

ASX RELEASE

7 December 2021

COURT APPROVES CONVENING OF MEETINGS TO CONSIDER PROPOSED MERGER AND DISTRIBUTION OF SCHEME BOOKLET

Aventus Capital Limited (ACN 606 555 480) (**Aventus Trustee**) (in its capacity as responsible entity of the Aventus Retail Property Fund (ARSN 608 000 764) (**Aventus Trust**)) and Aventus Holdings Limited (ACN 627 640 180) (**Aventus Company**) (collectively, **Aventus**) announces an update on the proposed merger with HomeCo Daily Needs REIT (ARSN 645 086 620) and Home Consortium (currently a stapled group comprising Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700)) (**Merger**).

Other than as defined in this release, a word or phrase used in this release has the same meaning given in the Scheme Booklet.

Court Approval

The Supreme Court of New South Wales (**Court**) made orders approving:

- the convening of a meeting of Aventus Securityholders to consider and vote on the proposed members' scheme of arrangement (**Members' Scheme Meeting**); and
- the despatch to Aventus Securityholders of an explanatory statement providing information about the unstapling of Aventus Trust units and Aventus Company shares (**Unstapling**), members' scheme of arrangement and the trust scheme and Notices of Meetings (**Scheme Booklet**).

The Members' Scheme Meeting will be held concurrently with meetings of Aventus Securityholders to approve the Unstapling and the trust scheme at 10.00am (Sydney time) on Tuesday, 25 January 2022 (the **Meetings**).

Scheme Booklet

Aventus confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet, including the Notices of Meetings, is attached to this announcement and will be made available online on the Aventus website at <https://www.ventusgroup.com.au/investors/news-events/>.

Copies of the following documents are also attached:

- the proxy form and election form that will be sent to Aventus Securityholders; and
- the online user guide for the Meetings.

Further details on where the Scheme Booklet can be viewed and downloaded, as well as the proxy and election forms, are expected to be despatched to Aventus Securityholders on Friday, 10 December 2022.

Aventus Securityholders who have nominated an email address for the purposes of receiving electronic communications will receive an email containing a link to Aventus' website (<https://www.aventusgroup.com.au/investors/news-events/>), where they can download the Scheme Booklet and access the online user guide for the Meetings. Aventus Securityholders who have not nominated an email address for this purpose will receive a letter (sent by post) containing details of where they can view and download the Scheme Booklet and the online user guide for the Meetings, as well as details about how to obtain a hard copy of the Scheme Booklet, and enclosing a proxy form and election form.

The Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Merger.

Independent Expert's Report

The Scheme Booklet includes a copy of the Independent Expert's Report prepared by Deloitte Corporate Finance Pty Limited (**Independent Expert**).

The Independent Expert has concluded that the Merger is fair and reasonable and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders), in the absence of a Superior Proposal.

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

Recommendation of the Aventus Boards

The Board of Directors of Aventus Trustee and Aventus Company (**Aventus Boards**) unanimously consider the Merger to be in the best interests of Aventus Securityholders (other than Excluded Securityholders) and recommend that Aventus Securityholders (other than Excluded Securityholders) vote in favour of the Merger, in the absence of a superior proposal and the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders). Subject to the same qualifications, each Aventus Director will vote, or procure the voting of, any Aventus Securities held or controlled by them in favour of the Merger.

Meetings

The Meetings will be held concurrently at 10.00am (Sydney time) on Tuesday, 25 January 2022. All registered Aventus Securityholders as at 7.00pm (Sydney time) on Sunday, 23 January 2022 will be eligible to vote at the Meetings.

Aventus Securityholders and their authorised proxies, attorneys and corporate representatives may attend in person or participate in and vote at the Meetings online at <https://agmlive.link/Aventus22>.

If the resolutions are passed by the requisite majorities at the Meetings, and all other conditions precedent to the Merger except approval of the Court are satisfied or waived, Aventus will apply to the Court for orders to approve the members' scheme of arrangement and to grant the second judicial advice in relation to the trust scheme.

Aventus Securityholders should carefully read the Scheme Booklet in its entirety before making any decision in relation to the Merger. Aventus Securityholders are encouraged to seek independent financial, legal, taxation and/or other professional advice before making any voting or investment decision in relation to their Aventus Securities.

For any questions in relation to the Scheme Booklet or the Merger, please contact the Aventus Securityholder Information Line on 1300 490 813 (within Australia) or +61 2 9066 4052 (outside Australia), between 9.00am and 5.00pm (Sydney time), Monday to Friday, except public holidays.

This announcement is authorised for release by the Aventus Boards.

A handwritten signature in black ink, appearing to be 'M Weaver', written in a cursive style.

Mary Weaver
Company Secretary
(02) 9285 6711

Scheme Booklet

This is an important document and requires your immediate attention. You should read this Scheme Booklet carefully and in its entirety before deciding how to vote. If you are in doubt as to what you should do, you should consult an appropriately licensed professional adviser without delay.

Date of Meetings

Time: 10.00am (Sydney time)

Date: Tuesday, 25 January 2022

Place: In person at ANZ Tower,
161 Castlereagh Street,
Sydney NSW 2000 AND

Online via the online platform at <https://agmlive.link/Aventus22>

The Aventus Boards unanimously consider the Merger to be in the best interests of Aventus Securityholders (other than Excluded Securityholders) and recommend that Aventus Securityholders (other than Excluded Securityholders) **VOTE IN FAVOUR** of the Merger in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).

The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders) in the absence of a Superior Proposal.

This Scheme Booklet is for a merger of Aventus Retail Property Fund (ARSN 608 000 764) (**Aventus Trust**) and HomeCo Daily Needs REIT (ARSN 645 086 620) (**HDN**) and a merger of Aventus Holdings Limited (ACN 627 640 180) (**Aventus Company**) and Home Consortium (currently a stapled group comprising Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700) (**HomeCo**) that is to be implemented by way of:

- an unstapling of units in the Aventus Trust and shares in Aventus Company;
- a trust scheme (the **Trust Scheme**) in relation to the proposed acquisitions of the units in the Aventus Trust by HMC Funds Management Limited (ACN 105 078 635) (**HDN Trustee**) as responsible entity of HDN; and
- a company scheme of arrangement (**Members' Scheme**) between Aventus Company and its shareholders in relation to the proposed acquisition of all of the shares in the Aventus Company by HomeCo.

Financial Advisor



Legal Advisor



Disclaimer and important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in full before making any decision as to how to vote at the Meetings.

Nature of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Members' Scheme required by subsection 412(1) of the Corporations Act and for the Trust Scheme. It also includes explanatory information which accompanies a notice of meeting for the purposes of a resolution under item 7, section 611 of the Corporations Act. This Scheme Booklet does not constitute an offer or contain an offer to Aventus Securityholders, or a solicitation of an offer from Aventus Securityholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, Aventus Securityholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

This Scheme Booklet is not a product disclosure statement under Part 7.9 of the Corporations Act in respect of the HDN Units. The ASIC relief described in section 11.7 of this Scheme Booklet provides an exemption in respect of the requirement for HDN Trustee to prepare a product disclosure statement in respect of the Merger.

ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act in relation to the Members' Scheme. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act in relation to the Members' Scheme, and also in relation to the Trust Scheme. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with subsection 411(17)(b) of the Corporations Act, that it has no objection to the Members' Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

Importance notice associated with Court order under subsection 411(1) of the Corporations Act and the First Judicial Advice

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that

a meeting be convened and has approved the explanatory statement required to accompany the Notice of Members' Scheme Meeting or the fact that the Court has given the First Judicial Advice that Aventus Trustee would be justified in convening the General Meeting of Aventus Unitholders is not an endorsement of, or any other expression of opinion on the Merger, and does not mean that the Court:

- has formed any view as to the merits of the proposed Merger or as to how Aventus Securityholders should vote (on this matter Aventus Securityholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

Notices of Meetings

The Notices of General Meeting to approve the Unstapling and Trust Scheme are set out in Annexure F of this Scheme Booklet.

The Notice of Members' Scheme Meeting is set out in Annexure F of this Scheme Booklet.

Notices of the General Meeting of Aventus Unitholders and General Meeting of Aventus Shareholders (General Meetings)

The Notices of General Meetings, which include resolutions to approve the Trust Scheme, and the Unstapling are set out in Annexure F of this Scheme Booklet.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Members' Scheme and whether to give the Second Judicial Advice following the vote at the Meetings.

Any Aventus Securityholder may appear at the Second Court Hearing, expected to be held at 3.00pm on 2 February 2022 at the Supreme Court of New South Wales, Law Courts Building, 184 Phillip Street, Sydney NSW 2000.

Any Aventus Securityholder who wishes to oppose approval of the Members' Scheme or granting of the Second Judicial Advice at the Second Court Hearing may do so by filing with the Court and serving on Aventus Company or Aventus Trustee a notice of appearance in the prescribed form together with any affidavit that the Aventus Securityholder proposes to rely on.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in section 12 of this Scheme Booklet. Section 12 of this Scheme Booklet also sets out some rules of interpretation which apply to this Scheme Booklet. Some of the documents reproduced in the annexures of this Scheme Booklet have their own defined terms, which are sometimes different to those set out in section 12.

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and tax situation or particular needs of any Aventus Securityholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The Aventus Directors encourage you to seek independent financial and tax advice before making any investment decision and any decision as to whether or not to vote in favour of the Merger. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Merger. In particular, it is important that you consider the potential risks if the Schemes do not proceed, as set out in Section 8 of this Scheme Booklet, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure B. If you are in doubt as to the course you should follow, you should consult your appropriately licenced professional adviser.

Forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of Aventus, HDN Trustee or HomeCo are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Aventus, HDN Trustee or HomeCo and/or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Aventus, HDN Trustee, HomeCo or any of their respective affiliates, officers, directors, employees or advisers or any person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Aventus, HDN Trustee, HomeCo and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

Aventus has prepared, and is responsible for, the Aventus Information. Neither HDN Trustee, HomeCo nor any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

HDN Trustee and HomeCo have prepared, and are responsible for, the HDN Trustee Information and HomeCo information, respectively. Neither Aventus nor any of its subsidiaries, directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of such information.

Deloitte Corporate Finance Pty Limited has prepared the Independent Expert's Report (as set out in Annexure B of this Scheme Booklet) and takes responsibility for that report. None of Aventus, HDN Trustee, HomeCo, nor any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

Greenwoods & Herbert Smith Freehills Pty Limited has prepared section 10 ('Tax Report') in relation to the Scheme and takes responsibility for that report. None of Aventus, HDN Trustee or HomeCo, nor any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in section 10 ('Tax Report').

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia or New Zealand may be restricted by law or regulation in such other jurisdictions and persons outside of Australia or New Zealand who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia

and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia. This Scheme Booklet and the Merger do not constitute an offer of securities in any place which, or to any person whom, it would not be lawful to make such an offer.

An Aventus Securityholder whose address shown in the Aventus Security Register is a place outside Australia, New Zealand, the United Kingdom or Singapore as at the Scheme Record Date will be an Ineligible Foreign Securityholder unless HDN Trustee and HomeCo agree otherwise in writing.

If you are an Ineligible Foreign Securityholder, you will not receive the HDN Units and HomeCo Scrip Consideration. For more information about participation by Ineligible Foreign Securityholders in the Schemes see section 9.8 of this Scheme Booklet. For foreign selling restrictions regarding the Schemes, see section 9.7 of this Scheme Booklet.

Charts and diagrams

Any charts, diagrams, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date. Any discrepancies in any chart, diagram, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Sydney, New South Wales, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Merger referred to in this Scheme Booklet may change and, amongst other things, are subject to all necessary approvals from Government Agencies.

External websites

Unless expressly stated otherwise, the content of the websites of Aventus, HDN and HomeCo do not form part of this Scheme Booklet and Aventus Securityholders should not rely on any such content.

Privacy

Aventus may collect personal information in the process of implementing the Merger. The type of information that it may collect about you includes your name, contact details and information on your securityholding in Aventus and the names of persons appointed by you to act as a proxy, attorney

or corporate representative at the Members' Scheme Meeting and General Meetings as relevant to you. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Aventus to conduct the Meetings and implement the Merger. Without this information, Aventus may be hindered in its ability to issue this Scheme Booklet and implement the Merger. Personal information of the type described above may be disclosed to the Aventus Securities Registry, HDN Trustee, HomeCo, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Meetings), authorised securities brokers, professional advisers, related bodies corporate of Aventus, Government Agencies, and also where disclosure is otherwise required or allowed by law. Aventus Securityholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them.

If you would like to obtain details of the information about you held by the Aventus Securities Registry in connection with Aventus Securities, please contact the Aventus Securities Registry. Aventus Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Meetings should ensure that they inform such an individual of the matters outlined above. Further information about how Aventus collects, uses and discloses personal information is contained in our privacy policy located at <https://aventusgroup.com/privacy-policy/>.

Date of Scheme Booklet

This Scheme Booklet is dated 7 December 2021.

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Key dates, location of Meetings and what to do next

Event	Time and date
Date of this Scheme Booklet	Tuesday, 7 December 2021
First Court Date	Tuesday, 7 December 2021
Time and date by which Election Forms must be received	7.00pm, Thursday, 20 January 2022
Announcement of results of Elections	Friday, 21 January 2022
Time and date by which Proxy Forms must be received for the Meetings	10.00am, Sunday, 23 January 2022
Voting Record Date – time and date for determining eligibility to vote at the Meetings	7.00pm, Sunday, 23 January 2022
Time and date of the Meetings	10.00am, Tuesday, 25 January 2022

If the Merger is approved by Aventus Securityholders (as applicable, other than Excluded Securityholders) and all other Conditions Precedent in connection with the Merger are satisfied or waived (if applicable), the following key dates apply:

Second Court Date (for approval of the Members' Scheme and giving of Second Judicial Advice by the Court)	Wednesday, 2 February 2022
Effective Date of the Schemes (Aventus Securities are suspended from trading at the close of trading on the ASX)	Thursday, 3 February 2022
HDN Units and HomeCo Securities commence trading on the ASX on a deferred settlement basis	Friday, 4 February 2022
Scheme Record Date – the time and date which determines the entitlements of Scheme Securityholders to the Scheme Consideration	Monday, 7 February 2022
Implementation Date – the date of transfer of all Scheme Units to HDN Trustee and all Scheme Shares to HomeCo, and issue and payment of the Scheme Consideration to Scheme Securityholders	Monday, 14 February 2022
Commencement of trading of HDN Units and HomeCo Securities issued under the Schemes on the ASX on a normal T+2 settlement basis	Monday, 14 February 2022

Date of Meetings Tuesday, 25 January 2022	Location of Meetings In person at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 AND Online via the online platform at https://agmlive.link/Aventus22 .
Time of Meetings 10.00am (Sydney time)	

What to do next

Step 1: Carefully read this Scheme Booklet in full

You should read this Scheme Booklet in full. It contains important information to assist you in deciding how to vote on the Merger. It is important that you consider the information disclosed in light of your own particular investment needs, objectives and financial circumstances.

The 'Answers to key questions' in section 1 may help answer some of your questions. If after reading this Scheme Booklet, you have any questions regarding the Merger, contact the Aventus Securityholder Information Line on 1300 490 813 (callers in Australia) or +61 2 9066 4052 (callers outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday, except public holidays, or consult an appropriately licensed and professional adviser without delay.

Step 2: Vote on the Merger

Your vote is important

If you are an Aventus Securityholder on the Voting Record Date, you are entitled to vote on the Merger at the Meetings. The Meetings will comprise a General Meeting of Aventus Unitholders to vote on the Unstapling and Trust Scheme, a General Meeting of Aventus Shareholders to vote on the Unstapling, and a Members' Scheme Meeting to vote on the Members' Scheme (all held concurrently).

The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders) in the absence of a Superior Proposal.

The Aventus Boards unanimously consider the Merger to be in

the best interests of Aventus Securityholders (other than Excluded Securityholders) and recommend that Aventus Securityholders (other than Excluded Securityholders) VOTE IN FAVOUR of the Merger in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).

In summary, the Resolutions to be considered at the Meetings are as follows:

General Meeting of Aventus Unitholders and General Meeting of Aventus Shareholders

The Aventus Trustee and Aventus Company have determined that the General Meeting of Aventus Unitholders and General Meeting of Aventus Shareholders will be conducted concurrently in all respects.

At the General Meeting of Aventus Unitholders, Resolution 1 is the Unstapling Resolution (Aventus Trust). This Unstapling Resolution seeks the approval of the Unstapling of the Aventus Units from the Aventus Shares to enable the transfer of Aventus Units to HDN Trustee under the Trust Scheme. This Unstapling Resolution is conditional upon the Trust Scheme Resolutions, Members' Scheme Resolution and Unstapling Resolution (Aventus Company) being approved.

Resolutions 2 and 3 are the Trust Scheme Resolutions, comprising:

- the Trust Constitution Amendment Resolution, which approves the amendments to the Aventus Trust Constitution pursuant to section 601GC(1) of the Corporations Act as set out in the Aventus Trust Supplemental Deed, and

- the Trust Acquisition Resolution, which authorises the acquisition by HDN Trustee of all the Aventus Units pursuant to item 7, section 611 of the Corporations Act.

Each of the Trust Scheme Resolutions is conditional on the other Trust Scheme Resolution, the Members' Scheme Resolution and Unstapling Resolutions being approved.

At the General Meeting of Aventus Shareholders, the only resolution to be considered is the Unstapling Resolution (Aventus Company) which approves the Unstapling of the Aventus Shares from Aventus Units, to enable the transfer of Aventus Shares to HomeCo under the Members' Scheme. This Unstapling Resolution is conditional upon the Trust Scheme Resolutions, Members' Scheme Resolution and Unstapling Resolution (Aventus Trust) being approved.

Members' Scheme Meeting

The only resolution to be considered at the Members' Scheme Meeting is the Members' Scheme Resolution, which approves the Members' Scheme, pursuant to which the Aventus Shares will be transferred to HomeCo. There are no other Resolutions to be considered at the Members' Scheme Meeting. The Members' Scheme Resolution is conditional upon the Unstapling Resolutions and Trust Scheme Resolutions being approved.

All Resolutions at the General Meeting of Aventus Unitholders, General Meeting of Aventus Shareholders and Members' Scheme Meeting must be passed by the requisite majorities of Aventus Securityholders (as applicable, other than Excluded Securityholders) for the Merger to proceed. If all Resolutions are passed at the Meetings, and the other conditions

to the Schemes (other than Court approval of the Members' Scheme and the Second Judicial Advice) are satisfied, Aventus will make an application to the Court to approve the Members' Scheme and give the Second Judicial Advice at the Second Court Hearing. Please see section 2.4 of this Scheme Booklet for details of the Resolutions.

How to vote

If you are an Aventus Securityholder on the Aventus Security Register at the Voting Record Date (other than Excluded Securityholders if precluded from voting), you are entitled to attend and vote at the Meetings. Voting is not compulsory.

You may vote at the Meetings by doing one of the following:

- **vote in person** – attend the Meetings in person at 10.00am (Sydney time) on Tuesday, 25 January 2022 at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 Australia, and bring a suitable form of personal identification (such as a driver's licence). Registration for the Meetings commences at 9:30am;
- **vote online** – attend the Meetings at 10.00am (Sydney time) via the online platform at <https://agmlive.link/Aventus22>;
- **vote by proxy** – if you are unable to attend the Meetings in person or online and you want to appoint a proxy to vote your Aventus Securities on your behalf:
 - complete, sign and return the original Proxy Forms sent to you on or about the date of this Scheme Booklet in accordance with the instructions set out on the forms (see Annexure F for more details) so that they are received at the address indicated on the form by no later than 10.00am (Sydney time) on Sunday, 23 January 2022, and

- arrange to have your proxy or proxies attend the Meetings (if you are appointing a person other than the Chairman of the Meetings as your proxy).

You can lodge the Proxy Forms:

- by mail to the Aventus Securities Registry, Locked Bag A14 Sydney South NSW 1235 Australia;
- by hand delivery to the Aventus Securities Registry at Level 12, 680 George Street, Sydney NSW 2000;
- by fax to the Aventus Securities Registry on +61 2 9287 0309;
- by lodging it on your mobile device by scanning the QR code on the Proxy Form and following the instructions; or
- online at www.linkmarketservices.com.au by following the instructions (as detailed on the Proxy Forms);

- **vote by attorney** – you may appoint an attorney to attend and vote at the Meetings on your behalf. Such an appointment must be made by a duly executed power of attorney, which must be received by Aventus at its registered office by 10.00am (Sydney time) on Sunday, 23 January 2022, unless it has been previously provided to Aventus. A validly appointed attorney wishing to participate in and vote at the Meetings via the online platform will require the appointing Aventus Securityholder's name, postcode and Securityholder Reference Number (**SRN**) or Holder Identifier Number (**HIN**); or
- **vote by body corporate representative** – if you are a body corporate, you can appoint a corporate representative to attend and vote at the Meetings on your behalf. The appointment must comply with sections 250D and 253B of the Corporations Act (as

applicable). A validly appointed corporate representative wishing to participate in and vote at the Meetings via the online platform will require the appointing Aventus Securityholder's name, postcode and SRN or HIN.

Please refer to the voting instructions in Annexure F of this Scheme Booklet where these voting options are set out in full.

Step 3: Consider whether to make an Election

If you are an Aventus Securityholder (other than an Ineligible Foreign Securityholder), you can make an Election to receive the HomeCo Scrip Consideration in respect of all your Aventus Shares.

If you do not make a valid Election and the Merger is implemented, you will receive the Cash Consideration by default.

You may make an Election by either submitting an Election Form online at <https://events.miraql.com/avn-scheme> or completing a paper Election Form in accordance with the instructions set out in the form and returning it to the Aventus Securities Registry by no later than the Election Deadline (being 7.00pm (Sydney time) on Thursday, 20 January 2022). If you are an Ineligible Foreign Securityholder, you are not eligible to make an Election or to receive the HomeCo Scrip Consideration. If you are an Ineligible Foreign Securityholder, you will receive the Cash Consideration if the Merger is implemented.

Letter from the Chairman of Aventus Group

7 December 2021

Dear Aventus Securityholder,

On 18 October 2021, Aventus Group (**Aventus**) announced that it had entered into a Scheme Implementation Deed with HomeCo Daily Needs REIT (**HDN**) and Home Consortium Ltd (**HomeCo**) (the **Merger**)¹. The Merger comprises a merger of Aventus Trust and HDN, and a merger of Aventus Company and HomeCo.

The combination of Aventus and HDN Group (**Merged HDN Group**) will combine two top performing² real estate investment trusts (**REITs**) to create a leading ASX-listed Daily Needs REIT with significant scale and enhanced capability with the business strategy to unlock value from the Merged HDN Group's strategic landbank.

The Merged HDN Group will be a significant owner of properties exposed to Neighbourhood, Large Format Retail (**LFR**) and Health & Services tenants, diversified by geographic location and tenant mix. The Merged HDN Group portfolio will comprise 51 properties currently valued at \$4.1 billion³, creating a combined 2.5 million square metre landbank in Australia's leading markets and growth corridors. By combining these two highly-complementary portfolios, the Aventus Boards believe Aventus Securityholders will be provided with an enhanced investment proposition relative to Aventus on a stand-alone basis.

This Scheme Booklet sets out the details of the Merger, the recommendation of the Aventus Boards and the details of the process that the Aventus Boards have undertaken to arrive at their recommendation. Aventus appointed Deloitte Corporate Finance as an Independent Expert to review the Merger and to provide an opinion on whether the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders), in the absence of a Superior Proposal.

The Aventus Boards unanimously support the Merger, believing it is in the best interests of Aventus Securityholders (other than Excluded Securityholders), in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders), and believe it represents a unique and compelling opportunity that creates significant value for Aventus Securityholders.

The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than the Excluded Securityholders) in the absence of a Superior Proposal.

Background and alternatives to the Merger

In September 2021, Aventus received an unsolicited, non-binding and indicative proposal from HomeCo and HDN Trustee in relation to a potential merger. To assess the merits of the proposal, the Aventus Boards implemented an extensive process to determine whether a compelling transaction for Aventus Securityholders could be developed. The process considered alternatives to the Merger, including the continued operation and ownership of Aventus in its current form, as well as other potential control transactions.

The assessments of the merits of the proposed Merger involved:

- an exchange of information between Aventus, HomeCo and HDN Trustee to facilitate a due diligence process on Aventus, HDN Group and HomeCo;
- an assessment of the proposed Merger relative to Aventus' strategic landscape and alternatives; and
- a detailed assessment of the proposed Merger to provide Aventus with a high level of confidence in the strategic rationale underlying the creation of the Merged HDN Group, including but not limited to:
 - the complementary nature of the assets within the Merged HDN Group;
 - the complementary nature of management expertise within the Merged HDN Group;

1 Merger subject to certain conditions. Refer section 2.3 for further details.

2 By total standard return relative to S&P/ASX300 A-REIT index

3 Adjusted to reflect a 100% ownership of McGraths Hill and the post balance sheet date disposal of MacGregor.

- capabilities of HomeCo as a manager of the Merged HDN Group;
- consideration of feedback from Aventus' largest investor BB Retail Capital;
- the ability of the Merged HDN Group to unlock the potential future value of the Merged HDN Group assets; and
- the Merged HDN Group's ability to benefit from increased scale.

Subsequently on 18 October 2021, Aventus, HomeCo and HDN Trustee announced that they had entered into the Scheme Implementation Deed (released to the ASX in full on that date), whereby Aventus agreed to propose the Unstapling and the Schemes to Aventus Securityholders in order to give effect to the Merger.

The Aventus Boards unanimously support the Merger, believing it is in the best interests of Aventus Securityholders (other than Excluded Securityholders), in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders), and believes it represents a unique and compelling opportunity that creates significant value for Aventus Securityholders.

Implementation process

Implementation of the Merger requires Aventus Securityholders' (as applicable, other than Excluded Securityholders') approval of the Unstapling and the Schemes. The Merger will further require HDN Unitholder approval in accordance with ASX Listing Rules.

On implementation, each Aventus Security will be exchanged for 2.20 HDN Units and a cash consideration of \$0.285 (**Cash Consideration**). Scheme Securityholders (other than Ineligible Foreign Securityholders) will have the option to elect to receive 0.038 HomeCo Securities (**HomeCo Scrip Consideration**) as an alternative to the Cash Consideration (but not a combination of both)⁴. Each HDN Unit issued under the Trust Scheme will trade on the ASX and will rank equally with all existing HDN Units. Each HomeCo Security issued under the Members' Scheme will trade on the ASX and will rank equally with all existing HomeCo Securities.

HDN Units issued to Aventus Securityholders (as at the Scheme Record Date) upon implementation of the Merger, excluding HDN Units issued to HomeCo⁵, will represent 57.2% of the total Merged HDN Group units on issue. Should all eligible Scheme Securityholders elect to receive HomeCo Scrip Consideration, Scheme Securityholders would own approximately 7% of the Merged HomeCo Group.

Based on the HDN Unit and HomeCo Security closing prices of \$1.605 and \$7.50 on 15 October 2021 (the trading day before the Merger was announced), the Scheme Consideration implied a value per Aventus Security of \$3.82. This represented a:

- 15.3% premium to Aventus' closing price of \$3.31 per security as at 15 October 2021;
- 29.4% premium to Aventus' 30 June 2021 net asset value (**NAV**) value per security of \$2.95; and
- 41.9% premium to Aventus' 30 June 2021 net tangible asset (**NTA**) value per security⁶ of \$2.69.

4 For Ineligible Foreign Securityholders, the HDN Units that they would otherwise have received will be sold by a Sale Agent, and they will receive the net sale proceeds. Ineligible Foreign Securityholders will not be able to elect to receive the HomeCo Scrip Consideration and will receive the Cash Consideration. For more information, see section 9.8 of this Scheme Booklet.

5 Assuming BBRC Option is exercised and the HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

6 Calculated as equity minus intangible assets divided by total number of securities or units on issue (as applicable in relation to HDN, Aventus and Merged HDN Group).

Letter from the Chairman of Aventus Group

Based on the HDN Unit and HomeCo Security closing price of \$1.375 and \$7.25 respectively on the Last Practicable Date, the Scheme Consideration implied a value per Aventus Security of \$3.31 (assuming Cash Consideration) or \$3.30 (assuming HomeCo Scrip Consideration is elected). Assuming Cash Consideration, this represented a:

- 2.2% premium to Aventus' closing price of \$3.24 on the Last Practicable Date;
- Nil premium to Aventus' closing price of \$3.31 per security as at 15 October 2021;
- 12.2% premium to Aventus' 30 June 2021 NAV per security of \$2.95; and
- 22.9% premium to Aventus' 30 June 2021 NTA value per security⁷ of \$2.69.

In addition to the approval by Aventus Securityholders (as applicable, other than Excluded Securityholders) of the Unstapling and the Schemes and HDN Unitholder approval, the Merger is also subject to other customary conditions, including court approval and regulatory approvals. A detailed explanation of the Conditions Precedent to the Merger is set out in section 2.3 of this Scheme Booklet.

The obligations of Aventus, HDN Group and HomeCo regarding the implementation of the Merger, the deal protections and mutual reimbursement fees of \$21.78 million are set out in the Scheme Implementation Deed entered into by the parties. A full copy of the Scheme Implementation Deed was attached to Aventus' announcement to the ASX on 18 October 2021 and its key terms are summarised in section 11.1 of this Scheme Booklet.

If the Merger is implemented, a one-off \$22.3 million acquisition fee will be payable by the Merged HDN Group to HomeCo (the **HomeCo Acquisition Fee**). This fee is payable under the Investment Management Agreement between HDN Trustee and HomeCo Investment Management Pty Limited (the **Investment Manager**). The impact of the HomeCo Acquisition Fee on Aventus Securityholders was taken into account by the Aventus Boards when negotiating improved transaction terms. HDN Trustee is seeking HDN Unitholder approval to amend the Investment Management Agreement to permit the acquisition fee to be paid in cash or HDN Units or a combination of both (at the election of the Investment Manager). If HDN Unitholder approval for these amendments is obtained, the Investment Manager intends to elect for HomeCo to receive the HomeCo Acquisition Fee in HDN Units. The key terms of the Investment Management Agreement are summarised in section 5.12.2.

⁷ Calculated as equity minus intangible assets divided by total number of securities or units on issue (as applicable in relation to HDN, Aventus and Merged HDN Group).

Overview of benefits and disadvantages of the Merger for Aventus Securityholders

Benefits

Portfolio benefits

- ✓ Increased portfolio scale and expertise
- ✓ Improved growth opportunities
- ✓ Increased asset, geographic and tenant diversification
- ✓ Potential for future last mile logistics infrastructure
- ✓ Improved security of income

Financial and operational benefits

- ✓ Earnings and NTA accretion, with the potential for higher distributions
- ✓ Enhanced credit profile and opportunity for diversification of debt through accessing debt capital markets over medium term
- ✓ Greater relevance for equity investors through increased scale
- ✓ Continuity of Aventus Key Management⁸ to the Merged HDN Group

Disadvantages

- ✗ Change in the nature of the investment of Scheme Securityholders, including exposure to HDN's more diverse asset base
- ✗ Change from an internally managed to an externally managed REIT
- ✗ Results in material transactions costs to be incurred by the Merged HDN Group
- ✗ The Merged HDN Group's pro forma 30 June 2021 Gearing is expected to be higher than Aventus' stand-alone
- ✗ Shorter weighted average debt expiry (WADE)

8 Refers specifically to Darren Holland (current Aventus CEO) and Lawrence Wong (current Aventus CFO).

Letter from the Chairman of Aventus Group

Benefits of the Merger for Aventus Securityholders

The Aventus Boards believe the Merger will provide Scheme Securityholders with an enhanced investment proposition relative to Aventus on a stand-alone basis, including those detailed below:

Portfolio benefits

1. Increased portfolio scale and expertise

The Merger will create a leading ASX-listed Daily Needs REIT which will comprise 51 properties currently valued at \$4.1 billion⁹, creating a combined 2.5 million square metre landbank in Australia's leading markets and growth corridors¹⁰.

By combining Aventus' and HDN Trustee's boards and Aventus' and HomeCo's management expertise, the Merged HDN Group will benefit from a highly experienced board and management team with expert skills in managing properties comprising Neighbourhood Retail, Large Format Retail and Health & Services tenants. Following implementation of the Merger, the HDN Trustee Board will comprise existing Aventus and HDN Trustee directors, with the Merged HDN Group benefiting from the oversight of directors with experience across real estate, retail, finance, legal, accounting and governance.

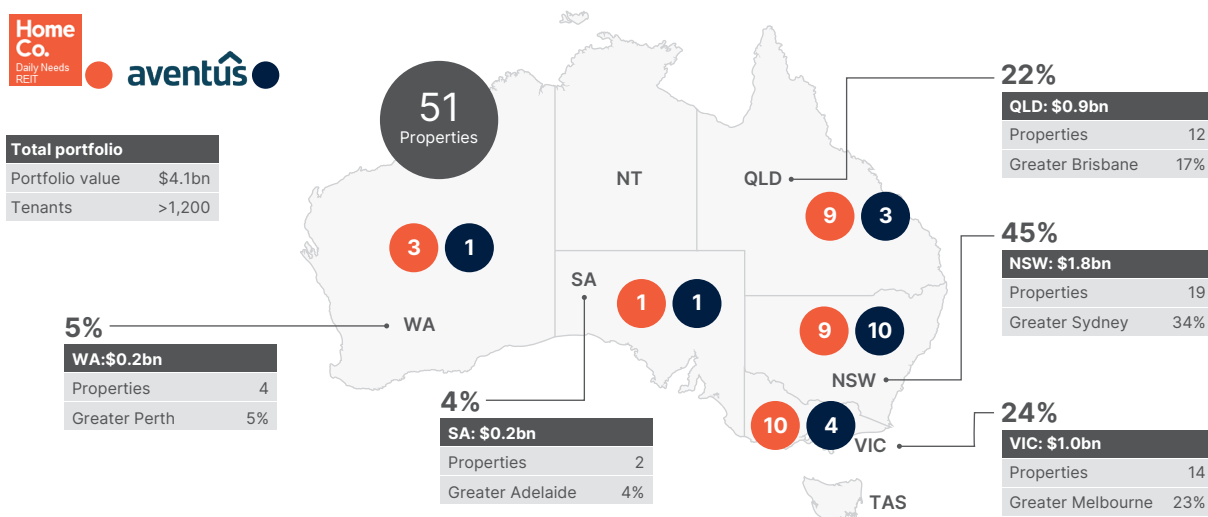
2. Improved growth opportunities

The Merger is expected to generate improved growth opportunities for the Merged HDN Group relative to Aventus on a stand-alone basis.

Portfolio optimisation

Preliminary analysis undertaken by Aventus and HDN has identified a substantial number of complementary Neighbourhood Retail and Health & Services leasing opportunities in the Aventus portfolio. The delivery of these opportunities can potentially be enhanced as a result of HomeCo's relationships with Neighbourhood Retail and Health & Services tenants. Conversely, a significant number of Aventus national tenants currently have limited exposure to the HDN portfolio, creating the potential for higher income growth of the Merged HDN Group.

Portfolio summary



⁹ Adjusted to reflect a 100% ownership of McGraths Hill and the post balance sheet date disposal of MacGregor.

¹⁰ As at 30 June 2021.

Development

The Merged HDN Group will have over 2.5 million square metres of land with a low site coverage ratio of 38%, providing significant development potential, with the potential for earnings growth and NTA accretion. The combined portfolio landbank is strategically located in high population growth corridors with flexible zoning which supports future densification opportunities.

3. Increased asset, geographic and tenant exposure

The Merger will increase Aventus' asset, geographic and tenant diversification. The Merged HDN Group will benefit from the introduction of additional Neighbourhood Retail tenants into Aventus' portfolio and the increase in national tenants in HDN's portfolio. The Merged HDN Group portfolio is expected to generate high quality income from over 1,200 tenants (diversified by Neighbourhood Retail, Large Format Retail and Health & Services), of which 84% are national tenants¹¹.

As illustrated in the chart above, the Merged HDN Group will be represented in five states with 80% of the combined portfolio properties located in metropolitan locations¹² and 92% of the portfolio concentrated on Australia's eastern seaboard¹³.

4. Potential future last mile logistics infrastructure

The Merged HDN Group's portfolio presents a strategic future last mile infrastructure network, spanning 2.5 million square metres in Australia's leading markets and growth corridors.

The Merged HDN Group's portfolio is well positioned for last mile logistics with attributes including:

- across all assets in New South Wales, Victoria, Queensland, South Australia and Western Australia, more than 12 million people live within a 10 kilometre radius of a Merged HDN Group property;
- 80% of properties are located in metro areas;¹⁴
- 92% of properties are located on Australia's eastern seaboard;¹⁵ and
- 70% of tenants have click & collect.¹⁶

5. Improved security of income

Scheme Securityholders are expected to benefit from the greater exposure to Neighborhood Retail and Health & Services tenancies which is expected to provide an improved security of income from longer lease terms. This results in an increase in WALE to 5.3 years for the Merged HDN Group, compared to 3.6¹⁷ years for Aventus on a stand-alone basis.

Financial and operational benefits

1. Earnings and NTA accretion, with the potential for higher distributions

The Merger is expected to generate earnings and NTA accretion for Scheme Securityholders. Aventus' pro forma FY22 FFO is expected to increase by 3.8%¹⁸. If instead HomeCo Scrip Consideration is elected, this is expected to generate Aventus FY22 pro forma accretion of 0.9% based on updated HomeCo pre-tax FY22 FFO guidance of 26.0 cents per security (inclusive of the HomeCo Acquisition Fee which is equivalent to 7.4 cents per security, assuming that 50% of Aventus Securityholders elect to receive the HomeCo Scrip Consideration, but does not reflect any employment cost synergies that are anticipated in subsequent periods).

11 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

12 By property fair value as at 30 June 2021.

13 By property fair value as at 30 June 2021.

14 By property fair value as at 30 June 2021.

15 By property fair value as at 30 June 2021.

16 As at 30 June 2021. Average of HDN and Aventus. Excludes fuel and services tenants for HDN.

17 Adjusted to reflect post balance sheet date disposal of MacGregor.

18 The pro forma impact of the Merger excludes the impact of any refinancing savings. Assumes the Cash Consideration of \$0.285 is reinvested at HDN's last closing price prior to announcement of the Merger of \$1.605 (i.e. 0.178 additional HDN Units are received per Aventus Security). Assuming the Cash Consideration of \$0.285 per Aventus Share is reinvested at HDN's closing price at the Last Practicable Date, Aventus' pro forma FY22 FFO accretion is expected to be 5.1%.

Letter from the Chairman of Aventus Group

The above difference in FFO accretion as a result of electing HomeCo Scrip Consideration (in lieu of receiving the Cash Consideration) is reflective of the nature of the respective investment made, with the election of the HomeCo Scrip Consideration representing an investment in a funds management business with higher growth potential, compared to FFO accretion from the receipt of Cash Consideration which assumes reinvestment into Merged HDN Group which represents a yield generating investment.

Aventus' equivalent NTA value per security is expected to increase +12.0%¹⁹ (or +4.3% assuming 50% election of HomeCo Scrip Consideration) as a result of the Merger.

Depending on the payout ratio adopted by the Merged HDN Group, there is potential for distribution accretion.

Aventus financial impact

METRIC	PRE MERGER	POST MERGER	CHANGE
FFO			
Pro forma FY22 FFO per security	20.3 cents	21.1 cents	+3.8%
Pro forma FY22 FFO per security (assuming 50% election of HomeCo Scrip Consideration, based on updated HomeCo pre-tax FY22 FFO guidance)	20.3 cents	20.5 cents	+0.9%
NTA, NAV and Gearing			
NTA per security ²⁰	\$2.69	\$3.02	+12.0%
NTA per security (assuming 50% election of HomeCo Scrip Consideration)	\$2.69	\$2.81	+4.3%
NAV per security ²¹	\$2.95	\$3.02	+2.3%
NAV per security (assuming 50% election of HomeCo Scrip Consideration)	\$2.95	\$2.83	(3.9%)
Gearing ²²	30.3%	34.5%	+4.2%
Pro forma Gearing ²³	28.7%	34.5%	+5.8%

2. Enhanced credit profile and opportunity for diversification of debt through accessing debt capital markets over the medium term

The Merged HDN Group's enlarged balance sheet and longer portfolio WALE is expected to provide greater funding flexibility and is expected to enhance its ability to access a broader range of funding sources with longer tenor, and the potential for a lower cost of debt.

3. Greater relevance for equity investors through increased scale

The Merged HDN Group will also be of greater relevance to equity investors through its increased scale relative to Aventus on a stand-alone basis.

Based on an expected market capitalisation of approximately \$2.9 billion²⁴, the Merged HDN Group is expected to be eligible for inclusion in the S&P/ASX200 index.

¹⁹ As at 30 June 2021. Pro forma NTA per security assumes Aventus Securityholder receives Cash Consideration. Equivalent NTA value per security under the HomeCo Scrip Consideration is not deemed an appropriate metric given the nature of HomeCo being an asset light funds management business.

²⁰ As at 30 June 2021. Pro forma NTA per security assumes Aventus Securityholder receives Cash Consideration.

²¹ As at 30 June 2021. Pro forma NAV per security assumes Aventus Securityholder receives Cash Consideration.

²² As at 30 June 2021.

²³ Refers to Aventus' pro forma 30 June 2021 Gearing. Refer to section 7.2 for details of pro forma adjustments.

²⁴ Based on the combination of Aventus' and HDN's stand-alone market capitalisations of approximately \$1.9 billion and \$1.1 billion respectively as at the close of trading on the Last Practicable Date.

4. Continuity of Aventus Key Management to the Merged HDN Group

It is proposed that Aventus Key Management will be offered positions with HomeCo, with responsibilities focused on the Merged HDN Group, to facilitate the implementation of the Merger and to manage the Merged HDN Group into its next phase of growth as a leading ASX-listed Daily Needs REIT. Specifically, Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO) will both be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively.

Disadvantages and risks of the Merger

There are disadvantages and risks associated with the Merger, which you should consider before deciding how to vote.

The key disadvantages are:

- change in the nature of the investment of Scheme Securityholders through changing portfolio sub-sector exposure away from Large Format Retail and increased earnings exposure to funds management (for Scheme Securityholders (other than Ineligible Foreign Securityholders) who elect to receive HomeCo Scrip Consideration as an alternative to Cash Consideration);
- change from an internally managed to an externally managed REIT and cessation of the ability to appoint directors and approve management remuneration at an AGM of the Merged HDN Group;
- implementing the Merger is expected to result in material one-off transaction costs of approximately \$47.5 million (excluding HomeCo Acquisition Fee)²⁵ which will be incurred by the Merged HDN Group. These costs are expected to comprise stamp duty, advisory and other ancillary costs. See section 11.11 for further details on transaction costs;
- the Merged HDN Group is expected to have pro forma Gearing (excluding intangibles) of 34.5%²⁶ compared to 30.3% for Aventus on a 30 June 2021 basis. This increase is largely due to HDN's Gearing prior to the Merger being higher than Aventus', and the funding of the material one-off transaction costs. The Merged HDN Group's expected Gearing is within Aventus' target range of 30% to 40%; and
- the Merged HDN Group will have a shorter debt maturity than Aventus on a stand-alone basis. Under the assumptions of the Financial Information contained in this Scheme Booklet, WADE will fall from 4.4 years²⁷ to 3.3 years²⁸. The Merged HDN Group will explore options to extend the WADE over time through alternate funding sources including debt capital markets.

The key risks associated with the Merger and relating to the Merged HDN Group and HomeCo include:

- integration risks and realisation of assumed benefits not being achieved as a result of factors such as unexpected delays, challenges or the loss of key personnel of HomeCo responsible for the management of the Merged HDN Group. There is a risk that management staff of Aventus, including Aventus Key Management of Darren Holland and Lawrence Wong, do not take up positions within HomeCo and cease to be responsible for the management of the Merged HDN Group;
- after the Merger is implemented, Scheme Securityholders being exposed to additional risks relating to HomeCo and HDN. While the operations of Aventus and HDN are similar in many ways, there will be differences between the asset portfolio, capital structure, clients and size of the Merged HDN Group compared to Aventus currently; and
- the exact value of Scheme Consideration being uncertain as it will depend on the price at which HDN Units and HomeCo Securities (for Scheme Securityholders (other than Ineligible Foreign Securityholders) who elect to receive the HomeCo Scrip Consideration as an alternative to the Cash Consideration) trade on the ASX after the Effective Date.

25 Excludes HomeCo Acquisition Fee which is expected to be paid in HDN Units, subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

26 Assumes HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

27 As at 30 June 2021.

28 Refer to section 7.4 for further details on the financing arrangements of the Merged HDN Group.

Letter from the Chairman of Aventus Group

Governance and management

Should the Merger be implemented, the Merged HDN Group will be overseen by an experienced board and managed by a best in class management team, formed through the combination of Aventus and HDN Trustee's boards, and Aventus' and HomeCo's management team.

Upon implementation of the Merger, Darren Holland, the current Aventus Managing Director and CEO, Robyn Stubbs (a current Aventus Independent Non-Executive Director) and Bruce Carter (the current Aventus Independent Non-Executive Chair) will be offered positions on the HDN Trustee Board. It is intended that Bruce Carter will remain on the HDN Trustee Board until December 2022 to facilitate a smooth transition.

The HDN Trustee Board will have a total of eight members, comprising three members of the Aventus Boards (as described above) and five directors from the current HDN Trustee Board. Five out of eight members of the HDN Trustee Board will be independent, including Simon Shakesheff as Independent Non-Executive Chair.

Additionally, Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO) will both be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively.

Independent Expert opinion

The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than the Excluded Securityholders) in the absence of a Superior Proposal. Annexure B of this Scheme Booklet contains a copy of an Independent Expert's Report prepared by Deloitte Corporate Finance. Aventus Securityholders should read the Independent Expert's Report in full before making their own decision on the merits of the Merger.

Board recommendation

The Aventus Boards unanimously consider that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders) and recommend that Aventus Securityholders (other than Excluded Securityholders) vote in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders). Subject to those qualifications, each Aventus Director intends to vote all the Aventus Securities held or controlled by them in favour of the Merger.

Darren Holland (Aventus' Managing Director and CEO) will, if the Merger is implemented, receive consideration with a total value of \$19.9 million in respect of his Aventus Securities and Restricted Aventus Securities (of which \$19.2 million relates to his holding of Aventus Securities and \$0.7 million relates to Restricted Aventus Securities by reason of his management roles). He will also be offered a management position with HomeCo upon implementation of the Merger. Aventus Securityholders should have regard to these arrangements when considering Darren Holland's recommendation (as a member of the Aventus Boards which have provided a unanimous recommendation in favour of the Merger) on the Merger. Given the importance of the Merger and Darren Holland's role in the management of Aventus, the other Aventus Directors consider that it is appropriate that Darren Holland make a recommendation (as a member of the Aventus Boards) on the Merger. Darren Holland also considers that it is appropriate that he make a recommendation (as a member of the Aventus Boards) on the Merger.

BBRC voting intention

Aventus' largest investor, BB Retail Capital (**BBRC**)²⁹, which currently has a 22.6% Relevant Interest in Aventus (as at the Last Practicable Date), has advised that its intention is to vote all of its Aventus Securities in favour of the Merger, based on the disclosed terms of the Merger and in the absence of a Superior Proposal. BBRC's intention to vote is also subject to FIRB approval, no HDN Prescribed Occurrence and no HDN Material Adverse Change conditions in the Scheme Implementation Deed being satisfied and not waived by Aventus prior to the Meetings. See section 12 for definitions of HDN Prescribed Occurrence and HDN Material Adverse Change.

BBRC has also entered into a put and call option agreement with HomeCo over Aventus Securities (the **BBRC Option Agreement**) equivalent to 6.0% of Aventus' issued capital for cash consideration. The Aventus Board does not have any involvement in or influence over the exercise of these options.

²⁹ BBRC's investment comprises Aventus Securities held by BB Retail Capital Pty Ltd as trustee for the Blundy Family Trust and BBFIT Investments Pte Limited.

Next steps

This Scheme Booklet contains important information in relation to the Merger and should be read carefully before making your decision and voting at the Meetings.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision. I encourage you to seek advice from an appropriately licensed professional adviser before making an investment decision in relation to your Aventus Securities and how you vote on the Resolutions.

Votes may be cast in person, by proxy, by attorney, or in the case of a corporation, by its duly appointed corporate representative. Please see the Notices of Meetings in Annexure F of this Scheme Booklet, and the “Key dates, location of Meetings and what to do next” section of this Scheme Booklet for full details on how votes may be cast and timing requirements. Completed proxy forms must be received by the Aventus Securities Registry by no later than 10.00am (Sydney time) on Sunday, 23 January 2022 using any of the means provided for lodging the proxy forms (which includes lodging the form online at www.linkmarketservices.com.au and following the instructions).

Aventus Securityholders who are not Ineligible Foreign Securityholders can elect to receive either \$0.285 cash or 0.038 HomeCo Securities per Aventus Share under the Members’ Scheme (in addition to the 2.20 HDN Units per Aventus Unit issued pursuant to the Trust Scheme) by submitting an Election Form by no later than 7.00pm (Sydney time) on Thursday, 20 January 2022.

Whether the HomeCo Securities are appropriate will depend significantly on the individual characteristics and risk profile of Aventus Securityholders. You should form your own view as to whether you wish to make an Election to receive the HomeCo Securities based on your own individual circumstances, financial situation, taxation position, investment objectives and risk profile.

If you have any questions in relation to the Merger, please contact the Aventus Securityholder Information Line on 1300 490 813 (callers in Australia) or +61 2 9066 4052 (callers outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday, except public holidays.

Conclusion

I am pleased to present this opportunity to Aventus Securityholders and look forward to your participation at the Meetings.

Your vote is important and I encourage you to vote in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).



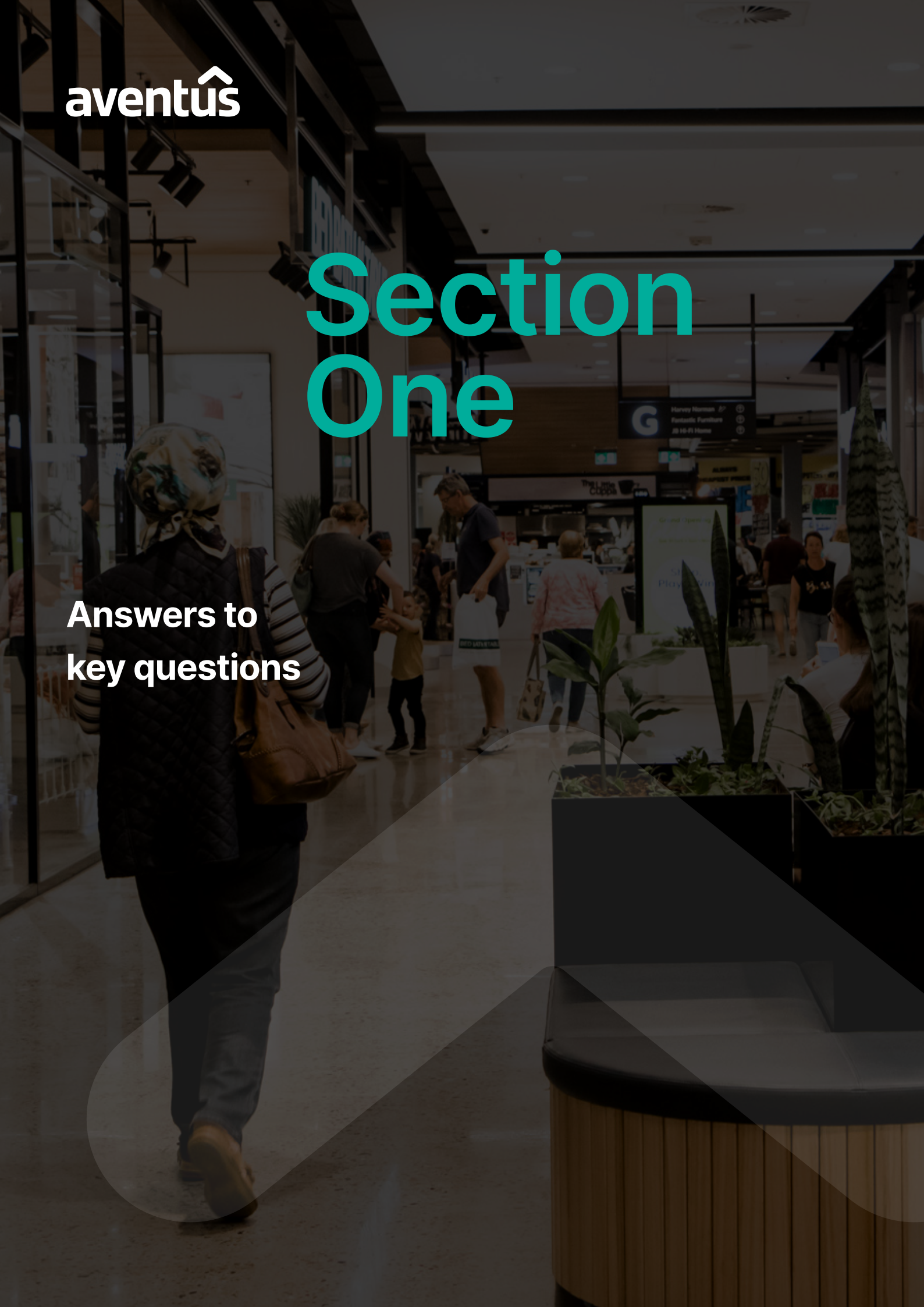
Bruce Carter
Independent Non-Executive Chair
Aventus Group

A handwritten signature in black ink that reads "Bruce Carter". The signature is written in a cursive, flowing style.

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Section One

**Answers to
key questions**



1. Answers to key questions

1.1. Details of the Merger

#	Topic	Summary	Reference
1.	Why have I been sent this Scheme Booklet?	This Scheme Booklet has been sent to you because you are an Aventus Securityholder and you are being asked to vote on the Merger. This Scheme Booklet is intended to help you decide how to vote on the Merger at the Meetings.	Not applicable
2.	What is the Merger?	<p>The Merger involves a merger of Aventus Trust and HDN, and a merger of Aventus Company and HomeCo. Under the terms of the Merger:</p> <ul style="list-style-type: none"> • Aventus Shares and Aventus Units will be unstapled from each other pursuant to the Unstapling; • each Scheme Securityholder's Aventus Units will be exchanged for 2.20 HDN Units per Aventus Unit issued pursuant to the Trust Scheme; and • each Scheme Securityholder's Aventus Shares will be exchanged at their election (unless they are Ineligible Foreign Securityholders) for Cash Consideration of \$0.285 or 0.038 HomeCo Securities per Aventus Share, pursuant to the Members' Scheme. <p>Each HDN Unit and HomeCo Security will trade on the ASX and will rank equally with all existing HDN Units and HomeCo Securities respectively.</p> <p>Ineligible Foreign Securityholders will not be entitled to receive HDN Units or HomeCo Securities, and will receive cash payments instead under the terms of the Schemes and Sale Facility.</p>	Section 2
3.	Who is HDN?	HDN is an ASX-listed externally managed Daily Needs REIT that invests primarily in properties primarily exposed to Neighbourhood Retail, Large Format Retail and Health & Services tenants.	Section 5
4.	Who is HomeCo?	HomeCo is an ASX listed fund manager that invests in high conviction and scaleable real asset strategies. A wholly owned subsidiary of HomeCo, HDN Trustee, is the trustee and responsible entity of HDN.	Section 6
5.	Who is entitled to participate in the Merger?	All Aventus Securityholders on the Aventus Security Register (other than certain Excluded Securityholders) at the Scheme Record Date will become entitled to the Scheme Consideration in respect of the Aventus Securities they hold at that time, subject to the Sale Facility being applicable to Ineligible Foreign Securityholders.	Section 9.4
6.	What if I am a foreign Scheme Securityholder?	<p>If the Merger is implemented:</p> <ul style="list-style-type: none"> • Scheme Securityholders who are Ineligible Foreign Securityholders will receive cash instead of HDN Units for their Aventus Units through the Sale Facility and the terms of the Trust Scheme, and will receive the Cash Consideration for their Aventus Shares (and will not be able to elect to receive the HomeCo Scrip Consideration); and • all other foreign Scheme Securityholders will receive HDN Units for their Aventus Units and at their election either Cash Consideration or HomeCo Scrip Consideration for their Aventus Shares. 	Section 9.8

1. Answers to key questions

#	Topic	Summary	Reference
7.	What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders) in the absence of a Superior Proposal.	Section 2.8
8.	What do the Boards of Aventus recommend Aventus Securityholders do?	<p>The Aventus Boards unanimously recommend that Aventus Securityholders (other than Excluded Securityholders) vote in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).</p> <p>Darren Holland (current Aventus Managing Director and CEO) will, if the Merger is implemented, receive consideration with a total value of \$19.9 million in respect of his Aventus Securities and Restricted Aventus Securities (of which \$19.2 million relates to his holding of Aventus Securities and \$0.7 million relates to Restricted Aventus Securities by reason of his management roles). He will also be offered a role as CEO of the Merged HDN Group. See section 11.5.2 of this Scheme Booklet for details of the implications of the Merger for Darren Holland.</p> <p>Aventus Securityholders should have regard to these arrangements when considering Darren Holland's recommendation (as a member of the Aventus Boards which have provided a unanimous recommendation in favour of the Merger) on the Merger. Given the importance of the Merger and Darren Holland's role in the management of Aventus, the other Aventus Directors consider that it is appropriate that Darren Holland make a recommendation (as a member of the Aventus Boards) on the Merger. Darren Holland also considers that it is appropriate that he make a recommendation (as a member of the Aventus Boards) on the Merger.</p> <p>In considering whether to vote in favour of the Merger, the Aventus Boards encourage you to:</p> <ul style="list-style-type: none"> carefully read all of this Scheme Booklet (including the Independent Expert's Report); have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and obtain advice from your licensed professional advisers on the effect of the Schemes becoming Effective. 	Section 2.7
9.	How do the Aventus Directors intend to vote?	Each Aventus Director intends to vote all Aventus Securities that they hold or control in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).	Section 2.7

#	Topic	Summary	Reference
10.	How does BBRC intend to vote in relation to the Merger?	<p>BBRC, which currently has a 22.6% Relevant Interest in Aventus Securities has advised Aventus, that its intention is to vote all of its Aventus Securities in favour of the Merger, based on the disclosed terms of the Merger and in the absence of a Superior Proposal.¹ BBRC's intention to vote is also subject to FIRB approval, no HDN Prescribed Occurrence and no HDN Material Adverse Change conditions in the Scheme Implementation Deed being satisfied and not waived by Aventus prior to the Meetings.</p> <p>BBRC has also entered into a put and call option agreement with HomeCo over Aventus Securities equivalent to 6.0% of Aventus' issued capital (BBRC Option Agreement) for cash consideration.</p>	Section 11.2
11.	What interest in the Merged HDN Group will be held by BBRC?	<p>As at the Last Practicable Date, BBRC will have a Relevant Interest in the Merged HDN Group of 13.7% if the BBRC Option is not exercised, and 10.1% if the BBRC Option is exercised.</p> <p>While BBRC is foreign, it is not a Ineligible Foreign Securityholder and is therefore eligible to receive HomeCo Scrip Consideration.</p>	Not applicable

1.2. Scheme consideration

#	Topic	Summary	Reference
12.	What will I receive if the Schemes are implemented?	<p>If the Merger is approved, and the Schemes become Effective, for Scheme Securityholders other than Ineligible Foreign Securityholders:</p> <ul style="list-style-type: none"> • each Scheme Securityholder's Aventus Units will be exchanged for 2.20 HDN Units per Aventus Unit issued pursuant to the Trust Scheme; and • each Scheme Securityholder's Aventus Shares will be exchanged for Cash Consideration of \$0.285, or Scheme Securityholders who are not Ineligible Foreign Securityholders can elect to receive 0.038 HomeCo Securities, per Aventus Share pursuant to the Members' Scheme. <p>Each HDN Unit and HomeCo Security will trade on the ASX and will rank equally with all existing HDN Units and HomeCo Securities respectively.</p> <p>Ineligible Foreign Securityholders will not be entitled to receive HDN Units or HomeCo Securities, and will receive cash payment instead under the terms of the Schemes and the Sale Facility.</p> <p>Based on HDN's closing price of \$1.375 on the Last Practicable Date and the Cash Consideration of \$0.285, the exchange ratio implies a value per Aventus Security of \$3.31. Aventus' closing price on the Last Practicable Date was \$3.24.</p> <p>If a Scheme Securityholder elects to receive HomeCo Scrip Consideration instead of Cash Consideration, based on HDN Units and HomeCo Security's closing price of \$1.375 and \$7.25 respectively on 2 December 2021 (being the Last Practicable Date), the exchange ratios implied a value per Aventus Security of \$3.30. Aventus' closing price on the Last Practicable Date was \$3.24.</p>	Sections 2.2, 9.5, 9.7

¹ If the BBRC Option has not been exercised before the time of the Meetings, BBRC intends to vote the Aventus Securities subject to the BBRC Option in favour of the Schemes.

