



Product Disclosure Statement:

Additional Disclosure Document –
BrickX Trust No. 33

Property Code: CNG01

for the BrickX Platform (ARSN 613 156 433)

Responsible entity: BrickX Financial Services Limited

ABN: 67 616 118 088

AFSL number: 494878

Date: 27 September 2021

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Code: CNG01

INTRODUCTION

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

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

The current version of the Platform Document and each Additional Disclosure Document are available from the BrickX website <https://www.brickx.com/pds>

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

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

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

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

1. INVESTMENT PURPOSE AND KEY FEATURES OVERVIEW

Purpose	The purpose of investment in the Property through this BrickX Trust is to gain exposure to an income-producing commercial property in a South-east Melbourne suburb about 12 km to the CBD, with the potential for capital gains if a Brick, or the property itself, is sold in a favourable market.
Pre-Order Phase	<p>This BrickX Trust is open for pre-orders during the Pre-Order Phase.</p> <p>The start date of the Pre-Order Phase is the date on which this Additional Disclosure Document is issued.</p> <p>The end date of the Pre-Order Phase is Wednesday 6 October 2021.</p>
Key Features	<ul style="list-style-type: none"> - Investment in Commercial property located in Carnegie, a South-eastern suburb in Melbourne about 12km from the CBD. Carnegie is in the local Government Area of Glen Eira. The suburb includes well considered amenities that people want in a suburb: public transport; major arterials in and out of Melbourne; family-friendly parks and community facilities including a vibrant café culture. - One existing tenant, operating as an accredited/registered Training Organisation offering courses primarily in the Education and Health sectors to eligible individuals. - The existing tenant is an established Business, with rent paid in full during Covid-19: calendar 2020. The existing tenant has granted security by way of a bank guarantee of \$41,250 (up to 3 months initial rent), which can be used to rectify a breach of the lease by

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	<p>the tenant (for example, a failure to pay rent).</p> <ul style="list-style-type: none"> - Weighted Average Lease Expiry ("WALE") of 5 years, with initial lease expiry of 2026. Renewal Option for the tenant includes two additional terms of 5 years (2036), subject to market review of rental at time of renewal. - The lease incorporates a combined gross passing income of \$165,000 p.a. with fixed 3% p.a. increases, with market review of rent at each 5 year renewal period. - Average estimated net rental yield of 4.7% p.a. over 5 years and average estimated ROI of 5.7% p.a. - Return on Investment metrics consider the potential capital returns based on a compound annual growth rate of ~2.5% for the South-East precinct over the past 5 years (Source: Colliers). - The Responsible Entity is in the process of securing, on behalf of this BrickX Trust, a debt facility to partially fund the purchase of the Property. This means the Property will be subject to a mortgage, serviced by the gross rental income of the Property. As an interim measure Thundering Herd Pty Ltd (the ultimate owner of the Responsible Entity) will make available a debt funding facility until alternate debt funding can be secured. A summary of the terms on which the debt funding facility will be provided is set out in further detail below. - Bricks reserved during Pre-Order will be issued at the end of the Pre-Order period on Wednesday 6 October 2021. Property Settlement is scheduled to take place on 4 October 2021. Trading will commence at the end of the Pre-Order period at which time Brick Owners will be notified of the commencement of trading in the Bricks of this Trust, enabling them to offer their Bricks for sale to other Members should they wish to do so.
Property Address	Unit 1, 1058 Dandenong Road, Carnegie, VIC 3163.
Property Type	Office
Purchase Price	A contract of sale was entered into to purchase the property for \$2.6 million. The purchase price of the property is \$2.6 million plus acquisition costs.
Debt	\$1,3000,000
Gearing	50% debt against the Purchase Price
Interest Rate	3.18% p.a
Acquisition Costs	\$161,300
Cash Reserve	\$37,280
Due Diligence Fee (payable to Thundering Herd Pty Ltd a related entity of the Manager and the Responsible Entity)	\$41,420
Total Trust value	\$2,840,000
Initial Brick Price	\$154
Estimated Net Rental Yield	The annual gross rent payable under the lease is \$165,000 prior to annual fixed increases/market review resulting in a target average net rental yield of 4.7% p.a. over a 5 year term. The year 1 estimated annual net rental yield is 4.5%.
Estimated Total Return	As at January 2021, Melbourne South East precinct had a historical capital growth rate of 2.57% per annum, over the last 5 years. Assuming the continuation of this level of growth, BrickX's average estimated return on investment (ROI) is ~5.7% p.a. (includes allowance for

