Responsible Entity in relation to any action to be taken and perform on behalf of the Responsible Entity any obligation and take any steps required to be taken;
- managing the BrickX Platform and communicating with Members in respect of the BrickX Platform;
- giving proper instructions to the Responsible Entity regarding any offers, issues or transfers of Interests or Bricks it requires the Responsible Entity to effect;
- providing account information and management services; and ensuring independent valuations of properties are conducted.

BrickX may engage third party service providers and professional advisers to assist it in providing some or all of these services.

BrickX may also appoint "sub-managers" (including other Members) to undertake certain functions of the Manager from time to time for one or more BrickX Trusts.

This may include the establishment, marketing and management of individual BrickX Trusts and Property Campaigns.

BrickX may provide financial incentives or rewards to these sub-managers. For example, BrickX may agree with the sub-manager that in consideration of the services provided by the sub-manager, BrickX will pay the sub-manager part of the investment management fee or performance fee to which BrickX is entitled under the Management and Cooperation Agreement in respect of that BrickX Trust. Unless otherwise notified to Members or disclosed in an Additional Disclosure Document, any costs associated with these activities will be funded entirely by BrickX from its own funds (or from the fees received under the Management and Cooperation Agreement) and will not otherwise be drawn from, or impact upon the assets of, the BrickX Platform or any BrickX Trust.

The purpose of such arrangements is to assist the Manager to create new and increased investment into the BrickX Platform, with the aim of increasing the Member and Brick Owner base, the portfolio of properties available for investment on the BrickX Platform, and potentially the number of Buy Orders and Sell Orders that may be placed. Please refer to section 10.3 for the fees that BrickX will receive on Buy Orders and Sell Orders.

These arrangements form part of BrickX's marketing and management activities, undertaken by BrickX as an authorised representative of BrickX Financial Services (note that the sub-managers themselves may have separate licensing arrangements). Unless otherwise notified to Members or disclosed in an Additional Disclosure Document, the Responsible Entity will not receive any separate payment or other benefit from any such arrangement in addition to the amounts to which it is entitled in the ordinary course of the operation of the BrickX Platform.

7.4 Property managers

Either BrickX or a third party property manager may be appointed to manage properties held in BrickX Trusts on the BrickX Platform. At the date of this Document, all properties on the BrickX Platform are managed by third party property management agents. See section 12.5 for a summary of the key terms of these agreements. As the BrickX Platform grows, the Responsible Entity will consider managing properties internally.

Property managers are responsible for all day-to-day property management functions typically undertaken by a property manager of a rental property including procuring tenants, collecting rental payments and managing lease terms.

8 Reporting

8.1 Regular reporting

A Member can log on to the BrickX Website and view the details of their BrickX Account, Digital Wallet and each individual BrickX Trust in which they have invested or that is available for investment (including details of the underlying property). Access to the details of some BrickX Trusts may be restricted to certain pre-qualified investors.

The reports described below are also available for downloading and printing:

- (BrickX Transaction Confirmation Statement) A BrickX Transaction Confirmation Statement in relation to Bricks being purchased and sold.
- (Annual Statement) An Annual Statement providing details of a Member's investment in the BrickX Platform (including Brick holdings) as at 30 June each year.
- (Annual Report) An Annual Report for the BrickX Platform for each financial year ending 30 June.
- (Annual Tax/Distribution Statement) An Annual Tax Statement for the financial year will be available within 3 months post financial year end to assist Members prepare their income tax returns.

8.2 Continuous disclosure obligations

The BrickX Platform and a BrickX Trust may become a "disclosing entity" under the Corporations Act if there are 100 Members or Brick Owners (as applicable) and will then be subject to additional regular reporting and disclosure obligations. If so, copies of documents lodged with ASIC in relation to the relevant BrickX Trust may be obtained from, or inspected at, an ASIC office.

Members have a right to obtain a copy, at no cost, in respect of any BrickX Trust and the BrickX Platform (as applicable), of the most recent annual financial report and any half yearly financial report lodged with ASIC after that most recent annual financial report and any continuous disclosure notices given by the Responsible Entity.

Any continuous disclosure obligations the Responsible Entity has will be met by following ASIC's good practice guidance via website notices made available as soon as practicable on the Responsible Entity's website (<http://www.brickx.com>), rather than lodging copies of those notices with ASIC. The website will contain all material information prepared by the Responsible Entity (with assistance from BrickX as manager), including continuous disclosure notices lodged with ASIC, current PDSs, including any supplementary PDSs, current Additional Disclosure Documents or Platform Documents and statutory reports and accounts lodged with ASIC.

If you would like hard copies of this information, you may call BrickX on (02) 8766 0566 or email BrickX at info@brickx.com and it will be sent to you at no cost.

The table below contains disclosures against the six benchmarks (on an 'if not, why not' basis) and applies the eight disclosure principles developed by ASIC for unlisted property schemes. See the RG46 Schedule available on the BrickX Website for further information on how these benchmarks and principles apply to the BrickX Platform and BrickX Trusts. BrickX will provide ongoing disclosure against the benchmarks and principles by updating the BrickX Website as required where such update does not contain materially adverse information. The RG46 Schedule will also be updated on the BrickX Website and emailed to Members at least each quarter and a Member can request a free paper copy from BrickX at any time.

ASIC benchmarks and disclosure principles	
Gearing (Benchmark 1: Gearing policy and Disclosure Principle 1: Gearing ratio)	<p>Benchmark 1 requires the Responsible Entity to maintain and comply with a written policy that governs the level of gearing at an individual credit facility level.</p> <p>The Responsible Entity meets this benchmark and complies with a written policy in relation to gearing in the BrickX Trusts. See the RG 46 Schedule available on the BrickX Website for the Responsible Entity's gearing ratio.</p>
Interest cover (Benchmark 2: Interest coverage Policy and Disclosure Principle 2: Interest cover ratio)	<p>Benchmark 2 requires the Responsible Entity to maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.</p> <p>The Responsible Entity meets this benchmark and complies with a written policy in relation to interest cover at the BrickX Trust level. See the RG46 Schedule available on the BrickX Website for details.</p>
Interest capitalisation (Benchmark 3: Interest capitalisation)	<p>If the interest expense of the BrickX Platform is not capitalised, Benchmark 3 requires the Responsible Entity to disclose that fact. Interest accrued by a BrickX Trust is not capitalised.</p>
Scheme borrowing (Disclosure Principle 3: Scheme borrowing)	<p>If the BrickX Platform borrows funds, the Responsible Entity must disclose certain information.</p> <p>Certain BrickX Trusts are geared, with funds borrowed in accordance with the BrickX Platform gearing policy to fund the purchase of the underlying property.</p> <p>See the RG46 Schedule available on the BrickX Website for details.</p>

ASIC benchmarks and disclosure principles	
Portfolio diversification (Disclosure Principle 4: Portfolio diversification)	<p>Residential, commercial, agricultural, development or industrial properties held in BrickX Trusts on the BrickX Platform may be located anywhere in Australia.</p> <p>The BrickX Investment team aims to acquire properties across Australia that have the potential to provide positive rental income and/or capital yields for inclusion in BrickX Trusts on the BrickX Platform. Properties are selected having regard to the following:</p> <ul style="list-style-type: none"> • property characteristics; • suburb capital growth and yield returns; and • independent valuations. <p>In addition to the above, BrickX Trusts included in a Smart Invest strategy are selected having regard to the features, objectives and parameters of a stated strategy, which may include performance against a benchmark. Refer to the BrickX Website for details of available Smart Invest strategies.</p> <p>See section 5.3 for details of the strategy for selecting properties and the RG46 Schedule and the BrickX Website for details of properties currently held in BrickX Trusts included in the BrickX Platform.</p>
Valuations (Benchmark 4: Valuation policy)	<p>The Responsible Entity satisfies Benchmark 4.</p> <p>The Responsible Entity has adopted a written Valuation Policy for the properties held in BrickX Trusts on the BrickX Platform. The Valuation Policy governs the minimum requirements for an independent valuation and establishes the guidelines for the appointment of the valuer, the timetable for valuation and procedures to deal with any conflicts of interest.</p>
Related party transactions (Benchmark 5 and Disclosure Principle 5: Related party transactions)	<p>The Responsible Entity satisfies Benchmark 5.</p> <p>The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.</p> <p>See section 12.6 for the required disclosure information.</p>
Distribution practices (Benchmark 6 and	<p>The Responsible Entity satisfies Benchmark 6 by only making distributions for a BrickX Trust from cash held from operations (primarily rent) in respect of a property in that BrickX Trust.</p>

ASIC benchmarks and disclosure principles	
Disclosure Principle 6 Distribution practices)	<p>The Responsible Entity will not make distributions of capital (unless necessary on the realisation of a property) or unrealised valuation gains from a BrickX Trust.</p> <p>See sections 6.8ix and 6.9vii for the required disclosure information.</p>
Withdrawal arrangements(Disclosure Principle 7: Withdrawal arrangements)	<p>Interests are illiquid. Members will not be able to withdraw their Interest in the BrickX Platform unless their Brick holding is zero and a withdrawal application is made and approved by the Responsible Entity.</p> <p>Brick Owners can sell their Bricks at any time after the Property Settlement in respect of which the Bricks were issued, provided there is a willing buyer and the Order Book is open. Alternatively, Brick Owners in a particular BrickX Trust can agree to sell the underlying property and wind up the trust.</p> <p>See sections 6.8x, 6.9viii, 6.10 and 6.11 for further information.</p>
Net tangible assets (Disclosure Principle 8: Net tangible assets)	<p>The initial Net Tangible Assets (NTA) of each BrickX Trust will be set out on the BrickX Website. The NTA for each BrickX Trust will be updated on the BrickX Website. The NTA is referred to as Brick valuation on the BrickX Website.</p> <p>The NTA per Brick is calculated by reference to the monthly value estimates or independent annual valuation of the property held in a BrickX Trust less any outstanding expenses related to the property held in that BrickX Trust divided by the number of Bricks on issue in the relevant BrickX Trust. The BrickX Trusts will not hold any tangible assets other than property and cash.</p>

10 Fees and other costs

10.1 Consumer Advisory Warning

The Corporations Act requires the Responsible Entity to include the following standard consumer advisory warning in this Document. The information in the consumer advisory warning is standard across product disclosure statements and is not specific to information on fees and other costs associated with an investment in the BrickX Platform.