1. Answers to key questions

#	Topic	Summary	Reference
13.	When will I receive my HDN Units and HomeCo Securities?	HDN Units and HomeCo Securities are expected to be issued on the Implementation Date, which is expected to be on or about Monday, 14 February 2022, in accordance with the indicative timetable in the Key dates section.	Key dates, Section 9.7
14.	Can I choose to receive cash instead of HomeCo Securities?	Yes. The default election option is for Scheme Securityholders to receive Cash Consideration of \$0.285 per Aventus Share.	Section 2.2
15.	Can I choose to receive cash instead of HDN Units?	No. There is no option for Scheme Securityholders to elect to receive cash instead of HDN Units. However, once you have received the Scheme Consideration, you may sell some or all of your HDN Units. Ineligible Foreign Securityholders will receive cash under the terms of the Trust Scheme and Sale Facility (instead of receiving HDN Units). Alternatively, you may elect to sell your existing Aventus Securities before the Effective Date.	Section 2.2
16.	How do I make an election to receive cash or HomeCo Securities?	If you are not an Ineligible Foreign Securityholder and you wish to make an Election to receive either the Cash Consideration or the HomeCo Scrip Consideration, you need to either submit an Election Form online at https://events.miraqle.com/avn-scheme or complete a paper Election Form in accordance with the instructions set out in the form and return it to the Aventus Securities Registry by no later than the Election Deadline. If you do not make an Election or make an invalid Election and the Merger is implemented, you will receive the Cash Consideration. Your Election must be made in respect of all your Aventus Securities.	Section 9.8
17.	What should I consider when deciding whether to make an Election to receive the HomeCo Scrip Consideration?	Whether the HomeCo Scrip Consideration is appropriate will depend significantly on the characteristics and risk profile of each individual Aventus Securityholder. You should form your own view as to whether you wish to make an Election to receive the HomeCo Scrip Consideration based on your own individual circumstances, financial situation, taxation position, investment objectives and risk profile. Aventus Securityholders should carefully read section 8 for additional information on the risks associated with an investment in HomeCo and consider obtaining appropriate professional advice before making any Election to receive the HomeCo Scrip Consideration.	Section 8
18.	When will I receive my cash?	The Cash Consideration is expected to be paid on the Implementation Date, which is expected to be on or about Monday, 14 February 2022, in accordance with the indicative timetable in the Key dates section.	Key dates, Section 9.7

#	Topic	Summary	Reference
19.	When will I receive my cash via the Sale Facility if I am an Ineligible Foreign Securityholder?	Scheme Securityholders who are Ineligible Foreign Securityholders will be paid the cash they are entitled to receive under the Sale Facility and the terms of the Merger within five Business Days after the settlement of the sale of Sale Securities has occurred (and not more than 20 Business Days after the Implementation Date).	Section 9.8.3
20.	How will fractional entitlements be treated under the Schemes?	<p>When the calculation of the number of HDN Units and HomeCo Securities issued as Scheme Consideration would result in the issue of a fraction of an HDN Unit or HomeCo Security, the fractional entitlement will:</p> <p><i>HDN Units</i></p> <ul style="list-style-type: none"> • where the entitlement is to half of an HDN Unit or more, be rounded up to the nearest whole number of HDN Unit; and • where the entitlement is to less than half an HDN Unit, be rounded down to the nearest whole number of HDN Units. <p><i>HomeCo Securities</i></p> <ul style="list-style-type: none"> • where the entitlement is to half of a HomeCo Security or more, be rounded up to the nearest whole number of HomeCo Security; and • where the entitlement is to less than half a HomeCo Security, be rounded down to the nearest whole number of HomeCo Security. <p>If HDN Trustee or HomeCo (as applicable) are of the opinion, formed reasonably, that several Scheme Securityholders (each of which holds a holding of Aventus Securities that results in rounding as above) have, before the Scheme Record Date, been party to a securityholding splitting or division in an attempt to obtain an advantage by reference to such rounding, HDN Trustee may direct Aventus Trustee, or HomeCo may direct the Aventus Company, to give notice to those Scheme Securityholders:</p> <ul style="list-style-type: none"> • setting out their names and registered addresses as shown in the Aventus Security Register; • stating that opinion; and • attributing to one of them specifically identified in the notice, the Scheme Securities held by all of them. <p>After such notice has been given, the Scheme Securityholder specifically identified in the notice shall, for the purposes of the Schemes, be taken to hold all those Scheme Securities and each of the other Scheme Securityholders whose names and registered addresses are set out in the notice shall, for the purposes of the Schemes, be taken to hold no Scheme Securities.</p>	Section 9.5

1. Answers to key questions

#	Topic	Summary	Reference
21.	Will I be able to sell any HDN Units and HomeCo Securities?	<p>Once the Schemes become Effective, HDN Units and HomeCo Securities issued under the Schemes are expected to commence trading on the ASX on a deferred settlement basis. Currently, this is expected to occur on Friday, 4 February 2022. Once confirmations of issue for HDN Units and HomeCo Securities have been issued (which will occur on the Implementation Date), trading in HDN Units and HomeCo Securities on the ASX will commence on a normal T+2 settlement basis. This is expected to occur on Monday, 14 February 2022.</p> <p>Section 9.9 of this Scheme Booklet outlines the possible risks associated with trading during the deferred settlement period.</p>	Section 9.9
22.	Do I need to make any payments to HDN or HomeCo to participate in the Merger?	No.	Not applicable
23.	Do I have to pay any brokerage fees to participate in the Merger?	No brokerage will be payable by Scheme Securityholders on the transfer of their Scheme Securities under the Schemes or the receipt by Scheme Securityholders of the Scheme Consideration. If an Aventus Securityholder disposes of their Aventus Securities before the Scheme Record Date or disposes of their HDN Units or HomeCo Securities, including on a deferred settlement basis, brokerage may be payable.	Section 2.10

1.3. Meetings, agreement and approval

#	Topic	Summary	Reference
24.	When and where will the Meetings be held?	The Meetings will be held at 10.00am (Sydney time) on Tuesday, 25 January 2022 at the ANZ Tower, 161 Castlereagh Street Sydney NSW 2000 and online via the online platform at https://agmlive.link/Aventus22 .	Key dates
25.	Who is entitled to vote at the General Meetings?	<p>Aventus Securityholders registered on the Aventus Security Register as at 7.00pm (Sydney time) on Sunday, 23 January 2022 are entitled to attend and vote (if permitted) at the General Meeting of Aventus Shareholders in their capacity as Aventus Shareholders.</p> <p>Aventus Securityholders registered on the Aventus Security Register as at 7.00pm (Sydney time) on Sunday, 23 January 2022 are entitled to attend and vote (if permitted) at the General Meeting of Aventus Unitholders in their capacity as Aventus Unitholders.</p>	Section 9.4

#	Topic	Summary	Reference
		<p>For the purposes of the Resolutions of Aventus Unitholders, Aventus Trustee and its Associates are not entitled to vote any interests in the Aventus Trust they may have, if they have an interest in the Trust Scheme Resolutions other than as a member of Aventus Trust. As at the Last Practicable Date, Aventus Trustee and its Associates do not have any interests in the Aventus Trust.</p> <p>No votes may be cast in favour of the Trust Acquisition Resolution by HDN Trustee and its Associates (unless the Associate is a custodian, nominee, trustee, responsible entity or other fiduciary which has received a specific instruction from a third party beneficiary, who is not an Associate of HDN Trustee, directing the Associate how to vote).</p>	
26.	Who is entitled to vote at the Members' Scheme Meeting?	<p>Each Aventus Securityholder (other than certain Excluded Securityholders) registered on the Aventus Security Register as at 7.00pm (Sydney time) on Sunday, 23 January 2022 is entitled to attend and vote (if permitted) at the Members' Scheme Meeting in their capacity as an Aventus Shareholder.</p> <p>For these purposes, the Excluded Securityholders who are not entitled to vote are Excluded Securityholders who are members of the HomeCo Group or who hold Aventus Securities on behalf of, or for the benefit of, any member of the HomeCo Group and do not hold Aventus Securities on behalf of, or for the benefit of, any other person.</p>	Section 9.4
27.	Why should I vote?	<p>Voting is not compulsory. However, your vote will be important in determining whether the Merger will proceed. The Aventus Boards recommend that you read this Scheme Booklet carefully and vote in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).</p>	Section 2
28.	Can I oppose the Merger at the Second Court Hearing?	<p>Each Aventus Securityholder has the right to appear and make submissions at the Second Court Hearing which is currently scheduled to be held at 3.00pm (Sydney time) on Wednesday, 2 February 2022 at the Supreme Court of New South Wales, 184 Phillip Street, Sydney.</p>	Disclaimer and important notices
29.	Why are there two Schemes?	<p>There are two Schemes because Aventus Securities comprise an Aventus Share stapled to an Aventus Unit, requiring the Merger to be implemented by the following two interdependent Schemes:</p> <ul style="list-style-type: none"> the Members' Scheme, being a scheme of arrangement between Aventus Company and the Scheme Securityholders (as Aventus Shareholders) for the transfer of all of the Aventus Shares to HomeCo; and the Trust Scheme, being an arrangement under which all of the Aventus Units will be transferred to HDN Trustee, facilitated by an amendment to the Aventus Trust Constitution as set out in the Aventus Trust Supplemental Deed. 	Section 2.2

1. Answers to key questions

#	Topic	Summary	Reference																		
30.	What are the Resolutions?	<p>Aventus Securityholders will be asked to consider, and if thought fit, pass the following Resolutions at the Meetings:</p> <table border="1"> <thead> <tr> <th>Resolution</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td colspan="2">General Meeting of Aventus Unitholders (Notice of General Meeting set out in Annexure F)</td> </tr> <tr> <td>Unstapling Resolution</td> <td>a special resolution to approve the Unstapling of Aventus Units from Aventus Shares for the purposes of clause 20.5 of the Aventus Trust Constitution.</td> </tr> <tr> <td>Trust Constitution Amendment Resolution</td> <td>a special resolution under section 601GC(1) of the Corporations Act to approve amendments to the Aventus Trust Constitution to enable the Aventus Trustee to implement the Trust Scheme (as set out in the Aventus Trust Supplemental Deed).</td> </tr> <tr> <td>Trust Acquisition Resolution</td> <td>an ordinary resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by HDN Trustee of all the Aventus Units.</td> </tr> <tr> <td colspan="2">General Meeting of Aventus Shareholders (Notice of General Meeting set out in Annexure F)</td> </tr> <tr> <td>Unstapling Resolution</td> <td>a special resolution to approve the Unstapling of Aventus Shares from Aventus Units for the purposes of clause 16.5 of the Aventus Company Constitution.</td> </tr> <tr> <td colspan="2">Members' Scheme Meeting (Notice of Members' Scheme Meeting set out in Annexure F)</td> </tr> <tr> <td>Members' Scheme Resolution</td> <td>a resolution under s411(4)(a)(ii) of the Corporations Act, to approve the Members' Scheme for the transfer of Aventus Shares to HomeCo.</td> </tr> </tbody> </table> <p>There are no other Resolutions to be considered at the Meetings.</p> <p>Each of the above Resolutions must be approved by the requisite majorities of Aventus Securityholders at the relevant Meetings for the Merger to proceed. See Question 32 for the requisite majorities for each Resolution.</p>	Resolution	Description	General Meeting of Aventus Unitholders (Notice of General Meeting set out in Annexure F)		Unstapling Resolution	a special resolution to approve the Unstapling of Aventus Units from Aventus Shares for the purposes of clause 20.5 of the Aventus Trust Constitution.	Trust Constitution Amendment Resolution	a special resolution under section 601GC(1) of the Corporations Act to approve amendments to the Aventus Trust Constitution to enable the Aventus Trustee to implement the Trust Scheme (as set out in the Aventus Trust Supplemental Deed).	Trust Acquisition Resolution	an ordinary resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by HDN Trustee of all the Aventus Units.	General Meeting of Aventus Shareholders (Notice of General Meeting set out in Annexure F)		Unstapling Resolution	a special resolution to approve the Unstapling of Aventus Shares from Aventus Units for the purposes of clause 16.5 of the Aventus Company Constitution.	Members' Scheme Meeting (Notice of Members' Scheme Meeting set out in Annexure F)		Members' Scheme Resolution	a resolution under s411(4)(a)(ii) of the Corporations Act, to approve the Members' Scheme for the transfer of Aventus Shares to HomeCo.	Section 2.4
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Members' Scheme Resolution	a resolution under s411(4)(a)(ii) of the Corporations Act, to approve the Members' Scheme for the transfer of Aventus Shares to HomeCo.																				

#	Topic	Summary	Reference
31.	What choices do I have as an Aventus Securityholder?	<p>As an Aventus Securityholder, you have the following choices:</p> <ul style="list-style-type: none"> • if you are entitled to vote, you can vote at the Meetings in person at ANZ Tower, 161 Castlereagh Street Sydney NSW 2000, or online via the online platform at https://agmlive.link/Aventus22; • if you are entitled to vote, you can elect not to vote at the General Meetings and/or the Members' Scheme Meeting; • you can sell your Aventus Securities prior to the Effective Date; or • you can do nothing. 	Section 2.5
32.	What voting majorities are required to approve the Merger?	<p>Approval of the Merger will require the approval of each Resolution by the requisite majorities of Aventus Securityholders. In the event that any one or more of the Resolutions is not passed, the Merger will not proceed.</p> <p>For the Unstapling Resolution (Aventus Trust) and Trust Scheme Resolutions to be approved:</p> <ul style="list-style-type: none"> • the Unstapling Resolution (Aventus Trust) must be passed by at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote on the Unstapling Resolution (Aventus Trust); • the Trust Constitution Amendment Resolution must be passed by at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote on the Trust Constitution Amendment Resolution; and • the Trust Acquisition Resolution must be passed by more than 50% of the total number of votes cast by Aventus Securityholders entitled to vote on the Trust Acquisition Resolution. <p>For the purposes of these Resolutions, Aventus Trustee and its Associates are not entitled to vote any interests in the Aventus Trust they may have, if they have an interest in the Resolutions other than as a member of Aventus Trust. As at the Last Practicable Date, Aventus Trustee and its Associates do not have any interests in the Aventus Trust.</p> <p>No votes may be cast in favour of the Trust Acquisition Resolution by HDN Trustee and its Associates (unless the Associate is a custodian, nominee, trustee, responsible entity or other fiduciary which has received a specific instruction from a third party beneficiary, who is not an Associate of HDN Trustee, directing the Associate how to vote).</p> <p>For the Unstapling Resolution (Aventus Company) to be approved:</p> <ul style="list-style-type: none"> • it must be passed by at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote on the Unstapling Resolution (Aventus Company). <p>For the Members' Scheme Resolution to be approved, it must be passed by:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of Aventus Securityholders (other than certain Excluded Securityholders) entitled to vote on the Members' Scheme Resolution; and • at least 75% of the total number of votes cast on the Members' Scheme Resolution by Aventus Securityholders (other than certain Excluded Securityholders) entitled to vote on the Members' Scheme Resolution. <p>For these purposes, the Excluded Securityholders who are not entitled to vote are Excluded Securityholders who are members of the HomeCo Group or who hold Aventus Securities on behalf of, or for the benefit of, any member of the HomeCo Group and do not hold Aventus Securities on behalf of, or for the benefit of, any other person.</p>	Section 2.5

1. Answers to key questions

#	Topic	Summary	Reference
33.	Are there any conditions to the Merger?	<p>Implementation of the Merger is subject to a number of Conditions Precedent, including:</p> <ul style="list-style-type: none"> • BBRC obtaining approval from FIRB; • necessary ASIC and ASX approvals and exemptions being obtained; • Aventus Securityholders approving all the Resolutions by the requisite majorities and HDN Unitholders approving the Reverse Takeover Resolution by the requisite majority; • the Independent Expert concluding (and not changing its conclusion) that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders); • the Court approving the Members' Scheme and providing the Second Judicial Advice; • no court or Government Agency restraints that prevent implementation of the Merger; • no Aventus Prescribed Occurrences or HDN Prescribed Occurrences; • no Aventus Material Adverse Changes or HDN Material Adverse Change; • the HDN Units and HomeCo Securities to be issued pursuant to the Trust Scheme and the Members' Scheme (respectively) being approved for official quotation by ASX; and • receipt of an ATO class ruling in respect of rollover relief in relation to Aventus Units. <p>The Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed. In addition to the Conditions Precedent, the parties to the Scheme Implementation Deed have agreed to engage with the ACCC in relation to the Merger.</p> <p>The Merger will not proceed unless all the Conditions Precedent are satisfied (or waived, if applicable) before 15 May 2022 (or such later date as Aventus, HDN Trustee and HomeCo may agree) in accordance with the Scheme Implementation Deed.</p> <p>The Merger is not subject to any due diligence or financing conditions.</p>	Section 2.3
34.	What happens if a Competing Proposal for Aventus emerges?	<p>If a Competing Proposal for Aventus emerges, the Aventus Boards, having regard to their obligations under the Scheme Implementation Deed (including the "no talk" and their "no shop" restrictions as stipulated therein), will consider the merits of that proposal.</p> <p>If the Aventus Boards consider the Competing Proposal is a Superior Proposal, then:</p> <ul style="list-style-type: none"> • Aventus Securityholders will be informed through an announcement on the ASX; and • the Aventus Boards will carefully consider the Superior Proposal and will provide you with a detailed recommendation in relation to it. 	Not applicable

#	Topic	Summary	Reference
35.	What happens if HDN Unitholder approval is not received?	HDN Unitholder approval of the Reverse Takeover Resolution in accordance with ASX Listing Rules is a condition to the Merger being implemented.	Section 2.3
36.	When is the break fee payable?	<p>Under the Scheme Implementation Deed:</p> <ul style="list-style-type: none"> • Aventus Trustee and Aventus Company must pay HDN Trustee and HomeCo Reimbursement Fees totalling \$21.78 million (\$20.15 million attributable to Aventus Trustee and \$1.63 million attributable to Aventus Company) if certain specified events occur, including if a majority of the Aventus Boards recommend or promote a Competing Proposal; • HDN Trustee and HomeCo must pay to Aventus Reverse Reimbursement Fees totalling \$21.78 million (\$20.15 million attributable to HDN Trustee and \$1.63 million attributable to HomeCo) if certain events occur, including a material breach of the Scheme Implementation Deed by HDN Trustee or HomeCo or a breach of certain warranties that HDN Trustee or HomeCo has given or where HDN Unitholders do not approve the Reverse Takeover Resolution where a HDN Competing Proposal has been announced; and • If HDN Unitholders fail to approve the Reverse Takeover Resolution by 8 May 2022, unless the Reverse Reimbursement Fee is payable, HDN Group must reimburse Aventus for all external costs and expenses incurred and payable to a third party in relation to the Merger up to a maximum of \$5 million. 	Sections 2.11, 11.1.5
37.	What happens if I do not vote or vote against the Merger?	<p>If you do not vote, or if you vote against the Merger or any of the Resolutions, then the Merger may not be approved. The Merger cannot be implemented unless all Resolutions are passed by the requisite majorities of Aventus Securityholders at the General Meetings and Members' Scheme Meeting.</p> <p>However, even if you do not vote or vote against any of the Resolutions, this does not mean the Merger will not be approved.</p> <p>If the Resolutions are passed by the requisite majorities (even if you did not vote, or voted against the Merger) and you are a Scheme Securityholder, then if the Merger is implemented, you will be bound by the Merger and HDN Trustee will acquire your Aventus Units, HomeCo will acquire your Aventus Shares and you will receive as the Scheme Consideration HDN Units and Cash Consideration of \$0.285 or, if you are a Scheme Securityholder who is not an Ineligible Foreign Securityholder and you elect to receive the HomeCo Scrip Consideration, 0.038 HomeCo Securities per Aventus Security.</p> <p>If you are an Ineligible Foreign Securityholder, you will receive cash for your HDN Units under the terms of the Trust Scheme and Sale Facility and will not be able to elect to receive the HomeCo Securities.</p>	Not applicable

1. Answers to key questions

#	Topic	Summary	Reference
38.	What happens if the Resolutions are not approved?	<p>If any of the Resolutions are not approved by the requisite majorities of Aventus Securityholders at the General Meetings or the Members' Scheme Meeting or any of the other Conditions Precedent are not satisfied or waived (if applicable):</p> <ul style="list-style-type: none"> • the Merger will not take place; • Aventus will remain listed on the ASX; • the expected benefits of the Merger will not be realised and the disadvantages and risks associated with the Merger will not arise (although Aventus Securityholders will continue to be exposed to the risks associated with holding Aventus Securities); • Scheme Securityholders will not receive the Scheme Consideration; • you will retain your Aventus Securities and the Unstapling will not occur; • the Reimbursement Fee may be payable by Aventus to HDN Trustee and HomeCo under certain circumstances. Those circumstances will not include the failure by Aventus Securityholders to pass the Resolutions at the Meetings; • the Reverse Reimbursement Fee may be payable by HDN Trustee and HomeCo to Aventus under certain circumstances; and • Aventus Units and Aventus Shares will continue to be stapled and trade on ASX with management continuing to implement the business plan and financial and operating strategies it had in place prior to Aventus' announcement of its entry into the Scheme Implementation Deed on Monday, 18 October 2021. • Aventus will bear transaction costs which it has incurred or committed to, which are estimated at \$5.6 million in relation to the Merger. <p>It is also possible that the price of Aventus Securities may fall if the Merger is not implemented. On the Last Practicable Date, the closing price of Aventus Securities was 2.1% lower than it was on 15 October 2021.</p>	Section 2.11
39.	What are the transactions costs associated with the Merger?	<p>Implementing the Merger is assumed to result in material one-off transaction costs of approximately \$47.5² million (excluding HomeCo Acquisition Fee) to be incurred by the Merged HDN Group.</p> <p>These costs are expected to comprise stamp duty, advisory fees and other implementation costs.</p> <p>Aventus has incurred or committed to one-off transaction costs of approximately \$5.6 million in relation to the Merger. These costs will be payable by Aventus regardless of whether the Merger is implemented or not.</p>	Sections 3.3.3, 11.11

² Excludes HomeCo Acquisition Fee which is assumed to be paid in HDN Units, subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

#	Topic	Summary	Reference
40.	What is the HomeCo Acquisition Fee?	<p>The HomeCo Acquisition Fee is a one-off \$22.3 million acquisition fee payable by the Merged HDN Group to HomeCo if the Merger is implemented.</p> <p>This fee is payable under the Investment Management Agreement. HDN Trustee is seeking HDN Unitholder approval to amend the Investment Management Agreement to permit the acquisition fee to be paid in cash or HDN Units or a combination of both (at the election of the Investment Manager). The impact of the HomeCo Acquisition Fee on Aventus Securityholders was taken into account by the Aventus Boards when negotiating improved transaction terms. If HDN Unitholder approval for these amendments is obtained, the Investment Manager intends to elect for HomeCo to receive the HomeCo Acquisition Fee in HDN Units.</p>	Section 5.12.2

1.4. HDN Units, Cash Consideration, HomeCo Securities and the Merged HDN Group

#	Topic	Summary	Reference
41.	What are HDN Units?	<p>For every Aventus Unit held, Scheme Securityholders (other than Ineligible Foreign Securityholders) will be issued 2.20 HDN Units which will be quoted for trading on the ASX.</p> <p>HDN Units are fully paid units in HDN, a unit trust registered as a registered managed investment scheme under the Corporations Act.</p>	Section 5
42.	What is the Cash Consideration?	For every Aventus Share held, Scheme Securityholders who elect to receive the Cash Consideration, and Ineligible Foreign Securityholders, will receive \$0.285 per Aventus Security.	Section 9.7.2
43.	What are HomeCo Securities?	<p>For every Aventus Share held, Scheme Securityholders (other than Ineligible Foreign Securityholders) who elect to receive HomeCo Securities as an alternative to the Cash Consideration, will be issued 0.038 HomeCo Securities which will be quoted for trading on the ASX.</p> <p>HomeCo Securities will either comprise fully paid ordinary shares in Home Consortium Limited (HCL) and Home Consortium Developments Limited (HCDL), which are quoted for trading on the ASX as a stapled security, or if the HomeCo Restructure is implemented before the Effective Date, fully paid ordinary shares in HCL. Subject to relevant conditions precedent being satisfied or waived, the HomeCo Restructure is expected to be implemented by Wednesday, 29 December 2021.</p>	Sections 6, 9.7.1
44.	Are any pre-emptive rights or other material rights triggered by the Merger?	Aventus considers that pre-emptive rights in material agreements relating to assets are not triggered by the Merger.	Section 5.12

1. Answers to key questions

#	Topic	Summary	Reference
45.	What will be the strategy of the Merged HDN Group?	<p>The Merged HDN Group's objective will be to provide investors with exposure to a portfolio of stabilised, predominantly metro-located and convenience-based assets targeting consistent and growing distributions.</p> <p>The Merged HDN Group intends to achieve its objectives by:</p> <ul style="list-style-type: none"> • maintaining high quality and defensive exposure across target sub-sectors (Neighbourhood Retail, Large Format Retail and Health & Services), tenants and geographies; • employing a Model Portfolio construction informed by long-term historical returns across sub-sectors; • pursuing acquisition and development opportunities across target sectors; and • maintaining an appropriate capital structure. 	Section 5.1.2
46.	What will be the strategy of the HomeCo Group post Merger?	<p>Post Merger the HomeCo Group will continue to implement its strategy to become a capital light fund manager looking to grow its external funds under management. Aventus Company is also a fund manager, so the Merger is consistent with HomeCo's strategy.</p>	Section 6.2
47.	What will the Merged HDN Group's financing structure be?	<p>The Merged HDN Group will target Gearing of between 30% and 40%, with the ability to exceed the top end of the range, provided Gearing will be reduced to below 40% within a reasonable period of time. The Merged HDN Group is expected to have pro forma Gearing (excluding intangibles) of 34.5% on a 30 June 2021 basis³.</p>	Section 5.4
48.	How will the existing financing arrangements of Aventus and HDN be dealt with by the Merged HDN Group?	<p>The Financial Information assumes all existing financing facilities of HDN and Aventus Trust will be rolled into the Merged HDN Group. In the event that any of the existing lenders of either HDN or Aventus Trust do not wish to roll their debt into the Merged HDN Group, HDN will utilise a backstop facility provided by the Underwriter to replace any departing lenders' existing debt facility (Backstop Facility). As such, the Merger is not subject to any financing conditions.</p> <p>The Backstop Facility is in place to assist with the refinance of existing debt facilities and include a 2 year \$600 million term loan facility, the existing HDN 3 year existing \$250 million revolver facility upsized to \$470 million and a 5 year \$550 million term loan facility.</p>	Section 5.4
49.	What will the HomeCo Group's financing structure be post Merger?	<p>As HomeCo transitions to a capital light funds management business, it is targeting Gearing below its previously stated range of 30% to 40%. Prior to implementation of the Merger HomeCo's Gearing is 0%, although it may increase depending on the election of Aventus Securityholders to receive cash or HomeCo Scrip Consideration.</p> <p>HomeCo currently has a \$375 million senior secured facility expiring in November 2023 which is currently undrawn.</p>	Section 6.4.1, 6.4.2

³ Assumes HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

#	Topic	Summary	Reference
50.	Who will be on the board of directors of the Merged HDN Group following implementation of the Merger?	<p>Darren Holland (current Aventus Managing Director and CEO), Robyn Stubbs (a current Aventus Independent Non-Executive director) and Bruce Carter (the current Aventus Independent Non-Executive Chair) are expected to be offered positions on the HDN Trustee Board on implementation of the Merger. It is intended that Bruce Carter will join the HDN Trustee Board until December 2022 to facilitate a smooth transition.</p> <p>In addition to the three members of the Aventus Boards outlined above, the HDN Trustee Board will also comprise:</p> <ul style="list-style-type: none"> • Simon Shakesheff (Independent Non-Executive Chair); • David Di Pilla (Non-Executive Director); • Simon Tuxen (Independent Non-Executive Director); • Greg Hayes (Non-Executive Director); and • Stephanie Lai (Independent Non-Executive Director). <p>Following implementation of the Merger, five out of eight members of the HDN Trustee Board will be independent, including an independent chair.</p>	Section 5.8
50.	Who will comprise the management of the Merged HDN Group following implementation of the Merger?	<p>Following implementation of the Merger, the Merged HDN Group will continue to be externally managed by HomeCo. It is proposed that Aventus Key Management are expected to be offered positions with HomeCo, with responsibilities focused on the Merged HDN Group, to commence following the Implementation Date.</p> <p>Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO) will both be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively.</p>	Section 5.8
52.	If the Merger is implemented, when could I expect to receive a distribution or dividend?	<p>Assuming the Merger is implemented prior to the record date for the March 2022 HDN distribution, the first distribution of the Merged HDN Group is expected to be in respect of the quarter ending 31 March 2022 and paid to all HDN Unitholders, including Scheme Securityholders, who hold HDN Units at the relevant record date in 2022.</p> <p>HomeCo intends to declare an interim dividend for the 6 months to 31 December 2021 prior to implementation of the Merger, with payment to follow on a date to be announced when the interim dividend is declared. Scheme Securityholders will not be eligible to receive this interim dividend.</p> <p>HomeCo also intends to pay a dividend of 6.0 cents per HomeCo Security for the period 6 months to June 2022. If you receive the HomeCo Scrip Consideration and hold HomeCo Securities at the relevant record date, you will be entitled to receive this dividend.</p>	Sections 5.5, 6.5

1. Answers to key questions

1.5. Benefits, disadvantages and key risks


#	Topic	Summary	Reference
53.	What are the benefits of the Merger?	<p>The Aventus Boards believe the Merger will provide Scheme Securityholders with an enhanced investment proposition relative to Aventus on a stand-alone basis, including:</p> <p>Portfolio benefits</p> <ul style="list-style-type: none"> • Increased portfolio scale and expertise; • Improved growth opportunities; • Increased asset, geographic and tenant diversification; • Potential for future last mile logistics infrastructure; and • Improved security of income. <p>Financial and operational benefits</p> <ul style="list-style-type: none"> • Earnings and NTA accretion, with the potential for higher distributions; • Enhanced credit profile and opportunity for diversification of debt through; accessing debt capital markets over the medium term; • Greater relevance for equity investors through increased scale including as a result of being eligible for inclusion in the S&P/ASX 200 index; and • It is proposed that Aventus Key Management will be offered positions with HomeCo, with responsibilities focused on the Merged HDN Group. 	Section 3.2
54.	What are the disadvantages of the Merger?	<p>The Merger also has certain disadvantages, which include:</p> <ul style="list-style-type: none"> • Change in the nature of investment of Scheme Securityholders; • Change from an internally managed to an externally managed REIT • Results in material transaction costs to be incurred; • The Merged HDN Group is expected to have higher Gearing than Aventus on a stand-alone basis; and • Shorter debt maturity. 	Section 3.3
55.	What are the key risks associated with the Merger and the Merged HDN Group?	<p>The key risks associated with the Merger and relating to the Merged HDN Group and HomeCo include:</p> <ul style="list-style-type: none"> • integration risks and realisation of assumed benefits not being achieved as a result of factors such as unexpected delays, challenges or the loss of key personnel of HomeCo responsible for the management of the Merged HDN Group. There is a risk that management staff of Aventus, including Aventus Key Management of Darren Holland and Lawrence Wong, do not take up positions within HomeCo and cease to be responsible for the management of the Merged HDN Group; • after the Merger is implemented, Scheme Securityholders being exposed to additional risks relating to HomeCo and HDN. While the operations of Aventus and HDN are similar in many ways, there will be differences between the asset portfolio, capital structure, clients and size of the Merged HDN Group compared to Aventus currently; and • the exact value of Scheme Consideration being uncertain as it will depend on the price at which HDN Units and HomeCo Securities (for Scheme Securityholders who elect to receive the HomeCo Scrip Consideration as an alternative to the Cash Consideration) trade on the ASX after the Effective Date. 	Section 8

1.6. Other questions

#	Topic	Summary	Reference
56.	Can I sell my existing Aventus Securities now?	<p>You can sell your Aventus Securities on-market at any time before the close of trading on the ASX on the Effective Date at the prevailing market price.</p> <p>The Effective Date will be after the Court has approved the Members' Schemes. The Effective Date is expected to be Thursday, 3 February 2022.</p>	Not applicable.
57.	What are the Australian tax implications of the Schemes for Scheme Securityholders?	<p>The Schemes may give rise to a CGT event for Scheme Securityholders who should realise either a capital gain or a capital loss. Any capital gain made by Australian resident Scheme Securityholders may be eligible for scrip for scrip rollover relief. A class ruling is being sought from the ATO confirming the extent to which scrip for scrip rollover relief is available.</p> <p>For detailed tax implications of the Merger, refer to the Taxation Report in section 10 which sets out the general Australian taxation implications for Scheme Securityholders in respect of the Merger.</p> <p>If you are in doubt about the tax implications of the Merger, you should consult an appropriately licensed professional adviser without delay.</p>	Section 10
58.	Will Aventus Securityholders be entitled to scrip for scrip CGT rollover relief as part of the Merger?	<p>A class ruling is being sought from the ATO which seeks to confirm the extent to which scrip for scrip rollover relief is available.</p>	Section 10.4
59.	Where can I get further information?	<p>If, after reading this Scheme Booklet, you have any questions about the Merger, you should call the Aventus Securityholder Information Line on 1300 490 813 (callers in Australia) or +61 2 9066 4052 (callers outside Australia) between 9.00am and 5.00pm (Sydney time) Monday to Friday, except public holidays.</p> <p>If you are in doubt as to what you should do, you should consult an appropriately licensed professional adviser without delay.</p>	Not applicable

Section Two

Summary of
the Merger



tuggerah
SuperCentre



tuggerah
SuperCentre



welcome

2. Summary of the Merger

2.1. Background and alternatives to the Merger

In September 2021, Aventus received an unsolicited, non-binding and indicative proposal from HomeCo and HDN Trustee in relation to a potential merger. To assess the merits of the proposal, the Aventus Boards implemented an extensive process to determine whether a compelling transaction for Aventus Securityholders could be developed. The process considered alternatives to the Merger, including the continued operation and ownership of Aventus in its current form, as well as other potential control transactions.

The assessments of the merits of the proposed Merger involved:

- an exchange of information between Aventus, HomeCo and HDN Trustee to facilitate a due diligence process on Aventus, HDN and HomeCo;
- an assessment of the proposed Merger relative to Aventus' strategic landscape and alternatives, and
- a detailed assessment of the proposed Merger to provide Aventus with a high level of confidence in the strategic rationale underlying the creation of the Merged HDN Group, including but not limited to:
 - the complementary nature of the assets within the Merged HDN Group;
 - the complementary nature of management expertise within the Merged HDN Group;
 - capabilities of HomeCo as a manager of the Merged HDN Group;
 - consideration of feedback from Aventus' largest investor BBRC;
 - the ability of the Merged HDN Group to unlock the potential future value of the Merged HDN Group's assets; and
 - the Merged HDN Group's ability to benefit from increased scale.

Subsequently on 18 October 2021, Aventus, HomeCo and HDN Trustee announced that they had entered into the Scheme Implementation Deed (released to the ASX in full on that date), whereby Aventus agreed to propose the Unstapling and the Schemes to Aventus Securityholders in order to give effect to the Merger.

A summary of the Scheme Implementation Deed is set out in section 11.1 of this Scheme Booklet.

2.2. Overview of the Merger

The Merger involves the Unstapling of Aventus Securities into Aventus Units and Aventus Shares followed by their acquisition by HDN Trustee and HomeCo respectively, as described in this section 2.2 and section 9 of this Scheme Booklet. It is proposed that the Merger will be implemented as follows:

Component of the Merger	Description
Unstapling	Unstapling will involve the termination of stapling of Aventus Units and Aventus Shares.
Trust Scheme (concurrently with the Members' Scheme)	Immediately following the Unstapling, each Aventus Unit will be exchanged for 2.20 HDN Units.
Members' Scheme (concurrently with the Trust Scheme)	Immediately following the Unstapling, each Aventus Share will be exchanged for \$0.285 cash or 0.038 HomeCo Securities.

For Scheme Securityholders who are not Ineligible Foreign Securityholders:

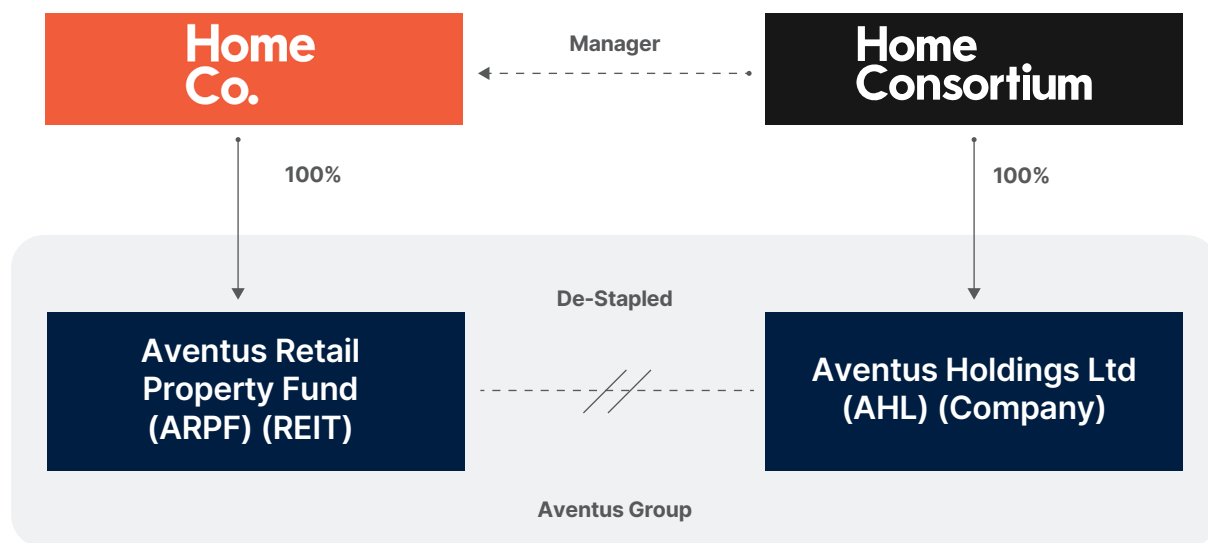
- each Scheme Securityholder's Aventus Units will be exchanged for 2.20 HDN Units per Aventus Unit issued pursuant to the Trust Scheme; and
- each Scheme Securityholder's Aventus Shares will be exchanged at their election for Cash Consideration of \$0.285 or 0.038 HomeCo Securities per Aventus Share pursuant to the Members' Scheme.

Ineligible Foreign Securityholders will not be entitled to receive HDN Units or HomeCo Securities, and will receive cash payments instead under the terms of the Schemes and the Sale Facility.

2. Summary of the Merger

Each HDN Unit issued under the Trust Scheme will trade on the ASX and will rank equally with all existing HDN Units. Each HomeCo Security issued under the Members' Scheme will trade on the ASX and will rank equally with all existing HomeCo Securities.

If the Merger is implemented, the structure of the Merged HDN Group and HomeCo will be as follows:



2.3. Conditions of the Merger

Implementation of the Merger is subject to a number of Conditions Precedent, including:

- BBRC obtaining approval from FIRB;
- necessary ASIC and ASX approvals and exemptions being obtained;
- Aventus Securityholders approving all the Resolutions by the requisite majorities and HDN Unitholders approving the Reverse Takeover Resolution by the requisite majority;
- the Independent Expert concluding (and not changing its conclusion) that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders);
- the Court approving the Members' Scheme and providing the Second Judicial Advice;
- no court or Government Agency imposes restraints that prevent implementation of the Merger;
- no Aventus Prescribed Occurrences or HDN Prescribed Occurrences;
- no Aventus Material Adverse Changes or HDN Material Adverse Change;
- the HDN Units and HomeCo Securities to be issued pursuant to the Trust Scheme and the Members' Scheme (respectively) being approved for official quotation by ASX; and
- receipt of an ATO class ruling in respect of rollover relief in relation to Aventus Units.

The Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed. In addition to the Conditions Precedent, the parties to the Scheme Implementation Deed have agreed to engage with the ACCC in relation to the Merger.

The Merger will not proceed unless all the Conditions Precedent are satisfied (or waived, if applicable) before 15 May 2022 (or such later date as Aventus, HDN Trustee and HomeCo may agree) in accordance with the Scheme Implementation Deed.

As at the date of this Scheme Booklet, the Conditions Precedent relating to ASIC and ASX relief have been satisfied. As far as Aventus is aware, as at the date of this Scheme Booklet no circumstances have occurred which will cause any of the Conditions Precedent not to be satisfied.

2.3.1. FIRB approval

As at the date of this Scheme Booklet, the Treasurer of the Commonwealth of Australia has not yet provided notice to BBRC that the Commonwealth Government has no objection to the Merger under the *Foreign Acquisitions and Takeovers Act 1975* (Cth). An update on the status of the FIRB approval will be provided at the Meetings.

2.3.2. Reverse Takeover Resolution

As the number of HDN Units that will be issued as Scheme Consideration under the Trust Scheme will exceed HDN's 15% placement capacity under Listing Rule 7.1 (and the exception for issues of securities as consideration under a scheme is not available, as the number of HDN Units that will be issued will exceed 100% of the HDN Units currently on issue), HDN Unitholder approval is required before the HDN Units can be issued as Scheme Consideration to Aventus Securityholders. HDN Unitholders passing the Reverse Takeover Resolution by the requisite majority is a Condition Precedent to the Merger.

The Reverse Takeover Resolution must be passed by more than 50% of the total number of votes cast by HDN Unitholders who are eligible to vote. HDN Trustee will convene a meeting of HDN Unitholders to consider and vote on the Reverse Takeover Resolution on or about 24 January 2022. An update on the outcome of the vote on the Reverse Takeover Resolution will be provided at the Meetings.

HDN Trustee and HomeCo will be required to pay a Reverse Reimbursement Fee of \$20.15 million and \$1.63 million to the Aventus Trustee and Aventus Company respectively, if a HDN Competing Proposal has been announced and the Reverse Takeover Resolution is not passed at the HDN Meeting.

If HDN Unitholders fail to approve the Reverse Takeover Resolution by 8 May 2022, unless the Reverse Reimbursement Fee is payable, HDN Group must reimburse Aventus for all external costs and expenses incurred and payable to a third party in relation to the Merger up to a maximum of \$5 million.

2.3.3. ATO class ruling

Aventus has applied for the ATO class ruling as to availability of scrip for scrip rollover. As at the date of this Scheme Booklet, the ATO has not yet provided the class ruling. An update on the status of the ATO class ruling will be provided at the Meetings.

2.4. Aventus Securityholder approvals

Aventus Securityholders will be asked to consider, and if thought fit, pass the following Resolutions at the Meetings:

Resolution	Description
General Meeting of Aventus Unitholders (Notice of General Meeting set out in Annexure F)	
Unstapling Resolution	a special resolution to approve the Unstapling of Aventus Units from Aventus Shares for the purposes of clause 20.5 of the Aventus Trust Constitution.
Trust Scheme Resolutions	
<ul style="list-style-type: none"> Trust Constitution Amendment Resolution 	a special resolution under section 601GC(1) of the Corporations Act to approve amendments to the Aventus Trust Constitution to enable Aventus Trustee to implement the Trust Scheme (as set out in the Aventus Trust Supplemental Deed).

2. Summary of the Merger

<ul style="list-style-type: none">Trust Acquisition Resolution	an ordinary resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by HDN Trustee of all the Aventus Units.
General Meeting of Aventus Shareholders (Notice of General Meeting set out in Annexure F)	
Unstapling Resolution	a special resolution to approve the Unstapling of Aventus Shares from Aventus Units for the purposes of clause 16.5 of the Aventus Company Constitution.
Members' Scheme Meeting (Notice of Members' Scheme Meeting set out in Annexure F)	
Members' Scheme Resolution	a resolution under s411(4)(a)(ii) of the Corporations Act, to approve the Members' Scheme for the transfer of Aventus Shares to HomeCo.

2.5. Required voting majorities and entitlements to vote

2.5.1. Persons entitled to vote at the General Meeting of Aventus Unitholders

Subject to the voting restrictions set out below, each Aventus Securityholder, registered on the Aventus Security Register as at 7.00pm (Sydney time) on Sunday, 23 January 2022, is entitled to attend and vote, in their capacity as an Aventus Unitholder, at the General Meeting of Aventus Unitholders either in person, by proxy, by attorney or, in the case of a body corporate, by its corporate representative appointed in accordance with section 253B of the Corporations Act.

In accordance with section 253E of the Corporations Act, the Aventus Trustee and its Associates are not entitled to vote any interests in the Aventus Trust that they may have, if they have an interest in the Unstapling Resolution (Aventus Trust), Trust Constitution Amendment Resolution or the Trust Acquisition Resolution other than as a member of the Aventus Trust. As at the Last Practicable Date, Aventus Trustee and its Associates do not have any interests in the Aventus Trust.

2.5.2. Voting requirements for the Resolutions to be considered at the General Meeting of Aventus Unitholders

For the Unstapling Resolution (Aventus Trust) to be approved, it must be passed by at least 75% of the total number of votes cast at the General Meeting by Aventus Securityholders entitled to vote on the Unstapling Resolution.

For the Trust Scheme Resolutions to be approved:

- the Trust Constitution Amendment Resolution must be passed by at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote on the Trust Constitution Amendment Resolution; and
- the Trust Acquisition Resolution must be passed by more than 50% of the total number of votes cast by Aventus Securityholders entitled to vote on the Trust Acquisition Resolution.

No votes may be cast in favour of the Trust Acquisition Resolution by HDN Trustee and its Associates (unless the Associate is a custodian, nominee, trustee, responsible entity or other fiduciary which has received a specific instruction from a third party beneficiary, who is not an Associate of HDN Trustee, directing the Associate how to vote).

2.5.3. Persons entitled to vote at the General Meeting of Aventus Shareholders

Each Aventus Securityholder, registered on the Aventus Security Register as at 7.00pm (Sydney time) on Sunday, 23 January 2022, is entitled to attend and vote, in their capacity as an Aventus Shareholder, at the General Meeting of Aventus Shareholders either in person, by proxy, by attorney or, in the case of a body corporate, by its corporate representative appointed in accordance with section 250B of the Corporations Act.

2.5.4. Voting requirements for the Resolutions to be considered at the General Meeting of Aventus Shareholders

For the Unstapling Resolution (Aventus Company) to be approved, it must be passed by at least 75% of the total number of votes cast at the General Meeting by Aventus Securityholders entitled to vote on the Unstapling Resolution.

2.5.5. Persons entitled to vote at the Members' Scheme Meeting

Each Aventus Securityholder (other than certain Excluded Securityholders), registered on the Aventus Security Register as at 7.00pm (Sydney time) on Sunday, 23 January 2022, is entitled to attend and vote in their capacity as an Aventus Shareholder, at the Members' Scheme Meeting either in person, by proxy, by attorney or, in the case of a body corporate, by its duly appointed corporate representative.

2.5.6. Voting requirements for the resolution to be considered at the Members' Scheme Meeting

The Members' Scheme Resolution must be passed by:

- a majority in number (more than 50%) of Aventus Securityholders (other than certain Excluded Securityholders) entitled to vote on the Members' Scheme Resolution present and voting (in person or by proxy, attorney or corporate representative); and
- at least 75% of the total number of votes cast on the Members' Scheme Resolution by Aventus Securityholders (other than certain Excluded Securityholders) entitled to vote on the Members' Scheme Resolution.

For these purposes, the Excluded Securityholders who are not entitled to vote are Excluded Securityholders who are members of the HomeCo Group or who hold Aventus Securities on behalf of, or for the benefit of, any member of the HomeCo Group and do not hold Aventus Securities on behalf of, or for the benefit of, any other person.

2.5.7. Excluded Securityholders

An Excluded Securityholder will not vote on certain Resolutions at the General Meetings and at the Members' Scheme Meeting. For these purposes, an Excluded Securityholder is any Aventus Securityholder who is a member of the HDN Group or HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group or HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person.

As at the date of this Scheme Booklet, neither HomeCo nor HDN Trustee (nor their related bodies corporate) is an Aventus Securityholder. As set out in section 11.3, HomeCo has acquired a relevant interest in 34,243,758 Aventus Securities by virtue of the entry in to the BBRC Option Agreement.

HomeCo and HDN Trustee have advised Aventus that they will provide any approval that is considered necessary or desirable as a holder of Aventus Securities to give effect to the Members' Scheme and the Trust Scheme.

2.6. Court approval

In the event that:

- the Resolutions are approved by the requisite majorities of Aventus Securityholders at the Meetings; and
- all other Conditions Precedent (except Court approval of the Members' Scheme and the Second Judicial Advice) have been satisfied (or waived, if applicable),

Aventus Trustee and Aventus Company will apply to the Court for orders approving the Members' Scheme and for the Second Judicial Advice at the Second Court Hearing.

Each Aventus Securityholder has the right to appear at the Second Court Hearing.

2. Summary of the Merger

2.7. Aventus Directors' recommendation and voting intentions

The Aventus Boards unanimously consider the Merger to be in the best interests of Aventus Securityholders (other than Excluded Securityholders) and recommend that Aventus Securityholders (other than Excluded Securityholders) vote in favour of the Merger in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).

Darren Holland (current Aventus Managing Director and CEO) will, if the Merger is implemented, receive consideration with a total value of \$19.9 million¹ in respect of his Aventus Securities and Restricted Aventus Securities (of which \$19.2 million relates to his holding of Aventus Securities and \$0.7 million relates to Restricted Aventus Securities by reason of his management roles). Darren Holland will also be offered a management position with HomeCo upon implementation of the Merger. See section 11.5.2 of this Scheme Booklet for details of the implications of the Merger for Darren Holland. Aventus Securityholders should have regard to these arrangements when considering Darren Holland's recommendation (as a member of the Aventus Boards which have provided a unanimous recommendation in favour of the Merger) on the Merger. Given the importance of the Merger and Darren Holland's role in the management of Aventus, the other Aventus Directors consider that it is appropriate that Darren Holland make a recommendation (as a member of the Aventus Boards) on the Merger. Darren Holland also considers that it is appropriate that he make a recommendation (as a member of the Aventus Boards) on the Merger.

See section 3.1 for further information as to the reasons for the Aventus Directors' recommendation.

Each Aventus Director intends to vote all the Aventus Securities held or controlled by them in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).

The interests in Aventus Securities of the Aventus Directors are disclosed in section 4.8.

2.8. Independent Expert's conclusion

Aventus appointed Deloitte Corporate Finance as an Independent Expert to review the Merger and to provide an opinion on whether the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders), in the absence of a Superior Proposal.

The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders).

2.9. Tax implications

To the extent Scheme Securityholders realise any capital gains as a result of the Schemes, those Scheme Securityholders may be eligible for scrip for scrip rollover relief in respect of those capital gains. Aventus has applied to the ATO for binding class rulings (**Class Rulings**) for the benefit of Scheme Securityholders which seeks to provide confirmation in relation to the availability of scrip for scrip rollover. A summary of the relevant tax implications for Scheme Securityholders is contained in section 10.

2.10. Brokerage

Scheme Securityholders will not incur any brokerage charges on the transfer of their Aventus Units or Aventus Shares, or the receipt of HDN Units or HomeCo Securities if the Merger proceeds.

¹ Based on HDN and HomeCo closing prices the Last Practicable Date.

2.11. Implications if the Merger is not approved

If any of the Resolutions are not approved by the requisite majorities of Aventus Securityholders at the General Meetings or the Members' Scheme Meeting, or any of the other Conditions Precedent are not satisfied or waived (if applicable), and the Merger does not proceed:

- Aventus will remain listed on the ASX;
- the expected benefits of the Merger will not be realised and the disadvantages and risks associated with the Merger will not arise (although Aventus Securityholders will continue to be exposed to the risks associated with holding Aventus Securities);
- Aventus Securityholders will not receive the Scheme Consideration;
- Aventus Securityholders will retain their Aventus Securities and the Unstapling will not occur;
- the Reimbursement Fee may be payable by Aventus to HDN Trustee and HomeCo under certain circumstances (see section 11.1.5 of this Scheme Booklet for more information as to when the Reimbursement Fees may be payable). Those circumstances will not include the failure by Aventus Securityholders to pass the Resolutions at the Meetings;
- the Reverse Reimbursement Fee may be payable by HDN Trustee and HomeCo to Aventus under certain circumstances (see section 11.1.7 of this Scheme Booklet for more information as to when the Reverse Reimbursement Fees may be payable); and
- Aventus Units and Aventus Shares will continue to be stapled and trade on ASX with management continuing to implement the business plan and financial and operating strategies it had in place prior to Aventus' announcement of its entry into the Scheme Implementation Deed on Monday, 18 October 2021.

Aventus has incurred significant costs in respect of the Merger, including those to conduct negotiations with HDN Trustee and HomeCo, to retain advisers, to provide information to HDN Trustee and HomeCo, to engage the Independent Expert and to prepare this Scheme Booklet. If the Merger does not proceed, subject to no Competing Proposal or Superior Proposal being implemented, Aventus is likely to incur transaction costs of approximately \$5.6 million (including GST).

It is also possible that the price of Aventus Securities may fall if the Merger is not implemented. On the Last Practicable Date, the closing price of Aventus Securities was 2.1% lower than it was on 15 October 2021.

Section Three

**Board recommendation,
benefits and disadvantages
of the Merger**

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3. Board recommendation, benefits and disadvantages of the Merger

3.1. Recommendation of the Aventus Boards

The Aventus Boards believe the Merger represents a unique and compelling opportunity that creates significant value for Aventus Securityholders. On this basis, the Aventus Boards unanimously consider that the Merger is in the best interests of Aventus Securityholders and recommend that Aventus Securityholders (other than Excluded Securityholders) vote in favour of the Merger, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders)¹. Subject to those qualifications, each Aventus Director intends to vote all the Securities held or controlled by them in favour of the Merger.

In coming to this recommendation, the Aventus Boards have taken into account the following factors:

3.1.1. The benefits of the Merger outweigh its disadvantages

The Aventus Boards believe that the benefits associated with the Merger for Scheme Securityholders outweigh the disadvantages associated with the Merger. Sections 3.2 and 3.3 outline the key benefits and disadvantages of the Merger the Aventus Boards considered in forming this opinion.

3.1.2. The findings of the Independent Expert

Aventus engaged Deloitte Corporate Finance as the Independent Expert to provide an opinion on the Merger. The Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders).

A copy of the Independent Expert's Report is included in Annexure B of this Scheme Booklet.

3.2. Benefits of the Merger

The Aventus Boards believe the Merger will provide Scheme Securityholders with an enhanced investment proposition relative to Aventus on a stand-alone basis, including:

Portfolio benefits

- Increased portfolio scale and expertise;
- Improved growth opportunities;
- Increased asset, geographic and tenant diversification;
- Potential future last mile logistics infrastructure; and
- Improved security of income.

Financial and operational benefits

- Earnings and NTA accretion;
- Enhanced credit profile and opportunity for diversification of debt through accessing debt capital markets over the medium term;
- Greater relevance for equity investors through increased scale; and
- Continuity of Aventus Key Management to the Merged HDN Group.

¹ Darren Holland (current Aventus Managing Director and CEO) will, if the Merger is implemented, receive consideration with a total value of \$19.9 million in respect of his Aventus Securities and Restricted Aventus Securities. He will also be offered a management position with HomeCo upon implementation of the Merger (of which \$19.2 million relates to his holding of Aventus Securities and \$0.7 million relates to Restricted Aventus Securities by reason of his management roles). Aventus Securityholders should have regard to these arrangements when considering Darren Holland's recommendation (as a member of the Aventus Boards which have provided a unanimous recommendation in favour of the Merger) on the Merger. Given the importance of the Merger and Darren Holland's role in the management of Aventus, the other Aventus Directors consider that it is appropriate that Darren Holland make a recommendation (as a member of the Aventus Boards) on the Merger. Darren Holland also considers that it is appropriate that he make a recommendation (as a member of the Aventus Boards) on the Merger.

² Adjusted to reflect a 100% ownership of McGraths Hill and the post balance sheet date disposal of MacGregor.

3. Board recommendation, benefits and disadvantages of the Merger

3.2.1. Portfolio benefits

3.2.1.1. Increased portfolio scale and expertise

The Merger will create a leading ASX-listed Daily Needs REIT which will comprise 51 properties valued at \$4.1 billion², creating a combined 2.5 million square metre landbank in Australia's leading markets and growth corridors.

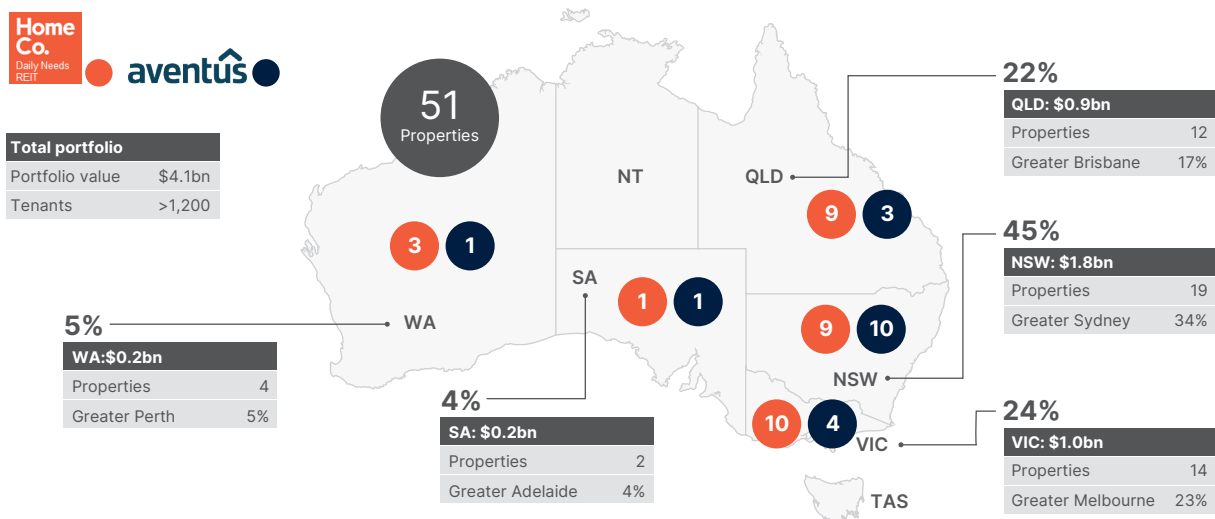
By combining Aventus' and HDN Trustee's boards and Aventus' and HomeCo's management expertise, the Merged HDN Group will benefit from a complementary and highly experienced board and management team with expert skills in managing properties comprising Neighbourhood Retail, Large Format Retail and Health & Services tenants. With a board comprising of existing Aventus and HDN Trustee's directors, the Merged HDN Group will benefit from the oversight of directors with experience across real estate, retail, finance, legal, accounting and governance.

The Merged HDN Group will be managed by HomeCo and will benefit from the combined management team's expertise:

- Aventus' proven Large Format Retail expertise, with a 17 year track record of owning, developing and managing (including asset management and leasing) Large Format Retail properties including large-scale developments; and
- HomeCo's active, value-add focused management with proven performance and governance track record. HomeCo combines a high conviction, thematic investment approach with the proven ability to execute large transactions under an investment process that is focused on downside protection. HomeCo has a proven development and leasing track record, evidenced by the successful repurposing of the Masters portfolio, encompassing 350,000 square metres of gross lettable area (GLA).

Further information regarding the composition of the HDN Trustee's Board and dedicated executive management is outlined in section 5.8.

Portfolio mix of the Merged HDN Group



Merged HDN Group tenant type



Merged HDN Group property sub-sectors

The Merged HDN Group intends to target a Model Portfolio consisting of Neighbourhood Retail, Large Format Retail and Health & Services properties. The weighting of the tenant mix towards non-discretionary retail is aimed to provide exposure to defensive and sustainable income streams with future growth potential through structural lease escalations and acquisition opportunities. Each of these target sub-sectors is described below:

(i) Neighbourhood Retail

Neighbourhood Retail assets are an important supplier of convenience retail services as they are often anchored by a supermarket and complemented by a small number of specialty shops, such as pharmacies, liquor stores and essential services. Neighbourhood Retail assets are defensive in nature due to the non-discretionary nature of the tenant base and positive impact that COVID-19 has had on convenience spending in Australia.

(ii) Large Format Retail

LFR centres are traditionally retail properties where a number of retailers have showrooms for the sale of a range of furnishings, electrical, bedding, hardware and other household items. The centres were commonly referred to as “bulky goods” or “homemaker” centres to reflect their more traditional tenant types. LFR centre retailers often sell items of a bulky nature that require a large area for handling, display or storage. However, the sector has evolved to a broader offering and can include fitness centres, baby supplies, pet supplies, auto supplies, leisure, and sports equipment, medical services, big box pharmacies, supermarkets, cafes and restaurants.

3. Board recommendation, benefits and disadvantages of the Merger

(iii) Health & Services

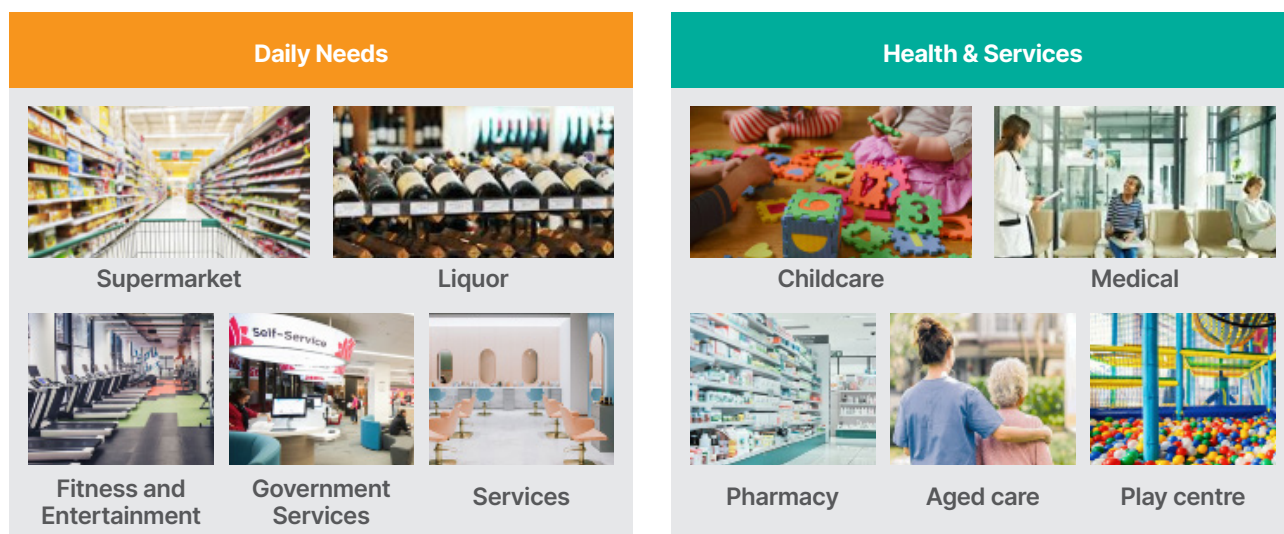
Health & Services assets comprise properties devoted predominately to healthcare services tenants. The Health & Services sector is underpinned by attractive megatrends which are expected to support long-term demand for essential health services, including an ageing population, growing government expenditure to support health and social welfare services, technological progress and increasing consumption of health services. Healthcare property and the associated infrastructure are critical elements in the delivery of health services and healthcare real estate as an asset class is well placed to benefit from these megatrends.

3.2.1.2. Improved growth opportunities

The Merger is expected to generate improved growth opportunities for the Merged HDN Group relative to Aventus on a stand-alone basis.

Portfolio optimisation

Preliminary analysis undertaken by Aventus and HDN has identified a substantial number of complementary Neighbourhood Retail and Health & Services leasing opportunities in the Aventus portfolio. The delivery of these opportunities can potentially be enhanced as a result of HomeCo's relationships with Neighbourhood Retail and Health & Services tenants. Conversely, a significant number of Aventus national tenants currently have limited exposure to the HDN portfolio, creating the potential for higher income growth of the Merged HDN Group.



HDN Trustee will seek to rebalance the Merged HDN Group's portfolio in line with HDN's Model Portfolio (being tenant exposure by income of approximately 50% to Neighbourhood Retail, 30% to Large Format Retail and 20% to Health & Services) through both active tenant remixing, developments and potential acquisitions.

Development

The Merged HDN Group will have over 2.5 million square metres of land with a low site coverage ratio of 38%, providing significant development potential, with the potential for earnings growth and NTA accretion. The combined portfolio landbank is strategically located in high population growth corridors with flexible zoning which supports future densification opportunities.