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	<p>costs in selling the property at the end of its 5 year term).</p> <p>Past performance is not necessarily indicative of future performance.</p> <p>This estimation was based on facts as at September 2021, and any subsequent changes to growth rates or levels of rental income would have an effect on estimated ROI. In addition, fluctuations in Brick Price will influence the effective return, and thus you should regularly refer to Returns and Valuation info on the summary page for the latest information.</p>
Investment Period	<p>There is no minimum or maximum period for holding Bricks in this BrickX Trust. Bricks holders can put their bricks for sale on the platform at any time for other investors to purchase. As with any sale and purchase of a product, there must be a willing buyer to sell your bricks.</p> <p>On the 5 year anniversary of settlement of the property on the Platform, the Responsible Entity will facilitate a meeting of Brick Owners to determine whether to sell the Property and terminate this BrickX Trust. At any time prior to the 5 year anniversary of Property Settlement, the Manager and/or Brick Owners may also consider passing a resolution (approved by Brick Owners holding at least 50% of the Bricks on issue) to wind-up the trust and sell the property. In the event that the vote to sell does not exceed 50%, the property will remain on the BrickX Platform.</p>
Maximum Bricks per investor	<p>There is a maximum number of Bricks that can be held collectively by a Brick Owner (and its associates, associated persons or related persons) in this BrickX Trust. The Maximum is no greater than 15% (1,500) of the Bricks in the Trust.</p>

2. THE PROPERTY

Description



- Newly refurbished, first floor office investment with 17 undercover car park spaces;
- Gross Building Area of 565m² whole floor office (plus 66m² terrace, ground floor lobby);
- Exceptional location with walking distance to Koornang Road, Carnegie Station, tram stop and minutes to Chadstone Shopping Centre;
- Benefits from expansive and exclusive commercial entrance as well as two large terrace areas overlooking Dandenong Road;
- Located within the recently developed and high profile '1060' mixed-use development by international developer MRCB .

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Location	<ul style="list-style-type: none"> - Carnegie, a South-eastern suburb in Melbourne about 12km from the CBD. Carnegie is in the local Government Area of Glen Eira, and is noted for its amenities, transport, parks and community facilities, as follows: - Koornang Road, is the epicentre of Carnegie, for its choice of restaurants and cafes, as well as specialty stores catering for hair and beauty, gifts, homewares, travel and books. - Its access along Dandenong Road or Monash Freeway into the city (or out of Melbourne) and public transport options (trains, buses and trams). - Its parks, not just for the greenery but the family-friendly facilities offered: Koornang Park has a swim centre as well as golf practice cages and all-abilities playground, both of which can be found in Packer Park, which also has a velodrome, lawn bowls, bocce and wetland. - Its community facilities include a children's centre and toy library, Carnegie Library and Community Centre.
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3. DETAILS OF THE DEBT FACILITY

Borrower	The Responsible Entity in its capacity as trustee for this BrickX Trust
Initial Lender	Thundering Herd Pty Ltd ACN 603 726 085 (to be refinanced/replaced by an external major lender)
Facility Type	Business Markets Loan - Interest Only basis.
Total Facility Limit	Up to \$1,300,000
Facility Expiry Date	The earlier of refinance by an external major lender and/or 12 months (October 2022)
Interest Rate	Fixed Rate of 3.18% per annum based on arm's length, commercial terms.
Security	Standard terms and conditions per loan documentation for a secured transaction of this nature. Upon refinance, Security will reflect the standard terms and conditions per loan documentation for a secured transaction of this nature.
Other Material Provisions	Standard provisions per loan documentation for a secured transaction of this nature. Upon refinance, loan documentation will reflect the standard terms and conditions per loan documentation for a secured transaction of this nature.