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 account 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 contribution fees and management costs where applicable. 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.

10.2 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 managed investment scheme as a whole.

Taxes and insurance costs are set out in another part of this Document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

10.3 The BrickX Platform

Type of fee or cost	Amount ¹	How and when paid
Fees when your funds move in or out of the managed investment product		
Establishment fee	\$10	On becoming a Member
The fee to open your investment		

Type of fee or cost	Amount ¹	How and when paid
Fees when your funds move in or out of the managed investment product		
<p>Contribution fee</p> <p>The fee on each amount contributed to your investment</p>	<p>A Transaction Fee of 0.5% of the purchase price of Bricks you purchase. (There is no separate fee charged by us on contributions to your Digital Wallet however a bank fee may be charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet and this will be charged to, and deducted from, the Member's Account and/or Digital Wallet.)</p>	<p>Deducted by the Responsible Entity from your Digital Wallet at the time of the purchase transaction (and paid to BrickX).</p>
<p>Withdrawal fee</p> <p>The fee on each amount you take out of your investment</p>	<p>The Transaction Fee of 0.5% of the sale price applies to Bricks you sell or redeem. (There is no additional fee charged by us on withdrawals from your Digital Wallet, however a bank fee may be charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet and this will be charged to, and deducted from, the Member's Account and/or Digital Wallet.)</p>	<p>Deducted by the Responsible Entity from the proceeds of the sale or redemption at the time of the sale or redemption transaction (and paid to BrickX). (The Responsible Entity may also deduct any tax, unpaid monies, cost or expense due by a Member from your Digital Wallet or sale or redemption proceeds.)</p>
<p>Exit fee</p> <p>The fee to close your investment</p>	<p>The Transaction Fee of 0.5% of the sale/redemption price applies to Bricks you sell or redeem in full. (There is no additional fee charged by us on withdrawals from your Digital Wallet or for ceasing your membership of the BrickX Platform, however a bank fee may be charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet and this will be charged to, and deducted from, the Member's Account and/or Digital Wallet.)</p>	<p>Deducted by the Responsible Entity from the proceeds of the sale or redemption at the time of the sale or redemption of all your Bricks in the relevant BrickX Trust (and paid to BrickX). (The Responsible Entity may also deduct any tax, unpaid monies, cost or expense due by a Member from your Digital Wallet or sale or redemption proceeds.)</p>

¹ All amounts are exclusive of any taxes, including GST.

Type of fee or cost	Amount ¹	How and when paid
Management costs - The fees and costs for managing your investment		
Responsible entity fee (payable to BrickX Financial Services)	Nil amount payable by Members	Not applicable. (Payable to the Responsible Entity out of BrickX's own funds and not as a cost to Members.) See section 10.5 below
Investment management fee (if payable, paid to BrickX)	Up to 2% per annum of the Gross Asset Value. The current fee is specified in the Additional Disclosure Document for each BrickX Trust or is otherwise up to 2% per annum of the Gross Asset Value where there is no Additional Disclosure Document. 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 each BrickX Trust monthly in arrears, within 30 days of the end of each month. See section 10.5 below
Performance fee (if payable, paid to BrickX)	Payable if the investment performance criteria are met. The criteria and the amount payable are specified in the Additional Disclosure Document for the relevant BrickX Trust.	The performance fee is estimated each month, and the monthly estimate paid out of the assets of the relevant BrickX Trust within 10 days of the end of each month. A true up occurs at the end of each financial year, and any underpayment is either paid to BrickX from the assets of the BrickX Trust, and any overpayment is paid to the BrickX Trust by BrickX, within 30 days of the end of each Financial Year.

Type of fee or cost	Amount ¹	How and when paid
Management costs - The fees and costs for managing your investment		
Expenses	All expenses incurred by BrickX and/or the Responsible Entity in the proper performance of their duties in respect of each particular BrickX Trust. An estimate of expenses is disclosed in the Additional Disclosure Document specific to the BrickX Trust.	All expenses are payable or reimbursable out of the assets of each particular BrickX Trust to which the expense relates See section 10.5 below

Type of fee or cost	Amount ¹	How and when paid
Service fees		
Switching fee The fee for changing investment options	If you sell or redeem Bricks in one BrickX Trust and use the proceeds to buy Bricks in another Brick Trust then the 0.5% Transaction Fee is charged on the sale/redemption transaction and the purchase transaction. (This is the same as, and not in addition to, the Transaction Fee that is described in the Contribution fee, Withdrawal fee and Exit fee rows of this table.)	The Transaction Fee on the sale or redemption transaction is deducted by the Responsible Entity at the time of the sale or redemption transaction from the proceeds of your sale or redemption. (The Responsible Entity may also deduct any tax, unpaid monies, cost or expense due by a Member from your Digital Wallet or sale or redemption proceeds.) The Transaction Fee on the purchase transaction is deducted by the Responsible Entity from your Digital Wallet at the time of the purchase transaction.

Note: Transactional and operational costs of each BrickX Trust, being a one off due diligence fee of up to 1.5% of the purchase price of property acquired by the BrickX Trust and a monthly property management fee of up to 6% of gross rent received from property held in the BrickX Trust will apply (excluding GST) in addition to the costs in the above example. Refer 'Additional explanation of fees and costs' at 10.5(e) below. An estimate of the dollar amount of transactional and operational costs for a BrickX Trust will be included in the Additional Disclosure Document.

10.4 Example of annual fees and costs for 18/5 Parriwi Road, Mosman NSW 2088 (Mosman Property) BrickX Trust investment option

Example – MosmanProperty BrickX Trust		Balance of \$50,000 worth of Bricks held including a contribution of \$5,000 worth of additional Bricks during the year
Contribution fee The fee on each amount contributed to your investment	\$25	For every additional \$5,000 worth of Bricks you acquire, you will be charged 0.5% of \$5,000 ie \$25
PLUS management costs comprising		
Responsible entity fee	Nil	And for every \$50,000 worth of Bricks you have you will be charged \$0 each year
Investment management fee	Up to 2% per annum of the Gross Asset Value. The current fee is specified in the Additional Disclosure Document for the BrickX Trust, or is otherwise up to 2% per annum of the Gross Asset Value where there is no Additional Disclosure Document. See section 10.5(c) below.	And for every \$50,000 worth of Bricks you have, you will be charged up to \$1,000 each year.
Expenses	All expenses incurred by BrickX and/or the Responsible Entity in the proper performance of their duties in respect of each particular BrickX Trust, which is approximately 1.1% per annum of gross asset value (expenses typically range between 1.1% and 2.75% per annum of gross asset value for each BrickX Trust).	And for every \$50,000 worth of Bricks you have, you will be charged \$550 in expenses each year. Expenses are payable out of the gross income of each particular BrickX Trust. Your returns (in the form of trust distributions) may be reduced by expenses. See section 10.5(d) below

Example – MosmanProperty BrickX Trust		Balance of \$50,000 worth of Bricks held including a contribution of \$5,000 worth of additional Bricks during the year
EQUALS Cost of Mosman Property BrickX Trust on the BrickX Platform		
Estimated ongoing annual costs related to a \$50,000 Bricks holding plus the purchase of another \$5000 worth of Bricks.		<p>If you had an investment of \$50,000 worth of Bricks at the beginning of the year and you purchased an additional \$5,000 worth of Bricks at the end of the year, you would be charged fees of up to:</p> <p>\$1,575</p> <p>What it costs you will depend on the BrickX Trust you choose to buy Bricks in.</p>

² The example shown is the BrickX Trust with the highest management costs, as required by law.

Note: Transactional and operational costs of each BrickX Trust, being a one off due diligence fee of up to 1.5% of the purchase price of property by the BrickX Trust and a monthly property management fee of up to 6% of gross rent received from the property held in the BrickX Trust will apply (excluding GST) in addition to the costs in the above example. The property management fee is deducted from gross rental income before any distribution to Brick Owners for the relevant month and paid to the property manager (either BrickX or a third party property manager). For the Mosman Property, by way of example, over the last year to June 2020, this was 6% of annual rental income of \$52,149, which is \$3,129 + GST. Refer 'Additional explanation of fees and costs' at 10.5(e) below.

The Corporations Act requires that when calculating management costs in this table, we must not include contributions made during the year or allow for any positive performance that may occur (e.g. we must assume that the value of your investment remains at \$50,000 and the Bricks price does not fluctuate).

The example assumes no abnormal expenses are incurred, no additional service fees (including any bank fees charged on deposits or withdrawals from your Digital Wallet or Account) are incurred by you and that fees are not individually negotiated with us.

10.5 Additional explanation of fees and costs

(a) Can fees be different for different Members?

No, all Members are subject to the same fee structure. We will charge fees to all Members on the same basis regardless of whether you elect the Build My Own or Smart Invest investment approach.

However, as set out in section 6.12, BrickX may from time to time run promotions, offers or incentives which may involve BrickX reimbursing or waiving certain fees that are payable by Members and as set out in section 7.3, BrickX may also appoint “sub-managers” (including other Members) to undertake certain functions of the manager from time to time for one or more BrickX Trusts with respect to the establishment, marketing and management of individual BrickX Trusts and Property

Campaigns and this may involve BrickX providing financial incentives or rewards to those sub-managers. Unless otherwise notified to Members or otherwise disclosed in an Additional Disclosure Document, BrickX is responsible for the fees and costs of these promotions, offers, incentives and rewards (but as set out in section 7.3, these fees and costs may be met from the fees received by BrickX under the Management and Cooperation Agreement).

(b) Changes in fees or costs

The Responsible Entity can change fees in future without your consent. Reasons might include changing economic conditions and changes in regulation.

The BrickX Platform Constitution sets the maximum amount we can charge for all fees. If we proposed to raise fees above the amounts allowed for in the BrickX Platform Constitution, it would need the approval of Members.

We will give Members at least 30 days' notice before making any material changes to fees or costs.