The Merged HDN Group will have approximately \$150 million of brownfield developments and further is expected to have over \$300 million of future expansion opportunities. The Merged HDN Group is well positioned to accelerate development opportunities and leverage the REIT's development track record and the Merged HDN Group's increased scale to deliver enhanced earnings and NTA growth, particularly by accelerating the unlocking of value enhancing brownfield and larger-scale development opportunities across the combined portfolio. The Merged HDN Group is targeting over \$60 million of capex per annum from FY23 onwards at 7% plus return on invested capital.³

³ Cash yield on cost.

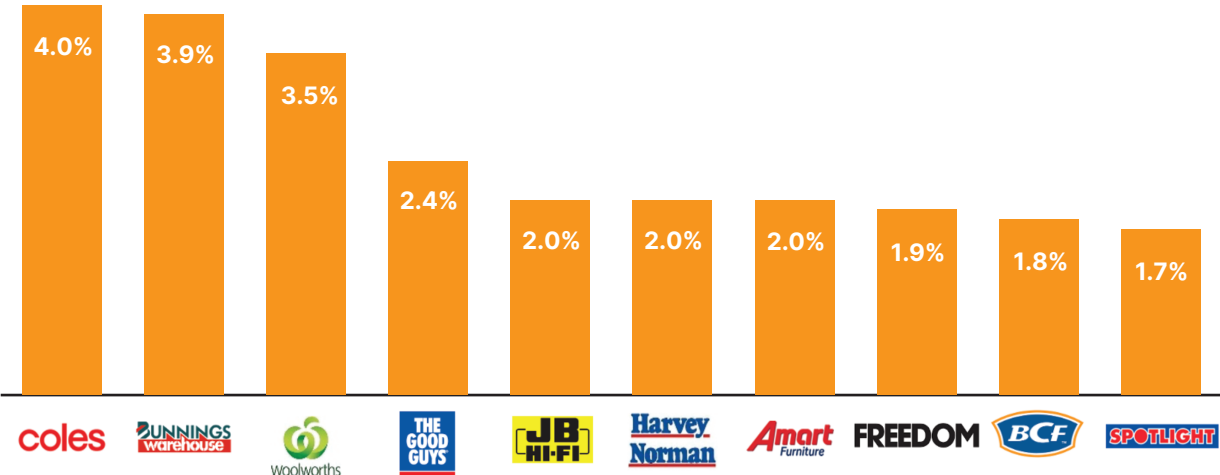
The Merged HDN Group further will have over approximately \$300 million of future expansion opportunities, with HDN and Aventus having pipelines of approximately \$100 million and approximately \$200 million respectively. The Merged HDN Group is well positioned to accelerate these opportunities and leverage the Merged HDN Group's enhanced scale, tenant relationships and development capability.

3.2.1.3. Increased asset, geographic and tenant diversification

The Merger will increase Aventus' asset, geographic and tenant diversification. The Merged HDN Group will be represented in five states with 80% of combined portfolio properties located in metropolitan locations⁴ and 92% of the portfolio concentrated on Australia's eastern seaboard⁵.

The Merged HDN Group will benefit from the introduction of additional Neighbourhood Retail tenants into Aventus' portfolio and the increase in national tenants in HDN's portfolio. The Merged HDN Group portfolio is expected to generate high quality income from over 1,200 tenants (diversified by Neighbourhood Retail, Large Format Retail and Health & Services), of which 84% are national tenants⁶. As illustrated in the chart below, the top 10 tenants will represent over 25% of income and no single tenant will comprise more than 4% of income of the Merged HDN Group portfolio.

Overview of the top 10 tenants⁷

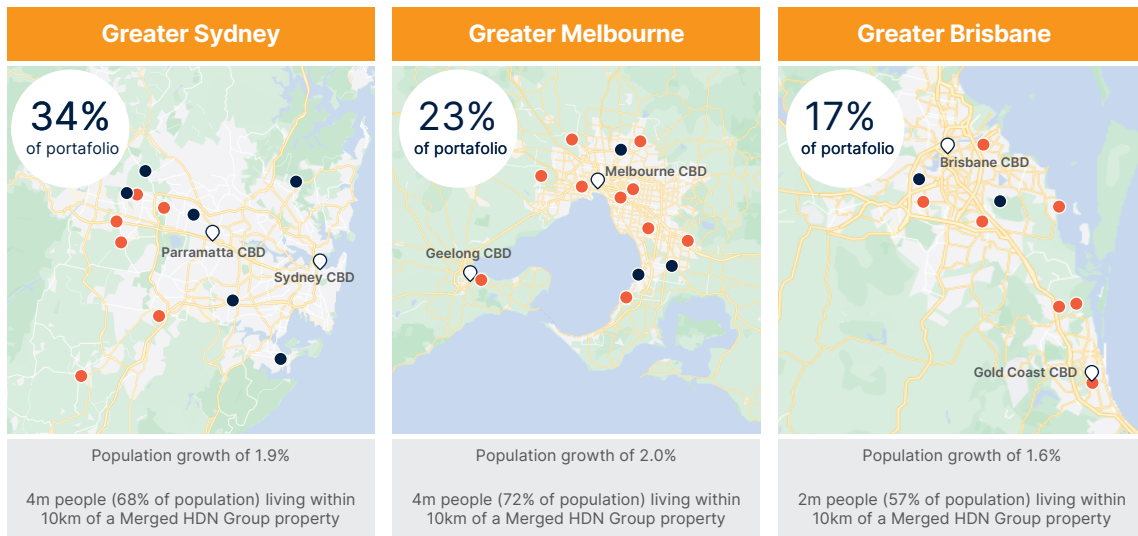


4 By property fair value as at 30 June 2021.
 5 By property fair value as at 30 June 2021.
 6 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.
 7 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

3. Board recommendation, benefits and disadvantages of the Merger

3.2.1.4. Potential future last mile logistics infrastructure

The Merged HDN Group's portfolio presents a strategic last mile infrastructure network, spanning 2.5 million square metres in Australia's leading markets and growth corridors.



● HDN Group ● Aventus

The Merged HDN Group's portfolio exhibits a range of attributes that will see it well-placed for last mile logistics:

- across all assets in New South Wales, Victoria, Queensland, South Australia and Western Australia, more than 12 million people live within a 10 kilometre radius of a Merged HDN Group property,
- 80% of properties are located in metro areas⁸;
- 92% of properties are located on Australia's eastern seaboard⁹; and
- 70% of tenants have click & collect¹⁰.

3.2.1.5. Improved security of income

Scheme Securityholders are expected to benefit from the greater exposure to Neighborhood Retail and Health & Services tenancies which is expected to provide an improved security of income from longer lease terms. This results in an increase in WALE to 5.3 years for the Merged HDN Group, compared to 3.611 years for Aventus on a stand-alone basis.

As illustrated in the chart below, no more than 15% of rent is expected to expire in any one year before 2027, providing the Merged HDN Group with steadily phased tenant remixing opportunities.

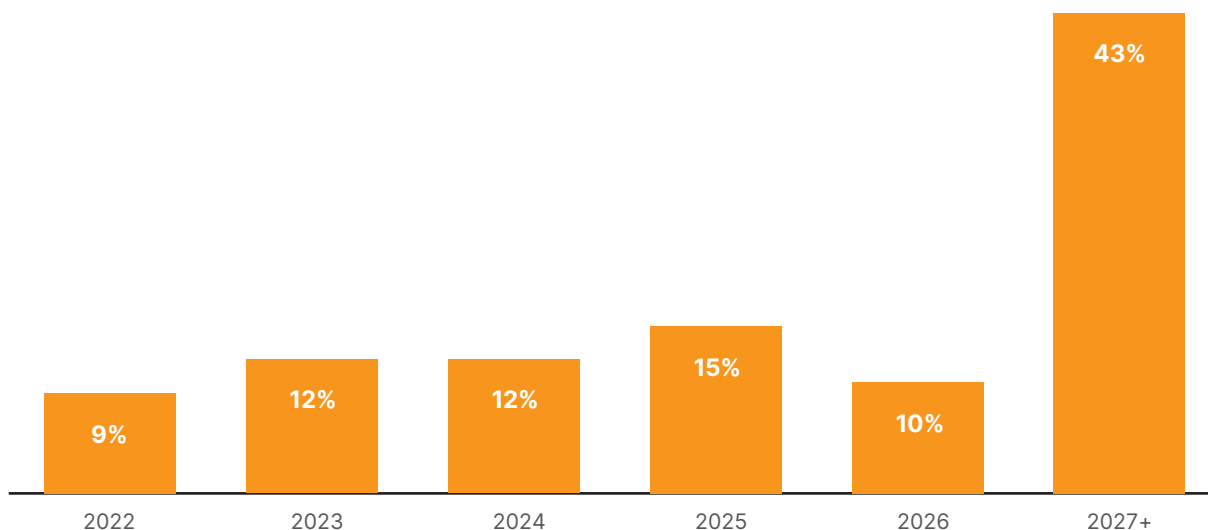
8 By property fair value as at 30 June 2021.

9 By property fair value as at 30 June 2021.

10 As at 30 June 2021. Average of HDN and Aventus. Excludes fuel and services tenants for HDN.

11 Adjusted to reflect post balance sheet date disposal of MacGregor.

Pro forma lease expiry profile of the Merged HDN Group (as at 30 June 2021)



3.2.2. Financial and operational benefits

3.2.2.1. Earnings and NTA accretion

The Merger is expected to generate earnings accretion for Scheme Securityholders. Aventus' pro forma FY22 FFO is expected to increase by 3.8%¹². If instead HomeCo Scrip Consideration is elected, this is expected to generate Aventus FY22 pro forma accretion of 0.9% based on updated HomeCo pre-tax FY22 FFO guidance of 26.0 cents per security.¹³

A summary of the pro forma financial impact of the Merger for Aventus and HDN (assuming the Merger had occurred on 1 July 2021) is outlined below. It should be noted that:

- Aventus' equivalent NTA per security is expected to increase +12.0% as a result of the Merger (or +4.3% assuming 50% election of HomeCo Scrip Consideration);
- Aventus' equivalent NAV value per security is expected to increase +2.3% as a result of the Merger (or decrease 3.9% assuming 50% election of HomeCo Scrip Consideration); and
- the expected pro forma Gearing of the Merged HDN Group 34.5% as at 30 June 2021¹⁴ is expected to be higher than Aventus' Gearing ratio as at 30 June 2021 of 30.3% (and higher than Aventus' pro forma gearing as at 30 June 2021 of 28.7%).

12 The pro forma impact of the Merger excludes the impact of any refinancing savings. Assumes the Cash Consideration of \$0.285 is reinvested at HDN's last closing price prior to announcement of the Merger of \$1.605 (i.e. 0.178 additional HDN Units are received per Aventus Security). Assuming the Cash Consideration of \$0.285 is reinvested at HDN's closing price at the Last Practicable Date, Aventus' pro forma FY22 FFO accretion is expected to be 5.1%.

13 The HomeCo pre-tax FY22 FFO guidance of 26.0 cents per security is inclusive of the HomeCo Acquisition Fee which is equivalent to 7.4 cents per security (assuming 50% of Aventus Securityholders elect HomeCo Scrip Consideration), but does not reflect any employment cost synergies that are anticipated in subsequent periods.

14 Assumes HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

3. Board recommendation, benefits and disadvantages of the Merger

Depending on the payout ratio adopted by the Merged HDN Group, there is potential for distribution accretion.

Aventus financial impact

METRIC	PRE MERGER	POST MERGER	CHANGE
FFO			
Pro forma FY22 FFO per Security	20.3 cents	21.1 cents	+3.8%
Pro forma FY22 FFO per Security (assuming 50% election of HomeCo Scrip Consideration, based on updated HomeCo pre-tax FY22 FFO guidance)	20.3 cents	20.5 cents	+0.9%
NTA, NAV and Gearing			
NTA per security ¹⁵	\$2.69	\$3.02	+12.0%
NTA per security (assuming 50% election of HomeCo Scrip Consideration)	\$2.69	\$2.81	+4.3%
NAV per security ¹⁶	\$2.95	\$3.02	+2.3%
NAV per security (assuming 50% election of HomeCo Scrip Consideration)	\$2.95	\$2.83	(3.9%)
Gearing ¹⁷	30.3%	34.5%	+4.2%
Pro forma Gearing ¹⁸	28.7%	34.5%	+5.8%

Impact on actual FY22 earnings

The impact of the Merger on actual FY22 FFO for Aventus and HDN is expected to result in FFO per security accretion of 2.3%, given the anticipated timing of implementation.

Further information regarding financial information for the Merged HDN Group is set out in section 7 of this Scheme Booklet.

3.2.2.2. Enhanced credit profile and opportunity for diversification of debt through accessing debt capital markets over the medium term

The Merged HDN Group's enlarged balance sheet and longer portfolio WALE is expected to provide greater funding flexibility and is expected to enhance its ability to access a broader range of funding sources with longer tenor, and the potential for a lower cost of debt.

3.2.2.3. Greater relevance for equity investors through increased scale

The Merged HDN Group will also be of greater relevance to equity investors through its increased scale relative to Aventus on a stand-alone basis.

Based on an expected market capitalisation of approximately \$2.9 billion¹⁹ (\$2.2 billion on a free float adjusted basis), the Merged HDN Group is expected to be eligible for inclusion in the S&P/ASX200 index.

¹⁵ As at 30 June 2021. Pro forma NTA per security assumes Aventus Securityholder receives Cash Consideration.

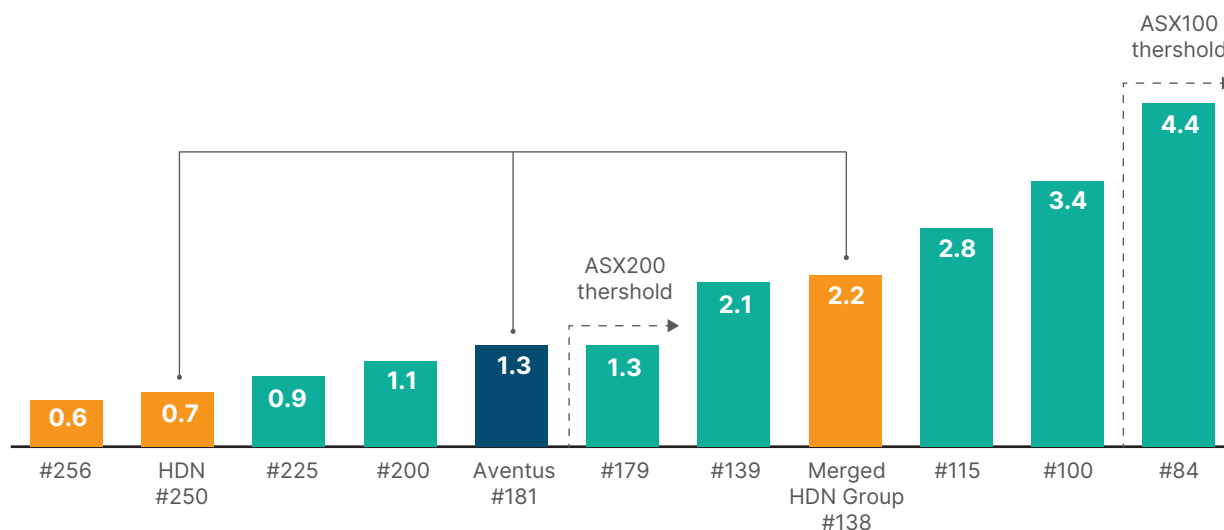
¹⁶ As at 30 June 2021. Pro forma NAV per security assumes Aventus Securityholder receives Cash Consideration.

¹⁷ As at 30 June 2021.

¹⁸ Refers to Aventus' pro forma 30 June 2021 Gearing. Refer to section 7.2 for details of pro forma adjustments.

¹⁹ Based on the combination of Aventus' and HDN's stand-alone market capitalisations of approximately \$1.9 billion and \$1.1 billion respectively as at the close of trading on the Last Practicable Date.

S&P/ASX Index free float market capitalisation thresholds (\$bn)



3.2.2.4. Continuity of Aventus Key Management to the Merged HDN Group

It is proposed that Aventus Key Management team will be offered positions with HomeCo, with responsibilities focused on the Merged HDN Group, to facilitate the implementation of the Merger and to manage the Merged HDN Group into its next phase of growth as a leading ASX-listed Daily Needs REIT. Specifically, Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO), are both expected to be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively.

3.3. Disadvantages of the Merger

Although the Aventus Boards unanimously recommend that Aventus Securityholders (other than Excluded Securityholders) vote in favour of the Merger in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders), and the Independent Expert has concluded that the Merger is fair and reasonable to, and therefore in the best interests of Aventus Securityholders (other than Excluded Securityholders) in the absence of a Superior Proposal, the Aventus Boards acknowledge that there may be potential disadvantages associated with the Merger.

You should consider these potential disadvantages before deciding how to vote. The key disadvantages are outlined below.

3.3.1. Change in the nature of the investment of Scheme Securityholders

Currently, Aventus' portfolio consists of a portfolio of Australian Large Format Retail assets. If the Merger is implemented, Scheme Securityholders (other than Ineligible Foreign Securityholders) will receive HDN Units and have the option to receive HomeCo Securities.

Therefore, after the Merger is implemented, Scheme Securityholders will be exposed to additional risks relating to HDN and HomeCo, and certain other risks relating to the Merged HDN Group and the integration of the businesses. While the operations of Aventus and HDN are similar in many ways, there will be differences between the asset portfolio, capital structure, clients and size of the Merged HDN Group and Aventus currently.

3. Board recommendation, benefits and disadvantages of the Merger

Change in portfolio sector exposure

Upon receiving HDN Units upon implementation of the Merger, Scheme Securityholders will receive greater exposure to Neighbourhood Retail tenants and Health & Services tenants when compared to Aventus stand-alone. Exposure of the Merged HDN Group to Neighbourhood Retail and Health & Services tenants is expected to be 34% and 16% respectively. Refer to section 5 for further detail of the Merged HDN Group's portfolio.

Greater exposure to pure-play funds management business

To the extent Scheme Securityholders elect to receive HomeCo Securities in lieu of Cash Consideration, they will have exposure to a business which derives significantly more of its earnings from funds management operations than Aventus currently does. The composition of Aventus' earnings is currently 99% from rental income and 1% funds management income. In comparison, HomeCo derives approximately 10% of its earnings from rental income, 30% from co-investment income and 60% from funds management income. However it is noted that HDN derives 100% of its earnings from rental income and 0% from funds management income.

3.3.2. Change from an internally managed to an externally managed REIT

As with Aventus Trust, which has delegated investment decisions to Aventus Trustee, investment strategy for the Merged HDN Group will be the responsibility of HDN Trustee. Unlike Aventus Trustee, which is part of the the Aventus Group, HDN Trustee is a wholly owned subsidiary of HomeCo and will be external to the Merged HDN Group. Also, unlike Aventus Trustee, HDN Trustee has delegated the day to day management of HDN (and, after the Merger, the Merged HDN Group) and investment management services to the Managers, and is also assisted by other external service providers.

Accordingly, the Merged HDN Group will be reliant on the management expertise, support, experience and strategies of the key executives of HomeCo and other third parties, which cannot be assured. If HomeCo and other third parties do not perform as service providers, this could have an adverse impact on the management and performance of the Merged HDN Group and therefore distributions and the HDN Unit price.

Further, as an externally managed REIT, HDN Unitholders (which will include Aventus Securityholders following the Merger) will no longer be able to appoint HDN Trustee Directors or approve management remuneration at an AGM.

HomeCo is expected to retain a substantial interest in the Merged HDN Group. As such, HomeCo and its Associates are likely to have significant influence over any resolution put to HDN Unitholders, including a resolution to remove HDN Trustee.

3.3.3. Results in material transaction costs to be incurred

Implementing the Merger will result in material one-off transaction costs of approximately \$47.5 million²⁰ (excluding HomeCo Acquisition Fee) to be incurred by the Merged HDN Group.

Aventus is expected to have incurred one-off transaction costs of approximately \$5.6 million at the date of the Meetings, which will be payable by Aventus regardless of whether the Merger is implemented or not.

²⁰ Excludes HomeCo Acquisition Fee million payable to the Investment Manager, which is assumed to be paid in HDN Units, subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

3.3.4. The Merged HDN Group is expected to have higher Gearing than Aventus

The Merged HDN Group is expected to have pro forma Gearing (excluding intangibles) of 34.5%²¹ compared to 30.3% for Aventus on a 30 June 2021 basis. This increase is largely due to HDN's Gearing prior to the transaction being higher than Aventus', and the funding of the material one-off transaction costs. The Merged HDN Group's expected Gearing is within Aventus' target range of 30% to 40%. The risks associated with Gearing are described in more detail in section 8.

3.3.5. The Merged HDN Group will have a shorter debt maturity than Aventus

The Merged HDN Group will have a shorter debt maturity than Aventus on a stand-alone basis. Under the assumptions of the Financial Information contained in this Scheme Booklet, WADE will fall from 4.4 years²² to 3.3 years²³. The Merged HDN Group will explore options to extend the WADE over time through alternate funding sources including debt capital markets.


21 Assumes HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

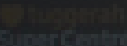
22 As at 30 June 2021.

23 Refer to section 7.4 for further details on the financing arrangements of the Merged HDN Group.

Section Four

**Profile of
Aventus**

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SuperCentre

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SuperCentre

 **welcome**

4. Profile of Aventus

4.1. Overview

Aventus is a leading Australian Large Format Retail owner, manager, and developer. Aventus owns and manages 19¹ Large Format Retail properties valued at approximately \$2.3 billion² with a large land bank of 1.2 million square metres and a low site coverage ratio of 44%. Aventus' portfolio has an east coast metropolitan focus with a large exposure to metropolitan Sydney.

Aventus is an internally managed REIT and is structured as a stapled entity, with each stapled security in Aventus comprising one unit in the Aventus Retail Property Fund (Aventus Trust) and one share in Aventus Holdings Limited (Aventus Company).

Aventus employs approximately 75 people across the group's internal asset management, leasing, development teams and corporate function, which includes finance, treasury, funds management and investor relations.

Since listing in 2015 the group has delivered over \$500 million in valuation gains driven by income growth and capitalisation rate compression, and delivered over \$125 million of development projects delivering an average cash yield of over 9% per annum³.

4.2. Tenant base

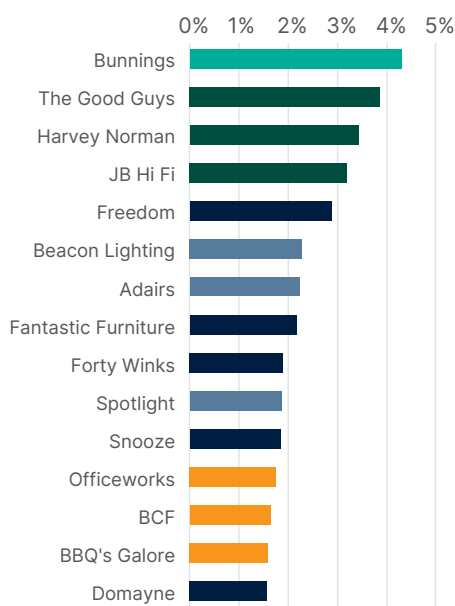
Aventus has a diversified national tenant base comprised of 88% national tenants including Bunnings, The Good Guys, JB Hi-Fi, Harvey Norman, and Freedom.

The largest single category exposure is everyday-needs which comprises 37% of the group's tenant base with retailers including Officeworks, Coles, Supercheap, Rebel and others.

The Aventus portfolio has an embedded growth profile with 77% of the tenant base on fixed review mechanisms that equate to a WARR of 3.8% per annum, and the balance of tenants on CPI reviews.

A summary of the top tenants and categories are outlined below:

Top 15 tenants by income⁴



Tenant categories by income⁵



1 Adjusted to reflect post balance sheet date disposal of MacGregor.
 2 As at 30 June 2021.
 3 Refers to historical return on invest capital on income producing development spend.
 4 As at 30 June 2021.
 5 As at 30 June 2021.

4. Profile of Aventus

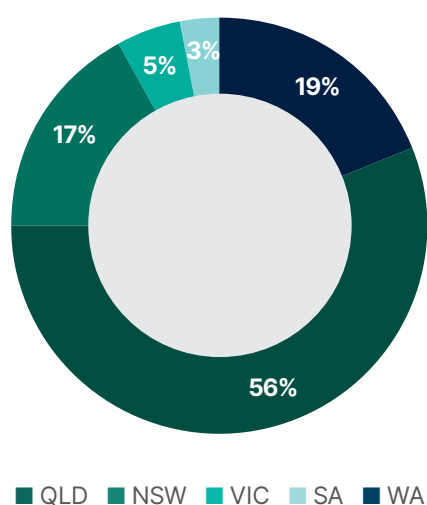
4.3. Portfolio summary

A summary of the Aventus portfolio as at 30 June 2021 is detailed below:

DESCRIPTION	ITEM
Number of properties ⁶	19
Book value	\$2.3 billion
Capitalisation rate (weighted average)	6.01%
GLA	0.537 million square metres
Site area	1.225 million square metres
Number of tenancies	591
Occupancy	98.8%
National retailers	88% by income
WALE	3.7 years

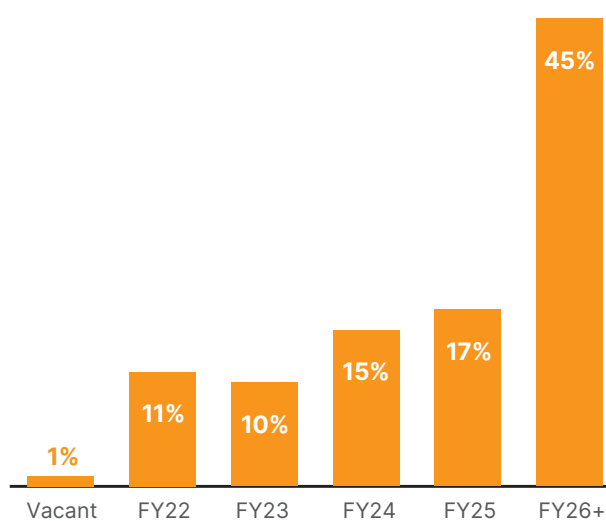
GEOGRAPHIC EXPOSURE⁷

The Aventus portfolio is primarily located on the east coast of Australia.



WEIGHTED AVERAGE LEASE EXPIRY^{8,9}

The Aventus portfolio has minimal expiries in the coming years with only approximately 11% of the portfolio expiring in FY22.



⁶ Adjusted to reflect post balance date disposal of MacGregor.

⁷ Expressed by ownership value.

⁸ As at 30 June 2021.

⁹ Profile by income.

Aventus portfolio key metrics as at 30 June 2021

PROPERTIES	STATE	OWNERSHIP SHARE	VALUATION TYPE	CARRYING VALUE (\$M)	CAPITALISATION RATE	OCCUPANCY	WALE (YEARS)	NUMBER OF TENANCIES	GLA ('000 SQM)	SITE AREA ('000 SQM)	CAR SPACES	NATIONAL RETAILERS	
Bankstown	NSW	100%	Independent	78	6.00%	100%	3.9	23	18	40	352	93%	
Belrose	NSW	100%	Independent	202	5.75%	100%	3.0	46	37	44	1,072	89%	
Caringbah	NSW	100%	Independent	152	5.75%	100%	3.5	27	21	23	593	85%	
Castle Hill	NSW	100%	Independent	354	5.75%	100%	3.9	77	51	60	1,490	83%	
Highlands	NSW	100%	Independent	44	6.00%	100%	4.1	14	11	32	270	86%	
Kotara South	NSW	100%	Independent	137	6.00%	99%	4.1	25	29	53	500	98%	
Marsden Park	NSW	100%	Independent	108	5.75%	100%	4.5	31	20	40	451	95%	
McGraths Hill	NSW	25%	Independent	50	6.00%	100%	3.1	9	16	38	350	98%	
Tuggerah	NSW	100%	Independent	111	6.50%	98%	4.6	36	39	127	758	84%	
Warners Bay	NSW	100%	Independent	55	6.00%	100%	4.6	12	12	35	370	93%	
TOTAL NSW				56%	1,291	5.88%	100%	3.8	300	254	493	6,206	89%
Ballarat	VIC	100%	Independent	47	6.50%	100%	2.4	15	20	52	571	93%	
Cranbourne	VIC	100%	Independent	176	6.00%	100%	4.7	38	57	194	1,758	93%	
Epping	VIC	100%	Independent	64	6.25%	94%	2.7	31	22	91	660	59%	
Peninsula	VIC	100%	Independent	115	6.00%	100%	3.3	33	33	85	741	92%	
TOTAL VIC				17%	401	6.10%	99%	3.7	117	132	422	3,730	87%
Jindalee	QLD	100%	Independent	163	6.00%	100%	2.6	51	27	72	812	75%	
Logan	QLD	100%	Independent	107	6.25%	100%	3.4	29	27	27	600	90%	
MacGregor	QLD	100%	Independent	42	6.00%	90%	6.2	8	12	29	168	76%	
Sunshine Coast	QLD	100%	Independent	121	6.00%	97%	3.3	34	27	69	800	88%	
TOTAL QLD				19%	433	6.06%	98%	3.3	122	93	197	2,380	83%
Mile End	SA	100%	Independent	128	6.50%	100%	3.5	34	34	71	744	91%	
TOTAL SA				5%	128	6.50%	100%	3.5	34	34	71	744	91%
Midland	WA	100%	Independent	67	6.75%	91%	3.4	18	23	43	350	87%	
TOTAL WA				3%	67	6.75%	91%	3.4	18	23	43	350	87%
TOTAL					2,320	6.01%	98.8%	3.7	591	537	1,225	13,410	88%

Aventus has engaged an independent valuer to value its entire portfolio as at 31 December 2021. Aventus currently expects to release to the ASX a summary of the results of the valuation of its portfolio in late December 2021.

HDN Trustee will also obtain valuations of the HDN Trust's portfolio as at 31 December 2021, as set out in section 5.2.1.

Following the release of the updated valuations, the Aventus Boards will obtain the Independent Expert's confirmation of whether the updated valuations change the Independent Expert's opinion that the Merger is fair and reasonable to, and is therefore in the best interests of, Aventus Securityholders (other than Excluded Securityholders) in the absence of a Superior Proposal.

This confirmation will be announced to the ASX in advance of the Meetings. If the Independent Expert's opinion has changed, the matter will be relisted before the Court prior to the Meetings. Aventus Securityholders are strongly encouraged to read the summary of the results of the valuations of its portfolio and the HDN Trust's portfolio and the confirmation of whether the Independent Expert's opinion changes before deciding how to vote at the Meetings.

4. Profile of Aventus

4.4. Strategy and recent performance

4.4.1. Overview

Aventus aims to deliver resilient and growing income and capital returns for investors. In FY21, Aventus delivered a total securityholder return for investors of 53.4%, 20.2% above the benchmark¹⁰.

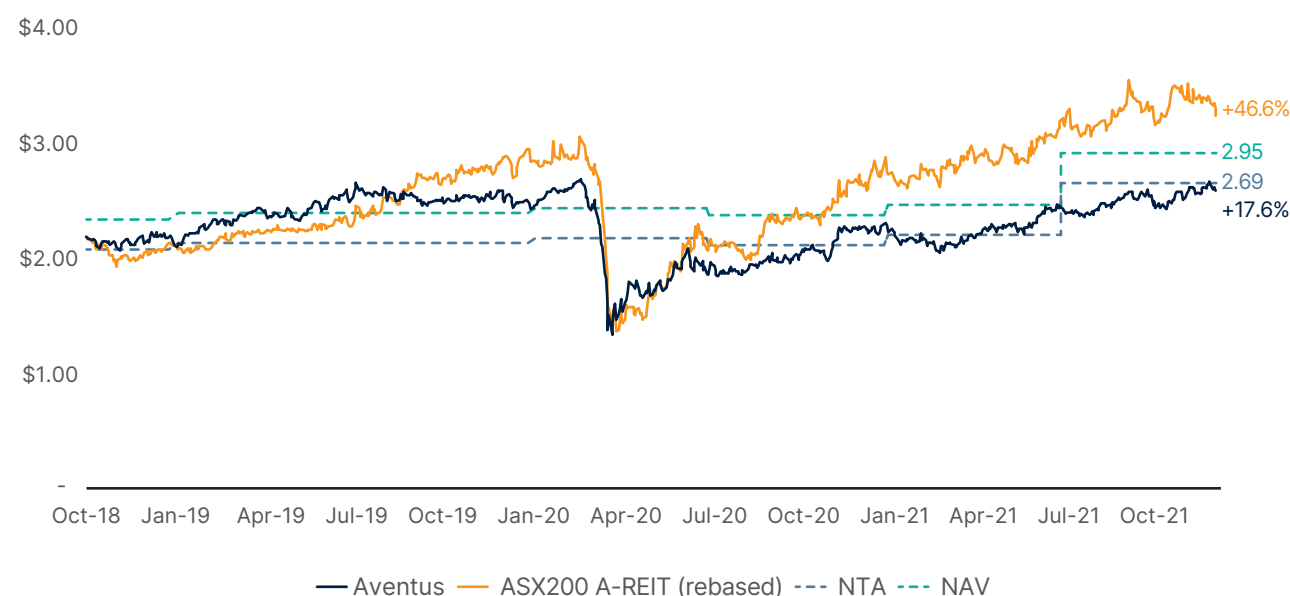
The portfolio has been accumulated over 17 years and comprises 19 properties valued at approximately \$2.3 billion, with the average centre now worth over \$116 million and average GLA in excess of 25,000 square metres.

The Aventus strategy is focused on four key pillars and reflects Aventus' goal to be Australia's leading owner, developer, and manager of Large Format Retail. The four key pillars are:

Strengthen the core	Combine Aventus' expertise, retailer relationships and curate the tenancy mix to drive income and capital growth and acquire dominant assets that complement the portfolio.
Build development pipeline	Enhance the short-term and long-term earnings potential of the portfolio, through brownfield and greenfield opportunities, master-planning and retail-led mixed-use developments.
Grow funds management	Grow Aventus' funds management platform through complementary acquisitions to diversify its income and expand its capital sources.
Proactive capital management	Manage capital diligently for efficient execution of Aventus' strategy.

4.4.2. Security price performance

Outlined in the chart below is Aventus' trading price performance from 1 October 2018 (being the trading day on which Aventus' management internalisation was completed), to the Last Practicable Date.



¹⁰ Total securityholder return for the FY21 period relative to S&P/ASX 200 A-REIT index constituents. Total securityholder return calculation inclusive of distributions and capital growth.

4.4.3. Key events

Aventus has delivered a number of significant outcomes for Aventus Securityholders since IPO and internalisation. Some of the key events are summarised in the below table:

CALENDAR YEAR	EVENT
2015	<ul style="list-style-type: none">• \$686m Equity Raise and Listing on ASX
2016	<ul style="list-style-type: none">• \$40m Acquisition – Epping• \$100m Debt Raise• \$105m Equity Raise• \$219m Portfolio Acquisition – Bankstown, Logan, Shepparton, MacGregor and McGraths Hill
2017	<ul style="list-style-type: none">• \$300m Debt Raise• \$215m Equity Raise• \$436m Portfolio Acquisition – Castle Hill and Marsden Park• \$20m Disposal of Shepparton
2018	<ul style="list-style-type: none">• \$40m Disposal Tweed• \$160m Refinancing via Loan Notes• Internalisation of Aventus
2019	<ul style="list-style-type: none">• \$43m Aventus Property Syndicate 1
2020	<ul style="list-style-type: none">• \$12m Acquisition – Epping Adjoining Development Site
2021	<ul style="list-style-type: none">• \$660m Debt Refinancing• \$42m Disposal of MacGregor

4. Profile of Aventus

4.5. Financial information

A summary of the consolidated financial performance and financial position of Aventus for the financial years ended 30 June 2020 and 30 June 2021 is summarised below.

FFO (\$M)	12 MONTHS TO 30 JUNE 2021	12 MONTHS TO 30 JUNE 2020
Net profit	410	57
Straight-lining of rental income	4	2
Amortisation of rental guarantees	1	-
Amortisation of debt establishment costs	2	2
Net movement in fair value of investment properties	(297)	37
Net movement in fair value of derivative financial instruments	(9)	1
Other	(1)	1
Funds From Operations (FFO)	110	100
Operating capex	(6)	(4)
Leasing costs	(6)	(3)
Adjusted Funds From Operations (AFFO)	98	93

PER SECURITY (CENTS)	12 MONTHS TO 30 JUNE 2021	12 MONTHS TO 30 JUNE 2020
Distributions per security	17.5	11.9
FFO per security	19.4	18.2
AFFO per security	17.4	16.9
Payout ratio (% of FFO)	90%	66%
Payout ratio (% of AFFO)	100%	70%

On 24 September 2021, Aventus announced a 4.50 cents per Aventus Security distribution for the 3 months to 30 September 2021, which was 0.13 cents per Aventus Security higher than the prior quarter distribution. Assuming the Merger is implemented prior to the record date for the March 2022 HDN distribution, the first distribution of the Merged HDN Group is expected to be in respect of the quarter ending 31 March 2022 and paid to all HDN Unitholders, including Scheme Securityholders, who hold HDN Units at the relevant record date in 2022. The Merged HDN Group expects to target a normalised distribution payout ratio of 90% to 100% of FFO; refer to section 5.5 for further information.

HomeCo intends to declare an interim dividend for the 6 months to 31 December 2021 prior to implementation of the Merger, with payment to follow on a date to be announced when the interim dividend is declared. Scheme Securityholders will not be eligible to receive this interim dividend.

HomeCo also intends to pay a dividend of 6.0 cents per HomeCo Security for the period 6 months to June 2022. If you receive the HomeCo Scrip Consideration and hold HomeCo Securities at the relevant record date, you will be entitled to receive this dividend.

On 18 October 2021 Aventus announced FY22 FFO per security guidance of 20.5 cents per security or 5% growth on FY21. This guidance included a number of items that are non-recurring in nature and excluding these items results in normalised FFO per security of 20.3 cents per security.

BALANCE SHEET (\$M)	BALANCE AS AT 30 JUNE 2021	BALANCE AS AT 30 JUNE 2020
Assets		
Cash and cash equivalents	7	39
Investment properties ¹¹	2,270	1,933
Investment in associates	8	6
Intangible assets	144	144
Other assets	9	14
Liabilities		
Borrowings	(692)	(735)
Distribution payable	(25)	(13)
Other liabilities	(40)	(48)
Net assets	1,681	1,340
Securities on issue (million)	570	557
NTA per security	\$2.69	\$2.14
NAV per security	\$2.95	\$2.41

11 Investment properties as at 30 June 2021 include \$2m of rental guarantees (30 June 2020: \$3m).

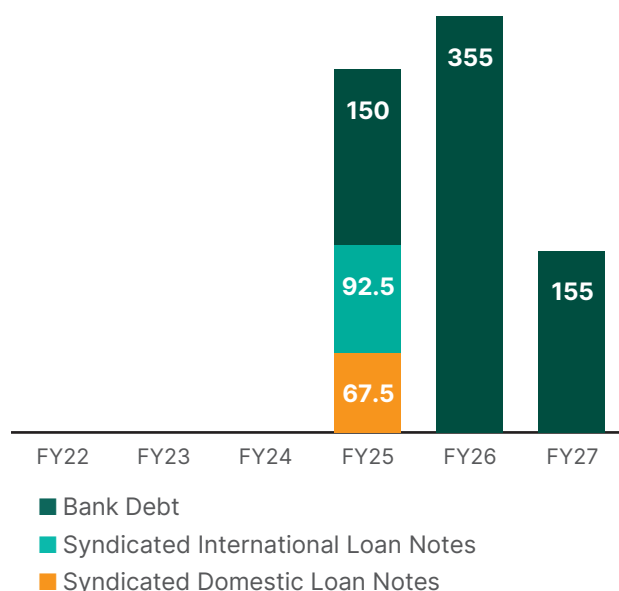
4. Profile of Aventus

4.6. Capital management

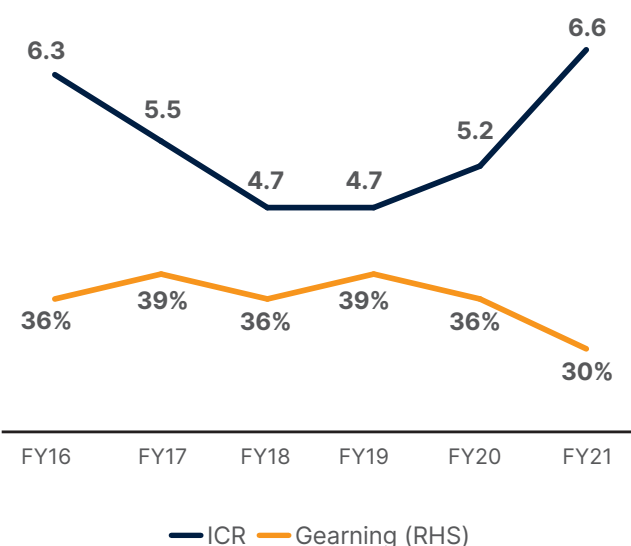
Aventus' capital management facilitates the execution of its strategy. This approach considers not only returns, but the stability and longevity of the capital structure. The approach focuses on Gearing, serviceability, and duration.

CAPITAL MANAGEMENT KEY METRICS	BALANCE AS AT 30 JUNE 2021	BALANCE AS AT 30 JUNE 2020
Drawn debt (\$m)	695	738
Facility limit (\$m)	820	820
Cash and undrawn debt capacity (\$m)	132	121
Gearing ¹² (%)	30.3%	36.0%
Loan to value ratio ¹³ (LVR) (%)	30.8%	38.5%
Interest coverage ratio ¹⁴ (ICR) (x)	6.6x	5.2x
Weighted average cost of debt ¹⁵ (%)	2.8%	3.1%
Weighted average debt maturity (years)	4.4	3.1
Proportion of drawn debt hedged (%)	51.8%	62.3%
Weighted average hedge expiry (years)	1.2	1.7

Debt expiry profile (\$m)



Interest Cover Ratio and Gearing¹⁶



¹² The Gearing ratio is calculated as borrowings (excluding unamortised debt establishment costs) less cash and cash equivalents divided by total assets less lease liabilities, cash and cash equivalents and investments in associates.

¹³ The LVR ratio is calculated as total drawn debt divided by the total fair value of investment properties. Fair value is calculated by reference to the most recent independent valuation for each property.

¹⁴ ICR is calculated as EBITDA divided by interest expense.

¹⁵ Weighted average cost of debt is calculated based on historical finance costs excluding amortisation of debt establishment costs and net fair value gains/losses on interest rate swaps.

¹⁶ In relation to FY17, pro forma numbers including the acquisition of Castle Hill Super Centre and Marsden Park Home.

4.7. Capital structure

At the Last Practicable Date, Aventus has 571,366,881 Aventus Securities quoted on the ASX.

4.8. Interests of Aventus Directors

4.8.1. Relevant Interests in Aventus Securities

The following table lists the Relevant Interests in Aventus Securities of Aventus Directors as at the Last Practicable Date:

DIRECTOR	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT STATUS	RELEVANT INTERESTS IN AVENTUS SECURITIES
Bruce Carter	Non-Executive	Independent	1,189,312
Kieran Pryke	Non-Executive	Independent	70,873
Robyn Stubbs	Non-Executive	Independent	41,364
Darren Holland	Executive	Non-Independent	6,040,829
Ray Itaoui	Non-Executive	Independent	31,071,484

Darren Holland's holding of Aventus Securities includes 224,312 Restricted Aventus Securities with 131,134 Restricted Aventus Securities having been issued following approval by Aventus Securityholders at Aventus' 2021 Annual General Meeting. For further information, see section 11.5 of this Scheme Booklet.

4.8.2. Relevant Interests in HDN Units and HomeCo Securities

The following table lists the Relevant Interests in HDN Units and HomeCo Securities of Aventus Directors as at the Last Practicable Date:

DIRECTOR	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT STATUS	RELEVANT INTERESTS IN HDN UNITS	RELEVANT INTEREST IN HOMECO SECURITIES
Bruce Carter	Non-Executive	Independent	Nil	Nil
Kieran Pryke	Non-Executive	Independent	Nil	Nil
Robyn Stubbs	Non-Executive	Independent	Nil	Nil
Darren Holland	Executive	Non-Independent	Nil	Nil
Ray Itaoui	Non-Executive	Independent	Nil	Nil

4.8.3. Interests in agreements or arrangements relating to the Merger

Otherwise, except as disclosed in this Scheme Booklet:

- no Aventus Director has any other interests in a contract entered into by HDN Trustee and HomeCo;
- there are no contracts or arrangements between an Aventus Director and any person in connection with or conditional upon the outcome of the Merger; and
- no Aventus Director has a material interest in relation to the Merger other than in their capacity as an Aventus Securityholder as outlined in section 4.8.1.

It is proposed that Darren Holland will be offered a position at HomeCo as CEO of Merged HDN Group.

4. Profile of Aventus

4.9. No pre-transaction benefits

During the period of four months before the date of this Scheme Booklet, neither Aventus nor any Associate of Aventus gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person, or an associate of the other person to:

- vote in favour of the Merger; or
- dispose of Aventus Securities,

and which will not be provided to all Scheme Securityholders under the Schemes.

4.10 Benefits in connection with retirement from office

No payment or other benefit is proposed to be made or given to any director, company secretary or executive officer of Aventus Company, Aventus Trustee (or any of their respective related bodies corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Aventus Company, Aventus Trustee or any of their respective related bodies corporate in connection with the Merger.

Aventus pays premiums in respect of a directors and officers (D&O) insurance policy for the benefit of the directors of Aventus and executive officers of Aventus.

4.11. Material changes in Aventus' financial position since last accounts published

On 16 August 2021, Aventus settled the sale of its MacGregor centre located in Queensland.

In relation to the COVID-19 pandemic, despite Aventus performing strongly during the Financial Year ended 30 June 2021 uncertainty exists subsequent to balance date due to the ongoing COVID-19 pandemic. Aventus Directors and management are monitoring key developments including government restrictions and relief packages and will continue to seek to mitigate the impacts of the pandemic on the business and its people where possible. At the date of this Scheme Booklet, the future impact of the pandemic on Aventus is unknown. In the event the impacts of the pandemic are more severe or prolonged than anticipated, this may have an adverse impact on the financial position and performance of Aventus in future financial periods.

In October 2021, Aventus issued FY22 FFO guidance of 20.5 cents per security. This guidance includes a number of items that are non-recurring in nature and excluding these one-off effects results in normalised FFO of 20.3 cents per security.

Other than as disclosed in this Scheme Booklet, within the knowledge of the Aventus Boards, the financial position of Aventus has not materially changed since 30 June 2021, being the date of the balance sheet for the full year accounts of Aventus for FY21.

4.12. Publicly available information in relation to Aventus

Aventus is a disclosing entity for the purposes of the Corporations Act and is subject to periodic reporting and disclosure obligations under the Corporations Act and the Listing Rules.

These obligations require Aventus to notify the ASX of information about specified matters and events as they arise for the purpose of the ASX making that information available to participants in the market.

Once Aventus becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of an Aventus Security, Aventus must (subject to limited exceptions) immediately tell the ASX that information.

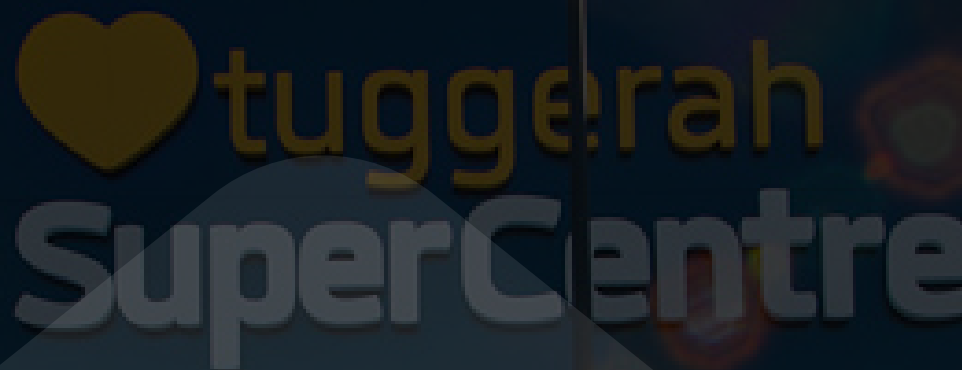
Publicly disclosed information about all ASX-listed entities, including Aventus, is available on the ASX website at www.asx.com.au.

A list of announcements made by Aventus concerning to ASX from the date of the FY2021 annual report on 22 October 2021 to the Last Practicable Date is set out below. This table does not contain announcements on ASX relating to substantial shareholder notices.

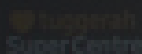
DATE	ANNOUNCEMENT
28/10/2021	AVN FY21 Appendix 4G - replacement
12/11/2021	Jobkeeper Payments Notification
17/11/2021	HDN: Joint Sydney Property Tour
19/11/2021	Application for quotation of securities - AVN
24/11/2021	FY22 Operational Update
24/11/2021	Chairman's Address to Shareholders
24/11/2021	Results of Annual General Meeting

Section Five

**Overview of
the Merged
HDN Group**



**tuggerah
SuperCentre**



**tuggerah
SuperCentre**



welcome

5. Overview of the Merged HDN Group

5.1. Introduction

5.1.1. Background

The Merged HDN Group will be one of Australia's leading Daily Needs REITs, with a portfolio of significant scale and enhanced development capability to unlock value from the Merged HDN Group's strategic landbank. It is expected that the key attributes of the Merged HDN Group will include:

- combined portfolio size of \$4.1 billion¹, with a portfolio WACR of 5.85%, diversified across sub-sectors, tenants and geographies;
- resilient income profile with 84%² national tenants, low average rents and 92%³ of the tenant base contracted under either fixed rental escalations with a weighted average rent review (**WARR**) of 3.6% per annum or CPI;⁴
- strategic last mile infrastructure network spanning 2.5 million square metres in Australia's leading metropolitan markets and growth corridors;
- significant growth pipeline with over \$300 million of future expansion opportunities and an underutilised landbank with a low site coverage ratio of 38%; and
- best-in-class management team with an active investment approach and proven track record.

It is proposed that Aventus Key Management will be offered positions with HomeCo, with responsibilities focused on the Merged HDN Group, to facilitate the implementation of the Merger and to manage the Merged HDN Group into its next phase of growth as a leading ASX-listed Daily Needs REIT. Specifically, Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO), will both be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively.

5.1.2. Objectives and strategy of the Merged HDN Group

The Merged HDN Group will maintain HDN's existing strategy of providing investors with exposure to a portfolio of stabilised, predominately metro-located and convenience-based assets targeting consistent and growing distributions.

The Merged HDN Group intends to achieve this objective by:

- maintaining high quality and defensive exposure across target sub-sectors (Neighbourhood Retail, Large Format Retail and Health & Services), tenants and geographies;
- employing a Model Portfolio construction, informed by long-term historical returns across target sub-sectors, as described further in section 5.1.3.2;
- pursuing acquisition and development opportunities across the target sub-sectors; and
- maintaining an efficient and appropriate capital structure, which will be achieved in part through accessing debt capital markets to obtain cheaper and longer duration debt.

5.1.3. Investment strategy and process

5.1.3.1. Investment philosophy

HDN Trustee's investment philosophy will focus on making investment decisions based on underlying property fundamentals, quantitative analysis and identifying opportunities to unlock value through acquisition opportunities.

1 Adjusted to reflect a 100% ownership of McGraths Hill and the post balance sheet date disposal of MacGregor.

2 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

3 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

4 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN. WARR on 72% of Merged HDN Group tenants that are contracted under fixed escalation rental agreements.

5. Overview of the Merged HDN Group

5.1.3.2. Model Portfolio construction

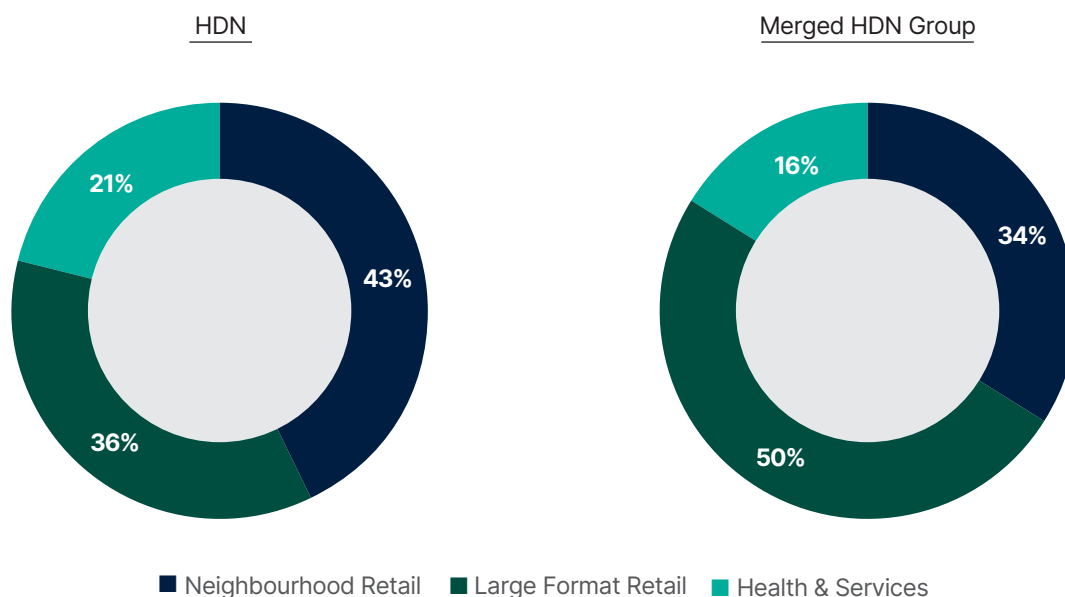
The Merged HDN Group's portfolio will continue to be informed by the Model Portfolio. The Model Portfolio consists of approximately:

- 50% exposure to Neighbourhood Retail;
- 30% exposure to Large Format Retail; and
- 20% exposure to Health & Services.

The Model Portfolio construction has been informed by long-term historical analysis of income and capital returns across sectors, which have displayed relatively low levels of correlation to traditional retail and property sectors and have outperformed other retail property sub-sectors in recent years.

Immediately following the implementation of the Merger, the Merged HDN Group portfolio composition will differ from the Model Portfolio composition as at 30 June 2021, as illustrated in the chart below:

Portfolio composition (as at 30 June 2021)



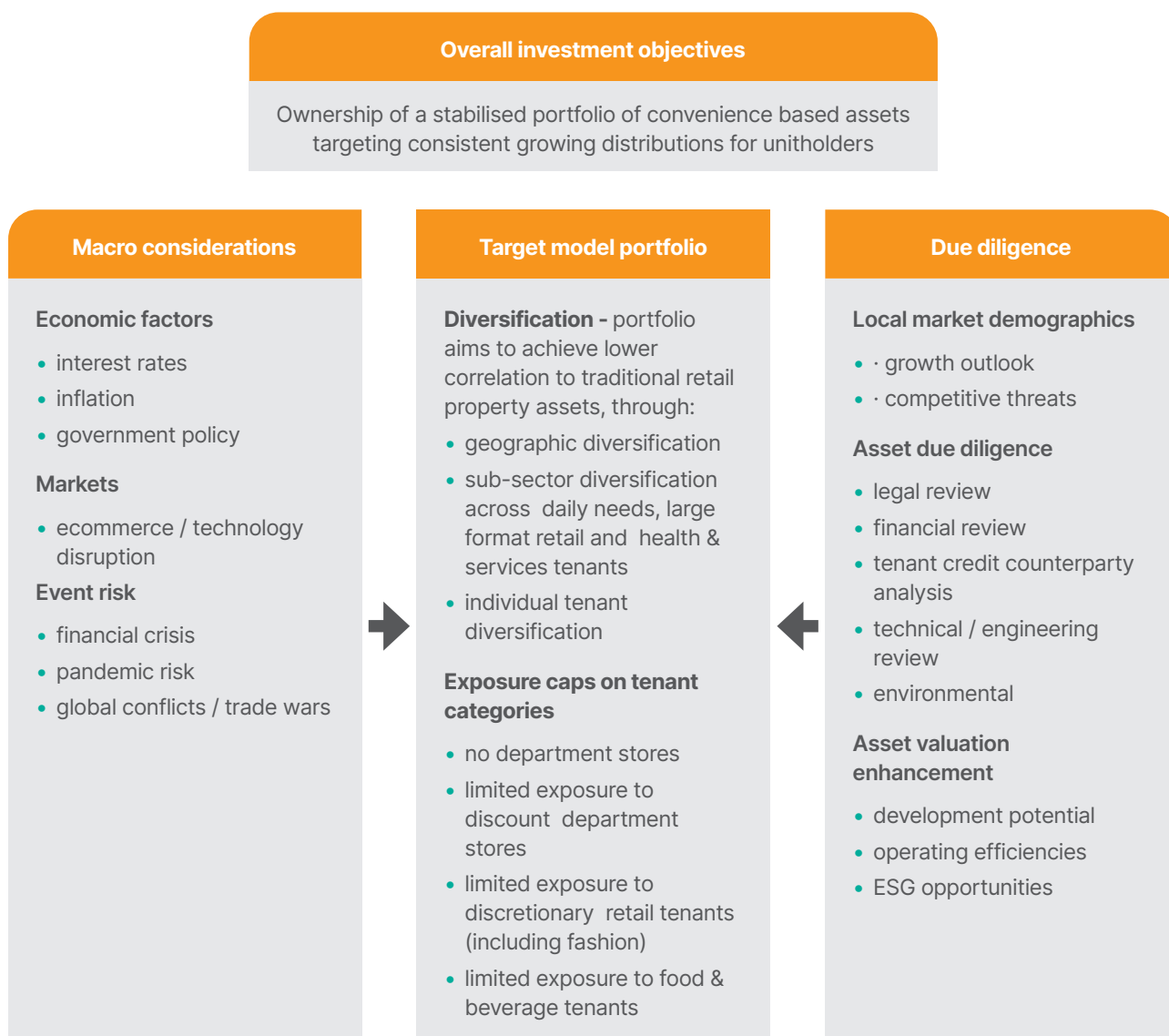
HDN is committed to the Model Portfolio and the Merged HDN Group will seek to rebalance the combined portfolio through tenant remixing, developments and acquisitions.

In-depth gap analysis undertaken in connection with the Merger has identified opportunities across approximately 43 Neighbourhood Retail tenancies and 40 Health & Services tenancies in the combined property portfolio to accelerate tenant remixing towards more defensive daily needs and health and services users.

5.1.3.3. Investment process

HDN Trustee intends to acquire additional properties that are consistent with its objectives and represent value-accretive investment opportunities that complement the Merged HDN Group's strategy of targeting consistent and growing distributions.

The Merged HDN Group's investment approach is summarised in the diagram below.



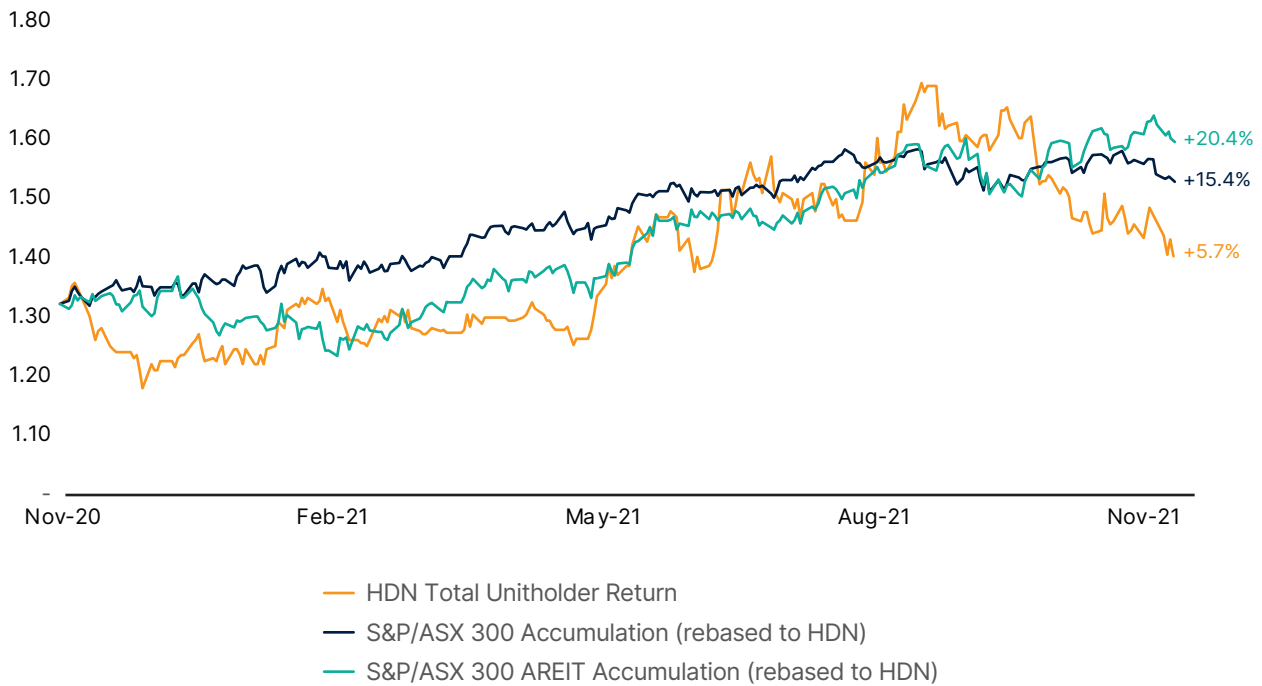
5.1.4. Historical performance

As illustrated in the chart below, since listing on the ASX on 20 November 2020 to the Last Practicable Date, HDN has delivered a total unitholder return of 6%, compared to the S&P/ASX300 A-REIT Accumulation Index total shareholder return of 20% over the same period.⁵

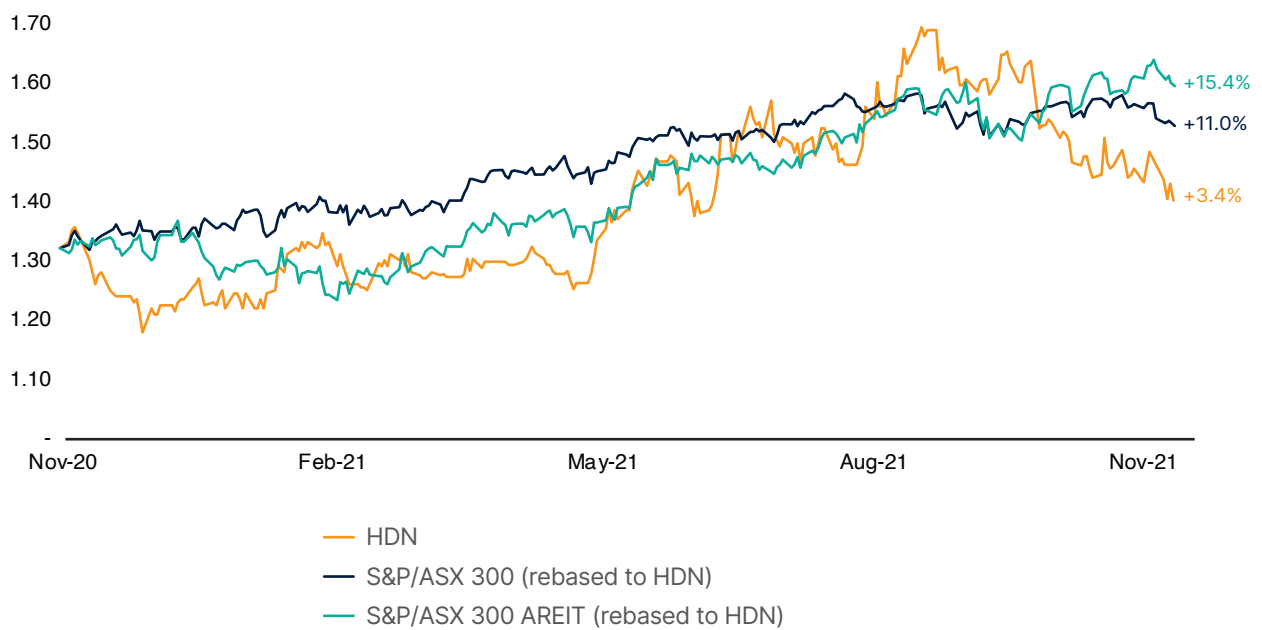
⁵ Total shareholder return assuming distributions are reinvested. The past performance of HDN is not a guarantee of the future performance of HDN.