4. KEY RISKS – SUMMARY

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

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

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

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

Risk	Mitigant
Period of Vacancy in the event the Tenant does not extend their respective lease renewal options for an additional term.	In the event the lease renewal option is not undertaken at the end of 2026, the Manager considers the minimum 3 month notice period should allow sufficient time to negotiate with a replacement tenant prior to the expiry of the lease.
Government imposed tenant protections as part of the ongoing COVID-19 pandemic response, such as obligations for landlord to negotiate rent relief with tenants and restraints on termination of leases.	Due diligence has been conducted on the existing tenant revealing an established business who met rent obligations in full during the 2020 calendar year despite COVID-19 related lockdowns and business interruption. In addition, the existing tenant has granted security by way of a bank guarantee of \$41,250 (equivalent to 3 months initial rent), which can be used to rectify a breach of the lease by the tenant.

Having regard to the risks identified above and the proposed steps to be taken to address them, the risks articulated in the PDS and the nature of the investment activities of the BRICKX Trusts, the Manager does not consider that any of

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the above risks would expose any of the following parties to unacceptable or unexpected risks:

- the Responsible Entity;
- holders of units (Bricks) in the Trust;
- the Manager;
- the custodian of the assets of the Trust - Australian Executor Trustees Limited; or
- the Sub-Custodian.

5. FEES SPECIFIC TO THIS BRICKX TRUST

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

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

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

Management costs

The fees and costs for managing your investment.

Type of fee or cost	Amount	How and when paid
Investment management fee Paid to BrickX	0.90% per annum of the Gross Asset Value ¹ . The fee is calculated daily, but if the Gross Asset Value is not determined on a day then the fee is calculated on the Gross Asset Value last determined.	Payable out of the assets of the BrickX Trust monthly in arrears within 30 days of the end of each month before payment of net distributions to Brick Owners.
Expenses	<p>All expenses incurred by BrickX and/or the Responsible Entity in the proper performance of their duties in respect of this BrickX Trust.</p> <p>These include finance costs incurred in connection with the establishment of the debt facility, namely:</p> <ul style="list-style-type: none"> • Application Fee \$1,500 (once off fee); and • Service Fee of \$100 per month. <p>This also includes a one off Due Diligence Fee of 1.5% of the value of the property held in the BrickX Trust.</p> <p>An estimate of all other expenses is in the range of 2.5% to 2.8% per annum of the Property Purchase Price for this BrickX Trust.)</p>	<p>All expenses are payable or reimbursable out of the assets of this particular BrickX Trust. However, note:</p> <ul style="list-style-type: none"> - the Application Fee is paid to the lender on acceptance of the debt facility; and - the Service Fee is payable to the lender in arrears on the last business day of each month. <p>The Due Diligence Fee will be payable from the cash reserve of the BrickX Trust on Brick Settlement, to Thundering Herd Pty Ltd (a related entity of the Manager and the Responsible Entity).</p>

Additional fees and costs

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

Type of fee or cost	Amount	How and when paid
Property Management Fee Payable to nominated property manager	<p>Annual property management fee of up to 6% (plus GST) of gross rent.</p> <p>It is estimated that the dollar amount of the annual Property Management Fee will be \$4,950.</p>	<p>Calculated monthly and paid in arrears within 30 days of the end of each month.</p> <p>The fee will be deducted from gross rental income before any distribution</p>

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		is paid to Brick holders from the BrickX Trust for the relevant month.
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Notes:

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

IMPORTANT NOTE:

No investment advice

The information contained in this document should not be taken as financial product advice and has been prepared as general information only without consideration of your personal investment objectives, financial circumstances or needs. Before acting on the information in this document, you should consider the appropriateness of such advice having regard to your objectives, financial situation and needs. In particular, you should give careful consideration to the risk factors outlined in the "KEY RISKS - SUMMARY" section of this document, and the "Key risks of investing" section of the Platform Document, in light of your personal circumstances, 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 investment in Bricks, please consult your accountant or other independent financial adviser before deciding whether to invest.

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

No guarantee

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

Forecasts and forward looking statements

This document may contain forecast financial information along with forward looking statements that involve risks and uncertainties. These forecasts and forward looking statements are subject to various risk factors that could cause the BrickX Platform's and Bricks' actual results to differ materially from the results expressed or anticipated in these forecasts or statements. These and other factors could cause actual results to differ materially from those expressed in any forecast or forward looking statement.

Consents

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