(c) Investment management fee

BrickX receives investment management fees in respect of each BrickX Trust of up to 2% per annum of the Gross Assets of the BrickX Trust calculated on a daily basis (but if the Gross Asset Value is not determined on a day, then on the day the Gross Asset Value was last determined). The investment management fee for a particular BrickX Trust will be in the Additional Disclosure Document for that BrickX Trust or will otherwise be 2% of the Gross Asset Value where there is no Additional Disclosure Document.

BrickX also receives transaction fees in connection with acquisitions and disposals of Bricks and a property management fee where it acts as the property manager of property held by a BrickX Trust. See section 10.5(e) for further information.

As set out in section 7.3, BrickX may appoint "sub-managers" (including other Members) to undertake certain functions of the manager from time to time for one or more BrickX Trusts with respect to the establishment, marketing and management of individual BrickX Trusts and Property Campaigns and this may involve BrickX providing financial incentives or rewards to those Members and third parties in these circumstances. Unless otherwise notified to Members or otherwise disclosed in an Additional Disclosure Document, BrickX is responsible for the fees and costs of these promotions, offers, incentives and rewards (but as set out in section 7.3, these fees and costs may be met from the fees received by BrickX under the Management and Cooperation Agreement).

(d) Expenses

All expenses incurred by BrickX and/or the Responsible Entity in the proper performance of its duties in respect of the BrickX Platform and each BrickX Trust are payable by way of reimbursement to the Responsible Entity or BrickX as appropriate.

The Responsible Entity may, at its discretion, enter into a variety of arrangements with service providers such as BrickX or the Custodian, which may involve the Responsible Entity making payments to these providers.

All such expenses are expenses of each BrickX Trust and will be paid out of the gross income and assets of the BrickX Trust.

Brick Owners will bear the impact of expenses associated with the relevant BrickX Trust in which the Brick Owners hold Bricks, in the form of a reduction in distributions as such expenses will reduce the net income of a BrickX Trust.

Expenses are generally paid as incurred.

(e) Transactional and operational costs associated with dealing in, and holding, Bricks

There are additional costs associated with dealing in and holding Bricks. These apply irrespective of whether a Member elects the Build My Own or Smart Invest approach.

A property management fee of up to 6% of gross rent received from each tenanted property held by a BrickX Trust will be paid to the property manager engaged by the BrickX Trust. The property management fee is calculated monthly and paid in arrears within 30 days of the end of each month. The actual property management fee is disclosed in the Additional Disclosure Document specific to the BrickX Trust.

A one off due diligence fee of up to 1.5% of the purchase price of each property by a BrickX Trust is payable by the BrickX Trust at Brick Settlement for the purchase of that property, out of the assets of the BrickX Trust, to Thundering Herd Pty Ltd (a related entity of BrickX and the Responsible Entity) for property due diligence services. The actual due diligence fee is disclosed in the Additional Disclosure Document specific to the BrickX Trust, and will be on arm's length terms.

The above amounts will be deducted from the gross rental income generated by the property within the BrickX Trust before any distribution is paid to Brick Owners from a BrickX Trust for the relevant month.

(f) Performance fees

The performance fee (if any) payable to BrickX in acting as Manager for a particular BrickX Trust will be set out in the Additional Disclosure Document for that BrickX Trust. Any performance fees payable are additional to other management costs. During the Financial Year, the interim performance of the BrickX Trust will be assessed each month and an estimated performance fee calculated on a monthly rate will be paid from the assets of the relevant BrickX Trust within 10 days of the end of each month. The actual performance fee will be calculated at the end of each Financial Year. The Responsible Entity will compare the actual annual return on investment for the BrickX Trust for the whole Financial Year with the return that would have been achieved if the BrickX Trust met but did not exceed the benchmark return specified in the Additional Disclosure Document for the particular BrickX Trust. If the actual return exceeds the benchmark return then the Responsible Entity may deduct up to 30% of the difference from the assets of the BrickX Trust. Within 30 days of the end of the Financial Year, the Responsible Entity will make an adjustment to the assets of the BrickX Trust either by paying an amount to the Manager from the assets of the BrickX Trust, or requesting the Manager to pay an amount to the BrickX Trust, so that the total net amount deducted throughout the Financial Year matches the actual performance fee entitlement of BrickX for the Financial Year.

(g) Additional service fees

If you ask us to do something special for you, we may charge you a fee. These special fees vary depending on what you ask us to do and will be specified by us at the relevant time.

(h) Adviser remuneration

The law restricts payments by the Responsible Entity and BrickX to other AFSL holders and their representatives (such as a financial adviser that you have engaged in connection with your investment in the BrickX Platform or any BrickX Trust) which are 'conflicted'. Therefore, no commissions will be paid by either entity to financial advisers where it would be in breach of this prohibition.

Where you have engaged the services of a financial adviser in connection with your investment in the BrickX Platform or any BrickX Trust, you may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that we have charged you for investing in the BrickX Platform and is not an amount paid out of the assets of the BrickX Platform or any BrickX Trust. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of Advice given to you by your financial adviser. You will be responsible for the payment of these fees and they will not be paid by us. We recommend that you check with your adviser if you will be charged a fee for the provision of their advice.

(i) Alternative forms of remuneration

Subject to the law, BrickX may incur costs in relation to the promotion of the BrickX Platform and the BrickX Trusts. As set out in section 6.12, BrickX may from time to time run promotions, offers or incentives which may involve BrickX reimbursing or waiving certain fees that are payable by Members. As set out in section 7.3, BrickX may also appoint "sub-managers" with respect to the establishment, marketing and management of individual BrickX Trusts and Property Campaigns and this may involve BrickX providing financial incentives or rewards to those sub-managers.

Unless otherwise notified to Members or otherwise disclosed in an Additional Disclosure Document, BrickX is responsible for the fees and costs of these promotions, offers, incentives and rewards (but as set out on section 7.3 these fees and costs may be met from the fees received by BrickX under the Management and Cooperation Agreement).

BrickX may receive an arrangement fee of up to 10% of the Gross Asset Value of the relevant property being purchased from the vendor when purchasing a property for a BrickX Trust. The arrangement fee will be payable by the vendor and not out of the assets of the relevant BrickX Trust.

BrickX may receive and retain introduction fees from financiers to the relevant BrickX Trust for introducing the relevant trust to the financier.

BrickX may receive and retain introduction fees for providers of services to the relevant BrickX Trust.

(j) Government charges and taxation

All fees and charges in this section are quoted exclusive of GST where applicable and take into account expected Reduced Input Tax Credits available to BrickX or the BrickX Platform in respect of the GST component of any fee.

In addition to the fees and costs described in this section, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

These fees are included in the fees outlined in the tables in sections 10.3. Please note the fees in those tables do not take into account any Reduced Input Tax Credits which may be available so the fees may be overstated in some cases.

See section 11 'Australian taxation' for a summary of the income tax' land tax and stamp duty implications of investing through the BrickX Platform.

11 Australian taxation

11.1 Introduction

The purpose of this section 11 is to provide a summary of the Australian income tax, and stamp duty (collectively, “Tax”) implications for an Australian resident Member who is a Brick Owner.

The information outlined below is general in nature and is intended as guidance only. It is based on the relevant Australian Tax law in force, an understanding of the practice of the relevant revenue authorities, and the established interpretation of the Australian Tax law, as at the date of this Document. It does not constitute tax advice. Brick Owners are advised to obtain personal tax advice from a professional tax adviser tailored to their particular circumstances.

Unless otherwise mentioned, the summary does not consider the implications for Brick Owners who:

- are not an Australian resident for tax purposes;
- are under a legal disability;
- are exempt from Australian income tax;
- acquired their Bricks as a result of an employment or services arrangement;
- are banks or insurance companies;
- hold their Bricks on revenue account or as trading stock (i.e. invest or trade in securities in the ordinary course of their business); or
- are subject to the Australian taxation of financial arrangement (TOFA) rules under Division 230 of the Income Tax Assessment Act 1997 (Cth). Note that if the Brick Owner is an individual, the TOFA rules will not apply unless the individual has elected to be subject to the TOFA rules.

Tax law is complex and subject to ongoing change. In particular, the taxation of trusts in Australia is currently undergoing a process of reform. Brick Owners should therefore continue to monitor any potential changes to the Tax law that may affect them.

11.2 Income and capital gains of the BrickX Trusts - General

It is intended that each BrickX Trust only undertakes an ‘eligible investment business’ (i.e. carries on passive investment activities), which should not cause the BrickX Trusts to be classified as a ‘public trading trust’ pursuant to Division 6C of Part III of the *Income Tax Assessment Act 1936* (Cth). Each BrickX Trust therefore should be considered to be a flow through trust, and not taxed as a company, for Australian income tax purposes.

It is intended that all Brick Owners in each BrickX Trust will be presently entitled to all of the income of the relevant BrickX Trust in respect of each income year. The Trustee of the relevant BrickX Trust should not be personally liable to pay income tax on all or part of the income of the BrickX Trust.

The Brick Owners will be required to include their share of the net income of the relevant BrickX Trust (which may be different to the distributions they receive) in their assessable income for tax purposes – regardless of whether they choose to receive distributions, reinvest distributions or participate in the Smart Invest approach. The net income of the BrickX Trust would be expected to typically include:

- monthly net rental income from the underlying property held by the BrickX Trust (which will take into account any applicable depreciation and/or capital works allowances); and
- to the extent that the BrickX Trust disposes of underlying property, the net capital gain relating to that property. Where discount capital gains tax treatment has been applied in calculating the net capital gain at the BrickX Trust level, the Brick Owner will be required to gross up the amount of the capital gain included in their assessable income (i.e. before the capital gains tax (CGT) discount was applied). A Brick Owner can then apply any capital losses they may have arising from other sources (including carried forward capital losses) to offset the capital gain and then apply their CGT discount factor, if applicable.

Brick Owners will be provided with an annual tax distribution statement, which will include relevant information for the purpose of assisting Brick Owners with completing their annual income tax returns. It is noted that if the BrickX Trust makes a loss for tax purposes, that tax loss is not distributable to a Brick Owner but may, subject to certain conditions, be able to be carried forward and offset against future net income of the BrickX Trust.

11.3 Acquisition of Bricks and the Receipt of Tax-deferred distributions

The acquisition costs of Bricks by a Brick Owner will form part of the cost base of the Bricks acquired. This could include the actual cost of acquiring the brick and any incidental costs incurred such as any stamp duty, legal and advisor fees.