5. Overview of the Merged HDN Group

HDN total unitholder return since IPO⁶



HDN unit price since IPO⁷



As at the Last Practicable Date:

⁶ As at the Last Practicable Date.

⁷ As at the Last Practicable Date.

- the last recorded trading price of HDN Units was \$1.375; and
- the lowest and highest close prices of HDN Units during the previous three months were \$1.375 and \$1.67 respectively.

As at 15 October 2021, being the trading day before the Merger was announced, the closing price of HDN Units was \$1.605.

5.2. Combined portfolio overview

5.2.1. Introduction

The Merged HDN Group's portfolio will consist of 51 properties valued at approximately \$4.1 billion⁸.

The following table summarises key portfolio metrics for HDN pre-implementation of the Merger and the Merged HDN Group as at 30 June 2021:

	HDN	MERGED HDN GROUP
Number of properties	32	51
Portfolio value	\$1,775m ⁹	\$4,052m
WACR	5.63% ¹⁰	5.85%
WALE ¹¹	7.5 years	5.3 years
Land size	1.3 million sqm	2.5 million sqm
Portfolio value per GLA	\$4,337/sqm ¹²	\$4,342/sqm
Site coverage ratio	32%	38%
National retailers ¹¹	80%	84%

As illustrated in the chart below, the Merged HDN Group will have a presence in five states with 80% of combined portfolio properties located in metropolitan locations¹³ and 92% concentrated on Australia's eastern seaboard¹⁴

8 Adjusted to reflect a 100% ownership of McGraths Hill and the post balance sheet date disposal of MacGregor.

9 Includes Large Format Retail portfolio, Victoria Point and recently announced acquisitions (Woodlea, Pakenham, Coffs Harbour, Lismore and two pad sites). Excludes Parafield ROU asset of \$11 million.

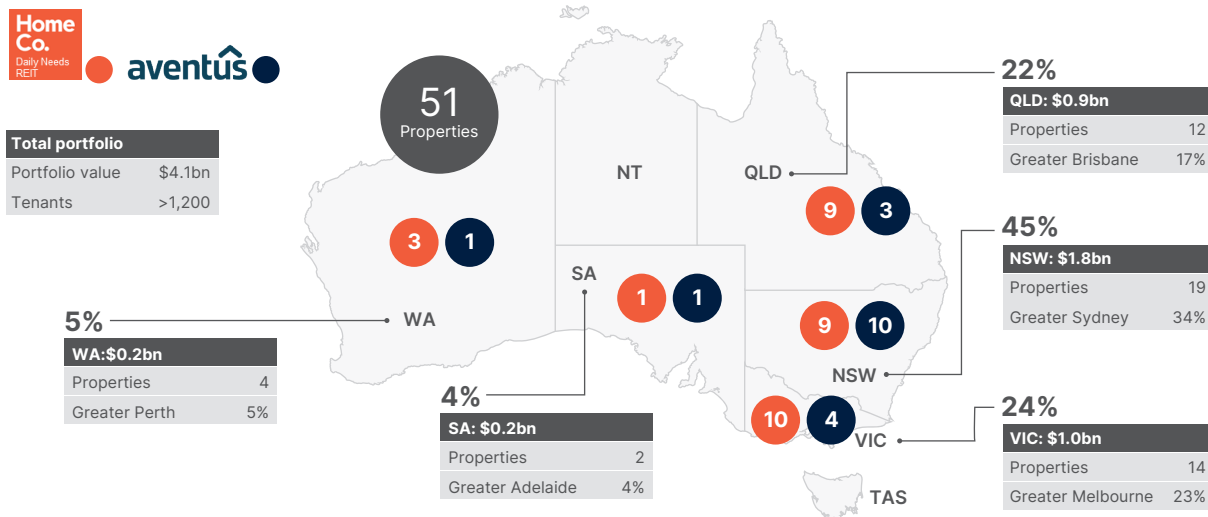
10 Includes Large Format Retail portfolio, Victoria Point and recently announced acquisitions (Woodlea, Pakenham, Coffs Harbour, Lismore and two pad sites).

11 By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

12 Includes Large Format Retail portfolio, Victoria Point and recently announced acquisitions (Woodlea, Pakenham, Coffs Harbour, Lismore and two pad sites). Excludes Parafield ROU asset of \$11 million.

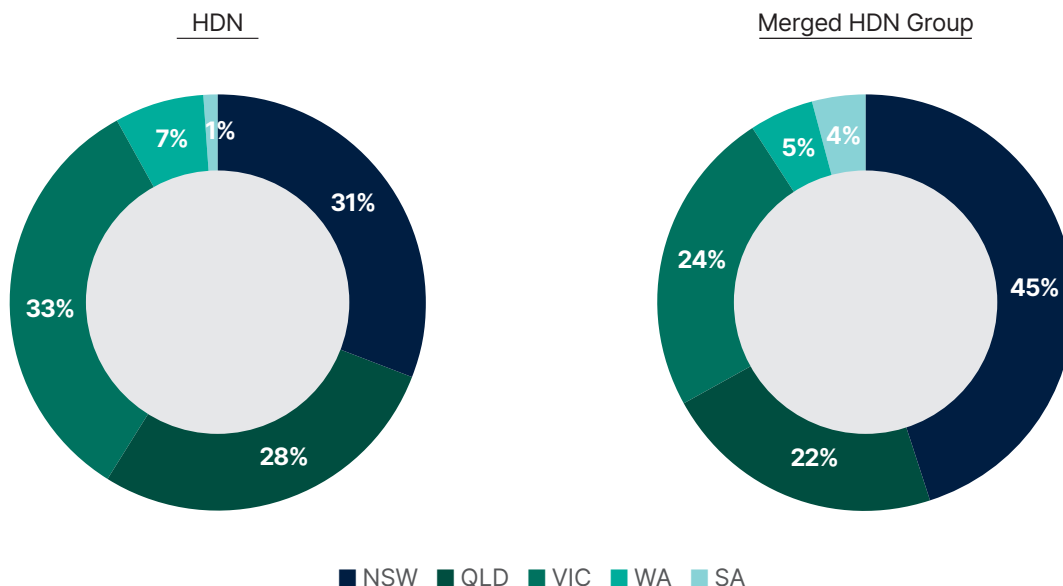
5. Overview of the Merged HDN Group

Portfolio summary (as at 30 June 2021)



The Merged HDN Group's portfolio composition by state is illustrated in the chart below:

Geographic mix (by value) (as at 30 June 2021)



HDN Trustee is undertaking a valuation of its entire portfolio as at 31 December 2021 through independent and director valuations. HDN Trustee currently expects to release to the ASX a summary of the results of the valuation of its portfolio in late December 2021.

Aventus has also engaged an independent valuer to value its portfolio as at 31 December 2021, as set out in section 4.3.

Following the release of the updated valuations, the Aventus Boards will obtain the Independent Expert's confirmation of whether the updated valuations change the Independent Expert's opinion that the Merger is fair and reasonable to,

13 By property fair value as at 30 June 2021.

14 By property fair value as at 30 June 2021.

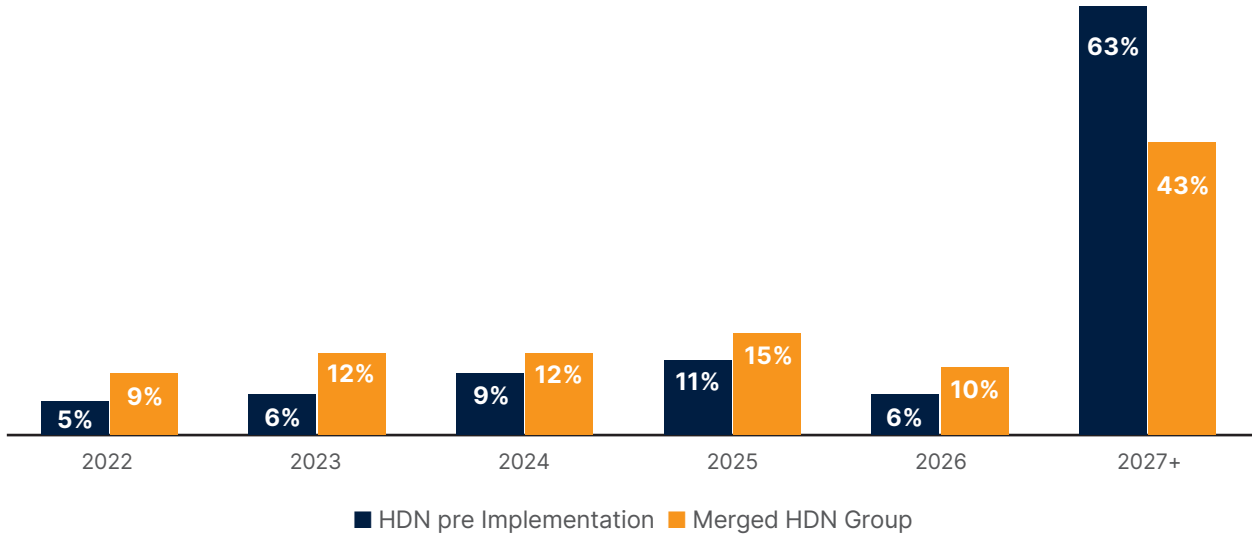
and is therefore in the best interests of, Aventus Securityholders (other than Excluded Securityholders) in the absence of a Superior Proposal.

This confirmation will be announced to the ASX in advance of the Meetings. If the Independent Expert's opinion has changed, the matter will be relisted before the Court prior to the Meetings.

5.2.2. Income profile of the Merged HDN Group

The Merged HDN Group's portfolio is expected to have a stable income profile with a WALE of 5.3 years. As illustrated in the chart below, no more than 15% of rent is expected to expire in any one year before 2027, providing the Merged HDN Group with steadily phased tenant remixing opportunities. The combined portfolio will have more than 600 unique tenants with opportunities to leverage tenant relationships to extend portfolio WALE.

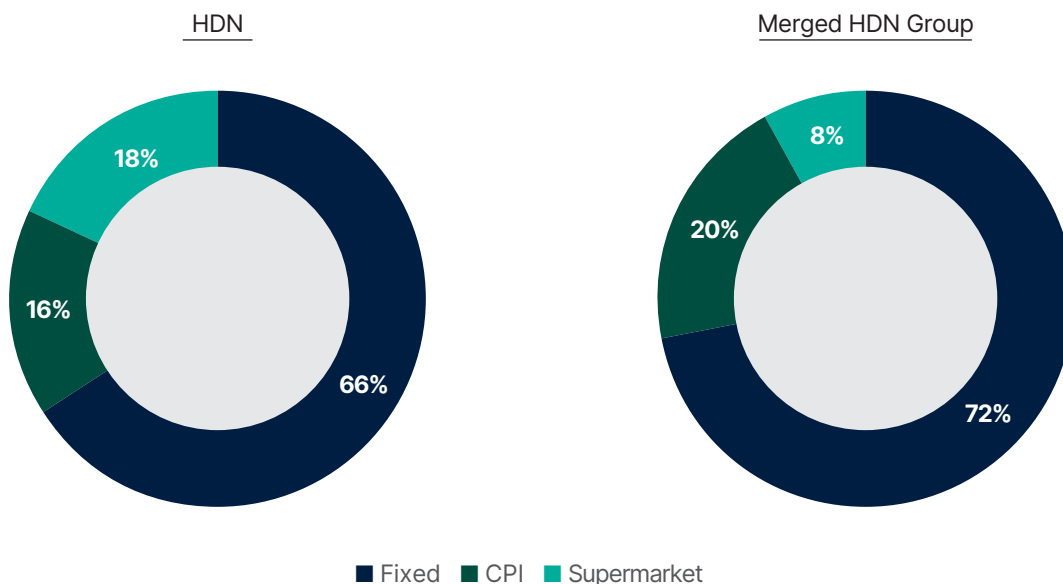
Lease expiry profile post implementation (as at 30 June 2021)



As illustrated below, the Merged HDN Group will have contracted rental growth with fixed escalations across 72% of the combined portfolio with these tenancies having a WARR of 3.6% per annum¹⁵:

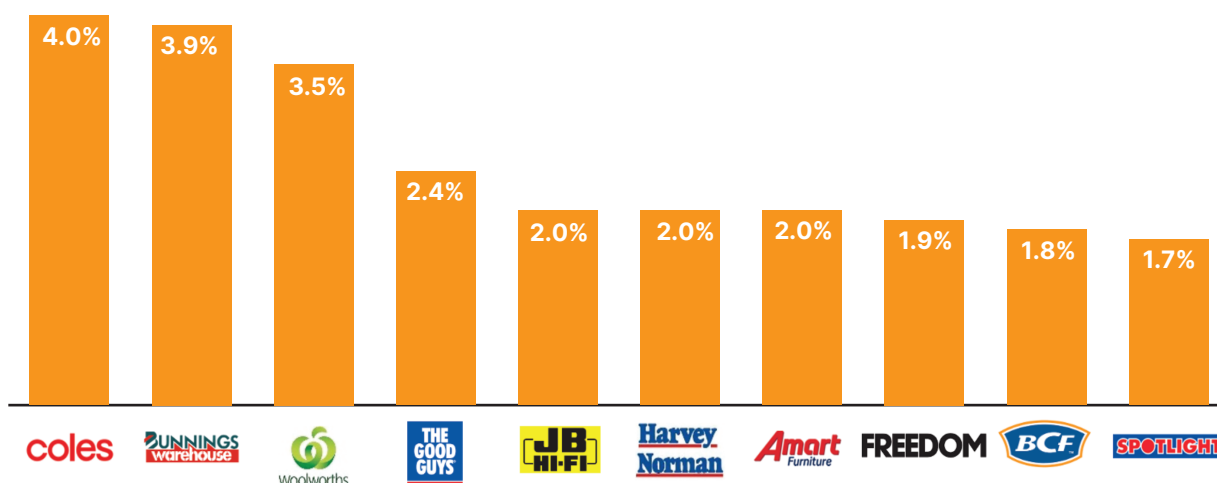
5. Overview of the Merged HDN Group

Rent review composition (as at 30 June 2021)



The combined portfolio is expected to benefit from high quality diversified income with over 1,200 tenants across the Neighbourhood Retail, Large Format Retail and Health & Services sub-sectors and 84% of the portfolio comprising national tenants¹⁶. As illustrated in the chart below, the top 10 tenants will represent over 25% of income and no single tenant will comprise more than 4% of income:

Overview of the top 10 tenants¹⁷ (as at 30 June 2021)



¹⁵ By gross income for signed leases for the Merged HDN Group and signed memoranda of understanding for HDN. WARR on 72% of Merged HDN Group tenants that are contracted under fixed escalation rental agreements.

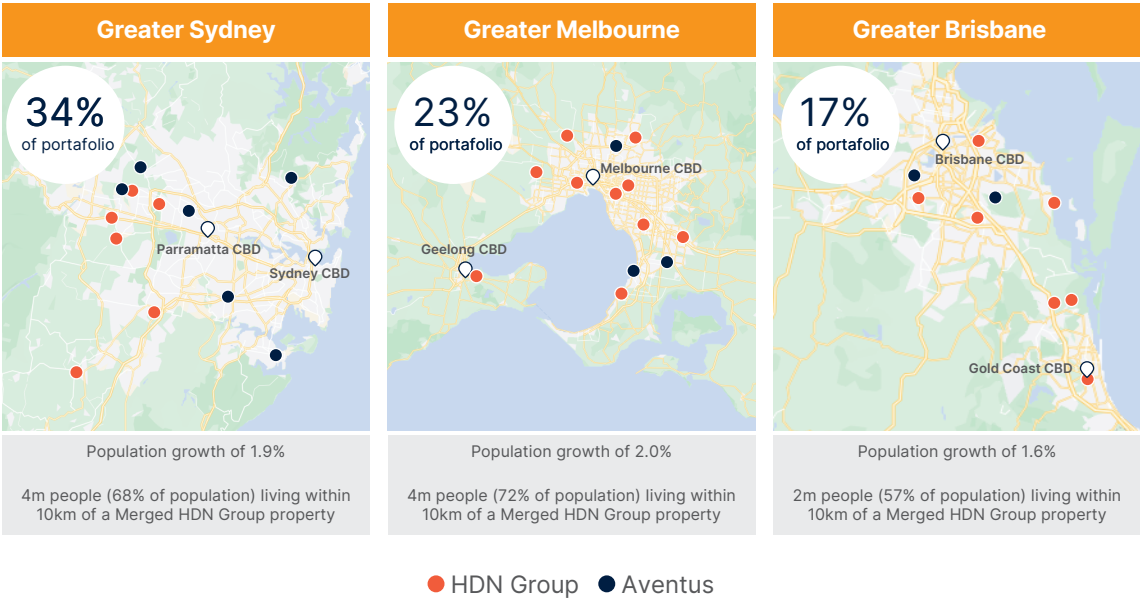
¹⁶ By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

¹⁷ By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

5.2.3. Growth and investment pipeline

The Merged HDN Group will have a potential future strategic last mile infrastructure network spanning 2.5 million square metres in the strongest metropolitan markets of Sydney, Melbourne, Brisbane, Perth and Adelaide. Across all assets in New South Wales, Victoria, Queensland, South Australia and Western Australia, over 12 million people live within a 10 kilometre radius of a Merged HDN Group property and population growth across the combined portfolio's regions is 1.9%, compared to a national average of 1.6%¹⁸, which is expected to support omnichannel and last-mile logistics demand.

National last mile logistics network



The Merged HDN Group is expected to be well positioned to accelerate development opportunities and leverage its development track record and increased scale to deliver enhanced earnings and NTA growth, particularly by accelerating value enhancing brownfield and larger-scale development opportunities across the combined portfolio.

The Merged HDN Group intends to target more than \$60 million¹⁹ of annual development capital expenditure with a target return on invested capital in excess of 7%²⁰.

Approximately \$150 million of brownfield development opportunities are expected to be pursued in the first 24 months following the Merger. Over the longer term, it is estimated that more than \$300 million of major development opportunities may be available across the combined portfolio.

18 Based on annual forecast growth to 2027.
 19 Estimate only and subject to investment committee and other approvals.
 20 Target cash yield on development cost.

5. Overview of the Merged HDN Group

Identified development opportunities by property are summarised in the table below:

Merged HDN Group development opportunities

PROPERTY	OPPORTUNITY	APPROXIMATE SIZE (sqm)
Near-term brownfield opportunities		
HDN properties		
Vincentia	Childcare, health and services precinct	6,500
Glenmore Park	Health and services precinct	1,500
Upper Coomera	Childcare centre	1,800
Toowoomba South	Centre expansion	2,000
Marsden Park	Centre expansion and F&B precinct	2,200
Victoria Point	LFR expansion	6,000
AVN properties		
Belrose	Target medical and childcare centre	2,500
Caringbah	Target medical and childcare centre	3,000
Castle Hill	Potential centre expansion on rooftop carpark	Not applicable
Tuggerah	Expansion potential on excess land	11,500
Cranbourne	Centre expansion	3,000
Longer-term major development opportunities		
HDN properties		
Richlands	Town centre redevelopment	>10,000
Marsden	Supermarket and childcare centre	7,000
Vincentia	LFR expansion	6,500
AVN properties		
Jindalee	Town centre redevelopment	>20,000
Kotara	Town centre redevelopment	>10,000 ²¹
Epping	Town centre redevelopment	>30,000

²¹ Subject to acquisition of adjacent site.

5.2.4. Summary of combined portfolio metrics

PROPERTY	STATE	VALUE (\$M)	CAP RATE (%)	OCCUPANCY ²² (%)	WALE ²³	GLA ('000)	SITE AREA ('000)	SITE COVERAGE (%) ²⁴
HDN portfolio								
Armstrong Creek (incl. Pad)	VIC	77.1	5.72%	100%	9.9	13	32	40%
Box Hill	VIC	57.5	6.00%	100%	8.6	14	40	34%
Braybrook	VIC	67.0	5.25%	100%	9.2	16	41	38%
Bundall	QLD	35.5	6.50%	100%	6.0	10	16	64%
Bunnings Seven Hills	NSW	60.0	4.50%	100%	10.0	13	22	60%
Butler	WA	42.8	6.25%	100%	8.7	17	42	41%
Coffs Harbour	NSW	27.0	5.75%	100%	8.4	10	24	40%
Coomera City Centre	QLD	57.0	5.75%	100%	6.8	7	29	26%
Glenmore Park Town Centre	NSW	148.5	5.50%	100%	6.3	17	46	38%
Gregory Hills Town Centre	NSW	76.0	5.25%	99%	9.6	15	46	32%
Hawthorn East	VIC	73.0	5.00%	100%	8.2	11	28	41%
Joondalup	WA	53.0	6.25%	98%	8.5	17	44	39%
Keysborough	VIC	44.0	5.75%	100%	9.5	12	36	33%
Lismore	NSW	20.6	6.00%	100%	5.4	9	35	25%
Mackay	QLD	27.2	7.00%	100%	5.6	14	109	13%
Marsden Park	NSW	57.3	5.50%	100%	4.9	12	35	33%
Marsden	QLD	53.0	6.00%	98%	7.2	8	58	14%
Mornington	VIC	51.5	5.75%	100%	9.9	11	36	32%
Pakenham	VIC	98.5	6.00%	100%	5.5	31	76	40%
Parafield ²⁵	SA	23.0	7.00%	100%	5.8	16	43	37%
Penrith	NSW	54.8	5.75%	100%	4.7	13	30	44%
Prestons	NSW	39.3	5.25%	100%	6.6	5	16	33%
Rosenthal	VIC	31.5	5.25%	98%	7.5	5	18	27%
South Morang	VIC	35.7	6.25%	100%	5.6	11	36	31%
Tingalpa	QLD	35.0	6.00%	100%	5.2	11	28	39%
Toowoomba South	QLD	32.0	6.50%	97%	5.7	11	32	35%
Upper Coomera (incl. Pad)	QLD	45.5	5.67%	94%	6.7	11	39	29%
Victoria Point	QLD	160.0	4.75%	98%	7.3	21	76	27%
Vincentia	NSW	64.8	5.50%	100%	6.1	12	68	18%
Woodlea	VIC	55.4	5.25%	100%	10.8	9	27	31%

22 By GLA.

23 By gross income for signed leases and signed memoranda of understanding across all HDN assets.

24 Ratio of GLA to site area, where GLA does not include carspaces.

25 Excludes Parafield ROU asset of \$11 million.

5. Overview of the Merged HDN Group

PROPERTY	STATE	VALUE (\$M)	CAP RATE (%)	OCCUPANCY ²² (%)	WALE ²³	GLA ('000)	SITE AREA ('000)	SITE COVERAGE (%) ²⁴
Ellenbrook ²⁶	WA	27.6	6.50%	89%	10.9	13	30	43%
Richlands ²⁷	QLD	43.5	6.25%	95%	11.0	13	49	26%
HDN portfolio total/ average²⁸		1,774.6	5.63%	99%	7.5	409	1,288	32%
Aventus portfolio								
Bankstown	NSW	78.0	6.00%	100%	3.9	18	40	45%
Belrose	NSW	202.0	5.75%	100%	3.0	37	44	84%
Caringbah	NSW	152.2	5.75%	100%	3.5	21	23	91%
Castle Hill	NSW	354.0	5.75%	100%	3.9	51	60	85%
Highlands	NSW	44.0	6.00%	100%	4.1	11	32	34%
Kotara South	NSW	137.0	6.00%	99%	4.1	29	53	55%
Marsden Park	NSW	108.2	5.75%	100%	4.5	20	40	33%
McGraths Hill ²⁹	NSW	50.0	6.00%	100%	3.1	16	38	42%
Tuggerah	NSW	110.8	6.50%	98%	4.6	39	127	31%
Warners Bay	NSW	54.5	6.00%	100%	4.6	12	35	34%
Ballarat	VIC	46.5	6.50%	100%	2.4	20	52	39%
Cranbourne	VIC	175.5	6.00%	100%	4.7	57	194	29%
Epping	VIC	64.0	6.25%	94%	2.7	22	91	24%
Peninsula	VIC	115.0	6.00%	100%	3.3	33	85	39%
Jindalee	QLD	163.3	6.00%	100%	2.6	27	72	38%
Logan	QLD	107.0	6.25%	100%	3.4	27	27	100%
Sunshine Coast	QLD	121.0	6.00%	97%	3.3	27	69	39%
Mile End	SA	127.5	6.50%	100%	3.5	34	71	48%
Midland	WA	67.0	6.75%	91%	3.4	23	43	54%
Aventus portfolio total/ average³⁰		2,277.5	6.01%	99%	3.6	524	1,196	44%
Merged HDN Group portfolio³¹		4,052.1	5.85%	99%	5.3	933	2,484	38%

5.3. Merged HDN Group market capitalisation

The Merged HDN Group is expected to be the second largest ASX-listed Daily Needs REIT by market capitalisation, as illustrated in the chart below.

²⁶ Development asset.

²⁷ Development asset.

²⁸ Includes development assets.

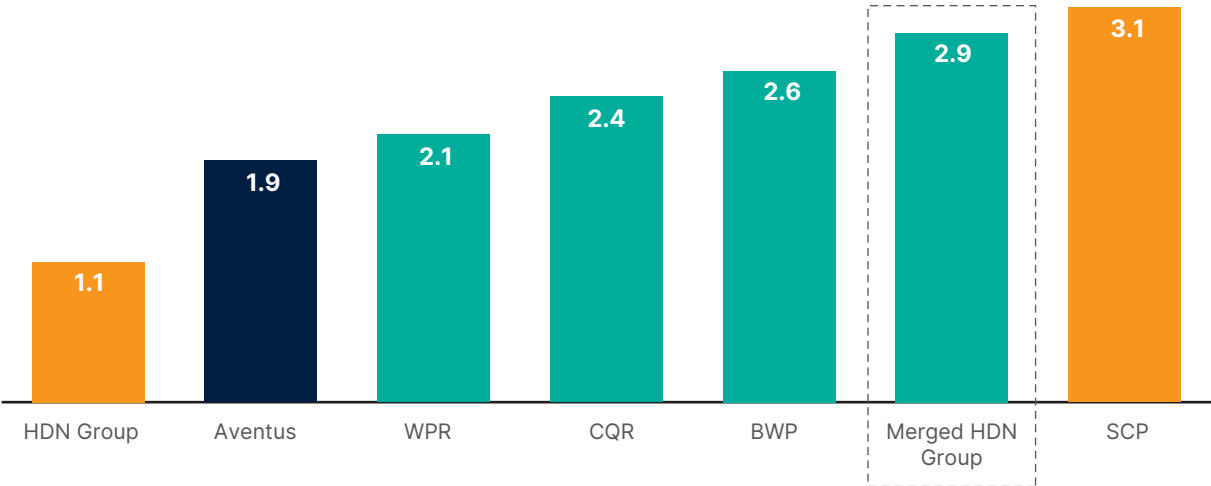
²⁹ Aventus retains 25% ownership of McGraths Hill. Table includes 100% valuation.

³⁰ Adjusted to reflect post balance sheet date disposal of MacGregor.

³¹ Includes development assets.

Market capitalisation pre and post implementation (\$bn)³²

ASX listed Daily Needs based REITs



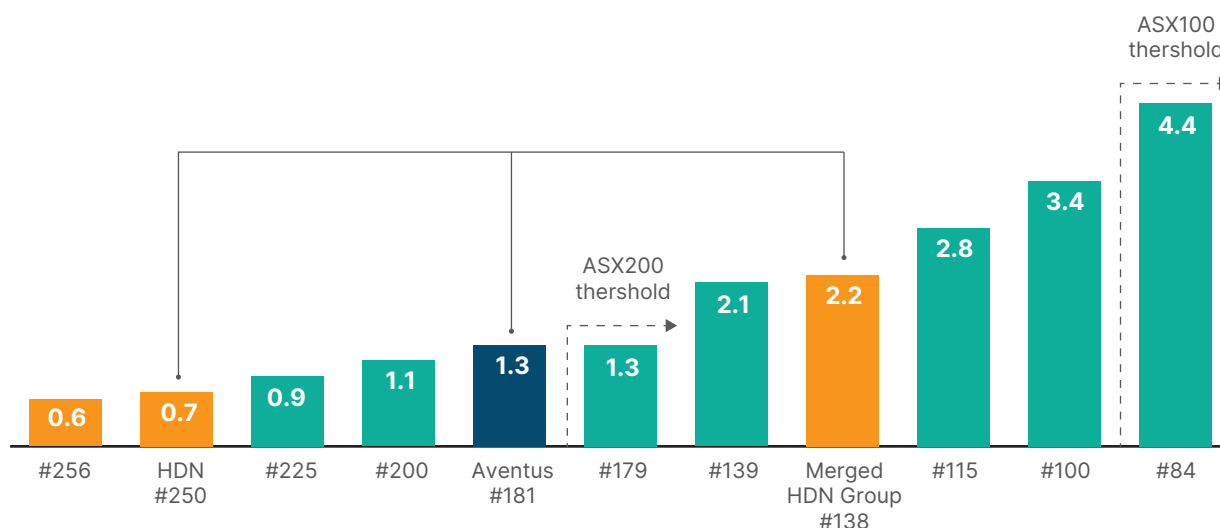
The Merged HDN Group is expected to benefit from increased relevance for equity investors through increased scale relative to HDN and Aventus on a stand-alone basis. Based on a free float market capitalisation of \$2.2 billion³³, the Merged HDN Group is expected to be eligible for the S&P/ASX200 index with a pathway towards S&P/ASX 100 index inclusion, as illustrated in the chart below.

³² As at the Last Practicable Date.

³³ As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this chart contains data sourced from IRESS without its consent. As at the close of trading on the Last Practicable Date. HDN Group based on free float of 74.7%, excluding 25.3% stake from HomeCo. Aventus based on free float of 72.0%, excluding BBRC and Ray Itaoui stakes. Merged HDN Group based on free float of 75.8%, excluding HomeCo and BBRC pro forma substantial holdings.

5. Overview of the Merged HDN Group

S&P/ASX Index free float market capitalisation thresholds (\$bn)³⁴



5.4. Capital management

5.4.1. Borrowing policy

The Merged HDN Group will continue to target Gearing of between 30% and 40%, with the ability to exceed the top end of the range, provided Gearing reduces below 40% within a reasonable period of time. The Merged HDN Group is expected to have pro forma Gearing (excluding intangibles) of 34.5%³⁵ on a 30 June 2021 basis.

5.4.2. Financing arrangements

Given that the Scheme Consideration to be provided by HDN Trustee comprises solely of HDN Units, HDN will meet its funding requirements for the Merger using equity issuance (HDN Units issued to Scheme Securityholders) with cash on balance sheet and/or debt used to fund Merger costs.

HDN and Aventus have existing debt facilities with a combined limit of \$1,620.0 million.

As part of the Merger, the debt facilities are proposed to be combined into a single \$1,620 million senior secured facility if existing lenders provide consent to rolling existing commitments into this new facility.

The Merger is not subject to any financing conditions and assumes all existing financing commitments of HDN and Aventus Trust will remain in place within the Merged HDN Group. A relationship bank of HDN and Aventus (**Underwriter**) has committed to underwrite the Backstop Facility as part of the Merger. Under this Backstop Facility, the Underwriter will provide the balance of the existing debt commitments where existing lenders do not consent to rolling into the new facility by financial close and where new demand has not been obtained.

³⁴ As at the Last Practicable Date.

³⁵ Assuming HomeCo Acquisition Fee paid in HDN Units. This is subject to obtaining HDN Unitholder approval for the amendments to the Investment Management Agreement to permit any acquisition fee to be paid in HDN Units, cash or both (at the Investment Manager's election).

A summary of the proposed Merged HDN Group debt facilities as at 30 June 2021³⁶ is outlined in the table below.

SENIOR SECURED FACILITY SUMMARY	FACILITY A (5 YEAR TERM)	FACILITY B (REVOLVING)	FACILITY C (2 YEAR TERM)	TOTAL
Facility limit	\$550.0m	\$470.0m	\$600.0m	\$1,620.0m
Drawn debt	\$550.0m	\$246.2m	\$600.0m	\$1,396.2m ³⁷
Undrawn debt	-	\$223.8m	-	\$223.8m
Liquidity				
Senior facility undrawn				\$223.8m
Cash at bank				\$6.4m
Total liquidity				\$230.2m
Key debt metrics				
Pro forma Gearing at 30 June 2021				34.5% ³⁸

The total financing facilities limit following implementation of the Merger will be \$1,620.0 million, of which \$1,396.2 million has been drawn as at 30 June 2021. The available liquidity will be \$230.2 million.

The HDN Debt Facilities are subject to the satisfaction of certain customary conditions precedent including:

- confirmation by HDN Trustee that completion of acquisition of the units in the Aventus Trust has occurred or will occur substantially concurrently with the utilisation of the debt facilities in all material respects in accordance with the Scheme Implementation Deed;
- confirmation that there will be no amendment of, or waiver under, the Scheme Implementation Deed without the consent of the Underwriter (not to be unreasonably withheld or delayed);
- provision of due diligence material prepared on behalf of HDN in relation to acquisition of the units in the Aventus Trust; and
- execution of long form documentation.

It is expected that the conditions to the HDN Debt Facilities will be satisfied on or before the Second Court Date (other than certain procedural conditions which are intended to be satisfied concurrently with or prior to the Implementation Date). As at the Last Practicable Date, HDN is not aware of any reason why these conditions will not be satisfied.

HDN's overall financing arrangements (**HDN Debt Facilities**) are further described at section 5.12.6.

5.4.3. Hedging policy

To manage interest rate risk, the Merged HDN Group may choose to have a portion of its total borrowings on a fixed interest rate basis. In deciding the appropriate level of interest rate hedging, the Merged HDN Group will monitor market conditions on a regular basis.

³⁶ Pro forma adjusted to include Large Format Retail portfolio, Victoria Point and capitalised borrowing costs.

³⁷ Total drawn debt of \$1,396.2m reflects borrowings excluding \$9.0m of unamortised debt costs (comprising \$5.9m from HDN and \$3.1m from Aventus Trust).

³⁸ Assuming HomeCo Acquisition Fee paid in HDN Units. This is subject to obtaining HDN Unitholder approval for the amendments to the Investment Management Agreement to permit any acquisition fee to be paid in HDN Units, cash or both (at Investment Manager's election).

5. Overview of the Merged HDN Group

5.5. Distribution policy

The Merged HDN Group expects to target a normalised distribution payout ratio of 90% to 100% of FFO. A payout ratio below this target may be adopted in circumstances where the Merged HDN Group has identified value-accretive investment opportunities that meet the investment criteria. The HDN Trustee Board will retain the discretion to vary the distribution policy.

HDN Trustee intends to pay distributions quarterly, with HDN Unitholders to receive distributions within two months following the end of each distribution period, being the three months ending 31 March, 30 June, 30 September and 31 December. The table below sets out the expected distribution schedule:

QUARTER ENDING	PAID BY
30 September	30 November
31 December	28 February
31 March	31 May
30 June	31 August

Aventus Securityholders and HDN Unitholders will continue to receive distributions from the Aventus and HDN Group respectively until implementation of the Merger.

5.6. Capital structure

5.6.1. Units on issue

If the Merger is implemented, HDN will issue approximately 1,257 million new HDN Units to Scheme Securityholders (or, in the case of Ineligible Foreign Securityholders, the Sale Agent).

As a result of the Merger, the number of HDN Units on issue will increase from approximately 795 million (being the number currently on issue) to approximately 2,065 million as set out below:

Number of HDN Units on issue	794,591,203
Number of HDN Units issued as part of the Merger	1,257,007,138
Number of HDN Units issued as part of the HomeCo Acquisition Fee ³⁹	13,866,667
Total number of HDN Units after the Merger is implemented	2,065,465,008

HDN Units issued to Aventus Securityholders (as at the Scheme Record Date) upon implementation of the Merger, excluding HDN Units issued to HomeCo⁴⁰, will represent 57.2% of the total Merged HDN Group units on issue.

³⁹ Subject to HDN Unitholders approving the amendments to the Investment Management Agreement to permit any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

⁴⁰ Assuming BBRC Option is exercised and the HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

5.7. Substantial unitholders

5.7.1. Current substantial unitholders in HDN

As at the Last Practicable Date, the following persons are substantial unitholders in HDN:

SUBSTANTIAL UNITHOLDER	UNITHOLDING	PERCENTAGE UNITHOLDING
HomeCo	201,212,145	25.3%
The Vanguard Group	42,134,076	5.3%

5.7.2. Substantial unitholders in Merged HDN Group on the Implementation Date

On the basis of unitholdings held in HDN Group and Aventus Trust as at the Last Practicable Date and the Scheme Consideration, the following persons would hold a substantial unitholding in the Merged HDN Group on the Implementation Date:

SUBSTANTIAL UNITHOLDER	UNITHOLDING	PERCENTAGE UNITHOLDING
HomeCo ⁴¹	290,415,079	14.1%
BBRC ⁴²	208,567,240	10.1%

5.8. Corporate governance

5.8.1. Governance of the Merged HDN Group

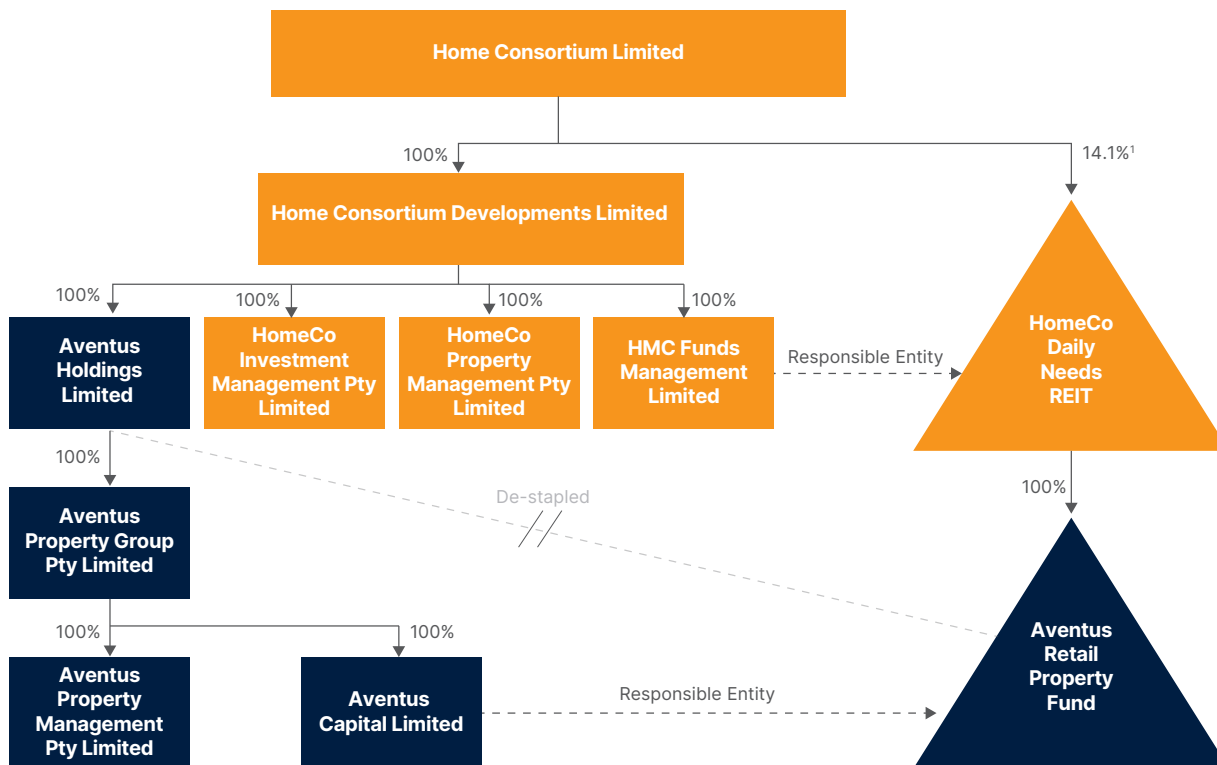
The Merged HDN Group will continue to be externally managed post implementation of the Merger. HDN Trustee and the **Managers** of the Merged HDN Group, being HomeCo Property Management Pty Limited (formerly HomeCo DNR Property Management Pty Limited) (**Property Manager**), HomeCo Investment Management Pty Limited (formerly HomeCo DNR Investment Management Pty Limited) (**Investment Manager**), and Aventus Property Management Pty Limited (**Aventus Property Manager**), will each be a wholly owned subsidiary of HomeCo after implementation of the Merger.

41 Assuming BBRC Option is exercised and HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

42 Assuming the BBRC Option is exercised.

5. Overview of the Merged HDN Group

The ownership structure of the Merged HDN Group post-implementation of the Merger is summarised below:



¹ Assuming BBRC Option is exercised and HomeCo Acquisition Fee is paid in HDN units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to permit any acquisition fee to be paid to HomeCo in HDN Units, cash or both (at HomeCo's election).

5.8.1.1. HDN Trustee

The responsible entity of HDN will continue to be HMC Funds Management Limited, a wholly owned subsidiary of HomeCo. HDN Trustee will have the responsibility for the governance and operation of the Merged HDN Group. HDN Trustee was incorporated on 12 June 2003 and was acquired by HomeCo on 18 September 2020. HDN Trustee holds an Australian Financial Services License (AFSL) with number 237257.

5.8.1.2. Managers

HDN Trustee has appointed the Property Manager and Investment Manager to provide certain asset management, investment management, development management, leasing and property management services to HDN under the Management Agreements which, apart from as described below in relation to Aventus Property Manager and the Aventus Trust properties, will also be extended to the Merged HDN Group.

The Property Manager and Investment Manager were both incorporated on 21 September 2020. Under the constitution of HDN, HDN Trustee is permitted to appoint a manager to manage the assets of HDN (which post implementation will be the assets of the Merged HDN Group), and HDN Trustee is authorised to, and must, pay all fees and costs under the Management Agreements out of the assets of HDN, subject to the provisions of the HDN constitution.

Following implementation of the Merger, the Aventus Property Manager will continue to provide property management services (and no other services) to the Aventus Trust properties under the property management and development agreement entered into on 9 September 2015 (as amended on 25 March 2021) by Aventus Property Manager, Aventus Trustee and the relevant trustees holding the Aventus Trust properties (**Aventus Property Management Agreement**).

To the extent this causes an increase in the cost to HDN (due to the property management fee payable by HDN under the Aventus Property Management Agreement being higher than that which would have been payable by HDN if property management services were provided to the Aventus Trust properties under the HDN Property Management Agreement), the Investment Manager will deduct the cost increase from the management fee payable by HDN under the Investment Management Agreement. As noted above, the Property Management Agreement will apply in respect of all other property and development management services to all properties in the Merged HDN Group's portfolio.

5.8.1.3. Ongoing relationship between HomeCo and the Merged HDN Group

HomeCo is an ASX-listed owner, developer and manager of diversified property investments. HomeCo was listed on the ASX in October 2019 and trades under the code HMC. Information relating to HomeCo, including announcements made by HomeCo since its listing, is available at www.asx.com.au.

HomeCo will maintain an ongoing relationship with the Merged HDN Group in the following manner:

- HDN Trustee is a subsidiary of HomeCo and as such, HomeCo retains the right to appoint (and replace) all Directors on the HDN Trustee Board;
- two of the directors of HomeCo are also HDN Trustee Directors;
- Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO), will both be offered positions at HomeCo as CEO and CFO of Merged HDN Group respectively;
- the Managers will continue to be members of the HomeCo Group; and
- HomeCo will maintain an investment in the Merged HDN Group and following implementation of the Merger will have an investment of approximately 14.1% of HDN Units on issue⁴³.

Certain expenses of HDN Trustee and the Managers will also be reimbursed from assets of the Merged HDN Group, pursuant to the constitution of HDN, the Management Agreements and the Aventus Property Management Agreement. Further detail regarding the key terms of these agreements is contained in section 5.12. In addition, fees and expenses payable to HDN Trustee and the Investment Manager under the HDN constitution or the Investment Management Agreement may in certain circumstances be satisfied by the issue of HDN Units.

Related party transactions carry a risk that they could be assessed and monitored less rigorously than arm's length third party transactions. It is important for HDN Trustee to take an appropriate approach to related party transactions. Refer to Annexure A for details on the HDN's Conflicts of Interest and Related Party Policy and the procedures it has in place to manage conflicts of interest and related party transactions following implementation of the Merger.

5.8.2. Board of Merged HDN Group

5.8.2.1. Board of directors

From implementation of the Merger, the HDN Trustee Board will comprise non-executive directors, and the majority of directors will be considered independent, including an independent Chair, for the purposes of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations⁴⁴ (**ASX Recommendations**). As the majority of the HDN Trustee Board will comprise external directors, HDN Trustee is not required to establish a compliance committee for the purposes of the Corporations Act.

The directors of the HDN Trustee Board and their experience are detailed below. Bruce Carter, currently a director of Aventus, will be joining the HDN Trustee Board during the transition period following implementation of the Merger, and will retire from the HDN Trustee Board with effect from 31 December 2022.

43 Assuming the BBRC Option is exercised and the HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

44 Refers to fourth edition, February 2019.

5. Overview of the Merged HDN Group

Directors biographies



Simon Shakesheff – Independent Non-Executive Chair

Current HDN Director

- Non-Executive Director of Cbus Property, Assembly Funds Management, Kiwi Property and St George Community Housing
- Formerly Head of Strategy and Stakeholder Relations at Stockland Trust Group from 2013 to 2018 where Simon was responsible for Strategy, Research and Stakeholder Relations, and a member of the Executive Committee
- Over 30 years experience in the finance and real estate industry including 19 years as an equities analyst covering listed real estate and retail companies at Macquarie Bank and JP Morgan, and a further six years as a corporate adviser to major real estate groups, at UBS and Bank of America Merrill Lynch



Simon Tuxen – Independent Non-Executive Director

Current HDN Director

- Non-Executive Director of Racing New South Wales
- Former General Counsel and Company Secretary at Westfield from 2002 to 2018
- Prior to joining Westfield in 2002, Simon was General Counsel of BIL International Limited in Singapore, Group Legal Manager of the Jardine Matheson Group in Hong Kong and a partner with Mallesons Stephen Jaques (now King & Wood Mallesons) from 1987 to 1996



Stephanie Lai – Independent Non-Executive Director, Chair of Audit and Risk Committee

Current HDN Director

- Non-Executive Director of Superloop, Future Generation Investment Company and HealthCo Healthcare & Wellness REIT
- Over 20 years' experience as a Chartered Accountant and is a former M&A partner of Deloitte and KPMG
- Stephanie has significant experience providing due diligence and advisory services, including forecast reviews, to listed entities, sovereign wealth funds, wealth managers and private equity
- Stephanie holds a Bachelor of Business (University of Technology Sydney) and is a Graduate Member of the Australian Institute of Company Directors and Institute of Chartered Accountants Australia and New Zealand



David Di Pilla – Non-Executive Director

Current HDN Director

- Chief Executive Officer and Managing Director of HomeCo
- Founder, a director and the major shareholder of Aurrum
- Former strategic adviser and director to operating subsidiaries of the Tenix Group of Companies from 2014 to 2016
- Over 20 years of experience in investment banking. From 2004 to 2015, David was Managing Director and Senior Adviser at UBS, Australia and during this time he advised some of Australia's largest corporations on mergers and acquisitions, debt and equity capital market transactions



Greg Hayes – Non-Executive Director

Current HDN Director

- Non-Executive Director of Home Consortium and Ingenia Communities
- Director of Aurrum
- Former Chief Financial Officer and Executive Director of Brambles Limited, Chief Executive Officer and Group Managing Director of Tenix Pty Ltd, Chief Financial Officer and interim CEO of The Australian Gas Light Company (AGL), Chief Financial Officer Australia and New Zealand of Westfield Holdings, and Executive General Manager, Finance of Southcorp Limited
- Holds a Master of Applied Finance, a Graduate Diploma in Accounting, a Bachelor of Arts and completed an Advanced Management Programme (Harvard Business School)



Darren Holland – Executive Director and Chief Executive Officer

Current Aventus Managing Director and Chief Executive Officer

- Co-founded Aventus Group in 2004
- More than 27 years experience in the retail property industry, across leasing, development, asset management and acquisitions
- Previously played a leading role in the development and management of the only pure-play listed Australian Large Format Retail owner and operator, Homemaker Retail Group (ASX:HRP)
- Holds a Bachelor of Business (Land Economics) from the University of Western Sydney
- Licensed Real Estate Agent

5. Overview of the Merged HDN Group



Bruce Carter – Independent Non-Executive Director

Current Aventus Chairman

- Chair of the Australian Submarine Corporation, a director of Bank of Queensland Limited, Chair of AIG Australia Limited and a director of Crown Resorts Limited
- Former managing partner at Ferrier Hodgson Adelaide for 19 years, partner at Ernst & Young, Chair of the South Australian Economic Development Board and a member of the Executive Committee of Cabinet
- Holds a Masters of Business Administration from Heriot-Watt University and a Bachelor of Economics from The University of Adelaide
- Fellow of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors

It is intended that Bruce Carter will join the HDN Trustee Board until December 2022 to ensure a smooth transition.



Robyn Stubbs – Independent Non-Executive Director

Current Aventus Director

- Director across a number of companies including Ranfurly Asset Management and ASX200-listed Brickworks Limited
- More than 25 years experience as a senior executive in large, complex national and multi-national organisations
- Significant retail property expertise including eight years as a General Manager with Stockland; her last role heading up retail leasing across a portfolio of 40 shopping centres nationally
- Provides executive coaching and mentoring services to a range of corporate clients via the Stephenson Mansell Group
- Graduate of the Australian Institute of Company Directors
- Holds a Master of Science degree in Coaching Psychology from The University of Sydney and was awarded a University Medal for her business degree from the University of Technology, Sydney

5.8.2.2. Management team

Day to day management and investment services to HDN are provided by the Managers. The Managers have access to the officers and employees of HomeCo to perform these services. It is proposed that Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO) will be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively. Darren Holland's experience is set out in section 5.8.2.1 above and Lawrence Wong's experience is detailed in section 6.8.1.2.

5.8.3. Interests of directors

5.8.3.1. Interests in HDN Units

The following table lists the Merged HDN Group's directors' interests in HDN Units as at the Last Practicable Date (assuming the Merger has been implemented):

Directors' interests⁴⁵

DIRECTORS	INTEREST IN HDN UNITS
Simon Shakesheff	213,707
Simon Tuxen	227,296
Stephanie Lai	229,615
David Di Pilla	45,112,674
Greg Hayes	12,216,911
Darren Holland	13,001,329
Bruce Carter	2,616,486
Robyn Stubbs	91,001
Total directors	73,709,020

5.8.3.2. Relevant interests in Aventus Securities

As at the Last Practicable Date, no director of the Merged HDN Group has any Relevant Interests in Aventus Securities other than as described in sections 4.8 and section 6.12.1.

5.8.4. Remuneration and related agreements

5.8.4.1. Directors

Under the HDN constitution, HDN Trustee is entitled to be indemnified out of the assets of HDN (which following implementation of the Merger, will comprise the Merged HDN Group) for costs incurred in relation to the proper performance of its duties. HDN Trustee's practice is to reimburse the fees and expenses for all non-executive directors out of the assets of HDN. This includes the reimbursement of reasonable expenses incurred by such persons for the purposes of attending board meetings and directors' fees. As at the date of this Scheme Booklet, the annual non-executive chair fee agreed to be paid out of the assets of HDN to Simon Shakesheff is \$150,000 per annum. The annual non-executive directors' fees agreed to be paid out of the assets of HDN to each of Simon Tuxen, Stephanie Lai, Greg Hayes, Bruce Carter and Robyn Stubbs is \$100,000 per annum. Stephanie Lai receives an additional \$30,000 per annum for committee fees for her role as chair of the Audit and Risk Committee. Each of Simon Shakesheff and Greg Hayes receives an additional \$10,000 per annum for committee fees as a member of the Audit and Risk Committee. All amounts above are inclusive of superannuation.

5.8.4.2. Management

No fees or salaries will be paid by the Merged HDN Group to the directors, officers or employees of the Managers. Unless disclosed elsewhere in this Scheme Booklet, no officer of a Manager currently has or has had any material beneficial interest, either direct or indirect, in the promotion of the Merged HDN Group and in any property acquired or proposed to be acquired by the Merged HDN Group, or any other similar transaction.

⁴⁵ The table shows the economic interests the Merged HDN Group's directors have in HDN Units, which may not be a Relevant Interest. The Merged HDN Group's directors may hold their interests either directly or through their interests in one or more entities which have an interest in the securityholding of Home Investment Consortium Company Pty Ltd as trustee for the Home Investment Consortium Trust, which in turn has an interest in the securityholding of HCL, which in turn has an interest in HDN Units.

5. Overview of the Merged HDN Group

5.8.5. Custodian

The Custodian of HDN is Equity Trustees Limited (ACN 004 031 298). HDN Trustee has entered into the Custody Deed with the Custodian, under which the Custodian has agreed to hold the assets of HDN and, following implementation of the Merger, any assets of the Merged HDN Group, that are transferred or delivered to the Custodian on behalf of HDN Trustee. A summary of the key terms of the Custody Deed is set out in section 5.12.5 of this Scheme Booklet.

5.8.6. Corporate governance framework

The corporate governance arrangements of HDN Group are outlined below. These arrangements will be in place for the Merged HDN Group on the Implementation Date and presently there are not expected to be any significant changes post implementation of the Merger.

HDN Trustee recognises the importance of strong corporate governance and is committed to a high standard of corporate governance, compliance and sustainability. HDN Trustee will determine the appropriate governance arrangements for the Merged HDN Group, having regard to market practice and the ASX Recommendations and ensuring that there are adequate arrangements to manage potential conflicts. The corporate governance arrangements established by HDN Trustee will be continually monitored in order to ensure that they remain effective and appropriate for the Merged HDN Group.

Sustainability is a key element of HomeCo's business approach, driven by the belief that sustainable investments are aligned to long-term value creation and should not be dilutive to returns. The key corporate governance policies and practices currently adopted by the HDN Trustee Board which will apply to the Merged HDN Group from implementation of the Merger are summarised below.

The HDN Trustee Board will monitor the governance, operational and financial position and performance of the Merged HDN Group. The HDN Trustee Board will seek to ensure that the Merged HDN Group is properly managed to protect and enhance HDN Unitholders' interests, and that HDN Trustee, its directors, officers and employees operate in an appropriate environment of corporate governance. The HDN Trustee Board has created a framework for managing the HDN Group, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that following implementation of the Merger, will be applied to the Merged HDN Group. The HDN Trustee Board believes that these policies and practices are appropriate for the operation of the Merged HDN Group and have been designed to promote the responsible management and conduct of the Merged HDN Group.

5.8.6.1. ASX Recommendations

The ASX Corporate Governance Council has developed the ASX Recommendations for ASX-listed entities to promote investor confidence and assist entities in meeting stakeholder expectations. The ASX Recommendations are not prescriptive, but have provided guidelines on which entities have to report on an "if not, why not" basis.

The HDN Trustee Board has adopted and will continue to adopt policies recommended by the ASX Recommendations, to the extent that they are applicable to an externally managed listed entity. Under the Listing Rules, the Merged HDN Group will be required to disclose the extent of its compliance with the ASX Recommendations for each reporting period. Where HDN Trustee has not followed an ASX Recommendation, HDN Trustee will be required to identify the recommendation that has not been followed and give reasons for not following it. HDN Trustee must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

The HDN Trustee Board currently complies with all of the applicable ASX Recommendations, including as they relate to the composition and operation of the board and the Audit and Risk Committee. HDN Trustee will also disclose, in the annual report, the extent of its compliance with the ASX Recommendations. The Merger is not expected to impact the continued compliance by the HDN Trustee Board of the applicable ASX Recommendations.

5.8.6.2. Sustainability

HDN's sustainability strategy is aligned with the HomeCo sustainability strategy as manager for HDN. Refer to section 6.3 for further details on HomeCo's sustainability policies.

5.8.6.3. Board composition and independence

On implementation of the Merger, the HDN Trustee Board will comprise executive and non-executive directors, and the majority of Directors will be considered independent for the purposes of the ASX Recommendations. Simon Shakesheff, Simon Tuxen, Stephanie Lai, Bruce Carter and Robyn Stubbs are considered independent directors. Detailed biographies of the HDN Trustee Board members following the Merger are provided in section 5.8.2. It is the intention of HomeCo that the HDN Trustee Board remains majority independent.

The HDN Trustee Board Charter (as summarised in section 5.8.6.4) sets out guidelines to assist in considering the independence of directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations. In general, directors will be considered to be independent if they meet those guidelines.

The HDN Trustee Board is responsible for the overall governance of HDN Trustee. The HDN Trustee Board considers issues of substance affecting HDN Trustee, with advice from external advisers as required. Each director must bring an independent view and judgement to the HDN Trustee Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a director's ability to properly act as a director must be discussed at a HDN Trustee Board meeting as soon as practicable, and a director must not participate in resolutions pertaining to any matter for which the director has a material personal interest.

5.8.6.4. Board Charter

The HDN Trustee Board has adopted a written charter to provide a framework for the effective operation of the HDN Trustee Board, including in its capacity as the responsible entity of the Merged HDN Group. The charter sets out the HDN Trustee Board composition, the HDN Trustee Board's role and responsibilities, the relationship and interaction between the HDN Trustee Board and management and the authority delegated by the board to management and HDN Trustee Board committees.

The key functions of the HDN Trustee Board include:

- demonstrating leadership, defining the HDN Group's purpose and setting the strategic objectives of the HDN Group;
- approving the HDN Group's statement of values and Code of Conduct to underpin the desired culture within the HDN Group;
- overseeing the Managers implementation of the HDN Group's strategic objectives, instilling its values and its performance generally;
- overseeing the administration of the Investment Management Agreement and the Property Management Agreement;
- through the Chair, overseeing the role of the Company Secretary;
- overseeing the integrity of the HDN Group's accounting and corporate reporting systems, including the external audit;
- overseeing HDN's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the HDN Units;
- with the assistance of the Audit and Risk Committee, satisfying itself that the HDN Group has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the HDN Trustee Board expects the Managers (and their respective management teams) to operate;
- satisfying itself that an appropriate framework exists for relevant information to be reported by the Managers to the HDN Trustee Board;
- whenever required, challenging the Managers (and their respective management teams) and holding them to account;
- reviewing the performance and effectiveness of the HDN Group's governance practices, policies and procedures;
- determining the HDN Group's distribution policy, the amount and timing of all distributions and the operation of HDN's distribution reinvestment plan (if any);
- evaluating, approving and monitoring operating budgets, major capital expenditure, capital management and all major acquisitions, divestitures and other corporate and financing transactions, including the issue of HDN Units;
- approving financial reports, profit forecasts and other reports required at law or under ASX Listing Rules to be adopted by the HDN Trustee Board;
- ensuring that the HDN Group maintains a commitment to promoting diversity in the workplace; and
- performing such other functions as are prescribed by law or nominated by the HDN Trustee Board from time to time.

The management function is conducted by the Managers in accordance with the Management Agreements and, following implementation of the Merger, the Aventus Property Management Agreement. The HDN Trustee Board collectively, and any director individually, may seek independent professional advice at HDN Trustee's expense, following consultation with the Chair or the HDN Trustee Board, with the advice being made available to the HDN Trustee Board as a whole.

The HDN Trustee Board will retain oversight over all aspects of the Merged HDN Group's business and affairs.

5. Overview of the Merged HDN Group

5.8.6.5. Board committees

The HDN Trustee Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The HDN Trustee Board has established an Audit and Risk Committee. Membership of the HDN Trustee Board committees currently is based on, and following implementation of the Merger will be based on the needs of the HDN Group and the Merged HDN Group (as relevant), relevant legislation, regulatory and other requirements, and the skills and experience of the HDN Trustee Board members.

Members of the HDN Trustee Board Audit and Risk Committee have extensive audit and financial reporting expertise, including:

- Stephanie Lai (Chair): over 20 years experience as a Chartered Accountant and is a former M&A partner of Deloitte and KPMG;
- Simon Shakesheff: Over 30 years experience in the finance and real estate industry including 19 years as an equities analyst covering listed real estate and retail companies at Macquarie Bank and JP Morgan; and
- Greg Hayes: over 30 years' experience across finance, industrials and real estate industries including CFO roles with Brambles, The Australian Gaslight Company (AGL) and Westfield Holdings.

COMMITTEE	OVERVIEW	MEMBERS
Audit and Risk Committee	<p>The Audit and Risk Committee assists the HDN Trustee Board in fulfilling its responsibility for ensuring the integrity of HDN Trustee's financial reporting and the implementation of a sound system of risk management and internal control by monitoring, reviewing and advising or reporting to the HDN Trustee Board on:</p> <ul style="list-style-type: none"> • the reliability and integrity of HDN Trustee's financial management, application of accounting policies, financial reporting systems and processes; • the appropriateness of the accounting judgements or choices exercised by management in preparing HDN Trustee's financial statements; • the implementation and effectiveness of HDN Trustee's risk management and internal control policies and practices; • HDN Trustee's compliance with its obligations under its AFSL conditions and HDN's Compliance Plan, as well as overseeing HDN Trustee's broader compliance framework; • the Managers performance against HDN Trustee's risk management framework, including whether it is operating within the risk appetite set by the HDN Trustee Board; • the implementation and effectiveness of HDN Trustee's internal audit systems and processes; • the appointment and, if necessary, removal of HDN Trustee's external auditors and the work of, and relationship with, the external auditors; • the implementation and effectiveness of HDN Trustee's systems and processes for ensuring compliance with all applicable laws, regulations and HDN Trustee's policies; and • HDN Trustee's taxation risk management, financial risk management, and business policies and practices, and risks associated with transactions of a strategic or routine nature. 	Stephanie Lai (Chair), Simon Shakesheff and Greg Hayes

Given that the HDN Group has no employees and the Merged HDN Group will have no employees, HDN Trustee has not established a remuneration committee. HDN Trustee has received a waiver from the ASX requirement to establish a remuneration committee.