To the extent that a BrickX Trust makes any non-assessable distributions (generally referred to as “tax-deferred distributions”) to a Brick Owner, the cost base and reduced cost base of their Bricks would be reduced by the amount of the non-assessable payment. However, the Brick Owner’s cost base would not be reduced where the non-assessable distributions relate to the part of a capital gain of the BrickX Trust that has been reduced by the CGT discount.

To the extent that the tax-deferred distribution exceeds the Brick Owner’s cost base of their Bricks, the excess will be taxed as a capital gain. In such a circumstance, the cost base and reduced cost base of the Bricks will have been reduced to nil.

Brick Owners are required to maintain records of their tax cost base and reduced cost base in relation their Bricks, which also will be relevant information for the purposes of calculating capital gains or losses in the future in relation to a disposal or redemption of their Bricks.

11.4 Disposal or redemption of Bricks

Brick Owners will derive a capital gain on the future disposal or redemption of their Bricks to the extent that the consideration received on disposal or redemption exceeds the Brick Owner’s tax cost base in the Bricks. Brick Owners will incur a

capital loss on the disposal or redemption of a Brick to the extent that the consideration received on disposal or redemption is less than the Brick Owner's reduced cost base in the Brick. Adjustments to the tax cost base may be required (and increased capital gains may arise) where the BrickX Trust has made any tax deferred distributions on the Brick.

All capital gains arising in an income year are reduced by the Brick Owner's available capital losses (if any). If the Brick Owner is left with any capital gains in an income year, subject to the CGT discount, this amount is included in the Brick Owner's assessable income.

If a Brick Owner incurs a capital loss in an income year, this amount is carried forward and may be available to offset capital gains derived in the same income year or subsequent years, subject to the Brick Owner satisfying the applicable loss recoupment rules.

11.5 CGT discount on disposal of Bricks

A Brick Owner who is either an individual, trustee or complying superannuation fund may be entitled to apply the applicable CGT discount in respect of a taxable capital gain realised on the ultimate disposal of its Bricks, if the Bricks are disposed of at least 12 months after the date of acquisition. The CGT discount applies to reduce capital gains made by individuals and trustees by 50%, and capital gains made by complying superannuation funds by 33⅓% (note that there is currently legislation before Parliament that could increase the CGT discount available to individuals and trustees by up to 10% where the property was used to provide affordable housing). A Brick Owner may need to recalculate the CGT discount factor if the Australian resident Brick Owner had a period of foreign or temporary residency after 8 May 2012. The CGT discount concession is not available for companies.

11.6 Investment on behalf of Minors

As noted above, Minors are not able to invest directly in the BrickX Platform. However, parents, close relatives (i.e. aunts, uncles, grandparents) and guardians aged 18 years or over can invest as trustee for the benefit of a Minor.

Accordingly if you are investing on behalf of a Minor, you will be taken to be doing so as a trustee for the Minor. In this regard, the trustee for a Minor will be liable to pay any taxes on behalf of the Minor in respect of any distribution it receives either directly or indirectly from the BrickX Trust in which an investment is made. The trustee will also be responsible for satisfying any tax reporting obligations required of the Minor, e.g. lodgement of an income tax return.

The trustee for a Minor will be required to provide BrickX with the Minor's tax file number otherwise BrickX may deduct amounts from any distributions paid for the Minor's benefit.

Generally, a Minor, in a particular income year, may be taxed on the distributions they indirectly receive (through the trustee on behalf of the Minor) at a rate of up to 66% subject to any exceptions that may apply, including whether the Minor is an 'excepted person' or the distributions are 'excepted income' of the Minor. The rate of tax on any distributions received will also be subject to whether the total income derived by the Minor in an income year exceeds certain income thresholds.

Any future transfers of Bricks, held by the trustee on behalf of the Minor, to the Minor themselves (e.g. upon the Minor turning 18 years of age or older) may also be subject to specific tax implications, including the CGT rules.

Given the complex tax rules relating to Minors, we recommend any persons looking to invest in the BrickX Platform on behalf of a Minor, seek independent tax advice prior to investing in the BrickX Platform as it relates to their specific circumstances.

11.7 Tax File Number and Australian Business Number

A Brick Owner is recommended to quote their Tax File Number (TFN) or, where relevant, Australian Business Number (ABN) to the Responsible Entity. If a TFN or ABN is not quoted, tax may be deducted from any distribution paid to the relevant Brick Owner. The rate of withholding will be, as at the date of this Document, 47%.

11.8 GST

The acquisition and disposal of Bricks by Brick Owners should not be subject to GST. Similarly, distributions to Brick Owners should not be subject to GST.

The availability of GST recovery by a BrickX Trust will generally depend upon the extent to which goods, services and other things acquired by the BrickX Trust relate to certain activities not subject to GST (referred to as “input taxed supplies”). The BrickX Trust may not be able to recover any GST arising on its expenditure in full. Even where the BrickX Trust is denied from recovering GST under the general rules, as a concession it may be entitled to Reduced Input Tax Credits or “RITCs” (either 55% or 75% of the otherwise unrecoverable GST) in respect of certain categories of expenditure.

11.9 Land tax

As each BrickX Trust owns investment property, it will be subject to an annual assessment for land tax on each property it holds (other than property located in the Northern Territory). Each jurisdiction within Australia has different land tax thresholds, assessment values and individual tax rates, which will determine the amount payable. BrickX will forecast the land tax payable on an annual basis and accrue funds monthly from each individual BrickX Trust’s gross income, noting that the amount of land tax payable does change over time by reference to any change in underlying land value as determined by the Valuer-General (or equivalent). In addition, in some circumstances there may be a requirement to report a list of Brick Owners in a relevant BrickX Trust at each year end to the required Office of State Revenue.

11.10 Stamp duty

(a) Establishment of BrickX Platform and BrickX Trusts

On the basis that the BrickX Platform Constitution and the trust deed for each BrickX Trust are executed in Victoria, each of those documents will be subject to nominal stamp duty of \$200.

This stamp duty liability will be factored into the initial Brick price for the first issue of Bricks in the relevant BrickX Trust (refer to section 6.6).

(b) Acquisition of property by BrickX Financial Services

The acquisition of property by BrickX Financial Services as trustee of a BrickX Trust and held by the BrickX Trust will be subject to stamp duty. This stamp duty liability will be calculated at up to 7% of the purchase price for the property. The exact amount of the stamp duty liability will depend upon the quantum of that purchase price and the Australian jurisdiction in which the property is located.

BrickX Financial Services (as the purchaser of the property) will be liable to pay this stamp duty in accordance with the relevant contract for sale for the property with the Vendor. However, this stamp duty liability will be factored into the Brick price for the issue of Bricks in the relevant BrickX Trust in connection with the Property Campaign to purchase that property (refer to section 6.6).

(c) Debt finance for the acquisition of property by BrickX Trusts

Where a BrickX Trust provides security by way of a real property mortgage, the security will not be subject to any stamp duty.

(d) Dealings in Bricks

An acquisition of Bricks, or any other change in the percentage interest held in a Brick Trust (including by way of any additional issue, redemption or cancellation), may be subject to:

- landholder duty (or its equivalent) in each Australian jurisdiction other than Queensland; or
- trust acquisition/surrender duty in Queensland.

On the basis that the initial issue of Bricks in a BrickX Trust will be at a time when the relevant BrickX Trust does not own any property (or is a party to a contract to acquire any property), no stamp duty will arise in respect of that initial issue of Bricks.

11.11 Landholder Duty (all Australian jurisdictions other than Queensland)

The acquisition of Bricks which comprises less than a “significant interest” of the total issued Bricks of a single BrickX Trust will not be subject to any landholder duty. A “significant interest” in a BrickX Trust is as follows:

- 50% or more of the total Bricks in a BrickX Trust which holds land in New South Wales, Australian Capital Territory, Western Australia, South Australia, Tasmania or the Northern Territory; and
- 20% or more of the total Bricks in a BrickX Trust which holds land in Victoria.

In determining whether or not a Brick Owner acquires a “significant interest” in any BrickX Trust, the following Bricks must also be taken into account and aggregated with the acquisition of Bricks:

- any Bricks held by its “associates”, “associated persons” and/or “related persons” (as defined in the relevant stamp duty laws); and
- any Bricks held by any other Brick Owner (regardless of relationship) in that BrickX Trust that were acquired pursuant to what is “substantially one arrangement”.

Among other things, the maximum amount of Bricks permitted to be acquired in a BrickX Trust has regard to these thresholds. Notwithstanding these thresholds, it is the responsibility of the Brick Owner to ensure that the number of Bricks held (together with any “associate”, “associated person” or “related person”) does not amount to a “significant interest”.

The ambit of “associates”, “associated persons” and “related persons” are different in each jurisdiction, and include family, business and transactional relationships.

Any landholder duty liability is borne by the relevant Brick Owner, or if the liability arises because of the aggregation provisions, the relevant Brick Owners jointly and severally. However, landholder duty can become payable by the BrickX Trust and a statutory charge can be placed on the land held by a BrickX Trust if it is not paid. If that were to occur, the landholder duty would become an expense of the BrickX Trust until it is repaid by the Brick Owner who is liable. Any landholder duty liability will be calculated at rates of up to 5.95% of the market value of the property of the BrickX Trust that is represented by the percentage acquisition in the BrickX Trust, noting that creeping acquisitions which together meet or exceed a “significant interest” can also bring previous acquisitions to duty.

The exact amount of landholder duty liability will depend upon; the percentage interest acquired (either in one or numerous acquisitions); the market value of the property; and, the Australian jurisdiction in which the property is located.

11.12 Trust Acquisition/Surrender Duty (Queensland only)

Unless the trust is a 'public unit trust' as defined in the Queensland duties legislation, there is no threshold for acquisitions of Bricks in a BrickX Trust that holds property in Queensland.

However, in the case of a 'public unit trust' the threshold is 50% and similar considerations apply as in other jurisdictions.

A 'public unit trust' is a registered managed investment scheme, for which:

- (i) units in the trust have been issued to the public; and
- (ii) 50 or more persons are beneficially entitled to the units in the trust; and
- (iii) more than 20 persons are beneficially entitled to at least 75% of the total units in the trust.