The remuneration of the new and existing HDN Trustee Board directors will be determined by HomeCo and are set out in section 5.8.4.1 of this Scheme Booklet.

5.8.7. Compliance Plan

The Compliance Plan of HDN describes the processes and procedures that HDN Trustee will use to ensure compliance with its AFSL, the HDN constitution, the Corporations Act, and relevant industry and internal standards.

Under the Compliance Plan, HDN Trustee must have, in addition to the Audit and Risk Committee, compliance individuals (comprising of the General Counsel, Chief Operating Officer, Fund Portfolio Manager, Chief Financial Officer and Investor Relations Executive) who review compliance on an ongoing basis, report on compliance matters to HDN Trustee, report to ASIC when necessary, promote and monitor the compliance culture of HDN Trustee and, where necessary, provide assistance to HDN Trustee on compliance controls and procedures, remedial action, and staff induction and training.

5.9. AMIT status

As at the date of this Scheme Booklet, for Australian income tax purposes, HDN is an attribution managed investment trust (AMIT) and Aventus Trust is not an AMIT. Due to the profile of unitholders in HDN following the Merger, unless circumstances change, HDN will not qualify as an AMIT or a Managed Investment Trust (MIT) for the income year commencing 1 July 2022 and future income years. If HDN is not an AMIT or a MIT in an income year, the key income tax implications for HDN Unitholders are:

- distributions of taxable income (i.e. consisting of rental income or future capital gains) to non-resident unitholders for that income year will be subject to a non-final withholding tax, the rate of which will depend on the profile of the unitholder but is broadly 30% for companies or 45% for other types of unitholders. Such unitholders will be required to lodge an Australian income tax return and subject to tax on assessment at their applicable tax rate, with a credit for the amount of tax withheld from the distribution. Under the AMIT regime, the rate of withholding on distributions of taxable rental income or future capital gains to non-resident unitholders who are tax residents in Exchange of Information (EOI) countries for MIT purposes is a final tax and the rate is 15% or 30% for non-resident unitholders from non-EOI countries;
- HDN's taxable income will need to be fully distributed to unitholders each income year to avoid HDN Trustee being subject to tax at the highest marginal tax rate (i.e. currently 47%) on any undistributed income. Under the AMIT rules, HDN's income is taxed in the hands of unitholders via the AMIT attribution mechanism which permits income to be retained by HDN, if HDN Trustee so chooses;
- if HDN's taxable income as advised to unitholders in the relevant income year is subsequently found to be understated or overstated, HDN Trustee may need to issue new distribution statements to investors which may require investors to amend their individual tax returns. Under the AMIT regime, there is a legislated "under and over" provision which allows certain prior year variances to be reflected in later income years when they are discovered; and
- if HDN makes a cash distribution that is less than its taxable income, unitholders are taxed on the taxable income amount and there is no increase in the CGT cost base of HDN's units in the hands of unitholders. Accordingly, any shortfall between the cash distribution and the taxable income may potentially be subject to double taxation. Under the AMIT regime, in this situation the CGT cost base of the relevant units is increased by the amount of the shortfall.

5.10. Intentions of HDN Trustee concerning the Aventus Trust

5.10.1. Introduction

Assuming the Merger is implemented and the Aventus Trust and its controlled entities become part of the Merged HDN Group, this section 5.10 sets out HDN Trustee's intentions in relation to:

- the continued operation of the Aventus Trust;
- any major changes to be made to the operation of the Aventus Trust, including any redeployment of the Aventus Trust property; and
- any plans to remove the current responsible entity of the Aventus Trust and appoint a new responsible entity.

5. Overview of the Merged HDN Group

These intentions are based on the terms of the Merger and the information concerning the Aventus Trust, its business and the general business environment which is known to HDN Trustee at the time of preparation of this Scheme Booklet.

HDN Trustee does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, financial and tax implications of some of its current intentions. Final decisions regarding these matters will only be made by HDN Trustee following implementation of the Merger in light of any further material information received and the circumstances at the relevant time. Accordingly, the statements set out in this section 5.10 are statements of current intention only, and may change as new information becomes available to HDN Trustee or as circumstances change.

5.10.2. Acquisition of the Aventus Units and removal from the Official List of ASX

The Merger involves the acquisition by HDN Trustee of 100% of the Aventus Units by Trust Scheme. If the Merger is implemented, Aventus Trustee is required under the Scheme Implementation Deed to arrange for quotation of Aventus Units to be terminated, and for Aventus to be removed from the Official List of ASX. This is expected to occur shortly after implementation of the Merger.

5.10.3. Operation of the Aventus Trust

HDN Trustee intends to continue the operation of the Aventus Trust should the Merger be implemented. Post implementation of the Merger, Aventus Trust will become a wholly owned sub-trust of HDN and the Aventus Trust property portfolio will become part of the Merged HDN Group's portfolio. The Merged HDN Group property portfolio will be kept under ongoing review in accordance with the HDN Trustee's customary portfolio management policies.

HDN Trustee intends to actively manage the assets of the Aventus Trust, maximising returns to HDN Unitholders. HDN Trustee currently has no intention to dispose of any of the Aventus Trust properties. If HDN Trustee were to make a decision to do this, it would update the market accordingly at the appropriate time.

As outlined in section 5.3, HDN Trustee intends to:

- pursue remixing opportunities to rebalance the combined portfolio towards the Model Portfolio;
- seek to extend the portfolio WALE and identify opportunities to leverage tenant relationships across the combined portfolio; and
- accelerate the unlocking of value by enhancing brownfield and larger-scale development opportunities across the combined asset base of the portfolio.

5.10.4. Management of the Aventus Trust

It is proposed that after implementation of the Merger, Aventus Trustee will retire as responsible entity of the Aventus Trust and will be replaced by HDN Trustee (or a wholly owned subsidiary of HomeCo). Any retirement of Aventus Trustee will only be undertaken following HomeCo and HDN Trustee's satisfaction that such change will not materially adversely impact existing contractual relationships between Aventus Trustee and third parties.

Following implementation of the Merger, the Property Manager will manage the Merged HDN Group's properties under the Property Management Agreement, save that the Aventus Property Manager will continue to provide property management services (and no other services) to each of the Aventus Trust's properties under the Aventus Property Management Agreement.

To the extent this causes an increase in the cost to HDN (due to the property management fee payable by HDN under the Aventus Property Management Agreement being higher than that which would have been payable by HDN if property management services were provided to each of the Aventus Trust's properties under the Property Management Agreement), the Investment Manager will deduct the cost increase from the management fee payable by HDN under the Investment Management Agreement. As noted above, the Property Management Agreement will apply in respect of all other property and development management services to all properties in the Merged HDN Group's portfolio.

The above arrangements and the HDN property management arrangements may be reviewed in the future.

5.10.5. Deregistration

As all of the Aventus Units will be held by HDN, HDN Trustee intends to deregister Aventus Trust as a registered managed investment scheme.

5.11. HDN historical financial information

This section 5.11 contains summary financial information of HDN for FY21. The financial information in this section 5.11 has been extracted from the audited consolidated financial statements of HDN for the year ended 30 June 2021.

The financial information of HDN presented in this section 5.11 excludes any pro forma adjustments arising from the implementation of the Scheme, those adjustments are provided in sections 7.2 and 7.3.

5.11.1. Basis of preparation

The financial information in this section 5.11 has been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act, as appropriate for for-profit oriented entities.

The audit and review opinions in the consolidated financial statements released to ASX were issued by PricewaterhouseCoopers and were unqualified. As the financial information is extracted and/or summarised from audited consolidated financial statements of HDN for the year ending 30 June 2021, the financial information presented in the tables below is in abbreviated form and does not represent the complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. These financial reports are available on HDN's website <https://hdn.home-co.com.au/>.

5.11.2. Summarised consolidated statement of financial position

	30 JUNE 2021 (\$M)
Assets	
Current assets	
Cash and cash equivalents	249.5
Trade and other receivables	1.7
Other assets	3.5
Assets held for sale	14.1
Total current assets	268.8
Non-current assets	
Investment property	1,111.8
Other assets	9.8
Total non-current assets	1,121.6
Total assets	1,390.4
Liabilities	
Current liabilities	
Trade and other payables	19.0
Distributions payable	12.5
Total current liabilities	31.5

5. Overview of the Merged HDN Group

	30 JUNE 2021 (\$M)
Non-current liabilities	
Borrowings	414.8
Lease liabilities	11.0
Total non-current liabilities	425.8
Total liabilities	457.3
Net assets	933.1
Equity	
Contributed equity	926.0
Retained profits	7.1
Total equity	933.1

5.11.3. Summarised consolidated statement of profit or loss and other comprehensive income (consolidated period from 15 October 2020 to 30 June 2021)

	30 JUNE 2021 (\$M)
Revenue	
Property income	44.7
Interest income	0.5
Net unrealised fair value gain	16.8
Expenses	
Property expenses	(10.9)
Corporate expenses	(1.3)
Management fees	(5.8)
Acquisition and transaction costs	(5.6)
Finance costs	(7.1)
Profit for the period	31.3
Other comprehensive income for the period	-
Total comprehensive income for the period	31.3
Basic and diluted earnings per unit	
Basic earnings per unit (cents)	6.0
Diluted earnings per unit (cents)	6.0

5.11.4. Summarised consolidated statement of cash flows (consolidated period from 15 October 2020 to 30 June 2021)

	30 JUNE 2021 \$M
Cash flows from operating activities	
Receipts from tenants (inclusive of GST)	47.6
Payments to suppliers (inclusive of GST)	(19.1)
Interest and other finance costs paid	(5.6)
Net cash flows from operating activities	22.9
Cash flows from investing activities	
Payment for acquisition of investment property on demerger from Home Consortium Limited	(205.0)
Payment for acquisition of investment property	(517.0)
Net cash flows from investing activities	(722.0)
Cash flows from financing activities	
Proceeds from issue of units	565.0
Unit issue transaction costs	(18.1)
Proceeds from borrowings	420.7
Borrowing cost paid	(7.3)
Distributions paid	(11.7)
Net cash flows from financing activities	948.6
Net increase in cash and cash equivalents	249.5
Cash and cash equivalents at the beginning of the financial period	-
Cash and cash equivalents at the end of the financial period	249.5

5.12. Summary of material agreements

5.12.1. Summary of constitution

A general summary of the rights attaching to the HDN Units and other key provisions of the HDN constitution are set out below. This summary is not intended to be exhaustive and is qualified by the HDN constitution, Corporations Act, exemptions and declarations by ASIC, Listing Rules, waivers by ASX and the general law.

5.12.1.1. HDN Units

The beneficial interest in HDN is divided into HDN Units. Each fully paid HDN Unit confers an equal undivided interest. A HDN Unit confers an interest in the assets of HDN as a whole, subject to the liabilities. It does not confer an interest in a particular asset of HDN. HDN Trustee may issue options and financial instruments in accordance with the HDN constitution.

5. Overview of the Merged HDN Group

5.12.1.2. Income and distributions

HDN Trustee must determine the distributable income of HDN for each distribution period. Unless HDN Trustee determines otherwise, distributable income is the amount equal to the greatest of:

- the amount calculated in accordance with generally accepted accounting principles as the income of HDN for the 12 months ending 30 June (**Financial Year**) (excluding any unrealised amounts such as unrealised asset revaluation amounts); or
- the amount equal to the net income of HDN (as defined in section 95 of the *Income Tax Assessment Act 1936* (Cth)) for the distribution period as reduced by any amounts that are not represented by a net accretion to the trust estate (including, without limitation, franking credits); or
- the amount of \$1.

Unless expressly determined otherwise by HDN Trustee before the end of a Financial Year, the distributable income for that Financial Year shall not in any event be less than the amount that HDN Trustee must distribute if it is not to be assessable (or liable to pay more tax than the minimum amount of tax properly assessable) on any portion of the net income of HDN (as defined in section 95 of the *Income Tax Assessment Act 1936* (Cth)).

5.12.1.3. Transfer of HDN Units

If the HDN Units are not officially quoted, transfer may be effected by instruments of transfer that are in accordance with the HDN constitution and in a manner prescribed by HDN Trustee. While the HDN Units are officially quoted, HDN Units may be transferred in any manner prescribed by HDN Trustee subject to the HDN constitution and the ASX Settlement Operating Rules. For completeness, there are no HDN Units that are not officially quoted.

5.12.1.4. Redemptions

While the HDN Units are officially quoted but are not stapled, HDN Trustee may, subject to and in accordance with the Corporations Act (including any ASIC relief) and any requirements under the ASX Settlement Operating Rules, purchase HDN Units and cause the HDN Units to be cancelled. While the HDN Units are officially quoted and stapled, HDN Trustee may, subject to the Corporations Act and the Listing Rules, purchase HDN Units on ASX or any other financial market on which the trading of HDN Units is permitted, and also off-market.

5.12.1.5. Powers of the responsible entity

HDN Trustee has power to:

- invest in, dispose of or otherwise deal with property and rights in its absolute discretion, including the power to invest in a controlled entity and derivatives;
- borrow or raise money whether or not on security of the assets of HDN;
- incur all types of obligations and liabilities including guarantees;
- enter into an arrangement with a person to underwrite the subscription or purchase of HDN Units, options or financial instruments on such terms as HDN Trustee determines;
- apply for quotation of any HDN Units, options or financial instruments on any exchange where similar instruments are listed and traded; and
- enter into management agreements in respect of the portfolio.

HDN Trustee may authorise any person to act as its agent or delegate (in the case of a joint appointment, jointly and severally) to hold title to any asset of HDN, perform any act or exercise any discretion within HDN Trustee's power, including the power to appoint in turn its own agent or delegate (although HDN Trustee will be liable for the actions of any such agent or delegate).

5.12.1.6. Meetings

HDN Trustee may at any time convene a meeting of HDN Unitholders and must do so if the Corporations Act or the Operating Rules require.

5.12.1.7. Limitation of liability and indemnity in favour of HDN Trustee

Subject to the Corporations Act, whilst HDN Trustee acts in good faith and in the proper performance of its duties, HDN Trustee is not liable in contract, tort or otherwise to HDN Unitholders for any loss suffered in any way relating to HDN.

Subject to the Corporations Act, the liability of HDN Trustee to any person other than a HDN Unitholder in respect of HDN is limited to the amount HDN Trustee actually receives under its right to be indemnified from the assets of HDN.

HDN Trustee is entitled to be indemnified out of the assets of HDN for any liability incurred by it in properly performing any of its duties in relation to HDN, or by, to the extent permitted by the Corporations Act, any liability incurred as a result of any act or omission of a delegate or agent appointed by HDN Trustee.

5.12.1.8. Liability of HDN Unitholders

In the absence of a separate agreement with a HDN Unitholder or creditor, the recourse of HDN Trustee and any creditor of HDN against a HDN Unitholder in connection with HDN is limited to the assets of HDN. The liability of a HDN Unitholder is limited to the amount, if any, which remains unpaid in relation to the HDN Unitholder's subscription for their HDN Units. However, HDN Trustee is entitled to be indemnified by a HDN Unitholder or former HDN Unitholder to the extent that HDN Trustee incurs any liability for tax or costs as a result of the HDN Unitholder's action or inaction, or as a result of an act or omission requested by the HDN Unitholder or former HDN Unitholder.

HDN Trustee is also entitled to be indemnified by a HDN Unitholder or former HDN Unitholder for any tax payable by HDN Trustee and any related costs as a result of the operation of the AMIT regime (if applicable) to the extent that the tax reasonably related to the HDN Units held by the HDN Unitholder.

HDN Trustee may satisfy the amount indemnified in relation to tax or costs by way of a reduction of payments otherwise due from HDN Trustee to the HDN Unitholder or former HDN Unitholder or by way of a redemption of a number of HDN Units held by the HDN Unitholder as results in a satisfaction of the amount indemnified. A HDN Unitholder need not indemnify HDN Trustee if there is a deficiency in the assets of HDN or meet the claim of any creditor of HDN Trustee in respect of HDN. However, the effectiveness of these provisions has not been tested in superior courts.

5.12.1.9. Fees and expenses

HDN Trustee is entitled to be paid a management fee equal to 1% per annum (plus GST) of GAV but will not be paid this fee while the Managers are receiving the fees under the Management Agreements or the Aventus Property Management Agreement. This fee will be calculated on a pro-rata basis for any part period.

HDN Trustee will also be reimbursed for all expenses incurred, including those in connection with the establishment, promotion and operation of HDN, in properly performing its duties.

HDN Trustee may elect that it be issued HDN Units in lieu of cash payment of the management fees or reimbursement of expenses incurred in connection with the operation of HDN. The number of HDN Units to be issued to HDN Trustee will be based on the amount of management fee to be paid or the expenses to be reimbursed (including any GST) by way of issue of HDN Units, divided by the volume weighted average price of HDN Units for each of the 10 trading days immediately before the management fee is payable or the day on which the expenses are reimbursable.

5.12.1.10. Winding up

On the winding up of HDN, each HDN Unitholder is entitled to receive an amount of the net proceeds of realisation, after making allowance for all liabilities and expenses of HDN, proportionate to the number of HDN Units held.

HDN Trustee may commence winding up of HDN in accordance with the termination procedure set out in the HDN constitution on the earliest of:

- the day before 80 years after HDN is established;
- the date specified by HDN Trustee as the date of termination of HDN in a notice given to HDN Unitholders; and
- the date on which HDN Trustee commences termination or winding up of HDN in accordance with the HDN constitution or by law.

5. Overview of the Merged HDN Group

5.12.1.11. Amendment to the HDN constitution

If the Corporations Act allows, the HDN constitution may be amended by a resolution passed at a meeting of HDN Unitholders or by deed executed by HDN Trustee. HDN Trustee has the power to amend the HDN constitution as HDN Trustee considers necessary or desirable to facilitate compliance with and the effective operation of HDN as an AMIT for the purposes of the AMIT regime, and may do so without seeking approval from HDN Unitholders, subject to the Corporations Act as modified by any applicable ASIC relief.

5.12.2. Investment Management Agreement

5.12.2.1. Management Services

Under the Investment Management Agreement, the Investment Manager has been delegated the day-to-day control over HDN and HDN's portfolio of assets, subject to the supervision and control of HDN Trustee and the terms of the agreement.

Services to be provided by the Investment Manager to HDN (the "Services") include investment management services with respect to dealings in HDN's assets, management of the equity and debt financing of HDN, day-to-day management of HDN's secretarial, accounting, administrative and reporting requirements, management of auditors, advisers and other consultants, HDN Unitholder relations and meetings, management of all compliance and contractual requirements, including with respect to ASX listing obligations, preparation of an operating plan (including a budget) for HDN for each financial year, and other services agreed by the Investment Manager and HDN Trustee. The Investment Manager is not required to provide any Services to the extent to that they would comprise services or activities that would require the Investment Manager to hold an AFSL or that HDN Trustee cannot delegate to the Investment Manager under law. The Property Manager will separately provide property management services to HDN under the Property Management Agreement.

The Investment Manager must act in accordance with the requirements of HDN's investment policy and any applicable legal and other requirements. HDN Trustee may at any time overrule the Investment Manager to the extent that HDN Trustee believes doing so is necessary or advisable to comply with any applicable requirement or in the best interests of the HDN Unitholders. The Investment Manager must also seek the approval of HDN Trustee before incurring any expenditure in excess of the lower of \$200,000 and 10% of the expenditure which has been agreed by HDN Trustee in an annual operating plan for the relevant Financial Year, and entering into any contract in the name of HDN Trustee or any Merged HDN Group member to acquire or dispose of any asset for a consideration in excess of \$5,000,000 (whereby both thresholds are increased annually by 5%).

5.12.2.2. Exclusivity

During the term of the Investment Management Agreement, HDN Trustee must not appoint any other party to perform the Services except where it is necessary to comply with applicable law or regulation, the terms of HDN's financing arrangements or other applicable requirements, or as otherwise permitted by the Investment Manager. The Investment Manager and its associates may from time to time perform services for itself and other parties the same as or similar to the services provided under the Investment Management Agreement.

5.12.2.3. Right of first offer

The Investment Manager has committed to first offer to HDN Trustee any opportunity to acquire an investment in convenience real estate assets that the Investment Manager or its associates (including HDN Trustee), or any of their officers, directors, or employees (acting in that capacity), identify and which falls within HDN's investment strategy (subject to certain exceptions, including where the opportunity is subject to third party rights or the Investment Manager or the HomeCo Group would be in breach of any law or document to do so).

5.12.2.4. Term and termination

The Investment Management Agreement commenced on 26 November 2020.

The initial term of the agreement is 10 years and is automatically extended for successive five year terms unless terminated by either the Investment Manager or HDN Trustee by giving at least 12 months' notice prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Where HDN Trustee gives the required notice that it does not wish to extend the agreement at the end of a term, termination in this circumstance will give rise to the payment of a compensation amount to the Investment Manager equal to two years of management fees, determined as at the date of expiry or termination of the Investment Management Agreement.

5.12.2.5. Investment Manager's termination rights

The Investment Manager can terminate the Investment Management Agreement:

- at any time on 90 days' notice to HDN Trustee, if there is a bona fide sale of all or substantially all of the assets of HDN to a third party on an arm's length basis; or
- immediately if:
 - there is a material default of the agreement by HDN Trustee which is not rectified (including by way of payment of reasonable compensation) within 90 days of written notice from the Investment Manager;
 - HDN Trustee commits five or more breaches of the Investment Management Agreement within a consecutive 12 month period (provided that the Investment Manager has provided notice to HDN Trustee of each individual breach within 30 days of becoming aware of the relevant breach);
 - HDN Trustee is insolvent (and is not replaced by another trustee within 60 days of becoming insolvent);
 - HDN is insolvent; or
 - without prior written approval of the Investment Manager, there is a change in a person having, or a person gaining, control of the ability to remove HDN Trustee, HDN Trustee is replaced by a responsible entity that is not a member of the HomeCo Group or a winding up of HDN commences (provided that, in each case, notice of termination is provided within 90 days of the Investment Manager becoming aware of the change of control).

In addition, the Investment Manager can terminate the agreement on 20 Business Days' notice where there is a variation to the investment policy of HDN, and the Investment Manager considers the variation will have a material effect on the Investment Manager's obligations, liability or risk under the agreement.

Termination by the Investment Manager in these circumstances will give rise to the payment of a compensation amount to the Investment Manager equal to two years of management fees, determined as at the date of expiry or termination of the Investment Management Agreement.

5.12.2.6. Responsible entity's termination rights

HDN Trustee can terminate the Investment Management Agreement:

- on 60 days' notice to the Investment Manager, if there is a bona fide sale of all or substantially all of the assets of HDN to a third party on an arm's length basis; or
- immediately if (provided that in these circumstances, a compensation amount equal to 24 months' management fees under the agreement will be payable to the Investment Manager):
 - a change in a person having, or a person gaining, control of the ability to remove HDN Trustee, HDN Trustee being replaced by a trustee who is not a member of the HomeCo Group, the winding up HDN commences (provided that, in each case, notice of termination is provided within 90 days of HDN Trustee becoming aware of the change of control); or
 - the Investment Manager ceases to be a member of the HomeCo Group (provided that notice of termination is provided within 90 days of HDN Trustee becoming aware of the Investment Manager ceasing to be a HomeCo Group Member); or
- immediately if (and in these circumstances, no compensation amount will be payable to the Investment Manager):
 - there is a material default of the agreement by the Investment Manager which is not rectified (including by way of payment of reasonable compensation) within 30 days of written notice of such default from HDN Trustee;
 - the Investment Manager commits five or more breaches of the Investment Management Agreement within a consecutive 12 month period (provided that HDN Trustee has provided notice to the Investment Manager of each individual breach within 30 days of becoming aware of the relevant breach); or
 - the Investment Manager is insolvent and is not replaced by the HomeCo Group with another manager within 30 days of becoming insolvent.

5. Overview of the Merged HDN Group

5.12.2.7. Fees

The Investment Manager is entitled to receive a management fee of 0.65% per annum of the GAV up to and including \$1.50 billion, and 0.55% per annum of GAV on GAV in excess of \$1.50 billion. The management fee is payable monthly in arrears.

The Investment Manager is also entitled to:

- an acquisition fee of 1.00% of the purchase price of any assets directly or indirectly acquired by HDN in proportion to HDN's economic interest in the asset; and
- a disposal fee of 0.50% of the sale price of any assets directly or indirectly disposed of by HDN in proportion to HDN's economic interest in the asset.

5.12.2.8. HDN Units in lieu of management fees

The management fees described in section 5.12.2.7 may be paid to the Investment Manager in cash or HDN Units or a combination of both (at the election of the Investment Manager). If the Investment Manager elects to receive HDN Units, it may require some or all of the HDN Units to be issued to a nominee of the Investment Manager. The issue of HDN Units is subject to the requirements of the Corporations Act and the Listing Rules.

If the Investment Manager elects to receive HDN Units with respect to some or all of a management fee amount (plus any GST payable in respect of that amount), the number of HDN Units to be issued to the Investment Manager or its nominee will be calculated by reference to the volume weighted average price of the HDN Units during the period of five trading days up to the end of the relevant month to which the management fee relates.

5.12.2.9. HDN Units in lieu of acquisition and disposal fees

HDN Trustee is seeking HDN Unitholder approval to amend the Investment Management Agreement to permit the acquisition fee and disposal fee described in section 5.12.2.7 to be paid to the Investment Manager in cash or HDN Units or a combination of both (at the election of the Investment Manager). HDN Unitholder approval for these amendments will be sought at the HDN Meeting.

As with the management fees, the proposed amendments will permit, if the Investment Manager elects to receive HDN Units, it to require some or all of the HDN Units to be issued to a nominee of the Investment Manager. The issue of HDN Units is subject to the requirements of the Corporations Act and the Listing Rules. HDN Unitholder approval for these amendments will be sought at the HDN Meeting.

If HDN Unitholder approval for these amendments is obtained, the Investment Manager:

- will be able to elect to receive the acquisition fee in respect of the Merger (being the HomeCo Acquisition Fee) in cash or HDN Units or a combination of both; and
- intends to elect for HCL to receive the HomeCo Acquisition Fee in HDN Units.

If the Investment Manager elects to receive HDN Units with respect to some or all of an acquisition or disposal fee amount (plus any GST payable in respect of that amount), the number of HDN Units to be issued to the Investment Manager (or its nominee) will be calculated by reference to the volume weighted average price of the HDN Units during the period of five trading days up to the completion date of the relevant acquisition or disposal.

5.12.2.10. Costs and expenses

The Investment Manager is entitled to be reimbursed for all costs and expenses it reasonably and properly incurs as Investment Manager (whether on its own behalf or on behalf of HDN Trustee, a Merged HDN Group member) other than its own overhead, administrative or salary expenses incurred in the ordinary conduct of its business or expenses that arise as a result of the negligence, fraud, wilful misconduct or dishonesty of the Investment Manager or any officer, employee, delegate, agent or contractor of the Investment Manager. The Investment Manager must seek the approval of HDN Trustee where expenditure would exceed the prescribed thresholds.

If the Investment Manager delegates, appoints an agent or service provider, or otherwise engages a third party (including an associate) to provide a service to HDN Trustee (or Merged HDN Group member or Custodian) that would not customarily be provided by the Investment Manager, HDN Trustee will be liable to pay for the expenses incurred as a result of that delegation or appointment, provided those same services have first been approved by HDN Trustee.

5.12.2.11. Conflicts and use of associates

The Investment Manager must establish protocols for the prevention and management of conflicts.

The Investment Manager may, in connection with the Investment Management Agreement, invest in, deal with or engage the services of the Investment Manager's associates engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business, on an arm's length commercial basis and approved by HDN Trustee.

5.12.2.12. Indemnities

The Investment Manager indemnifies HDN Trustee, the Merged HDN Group and their respective employees, officers, delegates, agents and contractors on demand against any direct expenses reasonably incurred by the aforementioned indemnified parties that arise from the gross negligence, fraud, wilful misconduct or dishonesty of the Investment Manager.

HDN Trustee indemnifies the Investment Manager and its associates on demand against any direct expenses reasonably incurred by the Investment Manager in connection with the provision of the Services, except to the extent any expense is caused by the negligence, fraud, wilful misconduct or dishonesty of the Manager.

5.12.3. Property Management Agreement

5.12.3.1. Property management services

HDN Trustee has appointed the Property Manager to act as the property manager of the Merged HDN Group's properties under the Property Management Agreement.⁴⁶

The Property Manager has been delegated all powers necessary to carry out its obligations under the Property Management Agreement to manage each of the Merged HDN Group's properties, including each property in the portfolio, by providing:

- property management services, which include day-to-day management, maintenance, strategic and operational decision making in connection with the properties, preparation of property business plans, budgets and reports, billing and collection of rental and other amounts and managing disbursements, conducting and processing rent review, management of leases and other property-related contracts and tenant and regulatory compliance, management of service, repair and maintenance works and tenant improvements, property marketing, leasing and tenant liaison and other services generally performed by a property manager whilst using commercially reasonable efforts to maximise revenues and minimise operating costs; and
- development management services, which include evaluation of the capital potential of properties, preparation of development proposals, management of building and works approvals, management capital expenditure, implementation and management of capital works, and other services generally performed by a development manager.

The Property Manager will provide the services subject to the supervision and control of HDN Trustee and the terms of the agreement.

Following implementation of the Merger, the Property Manager will manage each of the Merged HDN Group's properties and the Aventus Property Manager will continue to manage each of the Aventus Trust's properties.

5.12.3.2. Exclusivity

During the term of the Property Management Agreement, HDN Trustee must not appoint any other party to perform the services except where it is necessary to comply with applicable law or regulation or other applicable requirements or as otherwise permitted by the Property Manager if HDN Trustee approves of the appointment.

The Property Manager may appoint other parties to assist with the delivery of all or part of the services under the agreement. In the event that delivery of all or part of the services under the agreement is outsourced, HDN will not pay for this cost twice.

⁴⁶ As outlined in section 5.10.4, following implementation of the Merger, the Aventus Property Manager will continue to provide property management services (and no other services) to each of the Aventus Trust's properties within the Merged HDN Group under the Aventus Property Management Agreement.

5. Overview of the Merged HDN Group

The Property Manager and its associates may from time to time perform services for itself and other parties the same as or similar to the services provided under the agreement.

5.12.3.3. Term and termination

The Property Management Agreement commenced on 26 November 2020.

The initial term of the agreement is 10 years and it is automatically extended for successive five year terms unless terminated by either the Property Manager or HDN Trustee at least 12 months prior to the end of the initial term or any successive five year term. This means that the initial term of the agreement is at least 10 years unless otherwise terminated in one of the circumstances referred to below.

Where HDN Trustee gives the required notice that it does not wish to extend the agreement at the end of a term, termination in this circumstance will give rise to the payment of a compensation amount to the Property Manager equal to two times the fees paid under the agreement in the 12 months up to expiry of the term.

The agreement will not automatically apply to a new property in which the Merged HDN Group holds, directly or indirectly, less than a 50% interest. The agreement may also be terminated by the Property Manager or HDN Trustee on the sale of an individual property or the securities in any entity which directly or indirectly owns a property. The agreement may also be terminated with respect to a property in circumstances where a property is destroyed, or a property is damaged so that the property is unfit or substantially unfit for the Property Manager to perform its obligations under the agreement.

5.12.3.4. Property Manager's termination rights

The Property Manager can terminate the Property Management Agreement:

- on 90 days' notice to HDN Trustee, if there is a bona fide sale of all or substantially all of HDN's assets to a third party on an arm's length basis; or
- immediately if:
 - there is a material default of the agreement by HDN Trustee which is not rectified (including by way of payment of reasonable compensation) within 30 days of written notice from the Property Manager;
 - HDN Trustee commits five or more breaches of the Property Management Agreement within a consecutive 12 month period (provided that the Property Manager has provided notice to HDN Trustee of each individual breach within 30 days of becoming aware of the relevant breach);
 - HDN Trustee is insolvent (and is not replaced by another trustee within 30 days of becoming insolvent);
 - HDN is insolvent; or
 - without prior written approval of the Property Manager, there is a change in a person having, or a person gaining, control of the ability to remove HDN Trustee, HDN Trustee is replaced by a responsible entity that is not a member of the HomeCo Group or a winding up of HDN commences (provided that, in each case, notice of termination is provided within 90 days of the Property Manager becoming aware of the change of control).

Termination of the agreement by the Property Manager in these circumstances (other than where the Property Manager has terminated without cause by giving 90 days' notice) gives rise to the payment of a compensation amount to the Property Manager equal to two times the fees paid under the agreement in the 12 months up to termination.

5.12.3.5. Responsible entity's termination rights

HDN Trustee can terminate the Property Management Agreement:

- on 60 days' notice to the Property Manager, if there is a bona fide sale of all or substantially all of the assets of HDN to a third party on an arm's length basis;
- immediately if:
 - a change in a person having, or a person gaining, control of the ability to remove HDN Trustee, HDN Trustee is replaced by a responsible entity that is not a member of the HomeCo Group or a winding up of HDN commences (provided that, in each case, notice of termination is provided within 90 days of HDN Trustee becoming aware of the change of control); or

- the Property Manager ceases to be a HomeCo Group Member (provided that notice of termination is provided within 90 days of HDN Trustee becoming aware of the Property Manager ceasing to be a HomeCo Group Member),

and in these circumstances, a compensation amount equal to two times the fees paid under the agreement in the 12 months up to termination will be payable to the Property Manager; or

- immediately if:
 - there is a material default of the agreement by the Property Manager which is not rectified (including by way of payment of reasonable compensation) within 30 days of written notice from HDN Trustee;
 - the Property Manager commits five or more breaches of the Property Management Agreement within a consecutive 12 month period (provided that HDN Trustee has provided notice to the Property Manager of each individual breach within 30 days of becoming aware of the relevant breach); or
 - the Property Manager is insolvent and is not replaced by HomeCo with another manager within 30 days of becoming insolvent.

In these circumstances, no compensation amount will be payable to the Property Manager.

5.12.3.6. Continuation of development management services

If the agreement is not renewed or terminated, the Property Manager will continue to perform and be paid for development management services in respect of any approved development works that are ongoing at the time of termination, until completion of those works (on the condition that the Property Manager will be required to enter into an agreement with HDN Trustee in respect of those development works with the same rights and obligations as the Property Management Agreement (subject to any amendments reasonably required by HDN Trustee).

5.12.3.7. Fees, costs and expenses

Fees

Unless the Property Manager has appointed other parties to assist with the delivery of all or part of its services, the Property Management fees payable to the Property Manager will be as follows:

- Property Management Fee: 3% of gross income for each property for each month;
- New Tenant Lease Fee: 15% of the Face Rent for the first year of a lease term where the tenant is new to the property (excluding new leases entered into with existing tenants pursuant to renewals and options that relate solely to them continuing leasing their current tenancy in the property);
- Lease Renewal Fee: 7.5% of the Face Rent for the first year of a new lease if an existing tenant enters into a new lease, including by way of exercise of an option to renew, to continue leasing their current tenancy in the property;
- Lease Administration and Design Fees: charge on a cost recovery basis, unless payable by the tenant; and
- Development Management Fee:
 - 5% of the total development costs in relation to the first \$2.5 million of relevant project costs; and
 - 3% for all costs thereafter.

The Property Manager's fees will be benchmarked and independently reviewed against market fees at the five year anniversary from commencement of the Property Management Agreement in the initial term and on commencement of any successive term. If the Property Manager's fees are considered to be outside of market ranges, the parties will either agree to a revision to market-based fees or refer the review of fees to expert determination (if they cannot agree).

Costs and expenses

The Property Manager is entitled to be reimbursed for all costs and expenses it reasonably and properly incurs as Property Manager other than expenses that arise as a result of the negligence, fraud, wilful misconduct or dishonesty of the Property Manager or any officer, employee, delegate, agent or contractor of the Property Manager. The Property Manager must seek the approval of HDN Trustee where expenditure is not within budget and would exceed any relevant specified thresholds.

5. Overview of the Merged HDN Group

The Property Manager is also entitled to recover staff salary, salary on-costs, travel and office operating expenses associated with on-site management, operations, marketing and administration of any property and any off-site accounting, management, IT and operational costs directly related to any property.

The Property Manager is also entitled to recover the costs of advisers and consultants (including town planners, urban designers, architects, surveyors, engineers, traffic consultants, quantity surveyors, economic impact assessment, legal advisers, etc) to assist with the development services and activities, including evaluation of the development potential of properties, preparation of development proposals and approvals, and implementation and management of development works.

If the Property Manager delegates, appoints an agent or service provider, or otherwise engages a third party (including an associate) to provide a service to HDN Trustee (or Merged HDN Group member or Custodian) that would not customarily be provided by the Property Manager, HDN Trustee will be liable to pay for the expenses incurred as a result of that delegation or appointment, provided those same services have first been approved by HDN Trustee.

5.12.3.8. Use of associates

The Property Manager may, in connection with the agreement, invest in, deal with or engage the services of the Property Manager's associates engaged in separate business activities which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business, on an arm's length commercial basis and approved by HDN Trustee.

5.12.3.9. Indemnities

The Property Manager indemnifies HDN Trustee, the Merged HDN Group and their respective employees, officers, delegates, agents and contractors on demand against any expenses incurred by HDN Trustee to the extent they arise out of:

- a breach of, or non-compliance with, the Property Management Agreement by, the Property Manager, employee or officer of the Property Manager (except any employees or officers who are acting in their capacities as employees or officers of HDN Trustee or a Merged HDN Group member) or any agent or delegate appointed by the Property Manager;
- the default, negligence, fraud, wilful misconduct or dishonesty of the Property Manager (except any employees or officers who are acting in their capacities as employees or officers of HDN Trustee or a Merged HDN Group member) or any agent or delegate appointed by the Property Manager; or
- insolvency of the Property Manager.

The indemnity provided by the Property Manager above does not apply to expenses caused by HDN Trustee, Merged HDN Group members, and their respective employees, officers, delegates, agents, and contractors due to:

- a breach of, or non-compliance with, the Property Management Agreement; or
- the negligence, fraud, wilful misconduct, or dishonesty of those same parties.

HDN Trustee indemnifies the Property Manager and its associates against any direct expenses reasonably incurred by the Property Manager in connection with the provision of the services, except to the extent any expense is caused by the negligence, fraud, wilful misconduct or dishonesty of the Property Manager.

5.12.4. Aventus Property Management Agreement

Aventus Trustee and each trustee of a property in the Aventus Group properties have appointed the Aventus Property Manager to act as the property and development manager of the Aventus Group properties under the Aventus Property Management Agreement.

It is presently intended that following implementation of the Merger, the Aventus Property Manager will continue to provide property management services (and no other services) to each of the Aventus Trust's properties under the Aventus Property Management Agreement (see section 5.10.4 for further details).

5.12.4.1. Property management services

Under the Aventus Property Management Agreement, the Aventus Property Manager will continue to provide property management services to the Aventus Group properties, including managing revenue and operating expenses, tenant liaison and other usual services provided in connection with property management services. The Aventus Property Manager has been delegated all powers necessary to carry out its obligations under the Aventus Property Management Agreement.

5.12.4.2. Term and termination

The Aventus Property Management Agreement commenced on the day on which Aventus Units were allotted and issued to investors pursuant to the Aventus Trust product disclosure statement dated 30 September 2015. The term of the Aventus Property Management Agreement commences on the Commencement Date (as defined in the agreement) and terminates in accordance with clause 9.1.

The agreement will also cease to apply to a property in the Aventus Group properties where the Aventus Trust no longer holds directly or indirectly at least 50% of that property.

5.12.4.3. Aventus Property Manager's termination rights

The Aventus Property Manager can terminate the agreement:

- at any time on 90 days' notice to the responsible entity of the Aventus Trust; or
- immediately if the responsible entity of the Aventus Trust is insolvent; or
- on 60 days' notice to the replacement responsible entity of the Aventus Trust, if the Aventus Trustee ceases to be the responsible entity of the Aventus Trust and is not replaced with an entity which is a member of Aventus Group; or
- if there is a material breach by the responsible entity of the Aventus Trust which is not remedied within 40 days of notice from the Aventus Property Manager or for which the Aventus Property Manager is not otherwise adequately compensated. Note in this case the Aventus Property Manager's termination right can be exercised in relation to the property in respect of which the breach has occurred (or on a portfolio basis).

5.12.4.4. Responsible entity's termination rights

The responsible entity of the Aventus Trust can terminate the agreement:

- if the Aventus Property Manager is insolvent, ceases to carry on business or is otherwise prohibited from performing its obligations provided that if any other company in Aventus Group is reasonably capable of performing the Aventus Property Manager's role and is willing to act, the responsible entity of Aventus Trust must appoint that company in place of the Aventus Property Manager and the agreement does not then terminate; or
- if there is a continuing material breach by the Aventus Property Manager which is not remedied within 40 days of notice from the responsible entity of the Aventus Trust or for which the responsible entity of the Aventus Trust is not otherwise adequately compensated. Note in this case the responsible entity of the Aventus Trust's termination right can be exercised in relation to the property in respect of which the breach has occurred (or on a portfolio basis).

The responsible entity of Aventus Trust can also terminate the agreement if there is a change of control of the Aventus Property Manager and a replacement responsible entity of the Aventus Trust can terminate the agreement if the replacement responsible entity of the Aventus Trust is not a member of Aventus Group.

However, the termination right following a change of control of the Aventus Property Manager or the appointment of a new responsible entity is a right to terminate on 12 months' notice or, in lieu of notice, immediate termination on payment to the Aventus Property Manager of an amount equal to the total fees paid to the Aventus Property Manager for its services in the 12 months leading to the termination.

5.12.4.5. Termination in respect of development services

Where the relevant continuing material breach giving rise to a termination right for the responsible entity of Aventus Trust is in respect of particular development works only (in circumstances where the Aventus Property Manager is otherwise performing its obligations in relation to other services), the responsible entity of the Aventus Trust may only

5. Overview of the Merged HDN Group

terminate the agreement as it applies to those development works. However, in these circumstances, the exclusive engagement of the Aventus Property Manager to provide development management services would also cease (and the Aventus Trust could engage alternate services providers for these matters).

In addition, if the agreement is terminated at the end of its term or in circumstances of a change of the responsible entity of Aventus Trust with an entity that is not a member of Aventus Property Group, or a change in control of the Aventus Property Manager, the Aventus Property Manager will continue to perform and be paid for development management services in respect of any approved development works that are ongoing at the time of termination.

5.12.4.6. Fees, costs and expenses

The fees payable in connection with the property management services that the Aventus Property Manager will provide are summarised below:

- Asset and property management fee: 5% of face rental (payable in equal monthly instalments in arrears) provided that where, immediately prior to a property becoming subject to the Aventus Property Management Agreement (for example, upon completion or the acquisition by Aventus Trust of a new property), the property management fee in respect of that property (which is recoverable from tenants as outgoings under the terms of the relevant lease(s)) is higher than 5% of the total face rent, the Aventus Property Manager shall be entitled to that higher fee for so long as it remains recoverable from tenants under the relevant lease(s). The Aventus Property Manager may also be entitled to salary recoveries associated with managing the property.

A process applies for benchmarking Aventus Property Manager fees to market at the five year interval in the initial term and on commencement of any successive term (including independent review of fees against market and, if fees are considered to be outside of market ranges, a process for either the parties agreeing, or referring to expert determination, a revision of fees to market).

5.12.5. Custody deed

The Custody Deed was entered into between HDN Trustee and Equity Trustees Limited (ACN 004 031 298) (**Custodian**). Under the Custody Deed, the Custodian will:

- provide custody for assets of HDN;
- hold assets in its own name, but still for HDN;
- act in accordance with the directions of HDN Trustee;
- have in place disaster recovery and internal systems and controls;
- keep and maintain all appropriate records and reports as required;
- maintain adequate insurance covering professional indemnity and fraud; and
- not subcontract its responsibilities (without the written consent of HDN Trustee).

The Custodian is authorised to provide custodial services.

The Custodian is entitled to be indemnified from the assets of HDN for all actions taken, or omitted to be taken, in accordance with a proper instruction given by HDN Trustee, except to the extent caused or contributed to by the Custodian failing to act in good faith or the material breach, negligence or fraud of the Custodian or any of its officers, employees or agents.

Either party may terminate the Custody Deed on 90 days' written notice to the other. In addition, either party may terminate the Custody Deed immediately in certain circumstances, including where the other party has materially breached the Custody Deed and has not remedied that breach within 10 business days.

The Custodian is entitled to an annual custody fee calculated by reference to the GAV of the Merged HDN Group on the following basis:

- GAV up to \$800 million: 0.03% of the GAV;
- GAV up to \$1.2 billion: \$24,000 plus 0.02% of the GAV in excess of \$800 million; and
- GAV over \$1.2 billion: \$32,000 plus 0.01% of the GAV in excess of \$1.2 billion.

The minimum annual fee payable to the Custodian is \$24,000 plus GST.

5.12.6. HDN Debt Facilities

5.12.6.1. Documentary framework for HDN Debt Facilities

Syndicated Facility Agreement

HDN is party to a senior secured syndicated facilities agreement dated 18 November 2020 (as amended from time to time, including prior to the Merger in order to effect the combined facilities including the Backstop Facility if needed) (**HDN Syndicated Facility Agreement**) which governs the terms and conditions on which lenders provide debt facilities to HDN. The HDN Syndicated Facility Agreement contains a range of general terms and conditions that are customary for a secured debt facility of this nature, including:

- a joint and several guarantee from the responsible entity of HDN in its capacity as such and each trustee of an asset holding sub-trust (**HDN Obligors**) of each HDN Obligor's obligations under the HDN Syndicated Facility Agreement and related finance documents;
- financial covenants;
- information and other general undertakings;
- representations and warranties;
- events of default and review events; and
- provisions dealing with taxes, costs, indemnities, confidentiality and other matters.

It is anticipated the entities holding the assets of the Aventus Trust will become HDN Obligors following the Merger.

Security Documents

All amounts owing under the HDN Debt Facilities are secured by the following security granted in favour of a security trustee who holds the security for the benefit of the secured parties (which includes the lenders, the security trustee, the agent, the arrangers and any hedge counterparty in connection with the HDN Debt Facilities) (**HDN Debt Facilities Security**):

- first ranking registered real property mortgages over all of the wholly-owned freehold properties in the HDN portfolio (subject to third party consent where required);
- first ranking registered real property mortgages over certain leases in the HDN portfolio (subject to third party consent where required);
- first ranking registered real property mortgages over certain tenancy-in-common interests of HDN Obligors in freehold properties in the HDN portfolio (subject to third party consent where required); and
- first ranking "all asset" general security deeds in respect of all present and future assets and undertakings of HDN and the other HDN Obligors, including:
 - security over all units in each HDN Obligor Trust and other trust in which an HDN Obligor holds an interest; and
 - security over all shares in which an HDN Obligor holds an interest.

The terms of the HDN Debt Facilities Security are considered customary for secured debt facilities of this nature. Certain of the HDN Debt Facilities Security has been granted by the Custodian as holder of legal title of the properties.

HDN Security Trust Deed

A security trust deed (**HDN Security Trust Deed**) regulates the basis on which the HDN Debt Facilities Security is held by the security trustee on trust in favour of itself, the lenders, the agent, the arrangers and any hedge counterparty in connection with the HDN Debt Facilities, and these parties constitute the trust beneficiaries. The HDN Security Trust Deed is intended to document the order in which secured creditors of HDN (and the other HDN Obligors) will be repaid, should the HDN Debt Facilities Security be enforced.

5.12.6.2. Key terms of the HDN Debt Facilities

The key terms of the HDN Debt Facilities under the HDN Syndicated Facility Agreement are summarised below.

5. Overview of the Merged HDN Group

Approved purposes

The HDN Debt Facilities may be used for general corporate purposes of HDN including without limitation:

- funding capital expenditure;
- funding other related expenditure associated with the improvement of existing properties;
- funding permitted acquisitions; and
- other general corporate purposes.

Interest rate

The rate of interest charged on HDN's borrowings under the HDN Debt Facilities comprises of a base interest rate plus a variable interest rate margin. The applicable margin for the HDN Debt Facilities is determined by the then prevailing loan to value ratio; a higher loan to value ratio results in a higher margin while a lower loan to value ratio results in a lower margin.

Conditions precedent

The provision of commitments and participation in drawdowns of the HDN Debt Facilities by the lenders is subject to the submission of a utilisation request in the form set out in the HDN Syndicated Facility Agreement, and which the satisfaction of a number of conditions precedent which are customary for secured debt facilities of this nature, and include, but are not limited to, the following:

- the loan is to be made on a business day within the relevant availability period and the interest period ends on the appropriate termination date;
- commitments under the relevant facility have not been exceeded and will not be exceeded following the loan being provided;
- certain repeating representations to be made by each HDN Obligor are true and correct in all material respects and not misleading;
- no Event of Default has occurred which is subsisting and no Event of Default will result from the loan being provided and, no Potential Event of Default or ASX Review Event has occurred which is subsisting and no Potential Event of Default or ASX Review Event will result from the loan being provided (each as defined in the HDN Syndicated Facility Agreement); and
- if the loan is to be used to fund the acquisition of real property, each of the Acquisition Conditions (as defined in the HDN Syndicated Facility Agreement) have been satisfied with respect to that property.

Key undertakings

The HDN Syndicated Facilities Agreement contains certain standard undertakings which are customary for secured debt facilities of this nature, and include, but are not limited to, the following undertakings:

- information undertakings;
- undertakings in respect of compliance with certain financial covenants in relation to loan to value, balance sheet gearing and interest cover ratios;
- undertakings on environmental and social matters;
- assets in good and substantial repair and condition, in good working order and in accordance with industry practice;
- subject to certain customary exceptions, restrictions on the ability to dispose of any asset;
- subject to certain customary exceptions including the HDN Debt Facilities Security, restrictions on the creation or permitting of security interests;
- restrictions on the making of a distribution in respect of any financial year greater than a specified amount, other than a permitted profit reserve distribution, and a prohibition on the declaration of a distribution if an event of default is subsisting;
- undertakings as to insurance;
- various undertakings in respect of certain material documents including requirements to comply with their terms and take all reasonable action to enforce them, not amend or waive their requirements or avoid, release, terminate, rescind or discharge them (other than by performance);

- provision of an updated valuation of each freehold real property in the portfolio at least once every two years, with approximately 50% of the HDN portfolio being valued every 12 months over the term of the HDN Debt Facilities;
- various standard undertakings applicable to HDN Obligor Trusts that are trustees of a trust, including but not limited to, undertakings not to resign as trustee, allow the appointment of an additional trustee or amend, revoke or not comply with the trust deed; and
- various standard undertakings applicable to the Custodian with respect to the applicable HDN Obligor Trust, including but not limited to, undertakings to perform obligations under the Custody Deed, undertaking not to resign as custodian, allow the appointment of an additional custodian or amend, revoke or not comply with the Custody Deed.

Representations and warranties

The HDN Syndicated Facilities Agreement contains representations and warranties customary for secured debt facilities of this nature.

Events of default

The HDN Syndicated Facilities Agreement contains events of default which are customary for secured debt facilities of this nature, and will include, but are not limited to, the following:

- failure to pay amounts due under the HDN Syndicated Facilities Agreement or related finance documents;
- any of the financial undertakings not being satisfied;
- an HDN Obligor failing to comply with any of its obligations (other than the obligation to pay or the obligation to satisfy financial covenants), or making a misrepresentation, under the HDN Syndicated Facilities Agreement or related finance documents which is not remedied within 15 business days;
- repudiation or vitiation of any finance document in respect of the HDN Debt Facilities or repudiation, termination or vitiation of certain material documents;
- other than a permitted capital reduction, an HDN Obligor taking action to reduce its capital or buy back its shares or (where applicable) units in the trust, without the consent of the lenders;
- an HDN Obligor that is a trustee of a trust ceasing to be the trustee of that trust or if the trust is wound up or the beneficiaries of the trust resolve to do so;
- an HDN Obligor Trust failing to comply with specific obligations under a managed investment scheme to which it is a party;
- the Custodian that is custodian of an HDN Obligor Trust ceasing to be custodian of that trust or an application or order for the removal of the Custodian being sought or if any step is taken to appoint a new or additional custodian to an HDN Obligor Trust; or
- an event or series of events occurring which in the lenders' reasonable opinion would have or be likely to have a material adverse effect.

Review events

The HDN Syndicated Facilities Agreement contains the following review events:

- **Delisting or suspension:** if the units of HDN are delisted or suspended from the ASX for a continuous period of more than five business days and not reinstated within those five business days without any material adverse sanction other than where the suspension is as a result of a trading halt requested by HDN for the purposes of an imminent announcement of a major acquisition or merger acquisition; or
- **Change of control:** if any person acquires (directly or indirectly) control of HDN (where "control" has the meaning given to it in section 50AA of the Corporations Act).

If such a review event occurs, subject to certain agreed negotiation and notification periods, a potential repayment and cancellation of the HDN Debt Facilities may be required if the review event is not rectified or waived.

The HDN Syndicated Facilities Agreement is otherwise on customary commercial terms typical for a contract of this nature.

5. Overview of the Merged HDN Group

5.12.7. Kotara Home call option and pre-emptive deed

Aventus' Kotara Home (South) property (**Kotara South**) is adjacent to another property (**Kotara North**) which is owned by an entity associated with BBRC (and which is managed on that entity's behalf by Aventus Company). The respective owners have entered into the Kotara Call Option and Pre-emptive Deed under which:

- The owner of Kotara South grants to the owner of Kotara North a call option to acquire Kotara South (**Call Option**); and
- The owner of Kotara North and the owner of Kotara South have each granted the other reciprocal pre-emptive rights in the event that either of them wishes to sell their respective Kotara properties (**Pre-emptive Right**).

Call Option

Whereas a result of a vote of the Aventus Unitholders, there is a change of the responsible entity of the Aventus Trust to an entity who is not a member of the Aventus Group (**Call Option Event**) the following process will apply:

- the owner of Kotara North may require a valuation to be conducted on Kotara South, with two independent valuers to be appointed – one by the owner of Kotara North Owner and one by the new responsible entity;
- the purchase price for Kotara South will be the average of the two valuations; and
- upon receipt of those valuations, the owner of Kotara North may exercise the Call Option and purchase Kotara South for the relevant purchase price so determined.

BBRC has provided Aventus with a waiver of this call option in connection with the Merger.

Pre-emptive Right

Under the Pre-emptive Right, where an owner wishes to deal with their Kotara property, it must give notice to the other owner of the proposed sale terms which will constitute an offer to the relevant recipient to acquire the selling owner's Kotara property. The owner will have 40 days to accept those sale terms. If the offer is not accepted, then the owner selling its Kotara asset may sell to another third party within six months on terms and at a price that are no more favourable to the proposed purchaser than the terms offered under the Pre-emptive Right.

5.13. Additional information

5.13.1. No pre-transaction benefits

During the four months before the date of this Scheme Booklet, none of HDN Trustee or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to vote in favour of the Merger where the benefit was not offered to all Aventus Securityholders under the Merger.

5.13.2. Continuous disclosure

HDN is a disclosing entity for the purposes of the Corporation Act and as such it is subject to regular reporting and disclosure obligations concerning HDN. As an ASX-listed entity, HDN is also subject to the Listing Rules which require continuous disclosure (with some exceptions) of any information which a reasonable person would expect to have a material effect on the price or value of HDN Units. In addition, HDN is required to maintain periodic disclosure (including yearly and half-yearly financial statements) with ASIC concerning HDN in accordance with the Corporations Act and the ASX in accordance with the Listing Rules.

The information disclosed to the ASX is available free of charge from the ASX website (www.asx.com.au) as well as the HDN website (<https://hdn.home-co.com.au/Investor-Centre/>). Copies of the documents lodged with ASIC by HDN Trustee concerning HDN may be obtained from or inspected at any ASIC office.

On request to HDN Trustee and free of charge, Aventus Securityholders may obtain a copy of:

- the annual financial report of HDN for FY21 (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to ASX by HDN Trustee since the lodgement with ASIC of the 30 June 2021 annual report for HDN referred to above and before lodgement of this Scheme Booklet with ASIC.

A list of announcements made by HDN Trustee concerning HDN to ASX from the date of the Financial Year 2021 annual report on 30 September 2021 to the Last Practicable Date is set out below:

DATE	ANNOUNCEMENT
29/11/2021	Form 605 - HFML - Notice of ceasing to be substantial holder
26/11/2021	Change of Director's Interest Notice - David Di Pilla
23/11/2021	Form 604 - HCL, HCDL & HICT - Notice of change of interests
19/11/2021	Application for quotation of securities - HDN
18/11/2021	Notice under Listing Rule 3.10A
18/11/2021	Fund Payment Notice
17/11/2021	Change of Director's Interest Notice - David Di Pilla
17/11/2021	Joint Sydney Property Tour
12/11/2021	Presentation - Targeting Strong Total Returns
09/11/2021	Change of Director's Interest Notice - David Di Pilla
08/11/2021	Update - Dividend/Distribution - HDN
20/10/2021	Becoming a substantial holder for AVN
18/10/2021	Merger to Create a Platform for Long Term Growth
18/10/2021	HMC:HMC Grows AUM to \$5bn Following Proposed HDN Merger with AVN
18/10/2021	AVN: Aventus Announces Merger with HDN and HMC
18/10/2021	Merger to Create Leading ASX-Listed Daily Needs REIT
30/09/2021	Annual Report 2021

5.13.3. Complaint handling procedure

HDN Trustee maintains a comprehensive complaint resolution process. Complaints can be submitted in writing to the Company Secretary at:

HMC Funds Management Limited
 19 Bay Street
 Double Bay NSW 2028
 Australia

The Compliance Officer will acknowledge the complaint, investigate it and report back as soon as practicable, and in any event, within 30 days.

In the event that a complaint cannot be resolved within 30 days or you are not satisfied with HDN Trustee's response, you may raise the matter directly with the Australian Financial Complaints Authority (**AFCA**). The AFCA's contact details are:

Australian Financial Complaints Authority
 GPO Box 3
 Melbourne VIC 3001
 Telephone: 1800 931 678
 Email: info@afca.org.au

5. Overview of the Merged HDN Group

5.13.4. Rights attaching to and ranking of HDN Units

The rights and liabilities attaching to the HDN Units are governed by a combination of the HDN constitution, the Corporations Act, the Listing Rules and general law.

A general summary of some of the important features and rights attaching to the HDN Units is set out in section 5.12.1. However, this summary is not exhaustive and does not constitute a definitive statement of all rights and liabilities attaching to HDN Units. Aventus Securityholders should seek their own advice when trying to establish their rights in specific circumstances.

Each HDN Unit will be issued fully paid. From the date of issue, a HDN Unit will rank equally with all other HDN Units on issue.

5.13.5. No cooling-off rights

No cooling-off rights apply to the issue of HDN Units described in this Scheme Booklet.

5.13.6. Material changes in HDN's financial position since last accounts published

Other than as disclosed in this Scheme Booklet, within the knowledge of the HDN Trustee Board, the financial position of the HDN Group has not materially changed since 30 June 2021, being the date of the balance sheet for the full-year accounts of HDN for FY21.


5.13.7. No other information

Except as disclosed elsewhere in this Scheme Booklet, so far as HDN Trustee is aware, there is no other information that is, at the date of this Scheme Booklet:

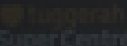
- material to the making of a decision by an Aventus Securityholder whether or not to vote in favour of the Merger; and
- known to HDN Trustee which has not been previously disclosed to ASX.

Section Six

Overview of
HomeCo



tuggerah
SuperCentre



tuggerah
SuperCentre



welcome

6. Overview of HomeCo

This section 6 sets out the history and operations of HomeCo. It also summarises the key operations of HomeCo post implementation of the Merger and the management arrangements that will apply in respect of HomeCo and Merged HomeCo Group.

6.1. Corporate structure, history and performance

HomeCo is an ASX-listed fund manager that invests in high conviction and scalable real asset strategies.

On 11 October 2019, Home Consortium Limited (**HCL**) and Home Consortium Developments Limited (**HCDL**) were admitted to the official list of the ASX. HCL Shares and HCDL Shares are stapled together to form stapled securities, which trade under the name "Home Consortium" (ASX: HMC).

On 10 December 2021, HomeCo Securityholders will be asked to approve a proposal to simplify the HomeCo company structure by destapling the HCL Shares from the HCDL Shares (such that they are not required to be dealt with together) and transferring the HCDL Shares to HCL. This destapling will be implemented on 24 December 2021. Following the transfer of all of the HCDL Shares to HCL on 29 December 2021, HCDL will be delisted and the entire business of HomeCo (including HCDL) will then be held by HCL, which will remain listed on the ASX.

HomeCo is the manager of the convenience retail focused HomeCo Daily Needs REIT (ASX: HDN) which listed on the ASX in November 2020 and the healthcare focused HealthCo Healthcare and Wellness REIT (ASX: HCW) (**HCW**) which listed on the ASX in September 2021. HomeCo also owns a direct property portfolio valued at approximately \$145 million ¹.

Following implementation of the Merger, HomeCo will have approximately \$5 billion of assets under management, as illustrated in the diagram below²:

HOME CONSORTIUM ASX:HMC					
ASX: HDN 13.7% co-investment		ASX: HCW 19.99% co-investment		Direct portfolio 100% ownership	
AUM	~\$4.1bn	AUM	~\$668m	Value	~\$145m
Market capitalisation	~\$2.9bn	Market capitalisation	~\$0.7bn	Capitalisation rate	6.58%
Target gearing range	30-40%	Target gearing range	30-40%	WALE	9.0 years

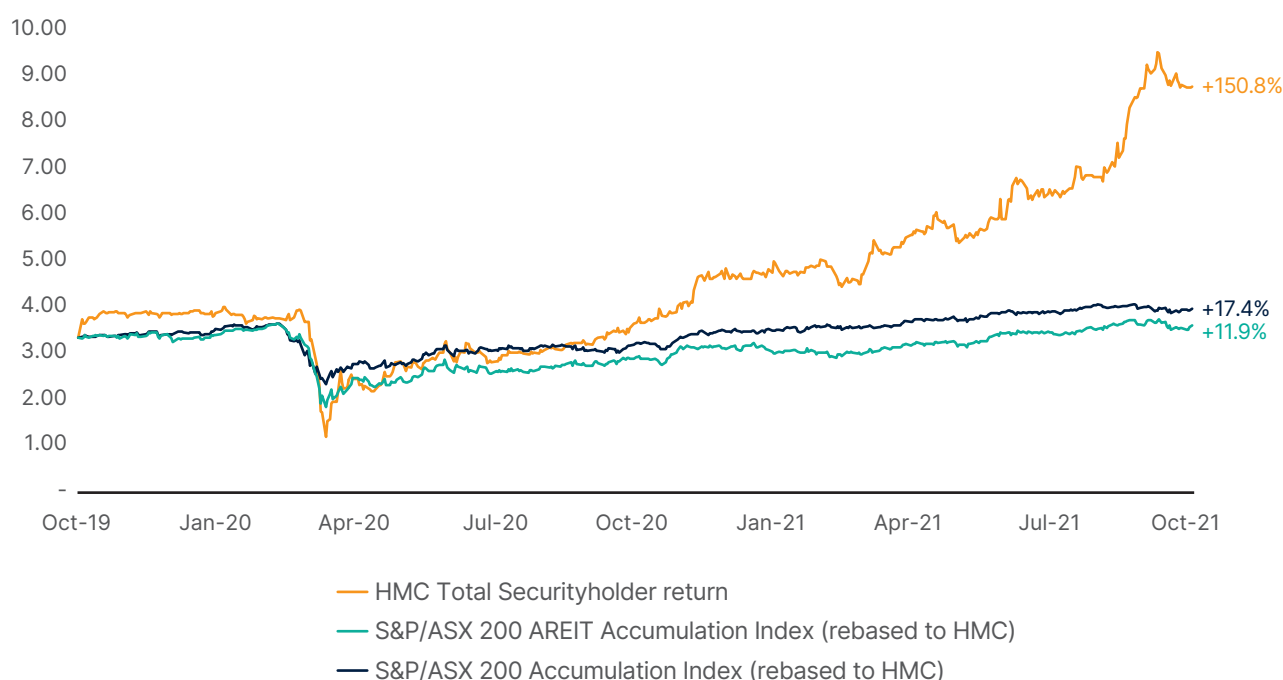
Since listing, HomeCo has outperformed the S&P/ASX200 Accumulation Index and the S&P/ASX200 A-REIT Accumulation Index. As illustrated below, from 11 October 2019 to the Last Practicable Date, HomeCo has delivered a total securityholder return of 151%, compared to the S&P/ASX200 A-REIT Accumulation Index total shareholder return of 12% over the same period.