It is intended that all BrickX Trusts holding property in Queensland will be 'public unit trusts'. This will be confirmed in the Additional Disclosure Document for the particular BrickX Trust.

11.13 Foreign Purchaser Surcharge (or equivalent)

In addition to the general rates mentioned above for landholder duty and private unit trust duty in respect of a dealing in Bricks, there may be an additional foreign surcharge (at the additional rate of either 7% or 8%) if any person holding any Bricks in the relevant BrickX Trust at the time of the relevant dealing is a “foreign person” and the property is located in either New South Wales, Victoria, Queensland, South Australia, Western Australia or Tasmania.

“Foreign persons” (or equivalent) are defined in the relevant stamp duty laws but, in general, include a person who is not an Australian citizen, a foreign corporation, a corporation with a certain percentage foreign ownership interest and a trustee of a “foreign trust” (including discretionary trusts deemed to be a foreign person).

Any foreign surcharge liability will be borne by the relevant Brick Owner. However, a statutory charge can be placed on the land held by a BrickX Trust if it is not paid. If that were to occur, the foreign surcharge would become an expense of the BrickX Trust until it is repaid by the Brick Owner who is liable.

(a) Sale of property by BrickX Financial Services

The sale of the property in a BrickX Trust by BrickX Financial Services (upon the winding up of a BrickX Trust or in any other circumstances) will be subject to stamp duty. This stamp duty liability will be calculated at rates of up to 7% of the purchase price for the property noting that foreign purchaser surcharge may additionally be payable (see relevant comments in paragraph 11.9(d) above). The exact stamp duty liability will depend upon the quantum of that purchase price and the Australian jurisdiction in which the property is located.

The purchaser of the property will be liable to pay this stamp duty in accordance with the relevant contract for sale for the property with BrickX Financial Services.

12 Material contracts and policies

12.1 BrickX Platform Constitution

The BrickX Platform Constitution is the constitution of the BrickX Platform and sets out the terms of the Interests, which binds the Responsible Entity and Members. Key terms of the BrickX Platform Constitution are:

(a) Termination

The BrickX Platform terminates on the earlier of the date specified by the Responsible Entity in a notice to Members and the date on which the BrickX Platform terminates in accordance with another provision of the BrickX Platform Constitution, the Corporations Act or in accordance with the law.

The BrickX Platform Constitution also notes that each BrickX Trust terminates on the earlier of:

- the date the BrickX Platform terminates;
- the date specified by the trustee in a notice to Brick Owners that is given by the Responsible Entity;
- the date on which the BrickX Trust terminates in accordance with the relevant trust deed the Corporations Act or in accordance with the law; and
- the day before the 80th anniversary of the establishment of the relevant BrickX Trust.

(b) Terms of Interests

The Responsible Entity may issue an Interest at any time and on the terms and conditions it determines, subject to the BrickX Platform Constitution and the Corporations Act.

(c) Issue of Interests

Before the issue of an Interest, payment for that Interest shall be made of the sum equal to the application fee, which is currently \$10.00.

The Responsible Entity may accept or reject an Application without giving a reason for doing so. If an Application is rejected, the Responsible Entity will give the Applicant written notice of the rejection and return an amount equal to the application fee paid (if any) (less any taxes or bank fees incurred by the BrickX Platform or the Responsible Entity in connection with the application).

Once an Application is accepted, the Responsible Entity must promptly enter the Applicant's name in the Register of Members. An Interest is taken to be issued when the Applicant's name is entered in the Register.

(d) Nature of Interests

Each Interest confers on a Member a sole and separate interest in the Portfolio established for the Member and such other rights as are conferred on a Member under the BrickX Platform Constitution.

The Responsible Entity will hold an undivided interest in the assets of the BrickX Platform (other than the properties held by each individual BrickX Trust and the income and profits derived from them) on trust for each Member and will hold an undivided interest in the properties held by each individual BrickX Trust (and their income and profits) on trust for the Brick Owners holding Bricks in the relevant BrickX Trust.

For the purposes of the Corporations Act, each BrickX Trust will be treated as a class of interests in the BrickX Platform separate to each other BrickX Trust and a class of interests in the BrickX Platform separate to an Interest.

(e) BrickX Trusts

Each Member acknowledges and agrees that:

- each BrickX Trust forms part of the BrickX Platform;
- the Responsible Entity and the trustee may, under the terms of a BrickX trust deed, take all steps reasonably necessary to assist in obtaining or maintaining the registration of the BrickX Platform, including modifying a trust deed; and
- to the extent permitted by law, while the BrickX Platform is registered, the Responsible Entity and any operator of a BrickX Trust must cooperate, including (without limitation) in relation to:
 - adopting consistent accounting and valuation policies;
 - taking a consistent approach on proposed investments;
 - holding meetings concurrently or, where necessary, consecutively;
 - co-ordinating the announcement and payment of distributions;
 - reporting consistently and at the same times; and
 - facilitating the operation of the facility that enables Members to buy and sell Bricks.

(f) Digital Wallet

The Responsible Entity will arrange for a Digital Wallet to be maintained in respect of each Member, and may in its discretion maintain more than one Digital Wallet for any Member.

A Members' Digital Wallet will contain an amount equal to the application fee, all cash paid into the Digital Wallet by the Member, proceeds of a sale of Bricks by the Member and such other amounts as the Responsible Entity determines.

The Responsible Entity may determine that a Member must hold a minimum amount in their Digital Wallet as determined by the Responsible Entity from time to time.

A Member's Digital Wallet does not form part of the assets of any BrickX Trust or the BrickX Platform.

Any bank fees that are charged on a deposit/withdrawal made by a Member to or from their Account and/or Digital Wallet will be charged to, and deducted from, the Member's Account and/or Digital Wallet.

(g) Withdrawal

A Member will not be able to withdraw their Interest in the BrickX Platform and request that their Interest be cancelled unless their Brick holding is zero. A Brick Owner can sell their Bricks at any time provided there is a willing buyer.

A Member may notify the Responsible Entity that it wishes to withdraw their Interest in the BrickX Platform by providing the Responsible Entity with a withdrawal notice that is in the form and manner approved by the Responsible Entity.

Where the Responsible Entity accepts a withdrawal request for a Member's Interest, the Responsible Entity must satisfy the request within 5 business days of the Responsible Entity receiving the relevant withdrawal notice except where the Responsible Entity is unable to do so because of the act or omission of a person other than the Responsible Entity in connection with the withdrawal.

A Member may not provide the Responsible Entity with a withdrawal notice after a meeting has been called to vote on a resolution to terminate the BrickX Platform and before the vote has been taken, after the BrickX Platform is terminated, or while the BrickX Platform is being wound up.

(h) Transfers

A Member may request a transfer an Interest, together with some or all of that Member's Portfolio, by a document in any form approved by the Responsible Entity and which is signed or otherwise accepted by or on behalf of both the transferor and the transferee.

For example, a Member holding an interest as trustee for the benefit of a Minor, may wish to transfer the Interest into the name of the Minor once the Minor turns 18 years of age.

The Responsible Entity may refuse to register a transfer of an Interest or Portfolio without giving any reason for doing so.

(i) Powers of Responsible Entity

The Responsible Entity must do all things reasonably necessary or desirable to give effect to the BrickX Platform Constitution including:

- acquiring, disposing of or otherwise dealing with assets of the BrickX Platform;
- acting on instructions;

- carrying out its obligations under the BrickX Platform Constitution;
- procuring registration of the assets of the BrickX Platform;
- procuring the safekeeping of all assets of the BrickX Platform;
- signing, executing and delivering documents; and
- maintaining records concerning each Member's Digital Wallet and Portfolio.

The Responsible Entity may appoint an agent or delegate to perform any act or exercise any power that the Responsible Entity can in relation to the BrickX Platform, including the power to appoint a manager, sub-agent or sub- delegate.

(j) Meetings

As the BrickX Platform is a registered managed investment scheme, the convening and holding of meetings must be in accordance with the Corporations Act subject to certain variations in relation to notices, quorum, adjournment of meetings and proxy documentation as set out in the Constitution.

(k) Responsible Entity limitation of liability and indemnity

The Responsible Entity is not liable in contract, tort or otherwise to Members for any loss suffered in any way relating to an asset of the BrickX Platform or a Portfolio except to the extent that the Corporations Act imposes such liability.

The Responsible Entity is entitled to be indemnified out of the assets of the BrickX Platform for liabilities or expenses incurred in the proper performance of its duties in respect of the BrickX Platform. The Responsible Entity is entitled to enforce all indemnities without first incurring any expense or making any payment.

(l) Responsible Entity's fees and expenses

The Responsible Entity is entitled to be paid all fees in relation to the proper performance of its duties in respect of the BrickX Platform.

All expenses incurred by the Responsible Entity in the proper performance of its duties in respect of the BrickX Platform are payable to the extent that the payment or reimbursement is not prohibited by the Corporations Act and in accordance with the Management Agreement.

12.2 Trust deeds

Each trust deed establishing a BrickX Trust is on similar but not identical terms. If a particular BrickX Trust has important terms that are materially different from what is described here and which might adversely affect a Brick Owner, that will be disclosed in the Additional Disclosure Document for that BrickX Trust.

(a) Declaration of trust

The trustee of a BrickX Trust holds, and declares that it holds, the assets of the BrickX Trust on trust for the Brick Owners of the BrickX Trust.

(b) Holding scheme property

The assets of a BrickX Trust must be held by the trustee or if required by law or the trustee thinks it necessary or desirable, by a custodian appointed by the trustee or a sub-custodian appointed by the trustee's custodian.

The custodian must hold the assets either directly in its name or that of its sub-custodian or indirectly by any asset title, transfer or holding system approved by the trustee.

(c) Termination

A BrickX Trust terminates on the earliest of:

- the date approved as an extraordinary resolution by Brick Owners with at least 50% of the total votes that may be cast by all Brick Owners in the BrickX Trust;
- the date specified by the trustee of the BrickX Trust in a notice given to Brick Owners as the date on which the trust terminates; or
- the date on which the BrickX Trust terminates in accordance with another provision of the relevant trust deed or by law.

No Bricks may be issued or redeemed in a BrickX Trust after the 80th anniversary of the date preceding the day the trust commenced, unless that issue or redemption would not offend the rule against perpetuities, or any other rule of law or equity relating to the duration of trusts.