¹ As at 30 June 2021, excluding Lismore, Coffs Harbour and Proxima which have since been sold down to HDN and HCW, and Wagga Wagga which has been sold, with settlement occurring on 23 November 2021.

² Assuming the BBRC Option is exercised and the HomeCo Acquisition Fee is paid in HDN Units, which is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to HomeCo in HDN Units, cash or both (at HomeCo's election).

HomeCo has provided guidance to the market on 18 October 2021 that it expects, including the impact of the Merger and barring any unforeseen events, FY22 pre-tax FFO per security of 26.0 cents (inclusive of the HomeCo Acquisition Fee which is equivalent to 7.4 cents per security³, but does not reflect any employment cost synergies that are anticipated in subsequent periods), and reaffirmed FY22 dividend guidance of 12.0 cents per security.

HomeCo total securityholder return since IPO⁴



6.2. Strategy and operations

HomeCo's objective is to become a capital light fund manager with the target to grow external assets under management to \$5 billion by the end of 2022 and \$10 billion by the end of 2024. HomeCo is well positioned to achieve this objective, and will manage approximately \$5 billion of assets post implementation of the Merger.

HomeCo will explore the potential to expand into new alternative asset classes which leverage its ability to execute large complex transactions and access private and listed capital. HomeCo's ambition is to become Australia's leading alternative asset manager, targeting asset classes beyond real estate including private equity, infrastructure and credit.

6.2.1. Funds management

HomeCo is the manager of HDN and HCW.

HDN listed on the ASX with a mandate to invest in convenience retail assets across the target sub-sectors of Neighbourhood Retail, Large Format Retail and Health & Services. As illustrated below, HDN has grown assets under management from \$844 million at IPO (November 2020) to \$1.8 billion⁵ pre implementation of the Merger (+110% increase). Following implementation of the Merger, the Merged HDN Group will comprise a portfolio of 51 properties valued at \$4.1 billion⁶.

³ Assumes 50% of Aventus Securityholders elect HomeCo Scrip Consideration.

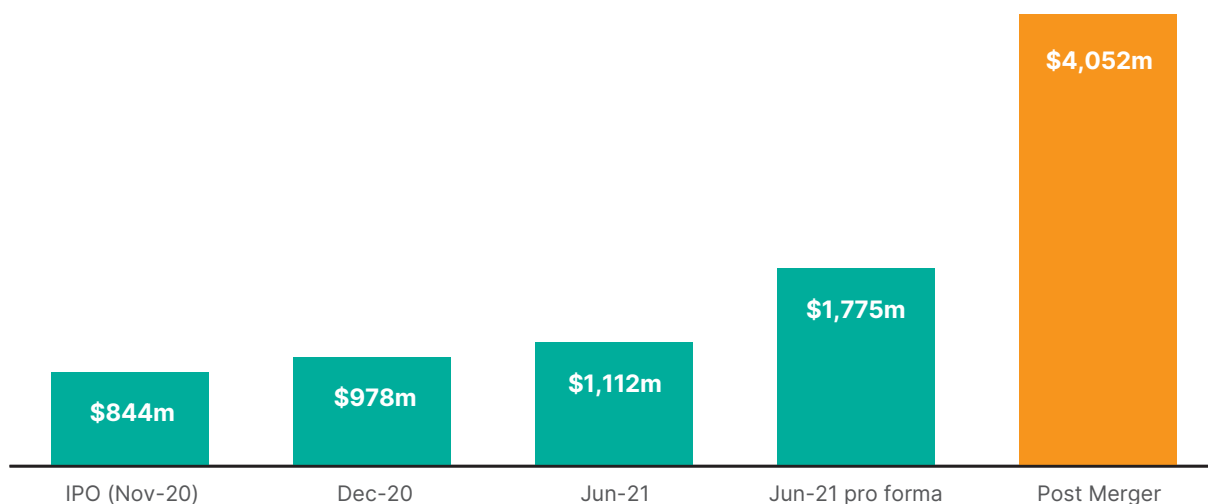
⁴ As at the Last Practicable Date. Total return assuming dividends are reinvested. The past performance of HomeCo is not a guarantee of the future performance of HomeCo.

⁵ Excludes Parafield ROU asset of \$11 million.

⁶ Adjusted to reflect a 100% ownership of McGraths Hill and the post balance sheet date disposal of MacGregor.

6. Overview of HomeCo

HDN Group portfolio since IPO⁷



HCW listed on the ASX in September 2021 with a mandate to invest in hospitals, aged care, childcare, government, life sciences, research, primary care and wellness property assets, as well as other healthcare and wellness property adjacencies. HCW aims to provide unitholders with exposure to a diversified portfolio underpinned by attractive megatrends, targeting stable and growing distributions, long-term capital growth and positive overall environmental and social impacts. As at 31 October 2021, HCW owns a property portfolio valued at approximately \$668 million.

6.2.2. Direct property

HomeCo's direct property portfolio consists of six assets that are geographically diversified across three Australian states. As at 30 June 2021, HomeCo's portfolio⁸ has a fair value of approximately \$145 million.

Key features of HomeCo's direct property portfolio include:

- strategically located properties in Victoria, Queensland and New South Wales;
- a stable and secure source of rental income through a high occupancy rate of 98.8%⁹ on three operating assets and a WALE of 9.0 years across all assets¹⁰; and
- a low site coverage ratio of 20%.

⁷ Includes Large Format Retail portfolio, Victoria Point and recently announced acquisitions (Woodlea, Pakenham, Coffs Harbour, Lismore and two pad sites).

⁸ Excludes Lismore, Coffs Harbour and Proxima which have been sold down to HDN and HCW respectively since 30 June 2021, and Wagga Wagga which has been sold, with settlement occurring on 23 November 2021.

⁹ By GLA for operating properties only. Based on signed leases and signed memoranda of understandings.

¹⁰ As at 30 June 2021 by gross income.

A summary of HomeCo's direct property portfolio is set out below¹¹:

Property	State	Classification	Fair Value (\$M)	Cap Rate (%)	Site Coverage (%)	Occupancy (By Area)	Wale (By Income)
Gregory Hills Home Centre	NSW	Operating	32.0	6.25%	36%	100.0%	6.3
Knoxfield	VIC	Operating	31.2	7.00%	31%	97.6%	10.4
North Lakes	QLD	Operating	40.3	6.00%	29%	99.2%	6.8
Richlands (excess land)	QLD	Development	3.5	nm	nm	nm	nm
Roxburgh Park	VIC	Development	23.2	7.50%	20%	nm	7.0
Camden (3 stages)	NSW	Development	14.6	nm	nm	nm	16.3
Total			144.8	6.58%	20%	98.9%	9.0

HomeCo's direct property portfolio will remain unchanged following implementation of the Merger. HomeCo anticipates that over time it will sell down its interest in the direct property portfolio and recycle the capital to grow external AUM.

6.3. Sustainability

Sustainability is a key element of HomeCo's business approach, driven by the belief that sustainable investments are aligned to long-term value creation and should not be dilutive to returns. HomeCo's ambition in relation to Environmental, Social and Governance (**ESG**) requirements is to be a leader amongst its peers and to create an institutional grade strategy and approach to investing and asset management.

HomeCo has established a sustainability subcommittee of the HomeCo Board that governs HomeCo's sustainability strategy and initiatives.

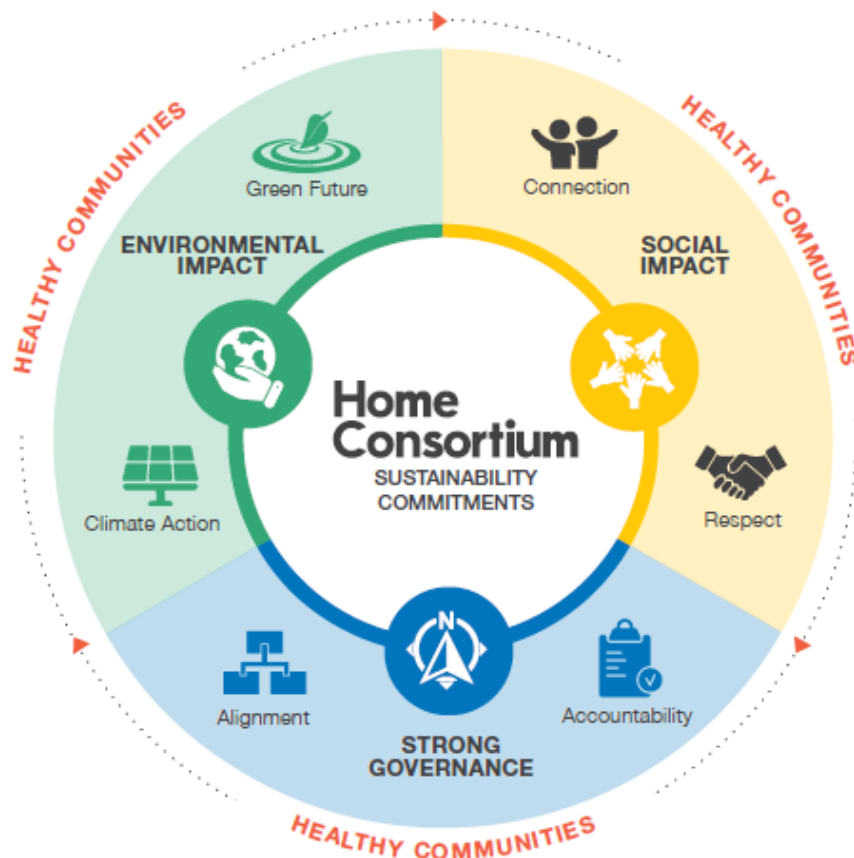
HomeCo became a signatory to the United Nations' Principles for Responsible Investment (**UNPRI**) and a Global Real Estate Sustainability Benchmark (**GRESB**) participating member in February 2021. These two organisations will provide an investment and reporting framework to help shape HomeCo's future initiatives and strategies.

¹¹ Excludes Lismore, Coffs Harbour and Proxima which have been sold down to HDN and HCW respectively since 30 June 2021, and Wagga Wagga which has been sold, with settlement occurring on 23 November 2021.

6. Overview of HomeCo

HomeCo's ESG framework

HomeCo's environmental, social and governance commitments are summarised below.



(1) Environmental commitments

(a) Climate Action – To actively minimise carbon emissions

- HomeCo transitions the real assets it manages and controls towards net zero carbon by 2028
- HomeCo considers environmental factors in the acquisition, development, and maintenance of its assets
- HomeCo will seek to responsibly adopt renewable energy sources and technologies

(b) Green Future – To champion the preservation and restoration of the natural environment

- HomeCo will reduce waste and ensure efficient use and reuse of water across its operations
- HomeCo will deploy environmentally friendly building materials where available and appropriate
- HomeCo will restore and enhance the natural environment within, and in the surrounds of its assets

(2) Social Commitments

(a) Connection – To respond to local and regional essential community needs as they relate to health, wellness and daily services

- HomeCo carries out initial Needs Assessments for new acquisitions as they relate to community needs, and will conduct periodic reviews

- HomeCo will work with and facilitate tenants and operators to create equitable access to and experience of essential products and services to serve community needs
 - HomeCo provides safe, clean, and inclusive spaces for its communities to connect
- (b) Respect – To respect the inherent dignity, safety, diversity and human rights of all people HomeCo touches
- HomeCo will work with suppliers, tenants and partners and use its other key business relationships to promote responsible business practices
 - HomeCo supports diversity and inclusion and will target 50% gender representation in its workforce, including its leadership team and Boards
 - HomeCo provides safe working spaces for its staff, tenants, and operators
- (3) Governance commitments
- (a) Alignment – To have the skills, environment and culture that support and propel HomeCo’s ambition and Sustainability Commitments:
- HomeCo continues to build independent Boards that have diverse skills and are gender balanced
 - HomeCo incentivises and rewards the leadership team who deliver on sustainability outcomes through its remuneration framework
- (b) Accountability – To earn and keep the trust of HomeCo’s key stakeholders through transparent communication, processes and by upholding its commitments:
- HomeCo undertakes processes that ensure independence in decision-making where there are potential or perceived conflicts of interest
 - HomeCo provides clear, honest, and robust sustainability performance updates that are rated against recognised global benchmarks such as GRESB and PRI

6.4. Capital management

6.4.1. Borrowing policy

Following its recent funds management initiative and targeted capital-light model, HomeCo is targeting Gearing below its previously stated range of 30% to 40%.

Prior to the implementation of the Merger, HomeCo’s Gearing is 0%.

On implementation of the Merger, HomeCo’s Gearing will be dependent on the election of Aventus Securityholders to receive cash or HomeCo Scrip Consideration.

6.4.2. Current financing arrangements

HomeCo currently has a \$375 million senior secured facility expiring in November 2023. This facility is currently undrawn. HomeCo’s financing arrangements (**HCL Debt Facilities**) are further described in section 6.11.8.

If the BBRC Option is exercised¹², HomeCo proposes to utilise existing cash and the HCL Debt Facilities to fund its cash obligations in respect of such option.

6.4.3. Hedging policy

To manage the risk arising from the fluctuation of interest rates, HomeCo may enter into fixed rate borrowings and/or interest rate swaps to convert floating rate borrowings to fixed rate borrowings.

HomeCo will target a range for fixed interest rate exposure of between 50% and 100% of drawn borrowings. HomeCo will review this policy on an ongoing basis in the context of any future indebtedness and the prevailing market conditions.

¹² See Section 11.3 for details of the BBRC Option.

6. Overview of HomeCo

6.5. Dividend policy

Following its recent funds management initiatives and targeted capital-light model, HomeCo is targeting a distribution payout ratio below its previously stated range of 80% to 100% of FFO.

HomeCo has provided FY22 distribution guidance of 12.0 cents per security which equates to a distribution payout ratio of approximately 46% (on pre-tax FFO guidance of 26.0 cents per security).

HomeCo intends to declare a dividend every six months with an interim dividend to be declared around February each year and a final dividend to be declared around August each year. The directors of HomeCo will continue to monitor the appropriateness of the dividend policy to ensure that it meets the ongoing objectives of HomeCo and is in the best interest of securityholders.

In relation to the interim dividend for the 6 months to 31 December 2021, HomeCo intends to declare an interim dividend prior to implementation of the Merger, with payment to follow on a date to be announced when the interim dividend is declared. Scheme Securityholders will not be eligible to receive this interim dividend.

HomeCo also intends to pay a dividend of 6.0 cents per HomeCo Security for the period 6 months to 30 June 2022. If you receive the HomeCo Scrip Consideration and hold HomeCo Securities at the relevant record date, you will be entitled to receive this dividend.

6.6. Capital structure

The number of HomeCo Securities on issue post implementation of the Merger will depend on the elections of Aventus Securityholders with regards to HomeCo Securities, as consideration for their Aventus Shares.¹³ The table below shows (for illustrative purposes) a range of outcomes assuming 0%, 50% or 100% of Aventus Securityholders receive Cash Consideration for their Aventus Securities:

PERCENTAGE OF AVENTUS SECURITYHOLDERS RECEIVING CASH CONSIDERATION	0%	50%	100%
Number of HomeCo Securities on issue	290,266,355	290,266,355	290,266,355
Number of HomeCo Securities issued as part of the Merger	21,711,941	10,855,971	-
Total number of HomeCo Securities after the Merger is implemented	311,978,296	301,122,326	290,266,355

6.7. Substantial securityholders

6.7.1. Current substantial securityholders in HomeCo

As at the Last Practicable Date, the following persons are substantial securityholders in HomeCo:

SUBSTANTIAL SECURITYHOLDER	SECURITYHOLDING	PERCENTAGE SECURITYHOLDING
Home Investment Consortium Company Pty Ltd	93,354,537	32.2%
The Vanguard Group	15,798,417	5.4%

¹³ All Ineligible Foreign Securityholders will receive the Cash Consideration for their Aventus Shares.

6.8. Corporate governance

6.8.1. Board and management of HomeCo

6.8.1.1. Board of Directors

The composition of the HomeCo Board will not change following implementation of the Merger. Accordingly, HomeCo's Directors will comprise of the following.



Chris Saxon – Chair

- Mergers and Acquisitions (M&A) lawyer whose practice has included large-scale mergers and acquisition transactions across a range of sectors, notably energy (gas, electricity, renewable), industrials, infrastructure and mining
- Consistently ranked as one of Australia's foremost project and M&A lawyers and has been lead adviser on government restructuring transactions and privatisations, major trade sales and infrastructure projects
- Served as Chairman of Baker McKenzie Australia for five years (2012-2017) and has held numerous leadership roles within the firm.
- Chair of the Remuneration and Nomination Committee



David Di Pilla – Managing Director and Chief Executive Officer

Refer to section 5.8.2.1.



Zac Fried – Non-Executive Director

- Worked closely with David Di Pilla and the team who founded and established the consortium to acquire HomeCo in 2016
- Executive Deputy Chairman of Spotlight Group Holdings (SGH)
- Focus at SGH includes the oversight of the group's property development and leasing portfolio
- Has almost 30 years of retail and property industry experience and a demonstrable track record of successful site identification, property value creation, and the fostering of many longstanding and close lessee relationships
- President of the Large Format Retail Association (LFRA), the preeminent industry association responsible for representing the Australian retail industry interests of operators, investors, property owners, developers and service providers

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Greg Hayes – Non-Executive Director

Refer to section 5.8.2.1.



Jane McAloon – Non-Executive Director

- Non-executive director of Viva Energy, Energy Australia, United Malt Group and a Board member of Allens
- Worked in the natural resources, energy, infrastructure and utility industries for over 25 years
- President Governance and Group Company Secretary at BHP Billiton for nine years during which she worked on key strategic issues, corporate transactions, as well as market, regulatory and reputational matters
- Formerly senior executive at AGL Energy Limited
- Worked in executive leadership roles with the NSW Government Cabinet Office and the Energy, Rail and Natural Resources Departments, and previously in private legal practice
- Holds a Bachelor of Economics (Hons) and Bachelor of Laws from Monash University, a Graduate Diploma in Corporate Governance and was awarded a Monash University Fellowship in 2018
- Previous directorships include the Port of Melbourne, Civil Aviation Safety Authority, Cogstate, Healthscope Limited and the Australian War Memorial
- Previously Chair of Defence Reserves Support Council and a Member of the Referendum Council on Constitutional Recognition for Aboriginal and Torres Strait Islander Peoples
- Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee



Brendon Gale – Non-Executive Director

- Leading Australian sporting administrator and current Chief Executive Officer and Executive Director of the Richmond Football Club, one of the largest and most diversified sports businesses in Australia
- Experienced company director, having previously served on the board of the Victorian Equal Opportunity & Human Rights Commission and is a current director of the Richmond Football Club Ltd and Aligned Leisure Pty Ltd
- Holds a Master's Degree in Arts and Bachelor of Laws from Monash University
- Completed the Advanced Management Program at Harvard Business School and is a Graduate of the Australian Institute of Company Directors
- Member of the Remuneration and Nomination Committee



The Honourable Kelly O'Dwyer – Non-Executive Director

- Served as a member of the Australian Parliament for over nine years representing the Liberal Party in the Federal seat of Higgins
- Held a number of senior economic portfolios including Minister for Jobs and Industrial Relations; Minister for Revenue and Financial Services; Minister for Small Business; and Assistant Treasurer
- Served as Minister for Women; as well as Minister Assisting the Prime Minister with the Public Service
- Internationally recognised as one of the most inspiring and influential women of 2018 in the BBC's 100 Women list
- Member of Federal Cabinet and the Cabinet's Budget Committee (the Expenditure Review Committee) from 2015 until her retirement from Parliament in 2019
- Formerly worked in law, government and finance: as a mergers and acquisitions lawyer at Freehills (now Herbert Smith Freehills); as a Senior Adviser to the Federal Treasurer, the Hon. Peter Costello AC; and as Head of Professional Services, Private and Institutional Wealth at the National Australia Bank
- Member of the School Council of Caulfield Grammar School
- Holds a Bachelor of Laws (Hons) and Bachelor of Arts from The University of Melbourne

6.8.1.2. Management team

HomeCo's management team will be supplemented by Aventus Company's employees following implementation of the Merger. Accordingly, HomeCo's management team will comprise of the following.



David Di Pilla – Managing Director and Group CEO

Refer to section 5.8.2.1



Darren Holland – Chief Executive Officer of HDN

Refer to section 5.8.2.1

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Lawrence Wong – Chief Financial Officer of HDN

- Over 20 years' experience in investment management, corporate development and financial services
- Responsible for capital management and financial reporting functions as well as overseeing investor relations, treasury and technology
- Former Fund Manager for a number of listed and unlisted funds at Brookfield Multiplex
- Holds a Bachelor of Commerce (Accounting and Marketing) from the University of New South Wales and is a Member of the Institute of Chartered Accountants in Australia



Sid Sharma – Group Chief Operating Officer

- Joined HomeCo in 2019 and oversees the day to day operational functions of the business including leasing, property management, development, asset management and marketing
- Extensive retail operations and property experience and has previously held executive roles at DEXUS, Woolworths and Westpac across leasing, asset management, developments and operations
- Holds a Bachelor of Laws and Bachelor of Business (Economics & Finance) from Western Sydney University and was recipient of the Vice Chancellor's leadership scholarship
- Most recently, was Chief Operating Officer at SCA Property Group



Will McMicking – Group Chief Financial Officer

- Part of the team that established HomeCo and is responsible for overseeing all of the finance functions across the group
- 14 years investment banking and corporate finance experience having previously held roles at UBS, Australia and EY
- Member of the Institute of Chartered Accountants



Andrew Selim – Group General Counsel and Company Secretary

- Joined HomeCo in 2017 and is General Counsel and Company Secretary
- Former Senior Legal Counsel and Company Secretary at The GPT Group and Senior Associate at Allens Linklaters
- Member of the Governance Institute of Australia, Member of the Association of Corporate Counsel Australia and Member of the Australian Institute of Company Directors
- Served on the Law Society of NSW In-House Corporate Lawyers Committee and recognised in The Legal 500 GC Powerlist and Doyles Best Lawyers Guide
- Holds a Master of Laws, Bachelor of Laws (Honours) and Bachelor of Science (Advanced), all from The University of Sydney



Andrew Boustred – Development Director

- Part of the team that established HomeCo
- Responsible for planning as well as identifying and executing on key business initiatives
- Member of the Institute of Chartered Accountants and has 20 years' experience in business development and corporate finance
- Formerly worked at Olbia Pty Ltd and Tenix Group

6.8.2. Interests of directors in HomeCo Securities

The following table lists the HomeCo directors' interests in HomeCo Securities as at the Last Practicable Date (assuming the Merger has been implemented):

Directors' securityholdings¹⁴

DIRECTORS	INTEREST IN HOMECO SECURITIES	RIGHTS
David Di Pilla	37,310,930	688,760
Zac Fried	25,286,445	5,182
Greg Hayes	10,209,119	5,701
Chris Saxon	226,683	4,147
Jane McAloon	200,888	4,147
Brendon Gale	250,307	3,110
Kelly O'Dwyer	39,066	Nil

6.8.3. Remuneration and related agreements

6.8.3.1. Directors

Except as disclosed in this Scheme Booklet:

- no HomeCo Director has a material interest in relation to the Merger other than in their capacity as a HomeCo Securityholder as outlined in section 6.8.2; and
- there are no contracts or arrangements between a HomeCo director and any other person in connection with or conditional upon the outcome of the Merger.

6.8.4. Corporate governance framework

This section 6.8.4 summarises the key corporate governance policies and practices adopted by HomeCo and outlines how the HomeCo Board oversees the management of HomeCo's business. In conducting HomeCo's business, the board's role is to:

- represent and serve the interests of HomeCo securityholders by overseeing and appraising HomeCo's strategies, policies and performance;

¹⁴ The table shows the economic interests the HomeCo directors have in HomeCo Securities, which may not be a Relevant Interest for the purposes of the Corporations Act. The HomeCo Directors may hold their interests either directly or through their interests in one or more entities which have an interest in the securityholding of Home Investment Consortium Company Pty Ltd as trustee for the Home Investment Consortium Trust, which in turn has an interest in the securityholding of HCL.

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- protect and optimise company performance and build sustainable value for HomeCo Securityholders in accordance with all duties and obligations imposed on the Board by law and the HomeCo constitutions;
- set, review and monitor compliance with HomeCo's values and governance framework; and
- ensure that HomeCo Securityholders are kept informed of HomeCo's performance and major developments affecting its state of affairs.

Accordingly, the HomeCo Board has created a framework for managing HomeCo, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for HomeCo's business and that are designed to promote the responsible management and conduct of HomeCo.

The main policies and practices adopted by HomeCo are set out below. Details of the key policies and practices and the charters for the Board and each of its committees are available at www.homeconsortium.com.au.

ASX Recommendations

The ASX Corporate Governance Council has developed the ASX Corporate Governance Principles and Recommendations 4th edition (**ASX Recommendations**) for ASX-listed entities to promote investor confidence and assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptive, but guidelines against which entities have to report on an "if not, why not" basis. Under the Listing Rules, HomeCo is required to disclose the extent of its compliance with the ASX Recommendations for each reporting period. Where HomeCo has not followed an ASX Recommendation, it will be required to identify the recommendation that has not been followed and give reasons for not following it. HomeCo must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Board composition and independence

The board is comprised of seven directors of whom four are Independent Non-Executive directors. Detailed biographies of the Board members are provided in section 6.8.1.1.

The Board Charter (summarised below) sets out guidelines to assist in considering the independence of Directors and has adopted a definition of independence that is based on that set out in the ASX Recommendations. In general, directors will be considered to be independent if they meet those guidelines.

The board is responsible for the overall governance of HomeCo. The HomeCo Board considers issues of substance affecting HomeCo, with advice from external advisers as required. Each director must bring an independent view and judgement to the board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a director's ability to properly act as a director must be discussed at a board meeting as soon as practicable, and a director must not participate in discussion or resolutions pertaining to any matter for which the director has a material personal interest.

Board charter

The Board has adopted a written charter to provide a framework for the effective operation of the HomeCo Board. The Charter sets out the HomeCo Board composition, the Board's role and responsibilities, the relationship and interaction between the HomeCo Board and management and the authority delegated by the board to management and board committees.

The HomeCo Board's role is to, amongst other things:

- demonstrate leadership, define HomeCo's purpose and set the strategic objectives of HomeCo;
- approve HomeCo's statement of values and Code of Conduct to underpin the desired culture within HomeCo;
- appoint the Chair, the Chief Executive Officer, the Group Secretary and other senior executives of HomeCo;
- oversee management's implementation of HomeCo's strategic objectives, instilling of HomeCo's values and its performance generally;
- oversee the integrity of HomeCo's accounting and corporate reporting systems, including the external audit;
- oversee HomeCo's process for making timely and balanced disclosure to the market;

- satisfy itself that HomeCo has in place an appropriate risk management framework (for both financial and non-financial risks);
- satisfy itself that HomeCo's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
- review the performance and effectiveness of HomeCo's governance practices policies and procedures;
- determine HomeCo's dividend policy;
- evaluate, approve and monitor budgets, major capital expenditure, capital management and all major corporate transactions, including the issue of securities of HomeCo; and
- ensure that HomeCo maintains a commitment to promoting diversity in the workplace.

The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the HomeCo Board. Management must supply the board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. The board collectively and any Director individually may seek independent professional advice at HomeCo's expense, following consultation with the Chairman or the board, with the advice being made available to the board as a whole.

While the board retains ultimate responsibility for the strategy and performance of HomeCo, the day to day operation of HomeCo is conducted by, or under the supervision of, the senior executives as directed by the board. The board approves corporate objectives for the senior executives to work towards and the management team is then responsible for implementing strategic objectives, plans and budgets approved by the board.

Board committees

The Board may from time to time establish appropriate committees to streamline the discharge of its responsibilities. The Board has established an Audit and Risk Committee, a Remuneration and Nomination Committee and a Sustainability Committee. Membership of Board committees is based on the needs of HomeCo, relevant legislation, regulatory and other requirements, and the skills and experience of board members.

COMMITTEE	OVERVIEW	MEMBERS
Audit and Risk Committee	<p>The Audit and Risk Committee will assist the Board to carry out its accounting, auditing and financial reporting responsibilities, including with respect to the oversight of, amongst other things:</p> <ul style="list-style-type: none"> • the reliability and integrity of HomeCo's financial management, application of accounting policies, financial reporting systems and processes; • the appointment, remuneration, independence and competence of HomeCo's external auditors; • the performance of the external audit functions and review of their audits; • the accounting judgments exercised by management in preparing HomeCo's financial statements; • management's performance against HomeCo's risk management framework; • the implementation and effectiveness of HomeCo's system of risk management and internal controls; • HomeCo's systems and procedures for compliance with applicable legal and regulatory requirement; and • HomeCo's taxation risk management, financial risk management, business policies and practices, and risks associated with transactions of a strategic or routine nature. 	Jane McAloon (Chair), Kelly O'Dwyer and Greg Hayes

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COMMITTEE	OVERVIEW	MEMBERS
Remuneration and Nomination Committee	<p>The role of the Remuneration and Nomination Committee in relation to remuneration includes, amongst other things:</p> <ul style="list-style-type: none"> the appropriateness of HomeCo's remuneration policies; reviewing the composition and performance of the board and its committees; and recommendation to the board on major changes and developments in employee equity plans and allocations under those plans. <p>The role of the Remuneration and Nomination Committee in relation to nomination includes, among other things:</p> <ul style="list-style-type: none"> the process for recruiting new members of the board, including conducting appropriate background checks, evaluating the balance of skills, knowledge, experience, independence and diversity on the board; establish a skills matrix setting out the mix of skills and diversity the board has and regularly reviewing the skills matrix to ensure that it adequately covers the skills needed to address existing and emerging business and governance issues relevant to HomeCo; ensuring there are plans in place to manage the succession of board members and senior executives; and ensuring that programs are in place for the continued professional development of the board. 	Chris Saxon (Chair), Jane McAloon and Brendon Gale
Sustainability Committee	<p>The role of the Sustainability Committee is to support and advise the HomeCo Board to ensure HomeCo (and where appropriate the funds it manages):</p> <ul style="list-style-type: none"> has relevant policies and strategies with respect to ESG matters; has alignment to industry, benchmarking organisations; develops a process for establishing and evaluating the performance against designated ESG KPIs (if any); and assesses and establishes relevant risk reporting as they relate to climate change, modern slavery and other matters the committee deems appropriate. 	Brendon Gale (Chair), Jane McAloon and Kelly O'Dwyer

Corporate governance policies

The board has adopted the following corporate governance policies, each having been prepared having regard to the ASX Recommendations and which are available on HomeCo's website at www.homeconsortium.com.au.

Code of Conduct

HomeCo recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the board has approved a formal code of conduct, to be followed by all directors, as well as all other officers and employees, and all other persons that act on behalf of HomeCo.

The Code of Conduct is designed to provide a benchmark of professional behaviour throughout HomeCo, support HomeCo's business reputation and corporate image within the community and make directors and employees aware of the consequences if they breach the policy.

Securities Trading Policy

HomeCo has adopted a written policy for dealing in securities which is intended to explain the prohibited type of conduct in relation to dealings in securities under the Corporations Act and other laws applicable to HomeCo Group. The policy also seeks to establish a best practice procedure in relation to dealings in HomeCo's Securities and securities in any ASX-listed property trust that a member of the HomeCo Group is the responsible entity of by Directors, officers, employees and their families and associates.

The securities trading policy sets out the restrictions that apply to such dealings including the "blackout periods", during which directors and employees are generally not permitted to deal in HomeCo's Securities and securities in any ASX-listed property trust that a member of the HomeCo Group is the responsible entity of along with a procedure under which directors and employees must seek pre-approval before trading in HomeCo Group Securities and securities in any ASX listed property trust that a member of the HomeCo Group is the responsible entity of.

Continuous Disclosure Policy

HomeCo has adopted a Continuous Disclosure Policy which establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information.

Securityholder Communication Policy

HomeCo has adopted a Securityholder Communication Policy which aims to ensure effective communication with its securityholders. HomeCo aims to ensure that investors are provided with sufficient information to assess the performance of HomeCo and that they are informed of all major developments affecting the state of affairs of HomeCo in accordance with all applicable laws.

In particular, information will be communicated to securityholders through the lodgement of all relevant information with ASX and publishing information on HomeCo's website at www.homeconsortium.com.au. HomeCo's website contains information about it, including media releases, key policies and charters. All relevant financial and other information will be posted on HomeCo's website as soon as it has been released to ASX.

Diversity Policy

HomeCo has adopted a Diversity Policy which sets out HomeCo's commitment to diversity and inclusion in the composition of the board, senior executives and workforce generally. The Diversity Policy involves a framework to achieve HomeCo's diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect. The board has the role of implementing the Diversity Policy and assessing progress in achieving its objectives, annually.

HomeCo's recruitment process is based on merit and does not tolerate discriminatory behaviour in its recruitment or people management process. As part of HomeCo's Diversity Policy, HomeCo encourages flexible work practices to assist employees to manage their personal and work commitments. This includes offering employees on extended parental leave the opportunity to maintain their connection with HomeCo by allowing such employees to receive all-staff communications and to attend work functions and training programs.

The Board gives consideration to diversity (among other factors) in future appointments to the HomeCo Board.

Whistleblower Policy

HomeCo has adopted a Whistleblower Policy, which encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and that those who promptly report may do so with confidence and without fear of intimidation, ramifications or adverse consequences, complementing its code of conduct. Examples of reportable conduct under the Whistleblower Policy includes (but is not limited to):

- dishonest, corrupt, fraudulent or unlawful conduct or practices, including bribery;
- financial irregularities;
- unfair, dishonest or unethical dealings with a customer or third party; and
- unethical or serious improper conduct including breaches of any legal or regulatory obligations.

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The Whistleblower Policy ensures protection over whistleblowers by allowing for anonymous reports to be made, protecting confidentiality of the whistleblowers and not tolerating any detriment caused or threatened to be caused against any person who has made or who is believed to have made a report regarding the reportable conduct.

Anti-corruption Compliance Policy

HomeCo has adopted an Anti-corruption Compliance Policy to demonstrate its commitment to conducting its business and operations with honesty, integrity and the highest standards of personal and professional ethical behaviour, complementing HomeCo's code of conduct. All employees, officers, directors and agents acting for, or representing HomeCo, in all their dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, subcontractors or service providers must not either directly or indirectly:

- offer, promise, give, solicit or accept any bribe or facilitation payments;
- falsify any books, record or accounts relating to HomeCo;
- offer to provide gifts, hospitality or any other benefit to public officials without prior approval of the general counsel of HomeCo;
- make any political or charitable donations on behalf of HomeCo which are or could be perceived to be a bribe;
- engage with or deal with third parties or agents acting for or representing HomeCo such as giving secret commissions; or
- cause, authorise or wilfully ignore any conduct that is believed or suspected to be contrary to this policy or anti-corruption laws.

Delegation of Authority Policy

HomeCo has adopted a Delegation of Authority policy to clarify the respective roles and responsibilities of the HomeCo Board, the Investment Committee and senior executives in order to facilitate Board and management accountability to both HomeCo and its stakeholders. The Delegation of Authority Policy involves a framework to formalise the authority delegated by the Board to the Investment Committee and senior executives to:

- enable the Board to provide strategic guidance for HomeCo and effective oversight of management;
- clarify the respective roles and responsibilities of the HomeCo Board, the Chief Executive Officer and the investment committee to facilitate accountability to both HomeCo and its securityholders;
- ensure a balance of authority so that no single individual has unfettered powers; and
- provide a process of effective and efficient management of HomeCo.

Policy on non-audit services provided by the independent external auditors

In addition to the Audit and Risk Committee's responsibility to establishing policies regarding the independence of external auditors and ensuring compliance with the Audit and Risk Committee policies, HomeCo has also adopted a policy on non-audited services provided by the independent external auditors to provide guidance on the engagement of external auditors to supply non-audit services. To ensure auditor independence is maintained, all engagements of the external auditor to provide non-audit services must be approved in writing by the CFO or the Audit and Risk Committee. The CFO or Audit and Risk Committee is required to give consideration to the following factors when granting approval for a non-audit services request:

- the nature of the services provided;
- the dollar value and period of engagement;
- the availability of alternate service providers and the reasoning for recommending the external auditor;
- the audit firm's self-assessment of its independence risk; and
- any other circumstances relevant to the engagement.

Related Party Transactions Policy

HomeCo maintains and complies with a written policy on related party transactions, including the assessment and approval process for such transactions and arrangement to manage conflicts of interest.

The key elements of the related party transactions policy include the following:

- all related party transactions must be immediately notified to the Audit and Risk Committee. The Audit and Risk Committee must then bring the related party transaction to the attention and consideration of the Board;
- the Board will consider the information provided in order to determine whether and how to proceed with the proposed transaction. In considering the information, the Board may seek further advice from appropriately qualified advisers and professionals required; and
- each related party transaction will be approved by HomeCo securityholders unless HomeCo determines that it falls within an appropriate Corporations Act exception, including where a transaction is on arm's length terms or terms that are more favourable to the business than arm's length terms.

Compliance with the policies and procedures set out in the related party transactions policy is monitored by the Audit and Risk Committee by, among other things, reviewing the conflicts of interest and related party records and registers.

6.9. HomeCo historical financial information

This section 6.9 contains summary financial information of HomeCo for the financial year ended 30 June 2021 (FY21). The financial information in this section 6.9 has been extracted from the audited consolidated financial statements of HomeCo for the year ended 30 June 2021.

The financial information of HomeCo presented in this section 6.9 excludes any pro forma adjustments arising from the Merger, those adjustments are provided in section 7.2.

6.9.1. Basis of preparation

The financial information in this section has been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act, as appropriate for for-profit oriented entities.

The audit and review opinions in the consolidated financial statements released to ASX were issued by PricewaterhouseCoopers and were unqualified. As the financial information is extracted and/or summarised from audited consolidated financial statements of HomeCo for the years ending 30 June 2020 and 30 June 2021, the financial information presented in the tables below is in abbreviated form and does not represent the complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. These financial reports are available on HomeCo's website <https://www.home-co.com.au/>.

6.9.2. Summarised consolidated statement of financial position

YEAR ENDED 30 JUNE	30 JUNE 2020 (\$'000)	30 JUNE 2021 (\$'000)
Assets		
Current assets		
Cash and cash equivalents	29,575	11,694
Trade and other receivables	3,693	6,125
Other assets	4,754	13,563
Assets held for sale	-	478,592
Total current assets	38,022	509,974

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YEAR ENDED 30 JUNE	30 JUNE 2020 (\$'000)	30 JUNE 2021 (\$'000)
Non-current assets		
Investment property – freehold	1,013,750	188,100
Investment property – leasehold	84,263	-
Right of use assets	466	277
Investments accounted for using the equity method	-	263,878
Convertible notes	-	548
Deferred tax assets	141,157	19,635
Total non-current assets	1,239,636	472,438
Total assets	1,277,658	982,412
Liabilities		
Current liabilities		
Trade and other payables	38,003	13,354
Employee benefit obligations	536	1,137
Lease liabilities	9,609	205
Income tax	-	1,707
Total current liabilities	48,148	16,403
Non-current liabilities		
Borrowings	361,385	253,111
Derivative financial instruments	3,127	1,847
Provisions	2,000	-
Lease liabilities	133,468	72
Total non-current liabilities	499,980	255,030
Total liabilities	548,128	271,433
Equity		
Contributed equity	3,607,986	3,710,382
Reserves	39,056	4,013
Accumulated losses	(2,917,512)	(3,007,503)
Equity attributable to the owners of HomeCo	729,530	706,892
Non-controlling interest	-	4,087
Total equity	729,530	710,979

6.9.3. Summarised consolidated statement of profit or loss and other comprehensive income

YEAR ENDED 30 JUNE	30 JUNE 2020 (\$'000)	30 JUNE 2021 (\$'000)
Revenue		
Property income from continuing operations	62,257	69,397
Share of profits of associates accounted for using the equity method	-	8,940
Other income	-	405
Interest revenue	121	90
Change in assets/liabilities at fair value through profit or loss	14,618	(21,954)
Expenses		
Property expenses	(27,669)	(23,994)
Corporate expenses	(8,108)	(10,983)
Loss on demerger	-	(15,446)
Acquisition and transaction costs	(5,750)	(1,945)
Finance costs	(23,582)	(10,910)
Profit/(loss) before income tax from continuing operations	11,887	(6,400)
Income tax (expense)/benefit	(5,920)	(89,387)
Profit/(loss) after income tax from continuing operations	5,967	(95,787)
Profit/(loss) after income tax from discontinued operations	(8,785)	9,883
Loss after income tax for the year	(2,818)	(85,904)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(2,818)	(85,904)
<i>Loss for the year is attributable to:</i>		
Non-controlling interest	-	4,087
Owners of Home Consortium	(2,818)	(89,991)
Total comprehensive income for the year	(2,818)	(85,904)
<i>Total comprehensive income for the year is attributable to:</i>		
Continuing operations	-	4,087
Discontinued operations	-	-
Non-controlling interest	-	4,087
Continuing operations	5,967	(99,874)
Discontinued operations	(8,785)	9,883
Owners of Home Consortium	(2,818)	(89,991)
	(2,818)	(85,904)

6. Overview of HomeCo

YEAR ENDED 30 JUNE	30 JUNE 2020 (\$'000)	30 JUNE 2021 (\$'000)
Earnings per security for profit/(loss) from continuing operations		
Basic earnings per security (cents)	3.6	(36.6)
Diluted earnings per security (cents)	3.6	(36.6)
Earnings per security for profit/(loss) from discontinued operations		
Basic earnings per security (cents)	(5.3)	3.6
Diluted earnings per security (cents)	(5.3)	3.6
Earnings per security for loss		
Basic earnings per security (cents)	(1.7)	(32.9)
Diluted earnings per security (cents)	(1.7)	(32.9)

6.9.4. Summarised consolidated statement of cash flows

	30 JUNE 2020 (\$'000)	30-JUN-21 (\$'000)
Cash flows from operating activities		
Receipts from vendors and tenants (inclusive of GST)	58,338	69,618
Payments to suppliers and employees (inclusive of GST)	(53,841)	(46,199)
Interest received	238	-
Other income - lease mitigation account	-	11,000
Interest paid	(27,991)	(11,761)
Net cash from/(used in) operating activities	(23,256)	22,658
Cash flows from investing activities		
Payment for acquisition of investment property - freehold	(215,440)	(317,224)
Payment for acquisition of investment property - leasehold	(12,060)	(5,800)
Payments for convertible notes	-	(548)
Payment for investment in associates	-	(87,437)
Proceeds from disposal of investment property	-	69,000
Proceeds from deposits	5,335	1,383
Distributions received	-	3,119
Proceeds from demerger	-	204,954
Cash balance held by subsidiary on disposal of discontinued operations	-	(18,538)
Net cash used in investing activities	(222,165)	(151,091)
Cash flows from financing activities		
Proceeds from issue of shares	350,000	275,637
Share issue transaction costs	(16,010)	(5,241)
Loans to related party	(1,589)	-
Proceeds from borrowings	366,000	153,500
Repayment of bank loans	(415,665)	(264,750)
Borrowing costs paid	(7,605)	-
Repayment of lease liabilities and surrenders	(20,404)	(11,895)
Dividends paid	(8,907)	(36,699)
Net cash from financing activities	245,820	110,552
Net increase/(decrease) in cash and cash equivalents	399	(17,881)
Cash and cash equivalents at the beginning of the financial year	29,176	29,575
Cash and cash equivalents at the end of the financial year	29,575	11,694

6. Overview of HomeCo

6.10. Intentions of HomeCo concerning the Aventus Company and the Merged HomeCo Group

6.10.1. Introduction

Assuming the Merger is implemented and the Aventus Company and its controlled entities, including Aventus Trustee and the Aventus Property Manager become part of the Merged HomeCo Group, this section 6.10 sets out HomeCo's present intentions in relation to:

- the continued operation of the Aventus Company and its controlled entities; and
- any major changes to be made to the operation of the Aventus Company, including any redeployment of the Aventus Trust property.

These intentions are based on the terms of the Merger and the information concerning the Aventus Company, its business and the general business environment which is known to HomeCo at the time of preparation of this Scheme Booklet.

HomeCo does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, financial and tax implications of some of its current intentions. Final decisions regarding these matters will only be made by HomeCo following implementation of the Merger in light of any further material information received and the circumstances at the relevant time. Accordingly, the statements set out in this section 6.10 are statements of current intention only, and may change as new information becomes available to HomeCo or as circumstances change.

6.10.2. Acquisition of the Aventus Shares and removal from Official List of ASX

The Merger involves the acquisition by HomeCo of 100% of the Aventus Shares by the Members' Scheme. If the Merger is implemented, Aventus Company is required under the Scheme Implementation Deed to arrange for quotation of Aventus Shares to be terminated, and for Aventus to be removed from the Official List of ASX. This is expected to occur shortly after implementation of the Merger.

6.10.3. HomeCo's strategy and business integration

HomeCo's main business is funds management. This is also the main business of Aventus Company, so the acquisition of Aventus Company is consistent with HomeCo's strategy of expanding its funds management activities.

If the Merger is implemented, HomeCo intends to:

- consolidate corporate functions with Aventus Company, including accounting and property and investment management functions; and
- utilise operational efficiencies across the Merged HomeCo Group within the Aventus Company (HomeCo's FY22 pre-tax FFO per security guidance does not reflect any employment cost synergies that are anticipated in subsequent periods).

6.10.4. Changes to Aventus Company's constitution

If the Merger is implemented, HomeCo will replace Aventus Company's constitution with a constitution appropriate for a company limited by shares and a wholly owned subsidiary of HomeCo.

Under the new constitution, HomeCo will alone be able to make changes to Aventus Company's constitution as the sole shareholder of Aventus Company.

Following implementation of the scheme, the key governance document relating to the HomeCo Group will be the constitution of HomeCo.

6.10.5. Merged HomeCo Group dividend policy

HomeCo's current dividend policy is set out in section 6.5 and HomeCo does not intend to change the policy if the Merger is implemented.

6.10.6. Operation of Aventus Company

HomeCo intends to continue the operation of the Aventus Company should the Merger be implemented. Post implementation of the Merger, Aventus Company will become a wholly owned subsidiary of HomeCo.

The principal activity of Aventus Company and its Controlled entities is to manage the Aventus Trust. Further information about the proposed management of the Aventus Trust post Merger is set out in sections 5.10.4 and 6.10.7 below.

In addition, Aventus Company manages certain other property assets. Those other assets currently managed by Aventus Company will continue to be managed by the HomeCo Group post Merger. This includes Kotara North which Aventus Company manages on behalf of an entity associated with BBRC (see section 5.12.7) and Aventus Property Syndicate 1, which holds the McGraths Hill property that Aventus Trust holds a 25% interest in.

6.10.7. Management of the Aventus Trust

As set out in section 6.10.1 above, should the Merger be implemented, the Aventus Property Manager will also become a wholly owned subsidiary of HomeCo. The Aventus Property Manager will continue to provide property management services (and no other services) to each of the Aventus Trust's properties within the Merged HDN Group under the Aventus Property Management Agreement, while the Aventus Trustee will retire as responsible entity of Aventus Trust and will be replaced by HDN Trustee (or a wholly owned subsidiary of HomeCo) as set out in section 5.10.4 above.

HomeCo does not presently intend to propose (through the Aventus Property Manager) a sale of any of the Aventus Trust's properties or assets.

6.10.8. HomeCo Board and management and Aventus Company employees

If the Merger is implemented, it is not currently proposed that any Aventus Company Directors will be appointed to the HomeCo Board as a consequence of the Members' Scheme. As such, the HomeCo Board will comprise the HomeCo Directors indicated in section 6.8.1.1.

If the Merger is implemented, it is proposed that Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO), will both be offered positions with HomeCo as CEO and CFO of the Merged HDN Group respectively.

HomeCo will review Aventus Company's business operations and organisational structure as part of the Merged HomeCo Group to ensure that Aventus Company has the appropriate mix and level of employees and skills to enhance the business of the Merged HomeCo Group going forward.

6.11. Summary of material agreements

6.11.1. Summary of constitution

See section 6.12.6 below.

6.11.2. HomeCo Restructure Deed

The HomeCo Restructure is being effected pursuant to a restructure deed dated 17 October 2021 between HCL and HCDL (the **HomeCo Restructure Deed**). Under the HomeCo Restructure Deed, HCL and HCDL agree to take all necessary measures to implement the HomeCo Restructure including preparing shareholder documents, lodging documents required by the Corporations Act and the ASX Listing Rules, convening shareholder meetings and in the case of HCDL undertaking the necessary steps with respect to the scheme of arrangement pursuant to which the shares in HCDL will be acquired by HCL.

6.11.3. HDN Investment Management Agreement

See description above at section 5.12.2. The Investment Manager is a wholly owned subsidiary of HomeCo.

6.11.4. HDN Property Management Agreement

See description above at section 5.12.3. The Property Manager is a wholly owned subsidiary of HomeCo.

6.11.5. Aventus Property Management Agreement

See description above at section 5.12.4. The Aventus Property Manager will become wholly owned subsidiary of HomeCo on the Effective Date.

6. Overview of HomeCo

6.11.6. HCW Investment Management Agreement

Under an investment management agreement dated 1 August 2021 between the Investment Manager and the HCW Trustee (**HCW Investment Management Agreement**), the Investment Manager has been delegated the day-to-day control over HCW and HCW's portfolio of assets, subject to the supervision and control of HCW Trustee and the terms of the HCW Investment Management Agreement. The HCW Investment Management Agreement commenced on 12 August 2021 and is effectively on equivalent terms to the Investment Management Agreement described in section 5.12.2 with references in that section to HDN Trustee instead being to the HCW Trustee.

The Investment Manager is entitled to receive a management fee of 0.65% per annum of the gross asset value of HCW (calculated in an equivalent manner to GAV for HDN) (**HCW GAV**) up to and including \$1.50 billion, and 0.55% per annum of HCW GAV on HCW GAV in excess of \$1.50 billion. The management fee is payable monthly in arrears.

The Investment Manager is also entitled to:

- an acquisition fee of 1.00% of the purchase price of any assets directly or indirectly acquired by HCW in proportion to HCW's economic interest in the asset; and
- a disposal fee of 0.50% of the sale price of any assets directly or indirectly disposed of by HCW in proportion to HCW's economic interest in the asset.

The Investment Manager may receive the HCW management fee in cash or units in HCW at the Investment Manager's election in an equivalent manner to that outlined with respect to HDN, refers to sections 5.12.2.8 and 5.12.2.9.

6.11.7. HCW Property Management Agreement

Under a property management agreement dated 1 August 2021 between the Property Manager and HCW Trustee (**HCW Property Management Agreement**), the Property Manager has been appointed to act as the property manager of HCW's properties. The HCW Property Agreement commenced on 12 August 2021 and is effectively on equivalent terms to the Property Management Agreement described in section 5.12.3 with references in that Section to HDN Trustee instead being to the HCW Trustee.

The property management fees payable to the Property Manager under the HCW Property Management Agreement with respect to HCW's properties are as follows:

- Property Management Fee: 3% of gross income for each property for each month;
- New Tenant Lease Fee: 15% of the Face Rent for the first year of a lease term where the tenant is new to the property (excluding new leases entered into with existing tenants pursuant to renewals and options that relate solely to them continuing leasing their current tenancy in the property);
- Lease Renewal Fee: 7.5% of the Face Rent for the first year of a new lease if an existing tenant enters into a new lease, including by way of exercise of an option to renew, to continue leasing their current tenancy in the property;
- Lease Administration and Design Fees: charge on a cost recovery basis, unless payable by the tenant; and
- Development Management Fee:
 - 5% of the total development costs in relation to the first \$2.5 million of relevant project costs; and
 - 3% for all costs thereafter.

The Property Manager's fees will be benchmarked and independently reviewed against market fees at the five year anniversary from commencement of the HCW Property Management Agreement in the initial term and on commencement of any successive term.

6.11.8. HCL Debt Facilities

6.11.8.1. Documentary Framework for HCL Debt Facilities

Syndicated Facility Agreement

HCL is party to a senior secured syndicated facilities agreement dated 20 September 2019 (as amended from time to time) (**HCL Syndicated Facility Agreement**) which governs the terms and conditions on which lenders currently provide debt facilities to HCL as described below. The HCL Syndicated Facility Agreement contains a range of general terms and conditions that are customary for a secured debt facility of this nature as described further below, including a joint and several guarantee from HCL, HCDL and each trustee of an asset holding sub-trust (**HCL Obligors**) of each HCL Obligor's obligations under the HCL Syndicated Facility Agreement and related finance documents.

Security Documents

All amounts owing under the HCL Debt Facilities are secured by all asset security including mortgages of real property in customary terms granted by the HVCL Obligors in favour of a security trustee who holds pursuant to a security trust deed the security for the benefit of the secured parties (which includes the lenders, the security trustee, the agent, the arrangers and any hedge counterparty in connection with the HCL Debt Facilities) (**HCL Debt Facilities Security**).

6.11.8.2. Key terms of the HCL Debt Facilities

The key terms of the HCL Debt Facilities under the HCL Syndicated Facility Agreement are summarised below.

Approved purpose

The HCL Debt Facilities may be used for general corporate purposes of HCL.

Interest rate

The rate of interest charged on HCL's borrowings under the HCL Debt Facilities comprises of a base interest rate plus a variable interest rate margin. The applicable margin for the HCL Debt Facilities is determined by the then prevailing loan to value ratio; a higher loan to value ratio results in a higher margin while a lower loan to value ratio results in a lower margin.

Conditions precedent

The provision of commitments and participation in drawdowns of the HCL Debt Facilities by the lenders is subject to the submission of a utilisation request in the form set out in the HCL Syndicated Facility Agreement, and the satisfaction of a number of conditions precedent which are customary for secured debt facilities of this nature including, but not limited to, the following:

- certain repeating representations to be made by each HCL Obligor are true and correct in all material respects and not misleading;
- no Event of Default has occurred which is subsisting and no Event of Default will result from the loan being provided and, no Potential Event of Default or ASX Review Event has occurred which is subsisting and no Potential Event of Default or ASX Review Event will result from the loan being provided (each as defined in the HCL Syndicated Facility Agreement); and
- if the loan is to be used to fund the acquisition of real property, each of the Acquisition Conditions (as defined in the HCL Syndicated Facility Agreement) have been satisfied with respect to that property.

Key undertakings

The HCL Syndicated Facilities Agreement contains certain standard undertakings which are customary for secured debt facilities of this nature including, (but not limited to) the following undertakings:

- information undertakings;
- undertakings in respect of compliance with certain financial covenants in relation to loan to value, balance sheet gearing and interest cover ratios;
- subject to certain customary exceptions, restrictions on the ability to dispose of any asset;

6. Overview of HomeCo

- subject to certain customary exceptions including the HCL Debt Facilities Security, restrictions on the creation or permitting of security interests;
- restrictions on the making of a distribution in respect of any Financial Year greater than a specified amount, other than a permitted profit reserve distribution, and a prohibition on the declaration of a distribution if an event of default is subsisting; and
- provision of an updated valuation of each freehold real property in the portfolio at least once every two years, with approximately 50% of the HomeCo portfolio being valued every 12 months over the term of the HCL Debt Facilities.

Representations and warranties

The HCL Syndicated Facility Agreement contains representations and warranties customary for secured debt facilities of this nature.

Events of default

The HCL Syndicated Facilities Agreement contains events of default which are customary for secured debt facilities of this nature including (but not limited to) the following:

- failure to pay amounts due under the HCL Syndicated Facilities Agreement or related finance documents;
- any of the financial undertakings not being satisfied;
- an HCL Obligor failing to comply with any of its obligations (other than the obligation to pay or the obligation to satisfy financial covenants), or makes a misrepresentation, under the HCL Syndicated Facility Agreement or related finance documents which is not remedied within 15 business days;
- other than a permitted capital reduction, an HCL Obligor taking action to reduce its capital or buy back its shares or (where applicable) units in the trust, without the consent of the lenders; and
- an event or series of events occurring which in the lenders' reasonable opinion would have or be likely to have a material adverse effect.

Review events

The HCL Syndicated Facility Agreement contains the following review events:

- **Delisting or suspension:** if the securities of HomeCo are delisted or suspended from the ASX for a continuous period of more than five business days and not reinstated within those five business days without any material adverse sanction other than where the suspension is as a result of a trading halt requested by HCL for the purpose of an imminent announcement of a major acquisition or merger acquisition; or
- **Change of control:** if any person acquires (directly or indirectly) control of HCL (where "control" has the meaning given to it in section 50AA of the Corporations Act).

If such a review event occurs, subject to certain agreed negotiation and notification periods, a potential repayment and cancellation of the HCL Debt Facilities may be required if the review event is not rectified or waived.

The HCL Syndicated Facilities Agreement is otherwise on customary commercial terms typical for a contract of this nature.

6.12. Additional information

6.12.1. Relevant interests in Aventus Securities

As at the date of this Scheme Booklet, no director of HomeCo has any Relevant Interest in any Aventus Securities other than David Di Pilla and Zac Fried who both have a relevant interest in 6% of Aventus Securities via the BBRC Option described in section 11.3. Both David Di Pilla and Zac Fried have this relevant interest as a result of entities they control having a shareholding in Home Investment Consortium Company Pty Limited and units in the Home Investment Consortium Trust, which is the largest securityholder in HomeCo (see section 6.7.1), holding more than 20% of HomeCo Securities. By operation of the Corporations Act, this deems them to have a relevant interest in the 6% of Aventus Securities via the BBRC Option.

6.12.2. No pre-transaction benefits

During the four months before the date of this Scheme Booklet, none of HomeCo or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to vote in favour of the Merger where the benefit was not offered to all Aventus Securityholders under the Merger.

Except as disclosed in this Scheme Booklet, HomeCo has not paid or agreed to any fees, or provided or agreed to any benefit:

- to a director or proposed director of HomeCo to induce him or her to become or qualify as a director of HomeCo; or
- for services provided by any interested persons in connection with the formation or promotion of HomeCo or the Merged HomeCo Group or the offer of HomeCo Securities under the Merger other than to professional advisors for services in connection with the Merger.

6.12.3. Security price performance

As at the Last Practicable Date:

- the last recorded trading price of HomeCo Securities was \$7.25; and
- the lowest and highest close prices of HomeCo Securities during the previous three months was \$7.09 and \$8.23 respectively.

As at 15 October 2021, being the trading day before the Merger was announced, the closing price of HomeCo Securities was \$7.50.

6.12.4. HomeCo Restructure

See details of the HomeCo Restructure in section 11.4.

6.12.5. Continuous disclosure

HomeCo is a disclosing entity for the purposes of the Corporations Act and as such it is subject to regular reporting and disclosure obligations concerning HomeCo. As an ASX-listed entity, HomeCo is also subject to the Listing Rules which require continuous disclosure (with some exceptions) of any information which a reasonable person would expect to have a material effect on the price or value of HomeCo Securities. In addition, HomeCo is required to maintain periodic disclosure (including yearly and half-yearly financial statements) with ASIC concerning HomeCo in accordance with the Corporations Act and the ASX in accordance with the Listing Rules.

The information disclosed to the ASX is available free of charge from the ASX website (www.asx.com.au) as well as the HomeCo website (<https://www.home-co.com.au/>). Copies of the documents lodged with ASIC by HomeCo concerning HomeCo may be obtained from or inspected at any ASIC office.

On request to HomeCo and free of charge, Aventus Securityholders may obtain a copy of:

- the annual financial report of HomeCo for the year ended 30 June 2021 (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to ASX by HomeCo since the lodgement with ASIC of the 30 June 2021 annual report for HomeCo referred to above and before lodgement of this Scheme Booklet with ASIC.

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A list of announcements made by HomeCo concerning HomeCo to ASX from the date of the Financial Year 2021 annual report on 30 September 2021 to the Last Practicable Date is set out below.

DATE	ANNOUNCEMENT
26/11/2021	Further Information - AGM Notice of Meeting
24/11/2021	Change of Director's Interest Notice - Isaac Jacob Fried
11/11/2021	Jobkeeper Payments Notice
10/11/2021	Change of Director's Interest Notice – Christopher Saxon
05/11/2021	Postcard to Securityholders – Annual General Meetings 2021
05/11/2021	Virtual Meeting Online Guide – Annual General Meetings 2021
05/11/2021	Notice of Annual General Meetings 2021
05/11/2021	Appendix 3A.3 – Notification of Reorganisation of Capital
05/11/2021	Postcard to Securityholders – Scheme Meeting and EGMs
05/11/2021	Restructure – Court Approves Despatch of Shareholder Booklet
05/11/2021	Virtual Meeting Online Guide – HCDL EGM
05/11/2021	Virtual Meeting Online Guide – HCL EGM
05/11/2021	Virtual Meeting Online Guide – HCDL Scheme Meeting
22/10/2021	Home Consortium Annual Report 2021
20/10/2021	Becoming a substantial holder for AVN
20/10/2021	Becoming a substantial holder for AVN
20/10/2021	Form 605 – HCL and HCDL
18/10/2021	HDN: Merger to Create a Platform for Long Term Growth
18/10/2021	HMC Grows AUM to \$5bn Following Proposed HDN Merger with AVN
18/10/2021	AVN: Aventus Announces Merger with HDN and HMC
18/10/2021	Merger to Create Leading ASX-Listed Daily Needs REIT
18/10/2021	Home Consortium – Restructure Proposal
05/10/2021	Presentation – Morgans Conference 2021

6.12.6. Rights attaching to and ranking of HomeCo Securities

This summary describes the rights attaching to HomeCo Securities prior to de-stapling. If de-stapling occurs (see section 11.4) then HomeCo Securities will just be shares in Home Consortium Limited, and none of the stapling provisions described in this section 6.12.6 will apply.