(d) Nature of interests

The beneficial interest in a BrickX Trust is divided into Bricks. Each Brick confers an equal undivided interest in the assets of the BrickX Trust. A Brick does not confer any interest in a particular asset but only the assets of the trust as a whole, subject to the liabilities of the trust. Brick Owners hold Bricks subject to the rights, restrictions and obligations attaching to those Bricks under the BrickX Platform Constitution and the relevant trust deed for that BrickX Trust.

(e) Application for Bricks

The trustee of a BrickX Trust may issue Bricks in the BrickX Trust on accepting applications in a form or manner acceptable to it and in accordance with the Corporations Act and the trust deed for the BrickX Trust.

The trustee may in its absolute discretion reject an application in whole or in part without giving any reason for doing so.

(f) Payment for Bricks

Payment for an issue of Bricks by a BrickX Trust must accompany the application, or be received or made available to the trustee of the BrickX Trust within such period determined by the trustee from time to time, or comprise a reinvestment of distributions made to a Brick Owner.

(g) Minimum and maximum holdings

From time to time the trustee for a BrickX Trust may determine a minimum application amount and a minimum and maximum holding of Bricks in that BrickX Trust that will apply for one or more Applicants or Brick Owners. Any minimum and maximum for a particular BrickX Trust will be disclosed in the Additional Disclosure Document for that BrickX Trust or otherwise advised to Members.

(h) Brick price

Subject to any rights, obligations and restrictions attaching to a particular Brick or class, a Brick must be issued at the price specified in the relevant trust deed for the relevant BrickX Trust, which may be the price determined by the trustee in accordance with ASIC class order 13/655 or as a proportion of the net asset value and transaction costs allowance.

(i) Withdrawal

A Brick Owner will not, of their own accord, be able to fully or partially withdraw from a BrickX Trust by fully or partially redeeming their interest from the trust, however a Brick Owner can sell their Bricks at any time provided there is a willing buyer and the Order Book is open.

The trustee of a BrickX Trust may at any time redeem all or part of the Bricks held by a Brick Owner with the consent of that Brick Owner. The price payable on redemption is calculated as a proportion of the net asset value plus transaction costs allowance. The redemption price is payable out of the assets of the BrickX Trust.

(j) Valuations

The trustee of a BrickX Trust may cause an asset of the BrickX Trust to be valued at any time and will arrange for valuations at least once annually and when the trustee considers the value of the assets would be materially different to the most recent valuations of those assets.

The valuation methodology of an asset of a BrickX Trust is its current market value, unless the trustee determines the market value is an inappropriate way of valuing particular assets and adopts another valuation method.

(k) Trustee powers

Subject to the trust deed for a BrickX Trust, the trustee of a BrickX Trust has all the powers in respect of the BrickX Trust that it is possible under the law to confer on a trustee and as though it were the absolute owner of the assets of the BrickX Trust. This includes, without limitation:

- to invest the whole or part of the assets as the trustee determines;
- to borrow and obtain all types of financial accommodation as trustee of the BrickX Trust (whether or not on security);
- to enter into derivative contracts as trustee of the BrickX Trust (including for speculative purposes);

- to enter into securities lending contracts as trustee of the BrickX Trust; and
- to incur all types of obligations and liabilities as trustee of the BrickX Trust.

The trustee may authorise any person or persons to act as its delegate to hold title to any or all assets of the BrickX Trust, perform any act or obligation or exercise any discretion or power of the trustee.

(l) Indemnity

The trustee of a BrickX Trust is entitled to be indemnified out of the assets of the trust for any liability incurred by the trustee in properly performing or exercising any of its powers or duties in relation to the trust. This indemnity is in addition to any indemnity allowed by law.

The indemnity is a continuing indemnity and, subject to the Corporations Act, applies to the trustee after it retires or is removed as the trustee of the BrickX Trust.

(m) Trustee liability

In the absence of fraud, gross negligence and wilful default, the trustee of a BrickX Trust will have no liability for loss suffered by a Brick Owner in the BrickX Trust. The trustee's liability to third parties is limited to the amount the trustee is entitled to recover from the assets of the trust.

(n) Brick Owner liability

Subject to the trust deed for the BrickX Trust and any separate agreement or acknowledgement, the liability of a Brick Owner is limited to the application fee and the issue price of each Brick paid or payable.

(o) Distributions

The trustee of a BrickX Trust may at any time distribute any amount of capital or income to Brick Owners of the BrickX Trust pro rata according to the number of Bricks held as at a time decided by the trustee. The distribution may be in cash or by way of additional Bricks.

(p) Cash reserve

The trustee of a BrickX Trust may establish any reserve it thinks fit.

(q) Meeting of Brick Owners

The trustee of a BrickX Trust may convene a meeting of Brick Owners of the BrickX Trust at any time it considers appropriate and must convene a meeting upon request from the holders of not less than 75% of the Bricks in existence at the date of the request.

(r) Remuneration and expenses

The trustee of a BrickX Trust is entitled to be paid remuneration in relation to the proper performance of its duties and be reimbursed for all expenses reasonably and properly incurred in connection with acting as trustee of the trust.

12.3 Management and Co-operation Agreement

BrickX and the Responsible Entity have entered into the BrickX Platform Management and Co-operation Agreement (MCA).

The Responsible Entity and BrickX agree to cooperate in relation to the operation of the BrickX Platform.

(a) Manager's duties

The Responsible Entity has appointed BrickX to manage and invest the assets of the BrickX Platform, undertake any dealing or communication with Members and to provide any other services for the BrickX Platform which it agrees with the Responsible Entity.

To the extent BrickX provides financial services in the course of performing services under the MCA, such financial services are provided by BrickX as an authorised representative of BrickX Financial Services.

(b) Manager's recommendations

The Responsible Entity is obliged to obtain BrickX's recommendation in relation to any matter concerning the BrickX Platform and will not exercise its powers or duties in respect of the BrickX Platform which are inconsistent with any recommendation given by BrickX, except where such recommendation would result in the Responsible Entity losing a right of indemnity, incurring a liability that would not otherwise have been incurred or is in breach of the BrickX Platform Constitution or law.

(c) Responsible Entity and BrickX co-operation obligations

The Responsible Entity and BrickX must co-operate with each other, including to:

- obtain and maintain the registration of the BrickX Platform;
- comply with the law as it relates to the BrickX Platform and each BrickX Trust;
- adopt consistent accounting and valuation policies;
- consult with each other before taking any action (or omitting to take any action) which may materially affect the value of Bricks;
- report to Brick Owners consistently and at the same time;
- facilitate the operation of the sale facility; and
- co-ordinate the financial reporting and other disclosure in relation to the BrickX Platform, including in relation to distributions.

(d) Indemnities

The Responsible Entity indemnifies BrickX as manager against any liability incurred to the extent it arises out of or in connection with BrickX or any of its officers acting under the MCA or any negligence, any bona fide investment decision made by BrickX or its officers or agents which is authorised under the MCA, or negligence, default

or breach of the MCA by the Responsible Entity or its agents, or wilful misconduct, fraud or dishonesty of the Responsible Entity or its agents, except to the extent such liability is caused by the negligence, default, breach of the MCA, wilful misconduct, fraud or dishonesty of BrickX or its agents.

BrickX indemnifies the Responsible Entity, as responsible entity, trustee of each BrickX Trust and personally, against any liabilities incurred arising out of or in connection with any negligence, fraud, default, wilful misconduct dishonesty of BrickX or its agents, breach of the MCA by BrickX or any act or omission of BrickX or its agents except to the extent that loss, liability, cost, charge or expense is caused or contributed to by the negligence, default, breach of the MCA, fraud, wilful misconduct or dishonesty of the Responsible Entity or its agents.

(e) Remuneration of BrickX

The Responsible Entity will pay BrickX an investment management fee and a performance fee in consideration for providing the services under the MCA. The Responsible Entity will also pay BrickX the contribution fee and withdrawal fee in accordance with the MCA.

BrickX is entitled to be reimbursed by the Responsible Entity for all its expenses reasonably and properly incurred in performing services under the MCA. The Responsible Entity deducts these fees and expenses from the assets of the BrickX Trusts.

(f) Sub-contracting

The Manager is permitted under the MCA to appoint agents to assist it in carrying out the management services. The Manager will be responsible for the terms of the appointment and the performance of the agent. BrickX may appoint “sub-managers” (including other Members) to undertake certain functions of the Manager from time to time for one or more BrickX Trusts pursuant to this right. This may include the establishment, marketing and management of individual BrickX Trusts and Property Campaigns.

BrickX may provide financial incentives or rewards to these sub-managers. For example, BrickX may agree with the sub-manager that in consideration of the services provided by the sub-manager, BrickX will pay the sub-manager part of the investment management fee or performance fee to which BrickX is entitled under the Management and Cooperation Agreement in respect of that BrickX Trust.

Where a sub-manager is appointed to undertake a material part of the management services in respect of a BrickX Trust, further details of the arrangement will typically be set out in the Additional Disclosure Document for that BrickX Trust.

(g) Termination

The MCA may be terminated by either party giving the other party at least 90 days’ written notice.

The Responsible Entity may terminate the MCA immediately with written notice if:

- the BrickX Platform terminates;

- BrickX becomes insolvent;
- BrickX ceases, or proposes to cease, to carry on any part of its business in relation to operating the BrickX Platform and which will materially affect its capacity to perform its obligations under the MCA;
- at any time and in any circumstances the law requires the MCA to terminate; or
- BrickX materially breaches the MCA or any law where the breach remains unremedied for 14 days after notice of the breach is served by the Responsible Entity upon BrickX.

BrickX may terminate the MCA immediately with written notice if:

- the Responsible Entity or the BrickX Platform becomes insolvent;
- at any time and in any circumstances the law requires the MCA to terminate;
- during the term of the MCA a change of control occurs in the Responsible Entity without BrickX's consent; or
- the Responsible Entity materially breaches the MCA, the BrickX Platform Constitution, a trust deed or a law where the breach remains unremedied for 14 days after notice of the breach is served by BrickX upon the Responsible Entity.

12.4 Authorising deed

BrickX Financial Services has appointed BrickX as its corporate authorised representative (authorised representative number 001000043) under its AFSL for the purposes of providing general financial product advice and dealing services in relation to interests in managed investment schemes and dealing services in relation to general insurance products to retail and wholesale clients. The authorising deed is on standard terms for an arrangement of this nature and no fee is payable in connection with this appointment.

12.5 Property management agreements

Each BrickX Trust that holds property that is intended to be leased has entered into property management agreements with property managers pursuant to which they are authorised to lease and manage the properties held by each BrickX Trust in exchange for a fee.

Broadly, the property managers are authorised to (among other duties):

- effect repairs on the property at the landlord's (i.e. the BrickX Trust's) expense up to an agreed amount;
- arrange inspections by prospective tenants;
- select tenants;
- collect rent; inspect properties;

- respond to applications and represent the landlords before the Civil and Administrative Tribunal; and
- exercise the landlord's (i.e. the BrickX Trust's) right to enforce and terminate tenancy agreements.

The property managers are indemnified by the relevant BrickX Trust from and against all actions, claims, demands, losses, costs, damages and expenses arising out of the agreement which may be taken or made against the manager out of the proper performance or exercise of its powers, duties or authorised under the agreement.

The agreements can be terminated by either party with notice or immediately following a breach.

12.6 Related party transactions policy

The Responsible Entity has obligations under the Corporations Act to have in place adequate arrangements to identify and manage any related party transactions and material personal interests. The Responsible Entity has a policy for dealing with related party transactions. The policy is reviewed at least annually.

12.7 Conflict of interests policy

The Responsible Entity has a conflict of interest policy. This policy seeks to identify and address potential conflicts of interest between related parties of the Responsible Entity when issuing interests in and operating the BrickX Platform.

The policy applies to all staff of BrickX and the Responsible Entity, including directors, employees and authorised representatives.

12.8 Valuation policy

The Responsible Entity maintains a valuation policy which is reviewed periodically.

The valuation policy is designed to meet the Responsible Entity's obligation under the Corporations Act to ensure that scheme property is valued at regular intervals appropriate to the nature of the property. The policy sets out the method and frequency of valuation of each security type of the scheme property.

The policy also outlines that the Responsible Entity can engage external service providers to value the scheme property, however the Responsible Entity must follow a monitoring process and rectify incorrect scheme valuations if an error in the valuation is identified, as set out in the policy.

BrickX, as manager, will obtain annual independent valuations of each property which will be published on the relevant BrickX Trust page. BrickX will also reflect this updated property valuation in an updated Brick valuation.

12.9 Privacy policy and collection of personal information

Information provided by Applicants is collected for the primary purpose of issuing Interests in the BrickX Platform.

The information will also be used to forward to you periodic information relating to your investment in the BrickX Platform and from time to time provide to you information of a generic or marketing nature relating to the BrickX Platform. Your personal information will not be made available to any third party, other than as required by law and to service providers for permitted related purposes (for example, auditors, consultants and advisers) for the purpose of administering the investment.

By completing and submitting an Application, you provide your consent to BrickX and the Responsible Entity to disclose your information to such service providers and to use your information for the purposes referred to above. If you wish to request access to your information or if you have any complaint in relation to the manner in which your information has been handled, please contact the Responsible Entity on (02) 8012 0638.

The privacy policy for BrickX entities state how BrickX and its related entities will collect, use, store and manage personal information. The policy is available at <http://www.brickx.com/privacy>.

To access or update your personal information, please visit the 'Account' link on the BrickX Website or contact BrickX. on (02) 8766 0566 or info@brickx.com.

12.10 Complaints handling procedures

BrickX Financial Services has procedures in place to properly consider and deal with any complaints received from Members. If you have a complaint, in the first instance, you should contact the Compliance Manager at BrickX Financial Services on (02) 8766 0566 or write to BrickX Financial Services at Level 27, 101 Collins Street, Melbourne, VIC 3000.

The Compliance Manager will acknowledge receipt of the complaint as soon as possible (generally within five working days) and will respond to you within 30 days.

If your complaint is not resolved to your satisfaction you can contact the following independent external complaints resolution scheme of which BrickX Financial Services is a member:

The Australian Financial Complaints Authority:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)¹

Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

12.11 AML/CTF compliance

The AML/CTF Act regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

Applications to acquire Interests are subject to the requirements of the AML/CTF Act.

Under the AML/CTF Act, each of BrickX and the Responsible Entity (each a Reporting Entity) is required to (among other obligations):

- adopt and maintain an AML/CTF Program which sets out the procedures implemented by the Reporting Entity to ensure compliance with the AML/CTF Act;
- collect and verify information about an Applicant's identity before providing services (including before an Interest is issued or a Brick is sold); and
- where an Applicant or a Member supplies documentation relating to that Applicant's or Member's identity, keep a record of this documentation for seven years after the end of a Brick Owner's relationship with the BrickX Platform.

In the context of the BrickX Platform, the Responsible Entity relies on the customer identification and verification procedures implemented by BrickX to meet its obligations under the AML/CTF Act.

Customer identification and verification information is collected at the point of online registration as detailed in this Document (see section 6.1 for further information). In some instances, such as in the case of determining the beneficial owner of an Applicant, the Reporting Entity may require further information such as information concerning business activities, structure and source of funds.

As a result:

- transactions may be delayed or refused where further information is required regarding an Applicant's identity or the Reporting Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country; and
- where transactions are delayed or refused, the Reporting Entity is not liable for any loss an Applicant suffers (including consequential loss) as a result of the Reporting Entity's compliance with the AML/CTF Act.

Each Reporting Entity has certain reporting obligations under the AML/CTF Act and is prevented from informing an Applicant that any such reporting has taken place. Where required by law, the entity may disclose an Applicant's information to regulatory or law enforcement agencies, including, but not limited to, the Australian Transaction Reports and Analysis Centre, which is responsible for administering the AML/CTF Act.

12.12 Funding

BrickX and the Responsible Entity may enter into an agreement whereby BrickX sources funding from a related entity (Thundering Herd Pty Ltd, or another person or persons nominated by Thundering Herd Pty Ltd) to be used for debt funding of the acquisition of properties by a BrickX Trust or to finance equity capital. Where debt funding is used, the related entity will be a secured financier of the BrickX Trust.

Related entity debt funding may be provided to assist with the acquisition of properties (including related acquisition costs) for the BrickX Platform where external bank finance is not yet available. All property acquisitions by a BrickX Trust are subject to a due diligence process undertaken by BrickX, its agents and delegates. If external bank debt is later provided to the BrickX Trust, the related entity debt will be refinanced and repaid to the related entity. The BrickX Trust will pay an interest charge to the related entity out of the assets of the BrickX Trust for the duration of the financing.

Alternatively, related entity funding may be used to finance equity capital such that the related entity will be the Initial Brick Owner(s) of a BrickX Trust. There is no interest or costs payable by the BrickX Trusts to the Initial Brick Owner(s) in respect of the provision of funds for this purpose. Instead, BrickX may pay an interest charge to the Initial Brick Owner(s) out of BrickX's own funds.

BrickX is a wholly owned subsidiary of Thundering Herd Pty Ltd.

For further details about a BrickX Trust's funding arrangements, please refer to the Additional Disclosure Document for the relevant BrickX Trust.

12.13 Related Party Funding

BrickX and/or its related entities may from time to time enter into loan arrangements on arms' length terms to provide either secured or unsecured funding to the relevant BrickX Trust for operational purposes. Where this funding is used, BrickX and/or its related entities, will become a creditor (ranking behind secured creditors where the debt is unsecured) of the BrickX Trust and be repaid according to terms of the transaction documents. Note that the funding amount and any other related charges are typically required to be repaid in full from the relevant BrickX Trust before distributions resume being paid to Brick Owners in the BrickX Trust.

13 Additional information

13.1 Responsible Entity's financial capacity

One of the Responsible Entity's obligations as an AFSL holder is to maintain a minimum level of net tangible assets (NTA). In accordance with the Compliance Plan, the Responsible Entity's financial capacity is monitored at least monthly.

The Responsible Entity has engaged an external Custodian who must maintain a minimum NTA of \$10 million at all times.

13.2 Professional indemnity insurance

As at the date of this Document, the Responsible Entity has an insurance policy covering professional indemnity.

13.3 Investment and social security

A Member's investment in the BrickX Platform may affect the Member's social security or pension entitlements. As the calculations are complex, the Responsible Entity and BrickX strongly recommend that Members seek advice from their financial or tax adviser, or use the Centrelink Financial Information or the Veterans' Affairs Financial Information services.

13.4 Consents

The persons listed in the table below have given and, at the date of this Document, have not withdrawn their written consent to:

- be named in this Document in the form and context in which they appear;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Document;
- the inclusion of other statements in this Document which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included:

Name of Person/Entity	Named as	Reports or Statements
Piper Alderman	Legal adviser	Statements relating to legal obligations and requirements
HWL Ebsworth	Legal adviser	Statements relating to legal obligations and requirements
Name of Person/Entity	Named as	Reports or Statements
Grant Thornton Australia Limited	Taxation adviser	Statements relating to taxation obligations and requirements

The Brick Exchange Pty Limited	BrickX	Statements relating to operation of BrickX Platform
BrickX Financial Services Limited	BrickX Financial Services	Statements relating to its AFSL
Sandhurst Trustees Limited	Custodian	Statements relating to custodian role
Grant Thornton Australia Limited	Auditor	Named as auditor

None of the persons referred to above has made any statement that is included in this Document or any statement on which this Document is based, other than any statement or report included in this Document with the consent of that person as specified above.

Each of the persons referred to above:

- has not authorised or caused the issue of this Document, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this Document; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Document other than references to its name or a statement or report included in this Document with the consent of that person as specified above.

13.5 Obtaining a copy of the BrickX Platform Constitution

The BrickX Platform Constitution is available for inspection during normal business hours at the principal place of business of the Responsible Entity.

14 How to Apply

14.1 Application process

Becoming a Member of the BrickX Platform involves the following steps, which are completed online through the BrickX Website at www.brickx.com.

(a) Sign-up via the BrickX Website

To sign-up, visit www.brickx.com.

When you sign-up you will be required to provide certain information, including your name and email address. You will also be required to create a password and agree to the Terms and Conditions set out on the BrickX Website as well as within this Document.