General

The rights and liabilities attaching to ownership of the HomeCo Securities are:

- detailed in the Constitutions which may be inspected during normal business hours at the registered office of HomeCo; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Securities and a description of other material provisions of the constitutions are set out below. The constitution of the two stapled entities are identical.

This summary is not intended to be exhaustive and is qualified by the fuller terms of each constitution. This summary does not constitute a definitive statement of the rights and liabilities of Securityholders.

Stapling provisions

Subject to any specific provisions to the contrary in the Constitutions, the stapling provisions prevail over all other provisions of the Constitutions (except to the extent provided in the Constitutions or where it would result in a breach of the Corporations Act, the Listing Rules or any other law).

The intention of the stapling provisions is to ensure that to the extent permitted by law, each Security will be treated as one security.

Stapling arrangements

Under the Stapling provisions:

- **(Stapling)** each component of a Security must be Stapled to each other component of the Security on and from the Stapling Commencement Date;
- **(No issue)** HomeCo must not offer or issue a component of a security, or any option or rights to such a component without a corresponding and simultaneous offer or issue being made in respect of each other component of the security;
- **(No transfer)** HomeCo must not register any transfer of a component of a security without a corresponding and simultaneous transfer of each other component of the security;
- **(Corporate action)** HomeCo must not cancel, buy-back or redeem a component of a security without a corresponding and simultaneous corporate action being made in respect of each other component of the security;
- **(Meetings)** meetings of HomeCo may be held in conjunction with the meetings of HomeCo; and
- **(Interests of Securityholders)** HomeCo may, subject to the Corporations Act and the terms of any applicable ASIC relief, have regard to the interests of securityholders as a whole and not only to the interests of holders of each component of the Security.

Stapling matters

The Stapling provisions also provide that by acquiring a HomeCo Security, each securityholder will be taken to have consented to each provision in the constituent documents, including without limitation:

- the stapling of the HomeCo Securities;
- any reorganisation proposal of the HomeCo Securities (subject to an ordinary resolution if required by the constituent document of the relevant stapled entity);
- the disposal of any partly paid HomeCo Security on which an instalment is due and payable but unpaid, or in respect of which a call has been validly made but remains unpaid by the due date for payment;
- the disposal of any small holding of HomeCo Securities that is less than a Marketable Parcel;
- the restrictions on Securities that are “restricted securities”, as that term is defined in the Listing Rules;
- the Securityholder becoming a member of any new stapled entity and being bound by the constituent documents for any New Attached Security;
- the unstapling of one or more Securities; and
- the restapling of an unstapled Security, (each a **Stapling Matter**).

Powers of attorney

In respect of each Stapling Matter, each securityholder irrevocably appoints HomeCo as the securityholder’s agent and attorney in the securityholder’s name and on the securityholder’s behalf to do all acts and things and execute all documents which HomeCo, in consultation with each other HomeCo entity, considers necessary, desirable or reasonably incidental to effect any Stapling Matter

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Party paid Securities

A HomeCo Security may be offered on terms that the offer price is payable by one or more instalments. If a call has been validly made on a HomeCo Security but is unpaid by the due date for payment, the HomeCo Security may be sold (**Defaulted Security**). Interest accrues on the unpaid amount of the call and subject to the Listing Rules, the Corporations Act and constituent documents all voting rights, entitlements to distributions and any other rights in respect of the Defaulted Security are suspended.

Application price

HomeCo may agree how the application price for a HomeCo Security will be allocated between the application price of each component of the Security.

Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid share held. On a poll, partly paid HomeCo Securities confer a fraction of a vote pro-rata to the amount paid up on the share.

Dividends

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the securities held by them.

Issue of Securities

Subject to the Constitution, the Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue securities or grant options over unissued securities to any person and they may do so at such times as they think fit and on the conditions and the issue price they think fit. Such securities may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital or otherwise, as the Directors think fit.

Variation of class rights

Subject to the Corporations Act and the Listing Rules, the rights attached to any class of securities may, unless their terms of issue state otherwise, be varied:

- with the written consent of the holders of 75% of the securities of the class; or
- by a special resolution passed at a separate meeting of the holders of securities of the class.

Transfer of Securities

Subject to the Constitution, the Corporations Act, the Listing Rules and to the rights or restrictions attached to any securities or class of securities, holders of securities may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may decline to register a transfer of securities for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the Listing Rules or the ASX Settlement Operating Rules. If the Directors decline to register a transfer, the Stapled Entity must give the party lodging the transfer written notice of the refusal and the reason for refusal.

Small holdings

The Directors may sell the securities of a HomeCo Securityholder if that Securityholder holds less than a Marketable Parcel of HomeCo Securities, provided that the procedures set out in the Constitution are followed. A non-Marketable Parcel of HomeCo Securities is defined in the Listing Rules and is, generally, a holding of securities with a market value of less than \$500.

General meetings and notices

Subject to the Constitution and to the rights or restrictions attached to any securities or class of securities, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of HomeCo and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

Winding up

Subject to any special or preferential rights attaching to any class or classes of securities, the Constitution, the Corporations Act and the Listing Rules, members will be entitled in a winding up to security in any surplus assets of HomeCo in proportion to the securities held by them, less any amounts which remain unpaid on these securities at the time of distribution.

Directors – appointment and removal

The minimum number of Directors is three and the maximum is 10, or such other number as determined by the Directors from time to time. Directors are elected at annual general meetings of HomeCo. Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing Director) retires at each annual general meeting of HomeCo. The Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the Directors who will then hold office until the next annual general meeting of HomeCo.

Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chairman has a second or casting vote, unless there are only two Directors present or qualified to vote, in which case the proposed resolution is taken as having been lost.

Directors' remuneration

The Directors, other than the Executive Directors, are entitled to be paid by such Directors' fees for their services as the Directors decide, provided that the total fees do not exceed the maximum aggregate sum as may be approved from time to time by Securityholders in general meeting. Each Constitution also makes provision for HomeCo to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions. Any change to that maximum aggregate sum needs to be approved by Securityholders.

Alteration of Security capital

Subject to the Listing Rules, the Constitutions and the Corporations Act, HomeCo may alter its share capital.

Preference shares

Each of HCL and HCDL may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution.

Variation of the Constitution

Each Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of HomeCo must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

Security buy-backs

HomeCo may buy back shares in accordance with the provisions of the Corporations Act.

Dividend plan

Each Constitution contains a provision allowing Directors to implement a dividend reinvestment plan.

6. Overview of HomeCo

6.12.7. Stapling Deed

Co-operation

The stapled entities that comprise HomeCo are parties to the Stapling Deed. The Stapling Deed provides that HomeCo must cooperate in respect of all matters necessary to ensure that the shares of the stapled entities that comprise HomeCo are stapled and in respect of all matters relating to the Securities.

Under the Stapling Deed, HomeCo must:

- agree from time to time what part of the amount payable for the issue of a HomeCo Security is to represent the issue price of each component security of the HomeCo Security;
- consult prior to making any calls in respect of any partly paid securities it issues to Securityholders;
- notify each other HomeCo entity if it proposes to take action under its constitution to forfeit and offer for sale any of its securities;
- obtain the consent of each other HomeCo entity prior to announcing or paying a distribution or dividend, in relation to the operation of any dividend or distribution reinvestment policy or plan or bonus security plan, undertaking a placement or rights issue, buying-back, repurchasing, cancelling or redeeming any component securities of a HomeCo Security;
- not, and must procure that its controlled entities do not, acquire or dispose of an asset the value of which is 5% or greater of the net tangible assets of HomeCo without first giving 10 days prior written notice to, and consulting with, each other entity;
- obtain the consent of each other HomeCo entity before Stapling another entity's securities to its securities, effecting any reorganisation or restructure of its capital or effecting any changes to the stapling arrangements contemplated by the Stapling Deed in order to comply with or overcome the adverse effect of any law, regulation or rule;
- maintain, or procure the maintenance of, a register of Securityholders and ensure that it is entirely consistent with the register of holders of its securities;
- make available to each other HomeCo entity all information and provide all assistance in relation to the preparation of financial accounts relating to HomeCo; and
- not, and must procure that its controlled entities do not, borrow or raise money without consulting with each other Stapled Entity.

HomeCo agrees to:

- share information with each other HomeCo entity; and
- co-ordinate HomeCo securityholder meetings.

Financial obligations

If any loans or other financial accommodation are undertaken jointly by HomeCo, or if any guarantee or security is given in respect of the loans or other financial accommodation of HomeCo, whichever HomeCo receives the proceeds of the loan or financial accommodation must repay the loan or financial accommodation, pay all fees, interest, expenses and other amounts in respect of the loan or financial accommodation and indemnify HomeCo for such amounts.

Financial benefits

HomeCo agrees with each other HomeCo entity that, to the maximum extent permitted by law, if called upon by the other, it must, if it or its controlled entities are reasonably capable of doing so on the terms and conditions proposed by the other party, enter into any agreement, document or arrangement and consider doing any act, matter or thing at the request or direction of the other in respect of lending money, guaranteeing or providing security for any loan, issuing redeemable preference securities or any other form or securities, entering into any joint borrowing with the other and guaranteeing the obligations of or providing an indemnity or undertaking to a third party in respect of the obligations of the other or any of its controlled entities or any other person.

Constitutions to prevail

If there is any inconsistency between the Stapling Deed and the Constitutions, the provisions of the Constitutions apply to the extent of the inconsistency.

Disputes

HomeCo claiming that a dispute has arisen out of the Stapling Deed must notify each HomeCo entity in writing. Each party to the dispute must use its best endeavours to resolve the dispute within 10 Business Days of all parties receiving notice of the dispute. If the parties do not resolve the dispute, the chief executive officer or other senior employee must negotiate in good faith to resolve the dispute for a period of 10 Business Days. HomeCo must not commence court proceedings about a dispute arising out of the Stapling Deed unless it first complies with the above steps, except where it seeks urgent injunctive relief or the dispute relates to compliance with these steps.

6.12.8. No cooling-off rights

No cooling-off rights apply to the issue of HomeCo Securities described in this Scheme Booklet.

6.12.9. Material changes in HomeCo's financial position since last accounts published

Other than as disclosed in this Scheme Booklet and set out below (in particular section 7.2), within the knowledge of HomeCo Board, the financial position of the HomeCo Group has not materially changed since 30 June 2021, being the date of the balance sheet for the full-year accounts of HomeCo for FY21.

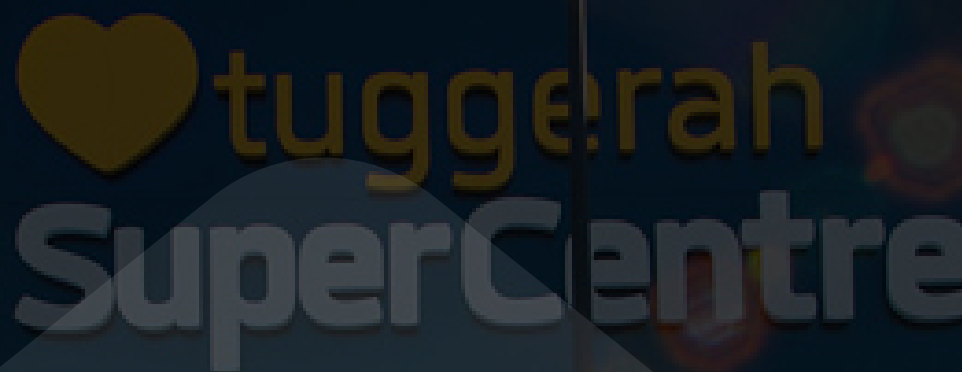
6.12.10. No other information

Except as disclosed elsewhere in this Scheme Booklet, so far as HomeCo is aware, there is no other information that is, at the date of this Scheme Booklet:

- material to the making of a decision by Aventus Securityholder whether or not to vote in favour of the Schemes; and
- known to HomeCo which has not been previously disclosed to ASX.

Section Seven

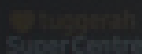
**Financial
information
for the Merged
HDN Group and
the Merged
HomeCo Group**



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The information prepared by HDN Trustee (with respect to the Merged HDN Group) and HomeCo (with respect to the Merged HomeCo Group) includes the following financial information, with information relating to Aventus based on due diligence information provided by Aventus:

- **Pro Forma Consolidated Statement of Financial Position** of the Merged HDN Group and the Merged HomeCo Group as at 30 June 2021 as set out in section 7.2; and
- **Pro Forma Forecast FFO per unit** of the Merged HDN Group for the 12 months ending 30 June 2022 (FY22) as set out in section 7.3.

The Pro Forma Consolidated Statement of Financial Position and the Pro Forma Forecast FFO per unit are together the **Financial Information**.

The Financial Information presented in this Section is provided for illustrative purposes and may not reflect the financial performance or position of the Merged HDN Group or the Merged HomeCo Group that would have resulted had the Merger actually been implemented on the date indicated. The HDN Trustee Directors do not guarantee the future performance of HDN or the Merged HDN Group whether or not the Merger is implemented. The HomeCo Directors do not guarantee the future performance of HomeCo or Merged HomeCo Group whether or not the Merger is implemented.

Information provided in this section 7 should be read in conjunction with the risk factors outlined in section 8 and the other information provided in this Scheme Booklet.

All amounts disclosed in the tables are presented in Australian dollars and unless otherwise noted, are rounded to the nearest \$0.1 million.

7.1. Basis of preparation

The Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards (AAS) and the accounting policies detailed in section 7 except for:

- adjustments which have been prepared in a manner consistent with the AAS to reflect:
 - the recognition of certain items in periods different from the applicable periods under AAS; and
 - the impact of certain subsequent transactions undertaken post 30 June 2021 that have completed or are expected to complete prior to the Implementation Date.
- the following matters which affect the calculation of Pro Forma Forecast FFO:
 - net fair value movements in investment properties and derivatives;
 - non-cash accounting adjustments such as straight-lining of rental income, amortisation of capitalised debt establishment fees, and movement in AASB 16 lease liabilities; and
 - other unrealised or one-off items.

The Financial Information is presented in an abbreviated form and does not contain all of the presentation, disclosures and comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose annual financial reports prepared in accordance with the Corporations Act.

7.1.1. Preparation of the Pro Forma Consolidated Statement of Financial Position

Pro Forma Consolidated Statement of Financial Position of the Merged HDN Group presents the impact of the unstapling and subsequent merger between HDN and the Aventus Trust on Aventus' financial position as at 30 June 2021 and acquisition of Aventus Trust on HDN's financial position as at 30 June 2021 and is based on the following information:

- Aventus' consolidated statement of financial position as at 30 June 2021 – based on Aventus' audited consolidated statement of financial position as at 30 June 2021 and adjusted for certain post balance date events;
- HDN's consolidated statement of financial position as at 30 June 2021 – based on HDN's audited consolidated statement of financial position as at 30 June 2021 and adjusted for certain post balance date events; and

7. Financial information for the Merged HDN Group and Merged HomeCo Group

- Transaction impacts – the impacts arising from implementation of the Merger, including unstapling adjustments to reflect the assets and liabilities of Aventus Trust which HDN is acquiring (therefore Aventus Company assets and liabilities are excluded).

Pro Forma Consolidated Statement of Financial Position of HomeCo presents the impact of the acquisition of Aventus Company and its Controlled entities on HomeCo's financial position as at 30 June 2021 and is based on the following information:

- HomeCo's consolidated statement of financial position as at 30 June 2021 – based on HomeCo's audited consolidated statement of financial position as at 30 June 2021 and adjusted for certain post balance date events;
- Aventus Company's statement of financial position as at 30 June 2021 – based on Aventus Company's audited statement of financial position as at 30 June 2021 and adjusted for certain post balance date events.
- Transaction impacts – the impacts arising from implementation of the transaction, including unstapling adjustments reflecting the cancellation of inter-company loans outstanding between Aventus Company and Aventus Trust.

This presentation is prepared on the basis that the HomeCo Restructure has occurred. To the extent that the HomeCo Restructure is not implemented, the matter will be relisted before the Court prior to the Meetings, and supplementary disclosure will be prepared.

7.1.2. Preparation of the Pro Forma Forecast FFO per unit

The HDN Trustee Directors have considered the requirements of applicable law and practice, including ASIC Regulatory Guide 170, in concluding that a forecast statement of comprehensive income for the Merged HDN Group cannot be provided as it does not have a reasonable basis for such forecasts.

As an alternative, HDN Trustee has provided a Pro Forma Forecast FFO per unit of the Merged HDN Group. FFO per unit is used by the HDN Trustee Directors as a measure of profitability and provides investors with the same basis that is used internally for evaluating performance, making strategic decisions and determining distributions during the year. FFO per unit represents net profit under AAS adjusted for net fair value movements, non-cash accounting adjustments such as straight-lining of rental income, amortisation of capitalised debt establishment fees, and movement in AASB 16 lease liabilities and other unrealised and one-off items that are not in the ordinary course of business or are capital in nature.

Pro Forma Forecast FFO per unit of the Merged HDN Group for financial year ended 30 June 2022 assuming the transaction is implemented on 1 July 2021 is based on the following information:

- Aventus Group's stand-alone recurring FFO per security forecast for the year ended 30 June 2022, as released to the market on 18 October 2021, based on information currently available and barring any unforeseen events;
- HDN's stand-alone FFO guidance for the year ended 30 June 2022, as released to the market in its September 2021 equity raising presentation, based on information currently available and barring any unforeseen events; and
- Transaction impacts arising from implementation of the transaction, including unstapling adjustments to reflect the earnings of Aventus Trust which HDN is acquiring (therefore Aventus Company earnings/costs are excluded).

While the HDN Trustee Directors believe the assumptions used in preparing the forecasts are appropriate and reasonable at the time of preparation, some events and circumstances are beyond the control of the directors and often do not occur as expected. As a consequence, actual results may differ significantly from the forecasts provided. The HDN Trustee Directors do not guarantee that the forecasts provided will be achieved and Aventus Securityholders are advised to carefully consider both the Investment Risks detailed in section 8 and the assumptions used in the forecasts.

7.1.3. Alignment of FFO

Stand-alone HDN FFO per unit and Aventus FFO per security positions are presented on the basis of each group's current accounting policies and income and expense treatments. As such, the Pro Forma Forecast FFO per unit excludes the impact of any alignments deemed necessary post implementation of the Merger.

Any such alignments are not expected to be material to the Merged HDN Group.

7.1.4. Adjustments relating to the impact of acquisition accounting

For the purpose of the Financial Information, the consideration includes 2.20 HDN Units and 0.038 HomeCo Securities paid for each Aventus Security which represents an implied value of \$3.82 (based on the closing prices of HDN and HomeCo on 15 October 2021, being the date prior to the announcement of the Merger).

For accounting purposes, the value of the consideration paid to Aventus Securityholders will be measured based upon the value of HDN Units and HomeCo Securities at the close of trading on the date control passes. The final value of the purchase consideration for accounting purposes may therefore differ from the amount assumed for the purposes of the Financial Information.

On acquisition date, the fair value of the purchase consideration will be allocated to the assets and liabilities acquired on the basis of their relative fair values. The pro-forma consolidated statements of financial position for Merged HDN Group and HomeCo have been prepared on the basis of the purchase consideration described above and subsequent adjustments may be required to the extent that the purchase consideration differs from the fair value of the underlying assets and liabilities on acquisition date.

The fair value of the purchase consideration will be allocated to the individual investment property assets and any other assets and liabilities acquired on the basis of their relative fair values. Subsequently, the investment properties will be accounted for under the fair value model in accordance with AASB 140 Investment Property. To the extent the aggregate purchase consideration exceeds the aggregate of the individual fair value of the investment properties acquired, a fair value loss may be recognised on remeasurement of the investment properties to their respective fair values.

7.1.5. Accounting policies

In preparing the Financial Information, HDN has not identified any material accounting policy differences between the calculation of FFO per unit where the impact is potentially material to the Merged HDN Group and HomeCo respectively and can be reliably estimated.

Although no material differences were identified, accounting policy differences may be identified after implementation of the Merger.

7.2. Pro Forma Consolidated Statement of Financial Position

Pro forma Consolidated Statement of Financial Position of the Merged HDN Group includes the following:

- Aventus' pro forma consolidated statement of financial position as at 30 June 2021 adjusted for certain post balance date events including:
 - \$1.6 million of equity raised from Aventus' distribution reinvestment plan (**DRP**) in respect of the June 2021 quarter (including the issuance of 505,982 new Aventus Securities), with the proceeds assumed to reduce Aventus' debt;
 - \$42.2 million divestment of the MacGregor Home centre located in Queensland that settled in August 2021 with proceeds assumed to reduce Aventus' debt;
 - Aventus employee incentive scheme awards resulting in the issuance of 236,910 Aventus Securities;
 - \$1.7 million of equity raised from Aventus' distribution reinvestment plan (**DRP**) in respect of the September 2021 quarter (including the issuance of 506,441 new Aventus Securities), with the proceeds assumed to reduce Aventus' debt; and
 - Aventus performance rights awards resulting in the issuance of 131,134 securities.

7. Financial information for the Merged HDN Group and Merged HomeCo Group

\$M	AVENTUS (JUN-21)	JUN-21 DRP	MACGREGOR SALE	EMPLOYEE INCENTIVE SCHEME	SEP-21 DRP	PERFORMANCE RIGHTS	PRO FORMA AVENTUS (JUN-21)
Cash and cash equivalents	7.3						7.3
Investment properties	2,225.6						2,225.6
Investment in associates	7.6						7.6
Assets held for sale	42.2		(42.2)				-
Intangible assets	144.2						144.2
Other assets	10.5						10.5
Total assets	2,437.4	-	(42.2)	-	-	-	2,395.3
Borrowings	691.8	(1.6)	(42.2)		(1.7)		646.3
Lease liability	2.0						2.0
Distribution payable	24.9						24.9
Derivatives	8.3						8.3
Other liabilities	29.4						29.4
Total liabilities	756.3	(1.6)	(42.2)	-	(1.7)	-	710.9
Net assets	1,681.1	1.6	-	-	1.7	-	1,684.4
Securities on issue (m)	570.0	0.5		0.2	0.5	0.1	571.4
NTA per security (\$)	2.69				-	-	2.69
Gearing	30.3%				-	-	28.7%

- HDN pro forma consolidated statement of financial position as at 30 June 2021 adjusted for certain post balance date events including:
 - Settlement of seven Large Format Retail properties acquired from HomeCo and \$160 million acquisition of Town Centre Victoria Point (and associated costs) which were partially funded via a \$70 million equity raising in July 2021 (and associated costs);
 - \$222 million acquisition of six properties (and associated costs) which were funded via a \$88 million equity raising in September 2021 (and associated costs);
 - \$8 million combined valuation uplift on Lismore and Coffs Harbour assets; and
 - \$6 million of equity raised from HDN's DRP in respect of the September 2021 quarter (including the issuance of approximately 3.9 million new HDN securities), with the proceeds assumed to reduce HDN's debt.

\$M	HDN (JUN-21)	SETTLE PROPERTIES, JUL-21 ACQU. AND EQUITY RAISE	SEP-21 ACQU. AND EQUITY RAISE	LISMORE / COFFS VAL. UPLIFT	SEP-21 DRP	PRO FORMA HDN (JUN-21)
Cash and cash equivalents	249.5	(244.0)				5.5
Investment properties	1,111.8	443.7	222.0	8.0		1,785.5
Assets held for sale	14.1					14.1
Other assets	15.0	(8.8)				6.2
Total assets	1,390.4	190.9	222.0	8.0	-	1,811.3
Borrowings	414.8	132.0	152.1		(5.6)	693.3
Lease liability	11.0					11.0
Distribution payable	12.5					12.5
Other liabilities	19.0					19.0
Total liabilities	457.3	132.0	152.1	-	(5.6)	735.8
Net assets	933.1	58.9	69.9	8.0	5.6	1,075.5
Units on issue (m)	687.5	48.3	54.9		3.9	794.6
NTA per unit (\$)	1.36					1.35
Gearing	15.1%					38.7%

- Unstapling and merger adjustments as labelled below to calculate the pro forma position of the Merged HDN Group:
 - Unstapling adjustments to reflect the assets and liabilities of Aventus Trust which HDN is acquiring (therefore Aventus Company assets and liabilities are excluded);
 - Merger adjustment reflecting total transaction costs of \$47.5¹ million (excluding HomeCo Acquisition Fee) assumed to be debt funded; and
 - Merger adjustment reflecting total of 1,271 million new HDN Units issued as part of the Merger comprising 1,257 million HDN Units as consideration for Aventus Securityholders (based on exchange HDN ratio of 2.20) and 14 million HDN Units as consideration for the HomeCo Acquisition Fee (assumed to be received as HDN Units²). Refer to section 9.7 for details regarding the Scheme Consideration.

1 Excludes HomeCo Acquisition Fee payable to the Investment Manager which is assumed to be paid in HDN Units, subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

2 This is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at Investment Manager's election).

7. Financial information for the Merged HDN Group and Merged HomeCo Group

\$M	NOTES	PRO FORMA AVENTUS (JUN-21)	PRO FORMA HDN (JUN-21)	UNSTAPLING ADJ.	MERGER ADJ.	PRO FORMA MERGED HDN GROUP
Cash and cash equivalents	A	7.3	5.5	(6.4)		6.4
Investment properties		2,225.6	1,785.5			4,011.1
Investment in associates		7.6	-			7.6
Assets held for sale		-	14.1			14.1
Intangible assets	A	144.2	-	(144.2)		-
Other assets	A	10.5	6.2	(1.8)		14.8
Total assets		2,395.3	1,811.3	(152.4)	-	4,054.1
Borrowings ¹	B	646.3	693.3		47.5	1,387.2
Lease liability	A	2.0	11.0	(1.2)		11.8
Distribution payable		24.9	12.5			37.4
Derivatives		8.3	-		-	8.3
Other liabilities	A	29.4	19.0	(3.9)		44.5
Total liabilities		710.9	735.8	(5.0)	47.5	1,489.2
Net assets		1,684.4	1,075.5	(147.4)	(47.5)	2,564.9
Units on issue (m)	C	571.4	794.6		1,270.9	2,065.5
NTA per unit (\$)		2.69	1.35			1.24
NTA Aventus equivalent (\$)²						3.02
Gearing³		28.7%	38.7%			34.5%

Notes:

- Borrowings net of \$9.0 million of unamortised debt costs (comprising \$5.9 million from HDN and \$3.1 million from Aventus Trust).
- NTA per security on an Aventus equivalent basis of \$3.02 calculated as:
 - pro forma NTA per unit of the Merged HDN Group of \$1.24 multiplied by HDN offer ratio of 2.20;
 - plus Cash Consideration of \$0.285; and
 - equates to NTA accretion of 12.0% compared to Aventus' 30 June 2021 NTA of \$2.69.
- Gearing is calculated as: Borrowings (excluding unamortised debt establishment costs) less Cash and cash equivalents divided by Total assets less Lease liabilities, Cash and cash equivalents and Investments in Associates.

Pro forma Consolidated Statements of Financial Position of HomeCo includes the following:

- HomeCo's pro forma consolidated statement of financial position as at 30 June 2021 adjusted for certain post balance date events including:
 - Sale of a 100% interest in a portfolio of seven large format retail assets to HDN for a total purchase price of \$266.4 million less estimated costs of the HDN bonus unit issue of \$8.9 million;
 - Establishment of HCW. HCW repaid the net inter-company loans from HomeCo (reflecting costs spent in relation to the properties in the portfolio which were owned and seeded by HomeCo) of \$107 million. HomeCo derecognised assets classified as held for sale of \$221.1 million, recognised a \$2.2 million rental guarantee payable, and recognised investment property fair value gains of \$13.7 million as part of this transaction.
 - The fair value of the investment in HCW as at the date when control was lost, being \$146.9 million was calculated using the volume-weighted average price ('VWAP') of HCW shares as traded on the ASX over the first five trading days after listing. This resulted in a gain on of \$16.9 million upon the recognition of the Investment in associate;
 - Payment of a dividend totalling \$17.4 million on 1 October 2021 from existing cash (of which \$1.9 million was paid from the existing Profit Reserve).
 - Repayment of the \$254.8 million senior syndicated debt facility amount as at 30 June 2021. The settlement amounts were funded from cash proceeds from the sale of properties to HDN and repayment of inter-company loans by HCW upon listing;
 - Sale of 2 large format retail assets at Coffs Harbour and Lismore to HDN at their 30 June 2021 carrying amounts of \$22.4 million and \$17.2 million respectively. Settlement occurred on 1 October 2021 in cash;
 - Together with HCW, HomeCo retained a stake in three co-invested assets: 25% equity interest in The George Trust, 25% equity interest in General Medical Precinct Trust, and 30% equity interest in Life Sciences Medical Precinct Trust (collectively "Camden Trusts"). The Camden Trusts settled on the acquisition of a 5 hectare site across three parcels of land in Camden, NSW. HomeCo provided its share of funds of \$15.4m to the Camden Trusts as part of a capital call to complete the transaction, funded by cash. Also, on 14 October 2021 HomeCo entered into a call option agreement with HCW in relation to HomeCo's 25% equity interest in The George Trust. Under that arrangement HCW may (but is not required to) purchase that interest within 6 months after practical completion of The George Trust development – this call option agreement has not been exercised and therefore has no impact on the pro forma position for HomeCo.
 - Sale of Wagga Wagga asset for \$20.28 million. Settlement occurred on 23 November 2021 in cash;
 - 2,685,612 HDN units acquired by HomeCo at \$1.41710/unit as part of September 2021 Distribution Reinvestment Plan;
 - On-market purchase of 8,237,443 HDN units by HomeCo for a total of \$11,913,740.89 between 3-Nov-21 and 23-Nov-21; and
 - Adjustments relating to the simplification of the HomeCo structure from a stapled company structure to a single company structure.

7. Financial information for the Merged HDN Group and Merged HomeCo Group

\$M	HOMECO (JUN-21)	SUBSEQUENT EVENTS	HOMECO UNSTAPLING	PRO FORMA HOMECO (JUN-21)
Cash and cash equivalents	11.7	133.8	(1.6)	143.9
Investment properties	188.1	(57.9)		130.2
Investment in associates	263.9	170.1		434.0
Assets held for sale	478.6	(478.6)		-
Intangible assets	-	-		-
Other assets	40.1	-	0.1	40.2
Total assets	982.4	(232.6)	(1.5)	748.3
Borrowings	253.1	(254.8)		(1.7)
Lease liability	0.3	-		0.3
Other liabilities	18.0	2.2		20.2
Total liabilities	271.4	(252.6)	-	18.8
Net assets	711.0	20.0	(1.5)	729.5
Units on issue (m)	290.3	-		290.3
Adjusted NTA per unit (\$)¹	2.38			2.45
NAV per unit (\$)²	2.45			2.51
Gearing²	25.6%			Net cash

- Aventus Company pro forma consolidated statement of financial position as at 30 June 2021;
 - Aventus Company units outstanding adjusted for its June 2021 DRP, Aventus employee incentive scheme awards, and September 2021 DRP.
- Unstapling and merger adjustments as labelled below to calculate the pro forma position of HomeCo based on the exercise of the BBRC Option Agreement and HomeCo consideration of the remaining Aventus securities as: (i) 100% cash / 0% scrip (ii) 50% cash / 50% scrip and (iii) 0% cash / 100% scrip:
 - (a) Unstapling adjustments reflecting the cancelation of inter-company loans outstanding between Aventus Company and Aventus Trust.
 - (b) Merger adjustments reflecting the exercise of the BBRC Option Agreement funded by cash based on the price of Aventus Securities on the Last Practicable Date and the impact to cash, debt and units on issue depending on the funding requirements under the differing scenarios and exercise of BBRC Option Agreement funded by cash.
 - (c) Merger adjustments reflecting the exercise of the BBRC Option Agreement based on the price of Aventus Securities on the Last Practicable Date and HDN Units received as consideration for the HomeCo Acquisition Fee (assumed to be received as HDN Units³).

3 This is subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at Investment Manager's election).

(i) 100% cash / 0% scrip

\$M	NOTES	PRO FORMA HOME CO (JUN-21)	PRO FORMA AVENTUS COMPANY (JUN-21)	UNSTAPLING ADJ.	MERGER ADJ.	PRO FORMA HOME CO
Cash and cash equivalents	B	143.9	6.4		(145.3)	5.0
Investment properties		130.2	-			130.2
Investment in associates	C	434.0	-		133.2	567.2
Assets held for sale		-	-			-
Intangible assets		-	186.0			186.0
Other assets		40.2	3.3			43.5
Total assets		748.3	195.7	-	(12.1)	931.9
Borrowings	A & B	(1.7)	84.9	(84.9)	127.0	125.3
Lease liability		0.3	1.2			1.5
Other liabilities	A	20.2	48.1	(1.4)		66.9
Total liabilities		18.8	134.3	(86.3)	127.0	193.8
Net assets		729.5	61.5	86.3	(139.1)	738.2
Units on issue (m)	B	290.3	571.4		-	290.3
Adjusted NTA per unit (\$)¹		2.45				1.83
NAV per unit (\$)		2.51				2.54
Gearing²		Net cash				13.3%

7. Financial information for the Merged HDN Group and Merged HomeCo Group

(ii) 50% cash / 50% scrip

\$M	NOTES	PRO FORMA HOMECO (JUN-21)	PRO FORMA AVENTUS COMPANY (JUN-21)	UNSTAPLING ADJ.	MERGER ADJ.	PRO FORMA HOMECO
Cash and cash equivalents	B	143.9	6.4		(145.3)	5.0
Investment properties		130.2	-			130.2
Investment in associates	C	434.0	-		133.2	567.2
Assets held for sale		-	-			-
Intangible assets		-	186.0			186.0
Other assets		40.2	3.3			43.5
Total assets		748.3	195.7	-	(12.1)	931.9
Borrowings	A & B	(1.7)	84.9	(84.9)	50.5	48.8
Lease liability		0.3	1.2			1.5
Other liabilities	A	20.2	48.1	(1.4)		66.9
Total liabilities		18.8	134.3	(86.3)	50.5	117.2
Net assets		729.5	61.5	86.3	(62.6)	814.7
Units on issue (m)	B	290.3	571.4		10.2	300.5
Adjusted NTA per unit (\$)¹		2.45				2.03
NAV per unit (\$)		2.51				2.71
Gearing²		Net cash				4.8%

(iii) 0% cash / 100% scrip

\$M	NOTES	PRO FORMA HOMECO (JUN-21)	PRO FORMA AVENTUS COMPANY (JUN-21)	UNSTAPLING ADJ.	MERGER ADJ.	PRO FORMA HOMECO
Cash and cash equivalents	B	143.9	6.4		(119.2)	31.0
Investment properties		130.2	-			130.2
Investment in associates	C	434.0	-		133.2	567.2
Assets held for sale		-	-			-
Intangible assets		-	186.0			186.0
Other assets		40.2	3.3			43.5
Total assets		748.3	195.7	-	14.0	958.0
Borrowings	A & B	(1.7)	84.9	(84.9)	-	(1.7)
Lease liability		0.3	1.2			1.5
Other liabilities	A	20.2	48.1	(1.4)		66.9
Total liabilities		18.8	134.3	(86.3)	-	66.7
Net assets		729.5	61.5	86.3	14.0	891.2
Units on issue (m)	B	290.3	571.4		20.4	310.7
Adjusted NTA per unit (\$)¹		2.45				2.21
NAV per unit (\$)		2.51				2.87
Gearing²		Net cash				Net cash

Notes for all tables relating to HomeCo's statement of financial position:

1. Net tangible assets adjusted to exclude the following balance sheet items: (i) Lease Mitigation Account, (ii) Leasehold investment property, (iii) Leasehold liabilities and right of use assets and (iv) Deferred tax assets.
2. Gearing is defined as Borrowings (excluding unamortised debt establishment costs) less Cash and cash equivalents divided by Total Assets less Lease liabilities and Cash and cash equivalents.

7. Financial information for the Merged HDN Group and Merged HomeCo Group

7.3. Pro Forma Forecast FFO per unit

Pro Forma Forecast FFO per unit of the Merged HDN Group is outlined in the table below and provides a summary of:

- Aventus Group stand-alone recurring forecast FFO per unit for FY22 (if the Merger was not implemented);
- HDN stand-alone forecast FFO per unit for FY22 (if the Merger was not implemented);
- the Merged HDN Group's forecast FFO per unit for FY22, assuming implementation of the Merger on 1 July 2021 which includes the following adjustments:
 - unstapling to reflect the earnings of the Aventus Trust which HDN is acquiring (therefore Aventus Company earnings/costs are excluded resulting in cost savings of \$1.5 million for Merged HDN Group);
 - incremental investment management costs of \$2.1 million reflecting \$18.0 million of HomeCo investment management costs offset by \$15.9 million of existing Aventus Company property management fee savings; and
 - incremental corporate overheads of \$0.2 million net of savings from the removal of duplicate corporate costs between HDN and Aventus (this is an incremental cost as most of the Aventus corporate costs sit in Aventus Company as opposed to Aventus Trust).
- the Merged HDN Group's forecast FFO per unit for FY22 expressed on an Aventus Group equivalent security basis, and the change relative to Aventus Group stand-alone forecast:
 - Aventus Group equivalent security basis is a theoretical concept based on an exchange ratio of 2.20 HDN Units and \$0.285 cash per Aventus Security;
 - Assumes cash is re-invested in the Merged HDN Group (i.e. cash of \$0.285 divided by HDN's closing price of \$1.61⁴ resulting in 0.178 additional units re-invested).

	PRE MERGER		POST MERGER		
	AVENTUS GROUP STAND-ALONE	HDN STAND-ALONE	MERGED HDN GROUP	MERGED HDN GROUP	AVENTUS GROUP PRE VS POST
FY22 FFO per unit (cpu)	20.3	8.5	8.9	21.1	3.8% ⁵

If instead HomeCo Scrip Consideration is elected, this is expected to generate Aventus FY22 pro forma accretion of 0.9% based on updated HomeCo pre-tax FY22 FFO guidance of 26.0 cents per security (inclusive of the HomeCo Acquisition Fee which is equivalent to 7.4 cents per security⁶, but does not reflect any synergies that are anticipated in subsequent periods, transaction costs and the transaction is implemented on the Implementation Date). Refer to section 3.2.2.1 for further details.

In preparing the Pro Forma Forecast FFO per unit, the following best estimate assumptions have been adopted:

Aventus stand-alone assumptions⁷:

- net property income forecast on a property-by-property basis including impact of the sale of MacGregor which settled in August 2021;
- property expenses and corporate costs based on existing employee arrangements and supplier contracts; and
- borrowing costs based on Aventus' existing debt facilities, interest rate hedging instruments and assumed market interest rates.

4 As at 15 October 2021 the business day prior to the announcement of the Merger.

5 Assuming the Cash Consideration of \$0.285 is reinvested at HDN's Group's closing price on the Last Practicable Date, Aventus' pro forma FY22 FFO accretion is expected to be 5.1%.

6 Assumes 50% of Aventus Securityholders elect HomeCo Scrip Consideration.

7 Based on due diligence information made available by Aventus.

HDN stand-alone assumptions;

- net property income forecast on a property-by-property basis including the impact of acquisitions announced since 30 June 2021;
- management costs and trust expenses based on existing management structure; and
- borrowing costs based on HDN's existing debt facilities, interest rate hedging instruments and assumed market interest rates.

General assumptions for the Merged HDN Group;

- no further property acquisitions or divestments in the forecast period;
- no fair value adjustments to investment properties or derivatives in the forecast period;
- no material contract disputes or litigation in the forecast period;
- no material change in the operating environment (including competitive or COVID-19 related);
- no material changes to accounting policies or the Corporations Act in the forecast period;
- no material change to macroeconomic conditions, including forecast interest rates and consumer price index;
- no material changes in Australian tax legislation;
- no significant change to legislative or regulatory environment;
- all existing leases are enforceable and perform in accordance with their terms; and
- existing financing facilities of HDN stand-alone and Aventus stand-alone are rolled into the Merged HDN Group.

7.4. Financing arrangements

Given that the Scheme Consideration to be provided by HDN Trustee comprises solely of HDN Units, HDN will meet its funding requirements for the Merger using equity issuance (HDN Units issued to Scheme Securityholders, and in relation to Ineligible Foreign Securityholders, the Sale Agent) and debt used to fund Merger costs.

HomeCo's offer consideration is dependent on the Election of Scheme Securityholders to receive cash or HomeCo Securities. Depending on the final funding mix, HomeCo has the ability to meet its funding requirements for the Merger using a combination of surplus cash which is currently on HomeCo's balance sheet, equity issuance (HomeCo Securities issued to Scheme Securityholders) and debt drawn under the HCL Debt Facilities referred to at sections 6.4.2 and 6.11.8 above.

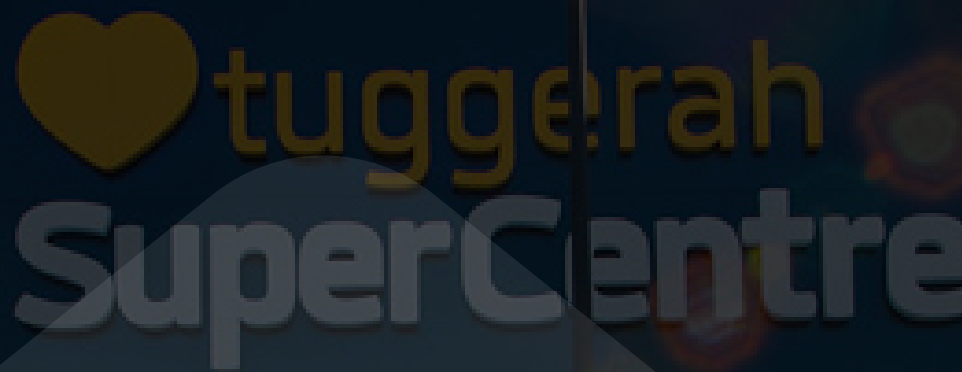
The Financial Information assumes all existing financing commitments of lenders of HDN and Aventus Trust will be rolled into the Merged HDN Group. In the event that any of the existing lenders of either HDN or Aventus Trust do not wish to roll their debt into the Merged HDN Group, HDN Trustee will utilise the Backstop Facility provided by the Underwriter to replace any departing lenders' existing debt commitments. As such, the Merger is not subject to any financing conditions, refer to section 5.4.2.

7.5. Key accounting policies

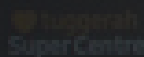
The accounting policies used to prepare the Financial Information are based on the current accounting policies of HDN and Aventus, as outlined in their respective annual financial reports for the year ended 30 June 2021.

Section Eight

Risk factors

A large sign for Tuggerah SuperCentre. It features a yellow heart icon to the left of the word "tuggerah" in a yellow, lowercase, sans-serif font. Below "tuggerah" is the word "SuperCentre" in a larger, white, uppercase, sans-serif font. The sign is set against a dark blue background. The background of the entire page is a dark, low-angle photograph of the building's facade, showing horizontal slats and a glass entrance area with a "welcome" sign.

♥ tuggerah
SuperCentre

A small version of the Tuggerah SuperCentre logo, consisting of a yellow heart icon and the text "tuggerah SuperCentre" in a small, white, sans-serif font.

♥ tuggerah
SuperCentre

A "welcome" sign with a yellow heart icon to the left of the word "welcome" in a yellow, lowercase, sans-serif font. The sign is visible through the glass entrance of the building.

♥ welcome

8.1. Introduction

There are a range of factors which may, either individually or in combination, affect the future operational performance, financial position, legal position, strategy, business prospects and/or value of the Merged HDN Group and HomeCo.

This Section outlines some of the:

- potential risks relating to the Merger, implemented through the Unstapling and Schemes; and
- risks relating to the Merged HDN Group as the business will change from that of the stand-alone business of Aventus, Scheme Securityholders will potentially be exposed to additional risks in respect of the Merged HDN Group; and
- risks relating to HomeCo and Scheme Securityholders who elect to receive HomeCo Securities will potentially be exposed to additional risks in respect of HomeCo.

The risks summarised below and the information set out in this Section should be considered in conjunction with other information contained in this Scheme Booklet and are:

- not, and should not be relied on, as an exhaustive list of the risks that Scheme Securityholders may face or be exposed to if the Merger is implemented; and
- considered general and have been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Scheme Securityholder or any other person.

Additional risks and uncertainties that Aventus, HDN Trustee and HomeCo are currently unaware of, or that may currently be considered immaterial, may also become important factors that can adversely affect the Merged HDN Group's or HomeCo's operating and financial performance.

8.2. General investment risks

HDN Units and HomeCo Securities may trade on ASX at, above or below the issue price or NTA per HDN Unit or HomeCo Security (as applicable). The price at which HDN Units and HomeCo Securities trade on ASX may be affected by a range of factors including:

- movements and volatility in international and local share markets;
- general economic conditions in Australia and offshore including inflation, interest rates and exchange rates;
- recommendations by brokers and analysts;
- changes in government, fiscal, monetary and regulatory policies;
- changes to laws (particularly taxation laws);
- inclusion or removal from market indices;
- taxation; and
- changes in the supply and demand of listed property securities.

These fluctuations could have materially adverse effects on the trading performance of the HDN Units and HomeCo Securities. No assurances can be made that the performance of the HDN Units and HomeCo Securities will not be adversely affected by such market fluctuations.

8.3. Risks relating to the Merger

8.3.1. Schemes may not proceed or may be delayed

As set out in section 2.3 of this Scheme Booklet, the Merger is subject to a number of Conditions Precedent, including the granting of the Second Judicial Advice and Court approval of the Members' Scheme, regulatory approvals, rulings and waivers (including FIRB approval and an ATO class ruling) and approval of the Reverse Takeover Resolution by HDN Unitholders.

8. Risk factors

In addition to the Conditions Precedent, the parties to the Scheme Implementation Deed have agreed to engage with the ACCC in relation to the Merger and HDN Trustee must consider in good faith any requests or requirements of the ACCC. On 17 November 2021, the parties requested that the ACCC grant informal clearance for the Merger.

There is a risk that these Court, regulatory, and HDN Unitholder approvals may not be obtained, or in the case of regulatory approvals (including ACCC clearance), may be obtained subject to conditions or undertakings which HDN Trustee, HomeCo and/or Aventus are not prepared to accept (acting reasonably) or may be delayed. This may result in an implementation of the Merger being delayed or the Merger not proceeding.

In the event of any delay, the Merger would not be able to proceed to implementation unless each Condition Precedent is satisfied or waived. If all of the Conditions Precedents are not satisfied or waived by HDN Trustee, HomeCo and Aventus by the End Date, the Scheme Implementation Deed will terminate and the Merger will not proceed unless the End Date has been extended by agreement of all parties.

8.3.2. Integration risks and realisation of anticipated cost savings

The long-term success of the Merged HDN Group will depend, amongst other things, on the success of HomeCo management in integrating the respective businesses. There is a risk that implementation of the Merger may not result in the full realisation of benefits due to various factors including:

- the integration of information systems and transition of data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing the Merged HDN Group's business;
- asset specific knowledge may not be transitioned efficiently and effectively, resulting in disruption to the business of the Merged HDN Group;
- the loss of key personnel of Aventus or key personnel of Aventus deciding not to take up employment with HomeCo for the purposes of managing the Merged HDN Group; and
- tenants in the Aventus portfolio with upcoming lease expiries may have preferred to continue to be managed over the long term by Aventus and therefore seek to occupy alternative premises. HDN Trustee is an experienced owner and manager of Large Format Retail properties and will seek to engage with tenants post implementation of the Merger to reassure them of HDN Trustee's capabilities as the manager of properties in the Merged HDN Group portfolio.

As a result, revenue streams or operations could be disrupted and benefits may only be achieved in part or not at all or after a delay, and costs associated with the transition may be greater than expected, which could adversely affect the Merged HDN Group's financial position and performance and the future prospects of the Merged HDN Group. See section 5 of this Scheme Booklet for further details on the cost savings. The Aventus Directors are advised that HDN Trustee believes that these integration risks are mitigated by, among other things, HDN Trustee's extensive property management experience, assets under management and the dedicated team established to attend to handover arrangements.

8.3.3. Change in investment profile

Currently, Aventus consists of a portfolio of Australian Large Format Retail assets. Whilst the HDN portfolio includes some Australian Large Format Retail properties, it also includes a portfolio of Neighbourhood Retail and Health & Services properties.

If the Merger is implemented, Scheme Securityholders (other than Ineligible Foreign Securityholders) will receive HDN Units and may elect to receive HomeCo Securities. Given this, after the Merger is implemented, Scheme Securityholders will be exposed to risks relating to the HDN portfolio of assets, and the management of those properties by HomeCo. While the operations of Aventus, HomeCo and HDN Trustee are similar in many ways, there will be differences between the property portfolio, capital structure and tenants of the Merged HDN Group and those of Aventus currently.

Change to an externally managed vehicle

As with Aventus Trust, which has delegated investment decisions to Aventus Trustee, investment strategy will be the responsibility of HDN Trustee. Unlike Aventus Trustee, which is part of the the Aventus Group, HDN Trustee is a wholly owned subsidiary of HomeCo and will be external to the Merged HDN Group. Also, unlike Aventus Trustee, HDN Trustee has delegated the day to day management of HDN (and, after the Merger, the Merged HDN Group) and investment management services to the Managers, and is also assisted by other external service providers.

Accordingly, the Merged HDN Group will be reliant on the management expertise, support, experience and strategies of the key executives of HomeCo and other third parties, which cannot be assured. If HomeCo and other third parties do not perform as service providers this could have an adverse impact on the management and performance of the Merged HDN Group and therefore distributions and the HDN Unit price.

The ability of the Managers to discharge their respective responsibilities in terms of managing the Merged HDN Group business depends to a significant extent, on the experience, knowledge and performance of its key personnel; in particular the senior management of HomeCo. The loss of key personnel, a sustained underperformance by key personnel or any delay in the appointment of their suitable replacements may therefore materially adversely affect the financial performance of the Merged HDN Group and distributions.

Change in portfolio sector exposure

Upon implementation of the Merger, Scheme Securityholders will be exposed to a portfolio of assets that includes Neighbourhood Retail assets and Health & Services assets in addition to Large Format Retail assets. Refer to section 5 for further detail of the Merged HDN Group's portfolio. Neighbourhood Retail assets and Health & Services assets will typically have different characteristics to Large Format Retail assets, such as different types of tenants and different lease profile, and the performance of such assets is typically driven by different macroeconomic factors as compared to Large Format Retail assets. Accordingly, there is a risk that the Merged HDN Group portfolio will not perform as well as the stand-alone Aventus portfolio.

In addition, as noted in section 5.1, HDN Trustee intends to rebalance the Merged HDN Group's portfolio through tenant remixing, developments and acquisitions. Whilst over the long term, if this is achieved, the combined portfolio should have more defensive attributes (and less reliance on discretionary spend), there are inherent risks with a change in tenant mix. Consequently, the risk profile of the investment will change and Aventus Securityholders should consider whether such change is in line with their investment objectives and risk profile.

Greater exposure to pure-play funds management business

To the extent Scheme Securityholders elect to receive HomeCo Securities in lieu of Cash Consideration for their Aventus Shares, they will have exposure to a business which derives significantly more of its earnings from funds management operations than Aventus currently does. The composition of Aventus' earnings is currently 99% from rental income and 1% from funds management income. In comparison, HomeCo derives approximately 10% of its earnings from rental income, 30% from co-investment income and 60% from funds management income. However it is noted that HDN derives 100% of its earnings from rental income and 0% from funds management income.

The success of HomeCo's funds management platform depends to a significant extent, on the experience, knowledge and performance of its key personnel (in particular the senior management of HomeCo), and the ability of those personnel to generate fees from its existing assets under management and identify new opportunities to increase its assets under management. The loss of key personnel, a sustained underperformance by key personnel or any delay in the appointment of their suitable replacements may therefore materially adversely affect the financial performance of the Merged HDN Group and HomeCo.

8.3.4. Due diligence

HDN Trustee, HomeCo and Aventus have conducted due diligence investigations in connection with the Merger. There is a risk, however, that HDN Trustee, HomeCo and/or Aventus may not have conducted due diligence on all material information and that any assumptions made during the due diligence period may prove to be false or incorrect.

8. Risk factors

Further, if any of the data or information provided to or relied upon by HDN Trustee, HomeCo and/or Aventus in its due diligence investigations proves to be incomplete, incorrect, inaccurate or misleading (or subsequent events occur that result in such data or information becoming incorrect, inaccurate or misleading), there is a risk that the actual financial position and performance of the Merged HDN Group and/or HomeCo post implementation of the Merger may be materially different to the financial position and performance expected by HDN Trustee, HomeCo and Aventus and reflected in this Scheme Booklet.

The Merged HDN Group and HomeCo have undertaken due diligence inquiries to ensure that the creation of the Merged HDN Group does not trigger any unforeseen costs to either HomeCo or the Merged HDN Group (including taxes or charges) and does not trigger any third party rights under contractual arrangements. However, there is a risk that such costs or rights may be triggered or that a claim may be made that such costs or rights have been triggered.

8.3.5. Value of HDN Units and HomeCo Securities is not certain

The exact value of the HDN Units and HomeCo Securities that would be realised by individual Scheme Securityholders will be dependent on the price at which the HDN Units and HomeCo Securities trade on the ASX after the Effective Date.

After the Merger is implemented, the price of HDN Units and HomeCo Securities may rise or fall depending on market conditions and the Merged HDN Group's and HomeCo's financial and operating performance.

In addition, the Sale Agent will be issued HDN Units attributable to Ineligible Foreign Securityholders and will aim to sell them on-market as soon as reasonably practicable after the Implementation Date. It is possible that such sales may exert downward pressure on the Merged HDN Group's unit price during the applicable period. In any event, there is no guarantee regarding the prices that will be realised by the Sale Agent or the future market price of the HDN Units or HomeCo Securities. Future market prices are uncertain – they may be either above or below current or historical market prices.

Further, given that Aventus Securityholders who validly elect to receive HomeCo Securities will receive 0.038 HomeCo Securities for every Aventus Share they own, some Aventus Securityholders may receive a small parcel of HomeCo Securities which may not be marketable or the costs of disposing the parcel may be relatively expensive.

8.3.6. Uncertainty as to HomeCo Restructure

As discussed at section 11.4, HomeCo is proposing to undertake a HomeCo Restructure which involves de-stapling shares in HCL and HCDL such that they are not required to be dealt with together, transferring all of the shares in HCDL to HCL in exchange for new shares in HCL by way of a scheme of arrangement and consolidating the number of shares in HCL on issue so that shareholders will hold one share in HCL for each HomeCo stapled share they currently hold. HomeCo Securityholders are expected to vote on the HomeCo Restructure on 10 December 2021 with the scheme of arrangement and the share consolidation to be implemented by Wednesday, 29 December 2021. As there is implementation risk associated with the HomeCo Restructure (such as HomeCo Securityholders voting down the HomeCo Restructure or unexpected delays in the implementation), this introduces uncertainty as to whether the consideration that Aventus Securityholders will receive is a fully paid ordinary share in HCL or, if the HomeCo Restructure is not implemented by the time the Merger is implemented, a stapled security in HCL and HCDL.

8.3.7. Accounting risks

The Merger is likely to result in the integration of Aventus', HDN Trustee's and HomeCo's accounting functions. This integration may lead to revisions of each of their stand-alone accounting policies, which consequently, may adversely impact on the Merged HDN Group's reported results of operational and financial performance.

8.3.8. Tax consequences

If the Merger proceeds, there may be tax consequences for Scheme Securityholders. Scheme Securityholders should seek their own professional advice regarding the individual tax consequences of the Merger applicable to them. Further information on the tax consequences of the Merger is set out in section 10 of this Scheme Booklet.

8.3.9. AMIT status of HDN

As at the date of this Scheme Booklet, for Australian income tax purposes, HDN is an AMIT and Aventus Trust is not an AMIT. Due to the profile of unitholders in HDN following the Merger, unless circumstances change, HDN will not qualify as an AMIT or a MIT for the income year commencing 1 July 2022 and future income years. If HDN is not an AMIT or a MIT in an income year, the key income tax implications for HDN Unitholders are:

- distributions of taxable income (i.e. consisting of rental income or future capital gains) to non-resident unitholders for that income year will be subject to a non-final withholding tax, the rate of which will depend on the profile of the unitholder but is broadly 30% for companies or 45% for other types of unitholders. Such unitholders will be required to lodge an Australian income tax return and subject to tax on assessment at their applicable tax rate, with a credit for the amount of tax withheld from the distribution. Under the AMIT regime, the rate of withholding on distributions of taxable rental income or future capital gains to non-resident unitholders who are tax residents in EOI countries for MIT purposes is a final tax and the rate is 15% or 30% for non-resident unitholders from non-EOI countries;
- HDN's taxable income will need to be fully distributed to unitholders each income year to avoid HDN Trustee being subject to tax at the highest marginal tax rate (i.e. currently 47%) on any undistributed income. Under the AMIT rules, HDN's income is taxed in the hands of unitholders via the AMIT attribution mechanism which permits income to be retained by HDN, if HDN Trustee so chooses;
- if HDN's taxable income as advised to unitholders in the relevant income year is subsequently found to be understated or overstated, HDN Trustee may need to issue new distribution statements to investors which may require investors to amend their individual tax returns. Under the AMIT regime, there is a legislated "under and over" provision which allows certain prior year variances to be reflected in later income years when they are discovered; and
- if HDN makes a cash distribution that is less than its taxable income, unitholders are taxed on the taxable income amount and there is no increase in the CGT cost base of HDN's units in the hands of unitholders. Accordingly, any shortfall between the cash distribution and the taxable income may potentially be subject to double taxation. Under the AMIT regime, in this situation the CGT cost base of the relevant units is increased by the amount of the shortfall.

8.3.10. Stamp Duty

If the value of the Aventus portfolio increases in the period to implementation of the Merger, this may result in higher stamp duty incurred by the Merged HDN Group and higher transaction costs.

8.3.11. Compliance

As a responsible entity, HDN Trustee is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If it breaches the Corporations Act or the terms of its Australian Financial Services Licence, ASIC may take action to suspend or revoke the licence, which in turn would adversely impact the ability of HDN Trustee to operate the Merged HDN Group.

8.3.12. Risks of trading during deferred settlement trading period

Scheme Securityholders will not necessarily know the exact number of new HDN Units and new HomeCo Securities (due to rounding) that they will receive (if any) as Scheme Consideration until a number of days after those securities can be traded on ASX on a deferred settlement basis. Scheme Securityholders who trade new HDN Units and new HomeCo Securities on a deferred settlement basis without knowing the number of new HDN Units and new HomeCo Securities they will receive as Scheme Consideration may risk adverse financial consequences if they purport to sell more new HDN Units and new HomeCo Securities than they receive.

8.3.13. Contractual Risk

There are a number of risks associated with the existing material contracts of the Aventus Group including the risk that the Merger may enliven a third party right to terminate a contract or for a contract's terms to be varied so as to be less favourable to the Aventus Group. There is the risk that some of Aventus Group's existing material contracts may be unilaterally terminated for convenience or suspended by counterparties, which are generally subject to prior written notice.

8. Risk factors

In addition, if the Merger is implemented some material contracts may not be renewed or may be renewed on less favourable terms, which may have a materially adverse effect on the Merged HDN Group's business, operating and financial performance.

8.3.14. Retention of Employees

The success of the Merger following implementation will depend in part upon the ability for the Merged HDN Group to retain people who are identified as key employees.

There is a risk that key management staff of Aventus, including Darren Holland and Lawrence Wong, do not take up positions within HomeCo and do not become responsible for the management of the Merged HDN Group. HomeCo personnel or new hires will not have the same familiarity with Aventus and its assets, although HomeCo has stated that it believes that its current staff with limited new hires will have the ability to manage integration and the Aventus assets effectively.

If there is a departure of key employees during the pendency of the Merger or as a result of the Merger, the business of the Merged HDN Group could be adversely affected.

Furthermore, the Merged HDN Group may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent to the business and ability to realise the anticipated benefits of the Merger may be adversely affected.

Implementation of the Merger could result in the termination of management positions or reemployment contracts of certain executives or employees, resulting in significant redundancy payments.

8.3.15. Pro forma financial information

The pro forma financial information in this Scheme Booklet is for illustrative purposes only and may not be an indication of the Merged HDN Group's financial performance or position following the Merger. The pro forma forecast FFO per unit of the Merged HDN Group was prepared on the assumption that the Merger was implemented on 1 July 2021. Although the pro forma financial information was prepared in accordance with Australian Accounting Standards with appropriate adjustments and assumptions being made, there is no guarantee that the adjustments and assumptions remain accurate due to unforeseen circumstances, and the actual results may differ significantly from the forecasts. The financial information utilises a value of consideration of 2.20 HDN Units and 0.038 HomeCo Securities paid for each Aventus Security, representing an implied value of \$3.82 based on the closing prices of HDN and HomeCo on 15 October 2021. The actual purchase consideration paid to Aventus Securityholders will be measured on the value of HDN Units and HomeCo Securities at the close of trading on the date that control passes, which may be materially different from the value used in the pro forma financial information. The adjustments and assumptions used in preparing the pro forma financial information may not be accurate, and the financial situation and performance of the Merged HDN Group may differ from the pro forma financial information.

8.3.16. Transaction costs

The HDN Group and Aventus have incurred significant costs in respect of the Merger, including costs relating to negotiations, retaining legal and financial advisers, engaging an Independent Expert, court and regulator fees, and preparing this Scheme Booklet. Implementation of the Merger will result in a one-off transaction fee of approximately \$47.5 million (excluding HomeCo Acquisition Fee) being incurred by the Merged HDN Group, and Aventus is expected to pay \$5.6 million regardless of whether the Scheme is implemented. The Merged HDN Group is also likely to face integration costs which are difficult to predict until the integration process commences.

¹ Excludes HomeCo Acquisition Fee which is expected to be paid in HDN Units, subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).

8.4. Specific risks relating to the Merged HDN Group

The following risk factors will be relevant to the Merged HDN Group and HomeCo after the implementation of the Merger. A number of them are relevant to Aventus, HDN and HomeCo as stand-alone entities.

8.4.1. Development risks

There are typically higher risks associated with development activities than holding developed assets. There is a risk that contractors engaged in these development projects may fail to complete the work in a timely and cost-effective manner due to adverse weather conditions, changes to COVID-19 restrictions, industrial disputes delays in authority inspections or regulatory approvals or a builder/consultant experiencing financial difficulties, shortages or delay in availability of labour and/or supplies and materials. Delays or stoppages of these development works could result in a loss of rental income and reduced profitability for the Merged HDN Group. Furthermore, once these development works are completed, there is a possibility that there may be residual construction defects, which could result in claims being made against the Merged HDN Group. Even where a development is under a fixed price contract, there is a risk of potential contractor default where actual development costs are materially greater than expected. In those circumstances, the actual development costs may not be able to be funded by the contractor and the development may not complete unless the Merged HDN Group agrees to bear the excess costs or is able to replace the contractor. In addition, the Merged HDN Group may suffer loss of rent in respect of a delay in completion.