If you are signing up as trustee for a child beneficiary, you will be required to:

- provide your full details;
- provide the full name of the child for whose benefit you are investing;
- sign a declaration of bare trust; and
- provide a name for the trust created by the Application.

Applications to acquire an Interest are subject to the KYC requirements of the AML/CTF Act. You will be asked to provide certain identification information. In some instances, such as in the case of determining the beneficial owner of an Applicant or verifying the identity of a child beneficiary, you may be requested to provide additional information. Applications will not be accepted until this has been completed.

BrickX uses a third party service provider to verify your identity. Accordingly, you will be asked to provide your consent to BrickX passing on your personal information and identification materials to the service provider for the purpose of verifying your identity.

Once registered, you will be provided with a BrickX Account and Digital Wallet.

(b) Transfer the Minimum Amount

When completing the Application at sign-up, you will be asked to transfer the Minimum Amount to BrickX. You can transfer this amount by using the external payment gateways provided during the Application process. If your Application is accepted, the Minimum Amount will be made available to you in your Digital Wallet and can be applied towards Brick purchases. If you are not accepted as a Member, you will be reimbursed.

14.2 Tax information

It is not compulsory for you to provide your tax file number. However, if you do not do so, the Responsible Entity is required to deduct withholding tax from income earned unless you have provided your Australian Business Number or you belong to

an exempt category and provide relevant details as specified in the Application form. The Responsible Entity will preserve the confidentiality of your tax file number, collection of which is authorised by tax laws.

14.3 Electronic disclosure

Participation in the BrickX Platform is designed to be predominantly effected and managed online via the BrickX Website and email.

You must nominate an email address when you apply and sign-up via the BrickX Website. The email address you nominate at sign-up will be the address to which we will send you information and updates about the BrickX Platform and any investments you make via the BrickX Platform. You consent to receiving the following documents electronically to your BrickX Account:

- your initial membership confirmation;
- your periodic statements;
- notices of material changes or significant events;
- your annual tax statements;
- any updated PDS (including any Additional Disclosure Document);
- any supplementary PDS;
- any financial services guide; and
- annual financial reports for the BrickX Platform, if you elect to receive a copy of such reports and if you elect to receive them by email.

At sign-up, you will also be asked to expressly consent to receive confirmations of transactions undertaken on the BrickX Platform by accessing your BrickX Account through the BrickX Website.

14.4 Other information

If requested by the Responsible Entity, each Brick Owner agrees, and it is a condition of the issue of Bricks, to provide certain information required by it in order to comply with any applicable law, including the United States Foreign Account Tax Compliance Act (**FATCA**) and the Common Reporting Standards (**CRS**) under the CRS laws.

Schedule 1 - Dictionary

\$ means Australian dollars.

AFSL means an Australian financial services licence issued by ASIC under the Corporations Act.

AML/CTF Act means the *Anti-Money Laundering and Counter-terrorism Financing Act 2006* (Cth) and associated rules and regulations.

Applicant means a person who signs-up to the BrickX Platform but has not yet become a Member.

Application means an application to acquire an Interest completed online at <http://www.brickx.com>

ARSN means Australian registered scheme number.

ASIC means Australian Securities and Investments Commission.

Brick means an undivided share in the beneficial interest of (being a unit in) a BrickX Trust, which represents a Member's interest in property held by that BrickX Trust.

Brick Owner means a Member whose name is entered in the Register as the holder of a Brick (including persons registered jointly).

Brick Settlement means the date determined by the Responsible Entity on which the Responsible Entity will allocate the Bricks subscribed for during a Pre-Order Phase for a Property Campaign. For the avoidance of doubt, not all subscription orders for a Property Campaign may be satisfied. This date will occur after the end of the Pre-Order Phase, and may or may not coincide with the Property Settlement for the BrickX Trust and Property Campaign to which the Pre-Order Phase relates.

BrickX means The Brick Exchange Pty Limited (ABN 27 600 762 749).

BrickX Account or **Account** means a Member's account on the BrickX Website which, for the avoidance of doubt, is not a deposit with an authorised deposit taking institution.

BrickX Financial Services means BrickX Financial Services Limited (ABN 67 616 118 088) (AFSL 494878).

BrickX FSG means the financial services guide issued by BrickX.

BrickX Platform means the registered managed investment scheme known as the BrickX Platform (ARSN 613 156 433) established by the BrickX Platform Constitution.

BrickX Platform Constitution means the constitution of the BrickX Platform as amended from time to time.

BrickX Trust means a unit trust holding property which is available on the BrickX Platform and which issues Bricks for investment by Members.

BrickX Website means <http://www.brickx.com/>

Build My Own means the investment approach described in section 6.9.

Business Days means a day which is not a Saturday, Sunday or Public Holiday in New South Wales.

Buy Order means the placement by a Member of an order in the Order Book to acquire Bricks in a BrickX Trust on the BrickX Platform, specifying the number of Bricks sought by the Member.

Compliance Plan means the compliance plan for the BrickX Platform as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian means the independent custodian appointed by the Responsible Entity from time to time to hold the assets of the BrickX Platform.

Digital Wallet means the account opened and maintained by BrickX on behalf of each Member through which transfers of funds are made for Brick purchases and funds are received in connection with Bricks, including distributions and the proceeds of a disposal of Bricks. The Digital Wallet consists of Funds Available and Funds Awaiting Investment. Any interest accruing on Digital Wallet balances is retained by the Responsible Entity for its own benefit. Certain fees and costs and other liabilities incurred by the Member will be charged to and deducted from the Digital Wallet.

Direct Debit Request (DDR) means the request and authority provided by the Member to debit their nominated bank account for the purpose of investing in the BrickX Platform.

Direct Debit Request Service Agreement (DDRSA) means the agreement that sets out the terms and conditions relating to the direct debit arrangement between the Member and BrickX.

Document means this PDS (including any other parts of the PDS) and information incorporated by reference.

Financial Year means:

- (a) for the first financial year of a particular BrickX Trust, the period from the establishment of the particular BrickX Trust to the next 30 June;
- (b) for the last financial year of a particular BrickX Trust, the period from 1 July before the date the particular BrickX Trust terminates to the date of distribution on winding up of the particular BrickX Trust; and
- (c) in all other circumstances, the 12 month period ending on 30 June in each year.

Funds Available means the funds available in a Member's Digital Wallet for use in the Build My Own approach.

Funds Awaiting Investment means the funds available in a Member's Digital Wallet for use in the Smart Invest approach.

Gross Asset Value of a BrickX Trust means total value of the current and non-current assets of the particular BrickX Trust.

GST means a goods and services tax or similar value added tax, levied or imposed under the GST Law.

GST Law has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Initial Brick Owner(s) means a person or persons holding all the initial Bricks issued in a BrickX Trust.

Interest means an interest in the BrickX Platform.

Investment Team means a person or persons, with investment experience across various industries, formed to deliver a diversified selection of investments to the BrickX Platform.

KYC means “know your client”.

Member means a person whose name is entered in the Register as the holder of an Interest (including persons registered jointly).

Minimum Amount means the minimum amount required to become a Member. This amount is \$250, inclusive of a \$10 application fee.

Minor means a person under 18 years of age.

Order Book means the functionality of the BrickX Website that records and manages Buy Orders and Sell Orders.

PDS means product disclosure statement.

Portfolio means, for a Member, their sole and separate interest in:

- (a) the undivided proportional beneficial interest held by a Member in any property or properties, which is represented by the number of Bricks held by that Member in the BrickX Trust that holds such property or properties; and
- (b) any accretions to or income from the properties not paid out to the Member.

Pre-Order Phase refers to the period of time during which Members can indicate their interest in subscribing for Bricks in a Property Campaign for a BrickX Trust by submitting pre-orders to the Responsible Entity. The start date and end date of the Pre-Order Phase will be set out in the relevant Additional Disclosure Document, and will be prior to Brick Settlement for the relevant Property Campaign.

Property Campaign for a BrickX Trust means a proposal by the BrickX Trust to acquire property and issue Bricks to Members to fund the acquisition of that property as set out in the relevant Additional Disclosure Document.

Property Settlement for a Property Campaign undertaken by a BrickX Trust means the date on which the last of the properties to be acquired by the BrickX Trust under the Property Campaign settles.

Reduced Input Tax Credit has the meaning given to it in the GST Law.

Register means the registers of Members and Brick Owners maintained by the Responsible Entity.

Responsible Entity, our, us, we means BrickX Financial Services.

RG46 Schedule means the schedule in which BrickX makes disclosures against the principles and benchmarks contained in ASIC Regulatory Guide 46, as updated from time to time and at least each quarter.

Sell Order means the placement by a Member of an order in the Order Book to dispose of Bricks in a BrickX Trust on the BrickX Platform, specifying the number of Bricks and the sell price per Brick determined by the Member.

Smart Invest means the investment approach described in section 6.8.

Top-Up means discretionary lump sum payments transferred from Funds Available to Funds Awaiting Investment.

Vendor means the owner of a property.

Schedule B - Corporate Directory

Responsible Entity

BrickX Financial Services Limited

ABN: 67 616 118 088

AFSL number: 494878

Physical Address: Level 27, 101 Collins Street, Melbourne, Victoria, 3000

Contact telephone number: +61 2 8766 0566

BrickX (Manager)

The Brick Exchange Pty Ltd

ABN: 27 600 762 749

Authorised Representative number: 001000043

Physical Address: Level 27, 101 Collins Street, Melbourne, Victoria, 3000

Contact telephone number: +61 2 8766 0566

Legal Advisers

Piper Alderman

ABN: 42 843 327 183

Physical Address: Level 23, 459 Collins Street, Melbourne VIC 3000

Contact telephone number: +61 3 8665 5555

Taxation Advisers

Grant Thornton Australia Limited

ABN: 41 127 556 389

Physical Address: Collins Square, Tower 5, 727 Collins Street Melbourne VIC 3008

Contact telephone number: +61 3 8320 2222

Auditors

Grant Thornton Australia
Limited

ABN: 41 127 556 389

Physical Address: Collins Square, Tower 5, Level 22, 727 Collins Street, Melbourne VIC 2008

Contact telephone number: +61 3 8320 2222

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