Although a portion of these risks will have been mitigated through the inclusion of contractual provisions (e.g. warranties and third party obligations to rectify defects, backed by bank guarantees), not every defect will be covered by these measures. If a claim is made against the Merged HDN Group, it will have an adverse effect on its financial performance and reputation.

In addition, there is a risk that identified development pipeline and expansion opportunities may not be realised due to factors such as changes in economic conditions, the timing and extent of anticipated planning, zoning, regulatory approvals and tenant pre-leasing not aligning with initial estimates.

8.4.2. The Merged HDN Group's dependence on corporate services from HomeCo

HDN receives corporate services in some areas from HomeCo. The Merged HDN Group will be reliant on HomeCo for the provision of those corporate services and will be reliant on HomeCo for the standard of services it receives. As a result, it will have limited control over the standard of those services. If there is any disruption to the provision of these services, there may be a negative impact on the ability of the Merged HDN Group to advance its business plans.

8.4.3. Relationship with HomeCo

Although HDN Trustee believes that its close association with HomeCo will bring many benefits, there are also certain risks that are inherent in the relationship.

HomeCo is expected to retain a substantial interest in the Merged HDN Group. As such, HomeCo and its associates are likely to have significant influence over any resolution put to HDN Unitholders, including a resolution to remove HDN Trustee.

In performing its roles of responsible entity of the Merged HDN Group, co-owner of certain of the properties, manager of the Merged HDN Group and the properties, property developer, and provider of corporate and other services, the interests of HomeCo and the Merged HDN Group may not be aligned. Although many aspects of the relationship will be governed by the detailed agreements summarised in this Scheme Booklet, these agreements were negotiated between affiliated entities.

After implementation of the Merger, to the extent not constrained by those agreements, it should be assumed that HomeCo will pursue its own interests. Because of its dependence on HomeCo and the limited termination rights in the agreements between the Merged HDN Group and HomeCo, it may be difficult for the Merged HDN Group to negotiate amendments to those agreements, and it would be difficult for the Merged HDN Group to remove HomeCo from any of the roles it will perform with respect to the properties and the operation of the Merged HDN Group.

In addition, HomeCo has the power to appoint and remove directors to the HDN Trustee Board, and HDN Unitholders will not have such power. The only way for HDN Unitholders to change the HDN Trustee Board and management of

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the Merged HDN Group would be to vote to remove HDN Trustee (noting that HomeCo will retain a substantial interest in the Merged HDN Group and could vote on such a resolution). Such an action would have the consequences under the agreements between the Merged HDN Group and HomeCo below.

Finally, HomeCo conducts a business that is complementary to that of the Merged HDN Group. While HomeCo initially pursued an asset-based investment strategy, it now adopts a funds management investment strategy. HomeCo does still hold some retail property assets: see section 6.2. HomeCo has previously sold property assets to HDN, and it may look to sell some of its current assets to the Merged HDN Group.

Under the governance arrangements between HomeCo and HDN Group, any such sales need to be on arm's length terms, and any sales of substantial assets will require HDN Unitholder approval (noting that HomeCo cannot vote). Even where the sales do not involve substantial assets and therefore HDN Unitholder approval is not required, the terms and conditions of the sales are rigorously reviewed by the HDN Trustee Board (particularly by the independent non-executive directors) to ensure that the terms and conditions are appropriate, commercial and on arm's length terms.

8.4.4. Certain related parties are also major tenants of HDN on arm's length basis

In addition to their HDN Unitholdings, the Spotlight Retail Group (through the Spotlight and Anaconda brands), the Chemist Warehouse Group and Aurrum Childcare will be significant tenants of the Merged HDN Group and are considered related parties as they are controlled by persons who are also on the HDN Trustee Board and/or HomeCo board. Leases entered into with the Spotlight Retail Group (through the Spotlight and Anaconda brands), the Chemist Warehouse Group and Aurrum Childcare are entered into on arm's length terms and the Merged HDN Group will have in place the related party protocols summarised in Annexure A in order to address related party issues connected with future leases. Pursuant to waivers granted by ASX, no HDN Unitholder approval will be required in relation to the entry or extension of a lease with one or more of these related parties, provided certain conditions are satisfied.

8.4.5. Rental income

The Merged HDN Group's financial performance will be largely dependent on its ability to generate rental income from its property portfolio. The amount of rental income generated may be impacted by a range of factors including but not limited to: overall economic conditions, the financial condition of tenants (including tenant arrears or default), ability to extend leases or replace outgoing tenants with new tenants, increase in rental arrears (and associated costs to recover arrears) or defaults and vacancy periods, incentive levels, reliance on a tenant which leases a material portion of the portfolio, competition from other Large Format Retail and Neighborhood Retail landlords, changes in demand for retail space in areas where the Merged HDN Group has sites, an increase in unrecoverable outgoings, and supply and demand in the Large Format Retail market. There is a risk that rental income may be materially different to that expected. Rental income may decline for a number of reasons, including as a result of failure of existing tenants to perform existing leases in accordance with their terms, failure on the part of the Merged HDN Group to enforce contracted rent increases or agree market rental reviews or termination of a lease by a tenant due to convenience or failure on the part of the Merged HDN Group to meet lease terms. This has the potential to decrease the value of the Merged HDN Group and would also have an adverse impact on the Merged HDN Group's financial performance.

8.4.6. Non-renewals and vacancy

Leases of the Merged HDN Group's properties will come up for renewal on a periodic basis and there is a risk that the Merged HDN Group may be unable to negotiate suitable lease renewals with existing tenants, to maintain existing lease terms or replace outgoing tenants with new ones. The ability to secure lease renewals or to obtain replacement tenants may be influenced by any leasing incentives granted to prospective tenants and the supply of new Large Format Retail, Neighbourhood and Health & Services properties in the market, which, in turn, may increase the time required to let vacant space. Should the Merged HDN Group be unable to find a replacement tenant for a vacant property for a period of time, this will result in a reduction of rental income. If this continues for an extensive period of time and more properties become vacant during this time, the Merged HDN Group will experience a significant reduction in rental income, which could materially adversely affect the Merged HDN Group's financial performance and distributions.

8.4.7. Acquisition risks

There is a risk that the Merged HDN Group may not be able to identify future properties that meet its investment objectives or, if such properties are identified, may not be able to acquire these on favourable terms. Changes to zoning laws or alternate uses for land may affect the availability of appropriate sites. Any failure to identify appropriate properties or successfully acquire such properties could materially adversely affect the growth prospects and the financial performance of the Merged HDN Group and distributions.

The Merged HDN Group will endeavour to conduct all reasonable and appropriate due diligence on potential acquisition properties. There is a risk that warranties or indemnities cannot be obtained or that the properties being acquired do not perform as expected due a variety of factors including but not limited to tenants vacating the properties or tenant default. The Merged HDN Group will seek to obtain customary warranties and indemnities from vendors of the properties being acquired (and will seek customary warranty and indemnity insurance in relation to those warranties and indemnities), however there is a risk that potential issues are uncovered subsequent to due diligence and that these risks cannot be fully mitigated by the warranties and indemnities in the sale and purchase agreements for those acquisitions or the warranty and indemnity insurance obtained in respect of those acquisitions. If an unforeseen liability arises in respect of which the Merged HDN Group is not able to be indemnified (either from the vendors or the provider of the warranty and indemnity insurance), this may materially adversely affect the financial performance of the Merged HDN Group and distributions. There can be no assurance that any future acquisitions will enhance the investment returns of unitholders.

8.4.8. Sector concentration

The Merged HDN Group's financial performance will be dependent upon the performance of a more diverse portfolio of retail properties and the decisions of the Merged HDN Group's top tenants.

The performance of the Large Format Retail sector is correlated with the performance of the Australian residential property market, in particular through demand for household goods as a result of the construction of new housing and sales of existing dwellings, as well as demand for household goods as a result of the level of home renovation activity. Any contraction in the residential housing market or the level of renovation activity, could affect developers', contractors' and consumers' purchasing decisions in relation to household goods, including reducing the dollar value spent or delaying timing of expenditure, which could materially adversely affect the performance of the portfolio's key tenants and the Large Format Retail market generally.

In relation to both Neighbourhood and Large Format Retail tenants, retail sales are affected by consumer sentiment. A decline in consumer sentiment could impact the demand for product offering of the portfolio's key tenants and have an adverse effect on sales revenue, which could impact the Merged HDN Group's financial performance.

The Merged HDN Group's performance will also depend, in part, on the performance of the Australian retail property sector. In addition, if any of the sub-sectors in New South Wales, Queensland, Victoria, Western Australia or South Australia experience a downturn in activity, the Merged HDN Group's financial performance and distributions may be adversely impacted.

In relation to the Merged HDN Group's Health & Services tenants, a number of factors including, but not limited to, a worsening economic climate, changes in economic incentives, annual increases to private health insurance premiums and other factors may cause the number of members in private health insurance funds to fall or result in members choosing to decrease the level of their private health insurance coverage. This could reduce demand for certain services provided by the Merged HDN Group's Health & Services tenants which could adversely affect the Merged HDN Group's financial performance.

8.4.9. Tenant concentration

Approximately 25.2% of the Merged HDN Group's gross income will be generated from the top 10 tenants². If one or more tenants were to terminate their leases and the Merged HDN Group is unable to find replacement tenants who would agree to lease terms as favourable as the current terms, it may experience a significant reduction in rental income.

² By gross income for signed leases for Merged HDN Group and signed memoranda of understanding for HDN.

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8.4.10. Illiquid properties

Property assets are inherently illiquid assets. This illiquidity limits the ability for the Merged HDN Group to vary its property portfolios promptly to adapt to changing market conditions. As a result, the Merged HDN Group may not be able to sell any of the properties within its portfolios within a short period of time or it may not be able to sell a property for the amount at which it has valued it. This could result in an adverse impact on the Merged HDN Group's financial performance.

8.4.11. Property market valuations

The ongoing value of the properties that will form part of the Merged HDN Group may fluctuate due to a number of factors including rental, occupancy levels and capitalisation rates all of which may change for a variety of reasons including general and specific risks outlined in this Scheme Booklet. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

Independent valuations are or will be carried out for each individual property held by the Merged HDN Group on a periodic basis to determine their fair market value. Due to the unknown external impacts to the property industry as a result of COVID-19, some of the independent property valuations obtained by HDN currently include significant valuation uncertainty clauses.

Changes in the fair market value of any of the Merged HDN Group's properties determined by independent valuations may have an adverse effect on the relevant Merged HDN Group's financial results in the financial year where there is a significant decrease in the valuation of their properties. Furthermore, property valuations may be affected by input assumptions in the valuation methodology including tenant information, property age, the location, expected future rental profiles, prevailing market conditions, capitalisation rates and discount rates.

Further, anticipated embedded valuation upside (for example, where recent on-market transactions highlight potential for further cap rate tightening) may not result in an increase in independent valuations of properties in the Merged HDN Group's portfolio in the near-term.

8.4.12. Retail tenancies legislation

Retail tenancies legislation in force in each Australian State and Territory regulates the terms on which leases and licences are granted to tenants of retail premises. For example, in certain of those jurisdictions, retail tenancies legislation prohibits a landlord from recovering land tax in respect of any site from which a retail business is conducted. As a retail business will be carried on at the properties of the Merged HDN Group, there is a risk that retail tenancies legislation in any Australian State or Territory may be amended in a manner unfavourable to the Merged HDN Group or that the Merged HDN Group does not comply with applicable retail tenancies legislation. In that event, the Merged HDN Group may be adversely impacted as a result.

8.4.13. E-commerce trends could materially reduce trading activity at the Merged HDN Group's properties

There has been an observed trend towards consumers using e-commerce sales channels when purchasing goods and services. This trend has resulted in significant disruption to the operations of traditional retailers, some of which are tenants within the portfolio properties.

There is a risk that consumer preferences for online shopping may, over time, reduce the level of trading seen at properties in the portfolio. Moreover, the overall disruption to retailing in Australia associated with e-commerce may ultimately impact upon the rents that can be charged by retail focused landlords, such as the Merged HDN Group.

While the Merged HDN Group can take steps to mitigate its exposure to these trends, a fundamental shift away from in-store shopping across all retail categories would likely have a negative impact on the Merged HDN Group's financial performance, financial position and distributions.

8.4.14. Failure of risk management and internal control strategies

HDN Trustee will implement risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject, including risks related to liquidity, interest rates, counterparties, compliance, market conduct, bribery and corruption, anti-money laundering and counter terrorism funding compliance, insurance and operational, all of which are important to the Merged HDN Group's reputation and business operations.

However, there are inherent limitations with any risk management and internal control framework as there may exist, or emerge in the future, risks that have not been adequately anticipated or identified for the Merged HDN Group. If any of the Merged HDN Group's risk management and internal control processes and procedures prove ineffective or inadequate, or are otherwise not appropriately implemented, the financial performance of the Merged HDN Group and distributions and could be adversely impacted.

8.4.15. Technology and cybersecurity risks

The Merged HDN Group will collect, process and store, through the ordinary course of its operations, a wide range of data, including confidential data relating to its tenants. Measures that the Merged HDN Group employs to secure and protect technology systems and data may not be sufficient to prevent system failures or data breaches arising from factors beyond its control and/or to detect or prevent unauthorised access to, or disclosure of, confidential information and data. There is a risk the Merged HDN Group's systems, or those of its third-party service providers, fail, or are subject to disruption as a result of external threats or system errors.

Cyber-attacks, data theft, data loss, human error or malfeasance may also result in data breaches resulting from unauthorised access to, or disclosure of information, including sensitive and/or confidential information, whether malicious or inadvertent. Despite seeking to maximise the protection of data, there is a risk that the Merged HDN Group is exposed to a security breach or successful cyberattack.

Any systemic failure and/or data security breaches could result in significant disruption to the Merged HDN Group's services, loss of system integrity, breaches of the Merged HDN Group's obligations under applicable data protection laws or contractual agreements, an obligation under privacy laws to notify individuals and the Australian Information Commissioner of the breach, could reduce its ability to retain existing tenants and generate new tenants, each of which could have a material adverse effect on the Merged HDN Group's financial performance and reputation.

The Merged HDN Group's operations depend on the reliability and availability of its IT infrastructure networks. The Merged HDN Group's IT systems may be vulnerable to a variety of interruptions due to events that may be beyond its control, including, but not limited to, natural disasters, terrorist attacks, telecommunication failures, computer viruses, phishing attacks, hackers and other security issues.

Any disruptions in an IT network which the Merged HDN Group's use or unexpected system or computer network interruptions could disrupt the Merged HDN Group's operations and consequently its overall profitability.

Furthermore, there is a risk that the Merged HDN Group may be unable to provide critical business processes due to a potential distributed denial-of-service attack, resulting in disruption of services, loss of customers and financial and reputational damage.

8.4.16. COVID-19

The COVID-19 pandemic has had a significant impact on the global and Australian economy and the ability of businesses, individuals and governments to operate. Emergency powers and restrictions have been enacted on an international, Federal and State level in Australia which, amongst other things, have restricted travel and the ability of individuals to leave their homes and travel to places of work and have disrupted the ordinary patterns of consumption of goods and services.

Some tenants at properties within the Merged HDN Group's portfolio have experienced an adverse impact on sales and supply chains, borne out of ongoing international and domestic travel restrictions, government lockdown measures, and broader global uncertainty around a recovery of business activity. Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19

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on the Merged HDN Group. Whilst the Merged HDN Group has performed well during the pandemic, and no material rental abatements are currently in place in relation to COVID-19, there is a prospect that store closures on a significant scale may once again occur if the COVID-19 outbreak cannot be adequately contained, which could limit all or a material amount of trading at properties within the portfolio. Further, a number of aspects of the Merged HDN Group's tenants may be directly or indirectly affected by government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19, including disruption to supply chain and workforce, particularly the availability of products and logistics (including shipping of products) and government-imposed shut downs of manufacturing and distribution centres affecting the supply of products to customers. There is a risk that if the duration of events surrounding COVID-19 are protracted or the situation worsens from that currently existing, the Merged HDN Group may need to take additional measures in order to respond appropriately. In particular, the Merged HDN Group own convenience retail properties in New South Wales, Victoria, Queensland, South Australia and Western Australia, all of which have been subject to lock-down restrictions imposed by their respective governments. Some tenants' operations may have been impacted by these lock-down restrictions, resulting in a deterioration of financial performance which may, in the future, impact upon the ability of the Merged HDN Group to collect rent in the ordinary course. No guarantee can be provided in relation to the length of any future lock-downs or when operating conditions will return to normal after lock-downs are lifted. As such, the ongoing performance of tenants within those properties remains uncertain.

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of the Merged HDN Group and may be exacerbated in an economic recession or downturn. These include but are not limited to: (i) market volatility including in the price of securities trading on ASX (ii) changes in inflation, interest rates and foreign currency exchange rates; (iii) changes in employment levels and labour costs; (iv) changes in aggregate investment and economic output; (v) changes in investor confidence; and (vi) other changes in economic conditions which may affect the income and expenses of the Merged HDN Group.

8.4.17. Litigation risks

The Merged HDN Group will be subject to the risk that litigation, claims and disputes may arise from time to time in the ordinary course of its business activities. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, may materially adversely affect the financial performance of the Merged HDN Group and distributions.

8.4.18. Insurance risks

A property in the Merged HDN Group may be damaged or destroyed by flood, fire, earthquake or other disaster. The Merged HDN Group will seek to ensure that insurance coverage is maintained in respect of each property in the portfolio (including insurance for destruction or damage to the centre and public risk liability) where that coverage is available on commercial terms. Insurance coverage will include differing levels of cover for material loss or damage items such as accidental damage, flood and demolition and removal of debris. Some risks are not able to be insured at acceptable premiums. Examples of losses that are generally not insured against include war or acts of terrorism, bushfires and natural phenomena such as earthquakes or hurricanes. Some liabilities could exceed policy limits and HDN Trustee may also decide not to insure against certain risks having regard to the likelihood of the risk eventuating and the cost of the insurance.

Any losses incurred due to uninsured risks, or loss in excess of the insured amounts, may materially adversely affect the performance of the Merged HDN Group and distributions as the affected owner could lose some or all of its invested capital in, and anticipated profits from, the affected property. Additionally, claims under insurance policies may lead to increases in insurance premiums or the ability to source insurance, which could materially adversely affect the performance of the Merged HDN Group.

8.4.19. Financing risks

The Merged HDN Group will be subjected to debt covenants under HDN's existing debt facilities. If the Merged HDN Group's financial performance deteriorates due to factors such as a decline in rental income or the value of the property portfolios, it may breach its covenants under these debt facilities. Consequently, the Merged HDN Group

would need to seek amendments or waivers of covenant compliance. However, there is no guarantee that lenders would consent to these amendments or waivers, and there is also a possibility that lenders could exercise their enforcement rights to require the immediate repayment of the debt facilities.

If the Merged HDN Group is ultimately unable to repay the debt facilities upon maturity or has breached a debt covenant, HDN Trustee may seek to raise additional equity or enter alternative borrowing arrangements on less favourable terms. If the Merged HDN Group proceeds with raising additional equity, Scheme Securityholders' interests may be diluted and they may experience a loss in the value of their equity. Alternatively, if HDN Trustee decides to seek alternative debt facilities, this could significantly impede its ability to operate and grow its property portfolios, which would have a negative impact on the Merged HDN Group's overall financial performance and reputation.

In addition to its existing debt facilities, HDN Trustee may also wish to obtain additional funding to expand HDN's property portfolios. There is, however, a risk that the Merged HDN Group may not be able to obtain debt or equity funding from the capital markets on favourable terms, or at all, especially if changes to general economic conditions increase the cost of funding or limit the availability of funding.

8.4.20. Interest rates

Interest payable on the debt facilities will reflect a base interest rate plus interest rate margin and commitment fee. To seek to mitigate the potential impact of interest rate movements, the Merged HDN Group may use derivative instruments to hedge the Merged HDN Group's exposure to interest rates. The mark-to-market valuation of derivative instruments could change quickly and significantly. Such movements could materially adversely affect the financial performance of the Merged HDN Group and distributions.

8.4.21. Capital expenditure

There is a risk that the required capital expenditure in maintaining the portfolio exceeds at any time the Merged HDN Group's current best estimate of those costs, which could lead to increased funding costs. Some examples of these circumstances could include changes to laws or council requirements such as environmental, building or safety regulations, centre defects or environmental issues which become apparent in the future or damage not covered by insurance. Any requirement for unforeseen material capital expenditure on the properties could materially adversely affect the financial performance of the Merged HDN Group and distributions.

8.4.22. Law, regulatory and policy changes

Changes in laws, regulations and government policies in which the Merged HDN Group operates, such as:

- changes in planning and zoning regulations which result in increased competition for tenants from other landlords;
- changes in retail tenancy laws that limit the Merged HDN Group's recovery of certain property operating expenses; or
- increases in real estate taxes which cannot be recovered from the Merged HDN Group's tenants may adversely affect the value of the value of the Merged HDN Group's property portfolios and its overall financial performance.

The impact of future regulatory, legislative and policy changes upon the business of the Merged HDN Group cannot be predicted. If the amount and complexity of these changes increases, the cost of compliance and the risk of non-compliance will also increase.

8.4.23. Work, health and safety

There is a risk that liability arising from work, health and safety matters at any of the properties in the Merged HDN Group's portfolios may be attributable to the Merged HDN Group as landlord instead of, or as well as, the tenant. Such liability may include fines and penalties imposed by regulatory authorities as well as claims for compensation from injured parties, which may not be fully covered by insurance policies. Any such liabilities incurred by the Merged HDN Group (which are not covered by insurance policies) could adversely affect the financial performance and reputation of the Merged HDN Group.

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8.4.24. Environmental risks

The value of the Merged HDN Group's property portfolios may be affected by unforeseen environmental issues. The Merged HDN Group may be liable to monitor or remedy sites affected by environmental issues even in circumstances where the Merged HDN Group is not responsible for causing the environmental liability. There is a risk that one or more properties in the portfolios could become contaminated sites, and environmental authorities would subsequently require the Merged HDN Group to remediate the contamination at its own cost (even in circumstances where it is not responsible for causing the environmental liability). Remediation costs can be substantial and if the Merged HDN Group is unable to remediate the sites properly, this would affect its ability to sell the properties or use them as collateral for future borrowings. Furthermore, environmental laws pose significant penalties for environmental damage and contamination of sites. Ultimately, if these risks were to arise, the value of the Merged HDN Group's property portfolios and securities, as well as its profitability, would be negatively impacted.

In addition, properties within the Merged HDN Group portfolio may also be situated on land which is prone to flooding or bushfires.

8.4.25. Climate change

Climate change presents a potentially material risk to the Merged HDN Group. The increasing severity of acute weather events (such as heatwaves, cyclones and storms) and chronic climate impacts may affect one or more of the properties in the portfolio of the Merged HDN Group (and associated communities) through physical damage, operating costs, ability to trade, consumer visitation and retail sales.

These acute weather events may be sudden and acute or more gradual in nature. For example, a property may be damaged by storms or flooding which requires extensive repairs and may impact sales at that property. Alternatively, tenants may be impacted by disruptions to sales or their supply chains. HDN Trustee has conducted both high-level and asset-level assessments of physical risks in order to identify and mitigate those risks.

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. These may require the Merged HDN Group to incur costs or change the manner in which it operates to address these changes. For example, the Merged HDN Group could face increased costs associated with energy and water efficiency and other costs associated with upgrading existing buildings to comply with new building codes or contractual obligations or litigation (if reporting requirements are not met). The Merged HDN Group and HomeCo would also be adversely impacted by a loss of market share if building designs do not address investor or community expectations or match competitor products on sustainability issues. The transition to a low carbon economy may enable the Merged HDN Group to realise opportunities such as reducing its reliance on the electricity grid by generating onsite renewable energy which also protects its business from future energy market and policy uncertainty.

8.4.26. Counterparty risks

The Merged HDN Group will be exposed to the risk that third parties (e.g. tenants, developers, service providers and financial counterparties to debt facilities, independent contractors) may not be willing or able to perform their contractual obligations, which could have an adverse effect on its financial position and performance.

8.4.27. Inflation

Higher than expected inflation rates generally or specific to the property sector could increase the operating and development costs of the property sector, thus affecting the Merged HDN Group's income, management fees and overhead expenses.

8.4.28. Reputation risk

Reputation is a key asset of the Merged HDN Group. Successful maintenance of the reputation and value associated with the Merged HDN Group will be critical to its business and strategy.

8.4.29. Loss of or failure to attract key personnel

The Merged HDN Group's success in the implementation of its strategies and management of its day-to-day requirements and operations is dependent upon the key HomeCo personnel and executives responsible for management of the Merged HDN Group. The loss of one or more key personnel or the delay in finding replacements may adversely impact the Merged HDN Group and its financial performance.

The ability to effectively manage the enlarged portfolio of the Merged HDN Group will depend on the combined efforts of these key personnel which will initially comprise of executives from the HDN Trustee and Aventus. There is a risk that key management staff of Aventus, including Darren Holland and Lawrence Wong, do not take up positions within HomeCo and do not become responsible for the management of the Merged HDN Group. HomeCo personnel or new hires will not have the same familiarity with Aventus and its assets, although HomeCo has stated that it believes that its current staff with limited new hires will have the ability to manage integration and the Aventus assets effectively.

Further, management of the Merged HDN Group requires experienced and skilled personnel who may be sought after by competitors, and there is no guarantee that HomeCo will be able to retain key personnel or attract new personnel. HomeCo intends to implement appropriate recruitment and retention incentives to mitigate this risk.

8.4.30. Treatment of the Merged HDN Group as a "flow-through" entity

HDN is currently treated as a "flow-through" entity for Australian income tax purposes. However, the Merged HDN Group would lose this "flow-through" status if:

- there was a legislative change which removed the "flow-through" status of property trusts; or
- the Merged HDN Group engaged in non-passive activities which lead to it being taxed on its net income at the corporate tax rate (of 30%) for Australian income tax purposes.

Depending on the HDN Unitholder's individual circumstances, a loss of the "flow-through" treatment of the Merged HDN Group may adversely affect the after-tax investment returns. HDN Trustee intends to manage the activities of the Merged HDN Group so that it maintains its flow-through status.

8.4.31. Unrealised capital gains

As Aventus is already established, there is a risk that unrealised capital gains exist within the portfolio. As such, the disposal of an existing property may crystallise a capital gain that will be distributed to investors and will need to be included in the calculation of the investor's taxable income. The impact of this will depend on a number of factors including the price and timing of the sale and the profile of the investor.

8.5. Specific risks related to HomeCo

There are some specific risks faced by HomeCo. Many of these risks are outside the control of HomeCo, the HomeCo directors and management and if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, HomeCo.

8.5.1. Development activities

Part of HomeCo's business is to identify, analyse, invest in and/or manage property development projects. HomeCo has several development projects currently underway. The development projects have inherent risks, including market risk, valuation risk, latent liabilities or unexpected contingencies emerge such as the existence of hazardous substances, completion delays and cost overruns.

Objections raised by community interest groups, environmental groups and neighbours may also delay the granting of planning approvals or the overall progress of a project motion. Major infrastructure requirements or unanticipated environmental issues may affect financial returns.

HomeCo's earnings, cash flows and valuations in respect of the development projects may be negatively impacted by a number of factors including construction costs, contractor performance and solvency, and scheduled completed dates.

8. Risk factors

8.5.2. Third party capital partners

HomeCo manages properties on behalf of several third party capital partners. A change in strategy and/or capacity of existing third party capital partners, the inability to attract new third party capital partners, the loss of confidence in HomeCo's governance structure and service delivery could result in the loss of the management of properties and a subsequent reduction in funds management income.

8.5.3. Funds management agreements

HomeCo derives a substantial amount of its revenue from its funds management activities. If, for any reason, the material contracts associated with HomeCo's funds management business, including the investment management agreements under which HomeCo is appointed to act as manager for various funds and assets, are terminated, expire or are adversely amended, HomeCo's funds management activities and associated revenue will be adversely affected and potential losses to HomeCo may be significant.

8.5.4. Key personnel

HomeCo's success depends on the continued active participation of its senior management team. These employees are an important part of HomeCo's business strategy and success as they have extensive industry experience and knowledge of HomeCo's business. If HomeCo were to lose any of its senior management team or if it were unable to employ replacement personnel with the requisite level of experience to adequately operate HomeCo's business, its operations and financial performance could be adversely affected.

In addition, if Aventus Key Management do not take up the positions that have been offered to them by HomeCo, this may affect the integration of Aventus and the HDN Group and have an impact on the Merged HDN Group's next phase of growth and possible subsequent reduction in funds management income for HomeCo.

In addition, implementation of the Merger could result in the termination of management positions or reemployment contracts of certain executives or employees, resulting in significant redundancy payments by HomeCo.

8.5.5. Regulatory risk

Retail tenancies legislation in force in each Australian State and Territory regulates the terms on which leases and licences are granted to tenants of retail premises. For example, in certain of those jurisdictions, retail tenancies legislation prohibits a landlord from recovering land tax in respect of any site from which a retail business is conducted. As a retail business is carried on at each property in its portfolio, HomeCo has considered the potential application of retail tenancies legislation in respect of its business and, in the case of each lease, considers that such legislation by its terms does not apply to the leases or, if it does apply, it intends to comply with applicable legislation.


There is a risk that retail tenancies legislation in any Australian State or Territory may be amended in a manner unfavourable to HomeCo or that HomeCo does not comply with applicable retail tenancies legislation. In that event, HomeCo may be adversely impacted as a result.


8.5.6. Valuation

The value of the Merged HomeCo Group's portfolio, or individual properties within its portfolio, may be impacted by a number of factors affecting the Australian property market generally, as well as the Merged HomeCo Group. The properties are independently valued regularly in accordance with HomeCo's valuation policy at least once every two years in connection with the preparation of each half year and full year set of accounts. These valuations represent only the analysis and opinion of the valuation experts at a certain date and are not guarantees of present or future property values. Property values may fall or rise if the underlying assumptions on which the valuation reports are based change in the future. Valuations may differ depending on the valuer appointed. A valuation may not reflect the actual price that would be realised if a property is sold. As property valuation adjustments are reflected in the Merged HomeCo Group's statement of profit and loss, any decreases in value would have a corresponding effect on the statement of profit and loss and the Merged HomeCo Group's financial position and performance.

Section Nine

Implementation
of the Schemes

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 welcome

9. Implementation of the Schemes

9.1. Scheme Implementation Deed

On 18 October 2021, Aventus, HDN Trustee and HomeCo entered into a Scheme Implementation Deed in relation to the Merger under which Aventus agreed to propose the Merger to Aventus Securityholders.

The implementation of the Merger is subject to a number of Conditions Precedent which are summarised in section 2.3 of this Scheme Booklet. The Merger will not proceed unless all of these conditions are satisfied or waived (if applicable) in accordance with the Scheme Implementation Deed. Aventus, HDN Trustee and HomeCo have agreed to use all reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent.

A summary of the Scheme Implementation Deed is set out in section 11.1 of this Scheme Booklet.

9.2. HDN Trustee and HomeCo Deed Poll

On Saturday, 4 December 2021, HDN Trustee and HomeCo executed the Deed Poll, pursuant to which HDN Trustee and HomeCo each agreed to perform its obligations under the Trust Scheme and Members' Scheme respectively, including the obligation to provide Scheme Consideration to Scheme Securityholders, subject to the Schemes becoming Effective.

A copy of the Deed Poll is in Annexure E of this Scheme Booklet.

9.3. Effective Date

The Trust Scheme and Members' Scheme will, subject to the approvals being given as referred to above, become Effective on the date:

- an office copy of the Court order from the Second Court Hearing has been lodged with ASIC; and
- the executed Aventus Trust Supplemental Deed has been lodged with ASIC

This will be the Effective Date for the Schemes.

Aventus will, on the Schemes being Effective, give notice of that event to ASX.

9.4. Determination of persons entitled to the Scheme Consideration

9.4.1. Scheme Record Date

Those Aventus Securityholders who are on the Aventus Security Register on the Scheme Record Date (which is scheduled to be 7.00pm (Sydney time) on Monday, 7 February 2022), other than certain Excluded Securityholders, will become entitled to the Scheme Consideration in respect of the Aventus Securities they hold at that time.

For Ineligible Foreign Securityholders the Scheme Consideration will include cash received pursuant to the Sale Facility in respect of the HDN Units that would otherwise have been issued to them: see section 9.8 of this Scheme Booklet for further details.

9.4.2. Dealings on or prior to the Scheme Record Date

For the purposes of calculating entitlements under the Merger, any dealing in Aventus Securities will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Aventus Security Register as the holder of the relevant Aventus Security on or before the Scheme Record Date; and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 7.00pm on the Scheme Record Date at the Aventus Securities Registry.

Subject to the Corporations Act, Listing Rules, Aventus Company Constitution and Aventus Trust Constitution, Aventus must register registrable transmission applications or transfers of the kind recognised above by no later than 7.00pm on the Scheme Record Date.

9.5. Fractional entitlements and security splitting

9.5.1. Fractional entitlements

If the number of Scheme Securities held by a Scheme Securityholder at the Scheme Record Date is such that the aggregate entitlement of the Scheme Securityholder to the Scheme Consideration includes a fractional entitlement to a HDN Unit or HomeCo Security, then the entitlement of that Scheme Securityholder must be rounded up or down to the nearest whole number of HDN Units or HomeCo Securities.

9.5.2. Security splitting

If HDN Trustee or HomeCo (as applicable) are of the opinion, formed reasonably, that several Scheme Securityholders (each of which holds a holding of Aventus Securities that results in rounding in accordance with section 9.5.1 above) have, before the Scheme Record Date, been party to a securityholding splitting or division in an attempt to obtain an advantage by reference to such rounding, HDN Trustee may direct Aventus Trustee, or HomeCo may direct the Aventus Company, to give notice to those Scheme Securityholders:

- setting out their names and registered addresses as shown in the Aventus Security Register;
- stating that opinion; and
- attributing to one of them specifically identified in the notice the Scheme Securities held by all of them.

After such notice has been given, the Scheme Securityholder specifically identified in the notice shall, for the purposes of the Schemes, be taken to hold all those Scheme Securities and each of the other Scheme Securityholders whose names and registered addresses are set out in the notice shall, for the purposes of the Schemes, be taken to hold no Scheme Securities.

9.6. Implementation Date

The Implementation Date is the date that is five Business Days after the Scheme Record Date. This is expected to be Monday, 14 February 2022.

On the Implementation Date, HDN Trustee must issue HDN Units and HomeCo must pay the Cash Consideration to each Scheme Securityholder (entitled to Cash Consideration as the Scheme Consideration) and HomeCo must issue HomeCo Securities to those Scheme Securityholders (other than Ineligible Foreign Securityholders) who have elected to receive the HomeCo Scrip Consideration, as described in the following section 9.7.

Once the Scheme Consideration has been paid or issued in accordance with the Schemes, Scheme Securityholders' Scheme Units will be transferred to the HDN Trustee and their Scheme Shares will be transferred to HomeCo.

9.7. Payment of the Scheme Consideration

9.7.1. Scrip Consideration

On the Implementation Date, Scheme Securityholders who are not Ineligible Foreign Securityholders will be issued:

- 2.20 HDN Units for every Scheme Security as at the Scheme Record Date; and
- if they elect to receive HomeCo Scrip Consideration in accordance with the Members' Scheme, 0.038 HomeCo Securities for every Scheme Security as at the Scheme Record Date (unless this would result in them holding less than a Marketable Parcel of HomeCo Securities).

See section 9.8 of this Scheme Booklet for treatment of Ineligible Foreign Securityholders.

Each HDN Unit issued under the Trust Scheme will trade on the ASX and will rank equally with all existing HDN Units. Each HomeCo Security issued under the Members' Scheme will trade on the ASX and will rank equally with all existing HomeCo Securities.

On, or as soon as practicable after the Implementation Date, HDN Trustee and HomeCo must send a certificate or holding statement (or equivalent document) to each Scheme Securityholder representing the number of new HDN Units and HomeCo Securities issued to the Scheme Securityholder pursuant to the Schemes.

9. Implementation of the Schemes

9.7.2. Cash Consideration

Prior to the Implementation Date, HomeCo must deposit, into a trust account with an ADI operated by Aventus Company as trustee for Scheme Securityholders an amount equal to the aggregate Cash Consideration payable to all Scheme Securityholders. On the Implementation Date, Aventus Company will pay the Cash Consideration to Scheme Securityholders unless they have elected to receive HomeCo Scrip Consideration for their Scheme Securities (or if they would hold less than a Marketable Parcel of HomeCo Securities). Ineligible Foreign Securityholders will not be able to elect to receive HomeCo Scrip Consideration and will receive Cash Consideration from HomeCo.

The maximum amount of Cash Consideration that could be payable, assuming there are no valid elections for HomeCo Scrip Consideration, is \$163 million. HomeCo proposes to utilise existing cash and the HCL Debt Facilities to fund the Cash Consideration.

Scheme Securityholders who have validly registered their bank account details with the Aventus Securities Registry will have their Cash Consideration sent directly to their bank account. Otherwise, Scheme Securityholders will have their Cash Consideration sent by cheque to their Registered Address.

Aventus Securityholders are encouraged to provide their bank account details to the Aventus Securities Registry either by phone on 1300 554 474 (callers in Australia) or +61 1300 554 474 (callers outside Australia), between 8.30am and 5.00pm (Sydney time), Monday to Friday excluding public holidays, to receive an electronic funds transfer form which can be completed and returned to the Aventus Securities Registry, or online at www.linkmarketservices.com.au.

9.7.3. Making an election

Scheme Securityholders (other than an Ineligible Foreign Securityholders) may make an Election to receive either the Cash Consideration or the HomeCo Scrip Consideration by either submitting an Election Form online at <https://events.miraql.com/avn-scheme> or completing a paper Election Form in accordance with the instructions set out in the form and returning it to the Aventus Securities Registry by no later than the Election Deadline (being 7.00pm (Sydney time) on the date that is three Business Days before the date of the Meetings).

Scheme Securityholders who are Ineligible Foreign Securityholders are not eligible to make an Election or to receive the HomeCo Scrip Consideration. Ineligible Foreign Securityholders, will receive the Cash Consideration if the Merger is implemented.

9.8. Ineligible Foreign Securityholders and Sale Facility

9.8.1. Scheme Securityholders

Based on the information available to HDN Trustee and HomeCo as at the date of this Scheme Booklet, Scheme Securityholders whose registered addresses are shown in the register on the Scheme Record Date as being in the following jurisdictions will be entitled to be issued HDN Units and HomeCo Securities pursuant to the Schemes subject to any qualifications set out in section 11.11 in respect of that jurisdiction:

- Australia;
- New Zealand;
- the United Kingdom;
- Singapore; and
- any other person or jurisdiction in respect of which HDN Trustee and HomeCo reasonably believe is not prohibited and not unduly onerous or impractical to implement the Schemes and for HDN Units and HomeCo Securities to be issued to a Scheme Securityholder with a registered address in such jurisdiction.

Nominees and custodians must not forward or distribute this Scheme Booklet to any person in any country outside Australia, New Zealand, the United Kingdom or Singapore without the consent of Aventus.

See section 11.10 of this Scheme Booklet for specific information on foreign jurisdictions.

9.8.2. Ineligible Foreign Securityholders

Restrictions in certain foreign countries may make it impractical or unlawful to offer or receive securities in those countries. For this reason:

- the entitlement of Scheme Securityholders who are Ineligible Foreign Securityholders to HDN Units will be dealt with under the Schemes via the Sale Facility; and
- Scheme Securityholders who are Ineligible Foreign Securityholders will not be able to elect to receive HomeCo Securities but will instead receive the Cash Consideration from HomeCo.

A Scheme Securityholder will be considered an Ineligible Foreign Securityholder if the Scheme Securityholder's registered address on the Aventus Security Register (as at the Scheme Record Date) is in any jurisdiction other than those jurisdictions referred to in section 9.8.1 above.

9.8.3. Sale Facility

The Sale Facility will be put in place to sell HDN Units that would otherwise have been issued to Scheme Securityholders who are Ineligible Foreign Securityholders (Sale HDN Units) on their behalf. Macquarie Securities (Australia) Limited (AFSL number 238947) has been appointed as Sale Agent to manage the sale of the Sale HDN Units.

Under the Sale Facility, Scheme Securityholders who are Ineligible Foreign Securityholders will receive in respect of their Aventus Units their proportionate share (based on their relative holdings of Aventus Units) of the net proceeds of the sale of the Sale HDN Units, after deducting any applicable brokerage and other selling costs, taxes and charges (rounded down to the nearest cent).

Under the Sale Facility:

- the Sale HDN Units will be issued on the Implementation Date to the Sale Agent, who will be responsible for selling the Sale HDN Units;
- the Sale Agent must sell the Sale HDN Units as soon as reasonably practicable, and in any event not more than 15 Business Days after the Implementation Date, on ASX in accordance with the terms of the Sale Facility;
- all proceeds of such sale will be deposited by the Sale Agent in the Sale Facility Account (as defined in the Sale Facility Agreement) for the Scheme Securityholders who are Ineligible Foreign Securityholders; and
- no later than five Business Days after the day that settlement of all Sale HDN Units has occurred, the Sale Agent will transfer the net proceeds of such sale after deducting any applicable brokerage and other selling costs, taxes and charges in the Sale Facility Account to the Aventus Securities Registry for payment to Ineligible Foreign Securityholders.

The Aventus Securities Registry will pay each Ineligible Foreign Securityholder their proportionate share of the net proceeds of the sale of the Sale HDN Units within five Business Days of receipt of the net sale proceeds from the Sale Agent.

This amount will be in addition to the Cash Consideration that Ineligible Foreign Securityholders will receive in respect of their Aventus Shares under the Members' Scheme.

Under the Trust Scheme, Scheme Securityholders who are Ineligible Foreign Securityholders will appoint Aventus Trustee respectively as their agent to receive any financial services guide or other notice given by the Sale Agent under the Corporations Act.

9.8.4. Determination of sale proceeds

Each Ineligible Foreign Securityholder will, in relation to the Sale HDN Units, participate in the Sale Facility and receive an amount equal to the average price per HDN Unit at which the Sale Agent sold the HDN Units under the Sale Facility, multiplied by the number of HDN Units to which the Ineligible Foreign Securityholder would otherwise have held following the Merger. Consequently, the amount received by each Ineligible Foreign Securityholder for each HDN Unit may be more or less than the actual price that is received by the Sale Agent for that particular HDN Unit. Any brokerage costs, fees and applicable taxes will be deducted from the proceeds of sale before being distributed to the Ineligible Foreign Securityholders.

9. Implementation of the Schemes

The sale price of HDN Units and the proceeds that the Ineligible Foreign Securityholder will receive cannot be guaranteed as the market price of HDN Units is subject to change from time to time. Ineligible Foreign Securityholders will be able to obtain information on the market price of HDN Units on the ASX's website (www.asx.com.au). The sale proceeds will not necessarily be the highest price at which the HDN Units could be sold during the sale period.

The Sale Agent will sell the HDN Units in such manner, at such prices, and at such times as the Sale Agent sees fit, and on such other terms as the Sale Agent determines in good faith (at the risk of the Ineligible Foreign Securityholders), with the objective of achieving the best prices reasonably available at the time of the relevant sales, bearing in mind:

- the total number of HDN Units that are sold in the Sale Facility. If a large number of HDN Units are required to be included in the Sale Facility, the sale price for those HDN Units may be lower if the supply of HDN Units available for sale is greater than the demand for the acquisition of HDN Units during the relevant period;
- the prevailing market conditions, including the prevailing price of HDN Units on the ASX and the prevailing demand for those units; and

the period during which the sale process is undertaken.

9.9. Commencement of trading of HDN Units and HomeCo Securities

The HDN Units and HomeCo Securities issued as the Scheme Consideration are expected to commence trading on the ASX on a deferred settlement basis on Friday, 4 February 2022, being the day after the expected date for the Effective Date.

The exact number of HDN Units and HomeCo Securities to be issued to Scheme Securityholders will not be known until after the Scheme Record Date and will not be confirmed to them until they receive their holding statements or confirmations following the Implementation Date.

It is the responsibility of each Scheme Securityholder to confirm their holdings of HDN Units and HomeCo Securities before they trade them to avoid the risk of committing to sell more than will be issued to them. Scheme Securityholders who trade their HDN Units and HomeCo Securities do so at their own risk.


9.10. Delisting of Aventus

Aventus will apply for termination of the official quotation of the Aventus Securities on the ASX and to have itself removed from the official list of the ASX after the Implementation Date.


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Section Ten

**Taxation
Report**

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10. Taxation Report

10.1. Overview

The taxation information contained in this section is of a general nature only. It does not constitute tax advice and should not be relied upon as such.

The taxation information below only deals with the tax implications for resident and non-resident Aventus Securityholders who hold their Aventus Securities on capital account. It **does not** address the tax treatment for Aventus Securityholders who:

- hold their investments on revenue account;
- are non-residents and hold their investments through a permanent establishment in Australia;
- acquired Aventus Securities under employee securities plans; or
- are subject to the taxation of financial arrangement provisions in Division 230 of the *Income Tax Assessment Act 1997*.

All Aventus Securityholders should seek independent, professional advice on the taxation consequences of their participation in the Merger, based on their particular circumstances.

Aventus Securityholders who are not resident in Australia should obtain advice on the taxation implications arising in their local jurisdiction under the proposed transaction.

The information contained in this section is based on the provisions of the income tax and GST law, regulations and Australian Taxation Office (ATO) rulings and determinations applicable as at the date of this Scheme Booklet.

10.2. Unstapling

The unstapling of Aventus Securities should not give rise to any tax consequences for Aventus Securityholders.

10.3. Cancellation of Cross-Staple Loan prior to the Merger

The existing loan from Aventus Retail Property Fund (ARPF) to Aventus Holdings Limited (AHL) (Cross-Staple Loan) will be forgiven prior to the implementation of the Merger. This should not give rise to tax consequences for Aventus Securityholders.

However, it should be noted that the allocation of Scheme Consideration between HDN Units and Cash Consideration or HomeCo Scrip Consideration was determined based on the relative net asset values of AHL and ARPF assuming that the Cross-Staple Loan would be forgiven. That is, the Cash Consideration and HomeCo Scrip Consideration to be received per Aventus Share is higher and HDN Units to be received per Aventus Unit is lower than it would otherwise have been if the Cross-Staple Loan was not forgiven. This has an impact on the capital gains tax (CGT) calculations (see discussion in section 10.4.1.5).

10.4. CGT event

10.4.1. Australian-resident Scheme Securityholders

Each Aventus Security consists of an Aventus Share and an Aventus Unit. Notwithstanding the fact that these assets cannot be traded separately, they are treated as separate assets for CGT purposes.

The disposal of Aventus Shares and Aventus Units pursuant to the Merger will have CGT consequences for Scheme Securityholders. Each Scheme Securityholder will be treated as making two separate disposals for CGT purposes and two separate CGT calculations will be required. In undertaking these calculations, Scheme Securityholders will

be required to calculate the cost base (or reduced cost base) and capital proceeds attributable to their Aventus Share and Aventus Unit (as explained below).

Broadly, Scheme Securityholders will, in respect of their Aventus Share and Aventus Unit make:

- a capital gain if the capital proceeds received for their Aventus Share or Aventus Unit are greater than the cost base of their Aventus Share or Aventus Unit respectively; and
- a capital loss if the reduced cost base of their Aventus Share or Aventus Unit is greater than the capital proceeds received for their Aventus Share or Aventus Unit respectively.

Australian-resident Scheme Securityholders who are not companies should be entitled to a CGT discount in respect of a net capital gain provided that they have held their Aventus Securities for 12 months or more. Australian-resident individuals and trusts are entitled to a 50% discount, resident complying superannuation entities are entitled to a 33^{1/3}% discount, while companies are not entitled to any discount.

A Scheme Securityholder that would otherwise make a capital gain may be able to defer that capital gain by electing to use scrip for scrip rollover – see 10.4.1.3 below.

10.4.1.1. Calculating a capital gain or loss – Working out your cost base and reduced cost base

Broadly, the cost base and reduced cost base of an Aventus Security will equal the amount paid by the Scheme Securityholder to acquire their Aventus Securities, together with certain incidental costs of acquisition and disposal.

To the extent Scheme Securityholders have held their securities from prior to 2 October 2018 (implementation of the Aventus stapling), their cost base in their Aventus Shares is equal to the value of the distribution that was paid by ARPF as part of that transaction, and the cost base in their Aventus Unit is equal to what they paid for their Aventus Security plus other incidental acquisition costs, less that Aventus Share cost base, and less any other tax deferred distributions that have been paid to the Aventus Securityholder by Aventus since the Aventus Securityholder acquired those Securities.

For any other Securities, Scheme Securityholders will be required to apportion the cost of their Aventus Securities between their Aventus Share and Aventus Unit. The Commissioner of Taxation will generally accept an apportionment that has been done on a reasonable basis. However, Scheme Securityholders will need to make their own decision regarding the reasonable basis they will apply in their own circumstances.

One possible method of apportionment is on the basis of the relative proportion of net assets of the two entities.

Further information that may be helpful to Scheme Securityholders in making their cost apportionment decision can be found on the Investor Centre page of the Aventus website (<https://aventusgroup.com.au/investors/my-shareholding/>).

After apportionment of the cost base between Aventus Shares and Aventus Units, the cost base of Aventus Units should be reduced by any tax deferred distributions made by the Aventus Trust whilst the Scheme Securityholder held their Aventus Securities.

See the example at 10.4.1.6 for more information.

10.4.1.2. Capital proceeds

Capital proceeds received for Aventus Units

The capital proceeds received by Scheme Securityholders for their Aventus Units will be the market value of HDN Units received.

Capital proceeds received for Aventus Shares

The capital proceeds received by Scheme Securityholders for their Aventus Shares will be either the \$0.285 cash received per Aventus Share or the market value of HomeCo Securities received, depending on whether they elect to receive the Cash Consideration or HomeCo Scrip Consideration.

10. Taxation Report

10.4.1.3. Scrip for scrip rollover

Scrip for scrip rollover and application to disposal of Aventus Units

Where they would otherwise make a capital gain, Scheme Securityholders should be eligible for scrip for scrip rollover in respect of the exchange of their Aventus Units for HDN Units and therefore should be able to disregard all of any capital gain arising from the Merger.

If a Scheme Securityholder chooses scrip for scrip rollover in respect of Aventus Units exchanged for HDN Units, the cost base and reduced cost base of each HDN Unit will be equal to the cost base of each Aventus Unit for which the HDN Unit was exchanged.

Scrip for scrip rollover and application to disposal of Aventus Shares

To the extent a Scheme Securityholder elects to receive the Cash Consideration, there should be no scrip for scrip rollover available in respect of the exchange of Aventus Shares for cash.

However, where a Scheme Securityholder elects to receive HomeCo Scrip Consideration, where they would otherwise make a capital gain, Scheme Securityholders should be eligible for scrip for scrip rollover in respect of the exchange of their Aventus Shares for HomeCo Shares and therefore should be able to disregard part or all of any capital gain arising from the Merger.

A factor relevant to whether scrip for scrip rollover applies is whether a potential HomeCo restructure (**HomeCo Restructure**) occurs prior to the Effective Date.

If a Scheme Securityholder chooses scrip for scrip rollover in respect of Aventus Shares exchanged for HCL shares, the cost base and reduced cost base of each HCL share will be equal to the cost base of each Aventus Share for which the HCL share was exchanged.

HomeCo is currently a stapled group where one HomeCo security consists of one share in Home Consortium Limited (**HCL**) stapled to one share in Home Consortium Developments Limited (**HCDL**).

Should the HomeCo Restructure occur prior to the Effective Date, HomeCo Securities will only consist of HCL shares, and Scheme Securityholders should be entitled to scrip for scrip rollover to the extent they choose to receive HomeCo Scrip Consideration.

Should the HomeCo Restructure not occur prior to the Effective Date, HomeCo Securities will still consist of both HCL and HCDL shares, and Scheme Securityholders will only be entitled to scrip for scrip rollover to ignore any capital gain to the extent they receive HCL (and not HCDL) shares as part of their HomeCo Scrip Consideration. A Scheme Securityholder will not be able to claim scrip for scrip rollover to the extent their HomeCo Scrip Consideration consists of HCDL shares. In this case, a Scheme Securityholder will recognise a capital gain on that portion.

Where both HCL and HDCL shares are received in exchange for Aventus Shares, the capital proceeds (i.e. HCL and HCDL shares) received by Scheme Securityholders must be apportioned in order to calculate the capital gain referable to the receipt of the HCL and HCDL shares. One possible method of apportionment is on the basis of the relative Net Tangible Assets of the individual entities. At 30 June 2021, the proportion of the total HomeCo Net Tangible Assets held by each entity (per <https://investors.home-co.com.au/investor-centre/?page=Taxation-Information>) was as follows:

- HCL – 99.63%; and
- HCDL – 0.37%.

Where a Scheme Securityholder chooses scrip for scrip rollover relief, the Scheme Securityholder will make a capital gain to the extent that the market value of HCDL shares received as Scrip Consideration exceeds a proportionate part of the cost base for their Aventus Securities. The capital gain will be calculated as follows:

$$\begin{aligned} & \text{Capital gain on exchanging Aventus Shares} = \\ & \text{Market value of HCDL shares} \\ & \text{less} \\ & \left(\frac{\text{Market value of HCDL shares}}{\text{Market value of HomeCo stapled securities}} \times \text{Cost base of Aventus Shares} \right) \end{aligned}$$

Where a Scheme Securityholder has chosen scrip for scrip rollover relief, the first element of the cost base of the HCL shares received as HomeCo Scrip Consideration should be equal to the cost base of their original Aventus Shares, reduced by the amount of the cost base that is reasonably attributable to the HCDL shares, calculated as follows:

$$\begin{aligned} & \text{Cost base of HCL shares} = \\ & \text{Cost base of Aventus Shares} \times \frac{\text{Market value of HCL shares}}{\text{Market value of HomeCo stapled securities}} \end{aligned}$$

Acquisition date for CGT discount purposes

For CGT discount purposes, the new HDN Units and HomeCo Securities will be taken to have been acquired at the time the original Aventus Units and Aventus Shares for which they were exchanged (respectively) were acquired.

Class Ruling

Aventus has applied to the ATO for a binding class ruling (**Class Ruling**) for the benefit of Scheme Securityholders which seeks to provide confirmation in relation to the availability of scrip for scrip rollover.

A copy of the Class Ruling will be made available on the Aventus website once it is issued.

Receipt of a binding class ruling confirming the availability of scrip for scrip rollover in relation to Aventus Units is a condition to the Merger becoming effective: see section 2.3 of this Scheme Booklet.

10.4.1.4. Capital loss

Where a Scheme Securityholder would make a capital loss on the disposal of an Aventus Unit or an Aventus Share, the Scheme Securityholder is not entitled to scrip for scrip rollover in respect of that particular disposal.

Instead, the Scheme Securityholder will incur a capital loss on that disposal, which the Scheme Securityholder can apply against capital gains the Scheme Securityholder makes in the relevant, or later, income years, subject to passing any applicable loss utilisation tests.

10.4.1.5. Impact of Cancellation of Cross-Staple Loan on CGT calculations

As noted above, Scheme Securityholders are required to apportion the cost of their Aventus Securities between their Aventus Share and Aventus Unit. One possible method of apportionment is on the basis of the relative proportion of net assets of the two entities at the time the Aventus Securities were acquired.

However, as the allocation of Scheme Consideration between HDN Units and Cash Consideration or HomeCo Scrip Consideration was determined based on the relative net asset values of AHL and ARPF assuming that the Cross-Staple Loan would be forgiven:

- the relative proportion of capital proceeds received for Aventus Shares may be higher than the relative proportion of cost base in Aventus Shares, such that the Scheme Securityholder makes a higher capital gain (or smaller capital loss) on disposal of the Aventus Shares in exchange for Cash Consideration or HomeCo Scrip Consideration; and

10. Taxation Report

- the relative proportion of capital proceeds received for Aventus Units may be lower than the relative proportion of cost base in Aventus Units, such that the Scheme Securityholder makes a lower capital gain (or greater capital loss) on disposal of the Aventus Units in exchange for HDN Units.

Where a Scheme Securityholder does not choose scrip for scrip rollover relief in respect of either their Aventus Shares or Aventus Units, the capital gain they make on disposal of their Aventus Shares will be higher (or the capital loss will be lower) and the capital gain they make on disposal of their Aventus Units will be lower (or the capital loss will be higher) than if the Cross-Staple Loan was not forgiven. The total capital gain or loss should be the same as if the Cross-Staple Loan was not forgiven.

Where a Scheme Securityholder chooses scrip for scrip rollover relief in respect of both their Aventus Shares and Aventus Units, any capital gains arising in respect of Aventus Shares and Aventus Units should be disregarded. As such, the cancellation of the Cross-Staple Loan should only affect their relative cost bases in HCL shares and HDN Units, and the eventual capital gain or loss they make on disposal of those HCL shares and HDN Units (see section 10.9). If they dispose of those HCL shares and HDN Units at the same time, then the total capital gain or loss should be the same as if the Cross-Staple Loan was not forgiven.

However, where a Scheme Securityholder chooses scrip for scrip rollover relief in respect of their Aventus Units only but not their Aventus Shares (including where they choose to receive Cash Consideration), then they will realise a higher capital gain on disposal of their Aventus Shares (or a lower capital loss) without simultaneously realising a lower capital gain on disposal of their Aventus Units since this is disregarded. They will have a higher cost base in HDN Units, but will not be able to realise the benefit of this until they eventually make a capital gain or loss on disposal of those HDN Units.

10.4.1.6. Example – how to calculate a capital gain or loss you make on the Merger

The following example illustrates how to calculate the potential capital gain arising in respect of the Schemes, how the cost bases of new HDN Units and HomeCo Securities issued under the Schemes are determined, and the impact of choosing scrip for scrip rollover.

The figures in this example are for illustrative purposes only, address a hypothetical situation and are not necessarily indicative of the actual tax implications of the CGT regime to Scheme Securityholders. Scheme Securityholders should seek their own independent tax advice as to the tax implications of the Schemes. Scheme Securityholders who are not residents of Australia for tax purposes should also obtain specific independent tax advice on the application of the laws of their country of residence (for tax purposes) in determining the tax consequences of the disposal of their Scheme Securities.

Assume that a Scheme Securityholder:

- Purchased 1,000 Aventus Units under the Aventus Initial Public Offering (IPO) for \$2.00 per unit;
- Holds all their Scheme Securities on capital account;
- Is an Australian tax resident; and
- Did not dispose of any of their Scheme Securities prior to the Schemes.

Therefore, the Scheme Securityholder's initial cost base in the Aventus Units was \$2,000, being 1,000 Aventus Units x \$2.00 cost base per Unit.

Further, assume that:

- The market value of HomeCo Securities on the Implementation Date is \$7.82; and
- The market value of HDN Units on the Implementation Date is \$1.45.

Capital raisings

Aventus completed two capital raising events following its IPO:

- an Entitlement Offer on 26 May 2016 of 3 new Aventus Units for every 20 existing Aventus Units held on the Record Date, at an Offer Price of \$2.03 per new Aventus Unit; and
- an Entitlement Offer on 28 June 2017 of 1 new Aventus Unit for every 4.3 existing Aventus Units held on the Record Date, at an Offer Price of \$2.32 per new Aventus Unit.

Assume the Scheme Securityholder exercised all of their Entitlements under each Entitlement Offer, acquiring:

- 150 Aventus Units on 26 May 2016 at the Offer Price of \$2.03 per new Aventus Unit; and
- 267 Aventus Units on 28 June 2017 at the Offer Price of \$2.32 per new Aventus Unit.

The total cost base of the Scheme Securityholder's Aventus Units at 28 June 2017 would be as follows:

INITIAL COST BASE – AVENTUS UNITS	NUMBER OF SECURITIES	\$
Aventus Units (purchased at IPO)	1,000	2,000.00
Aventus Units (purchased 26 May 2016)	150	304.50
Aventus Units (purchased 28 June 2017)	267	619.44
Total initial cost base in Aventus Units	1,417	2,923.94

Tax deferred distributions

Aventus has made quarterly distributions to Aventus Unitholders since 31 March 2016, the majority of which have included a “tax deferred” component. As a result, Aventus Unitholders' cost base in their Aventus Units has been reduced due to those tax deferred distribution components.

Prior to the Internalisation (defined below), the total tax deferred distributions received by the Scheme Securityholder (and resulting reductions in cost base) would be (as at 30 September 2018):

ITEM	NUMBER OF SECURITIES	INITIAL COST BASE \$	TAX DEFERRED DISTRIBUTIONS \$	REDUCED COST BASE \$
Aventus Units (purchased at IPO)	1,000	2,000.00	(189.61)	1,810.39
Aventus Units (purchased 26 May 2016)	150	304.50	(22.99)	281.51
Aventus Units (purchased 28 June 2017)	267	619.44	(20.01)	599.43
Total	1,417	2,923.94	(232.61)	2,691.32

Information regarding the tax deferred components of Aventus distributions may be found here: <https://aventusgroup.com.au/investors/my-shareholding/>.

Internalisation and stapling

Aventus underwent a restructure on 1 October 2018, under which its management functions were internalised through the acquisition of the APG Group (**Internalisation**).

Pursuant to the Internalisation, Aventus Unitholders were issued with one share Aventus Share for each Aventus Unit they held at the implementation date. Aventus Shares were then stapled to existing Aventus Units, and traded as Aventus Securities.

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The distribution of Aventus Shares (**Stapled Distribution**) was considered a distribution of capital, which reduced Aventus Unitholders' cost base in their Aventus Units. This reduction in Aventus Units' cost base was effectively 'transferred' to the Aventus Shares received on stapling.

The reduction in the Scheme Securityholder's cost base in their Aventus Units was \$0.11 per Aventus Unit.

Aventus Securityholders were taken to have acquired Aventus Shares on the date of the Stapled Distribution. Aventus Securityholders' cost base in Aventus Shares was \$0.11 per share.

Accordingly, the Scheme Securityholder's estimated cost base in their Aventus Securities at 1 October 2018 would be as follows:

ITEM	AVENTUS UNITS	AVENTUS SHARES	AVENTUS SECURITIES
Cost base in Aventus Units (at 30 September 2018)	2,691.32	-	2,691.32
Reduction in cost base (Stapled Distribution)	(155.87)	-	(155.87)
Cost base in Aventus Shares issued	-	155.87	155.87
Cost base in Aventus Securities (at 1 October 2018)	2,535.45	155.87	2,691.32

Tax deferred distributions – final cost base

Aventus has made additional quarterly distributions to Aventus Securityholders which have included a tax deferred component following the Internalisation. The total tax deferred distributions received by the Scheme Securityholder (and resulting reductions in cost base) would be (as at 30 June 2021):

ITEM	AVENTUS UNITS	AVENTUS SHARES	AVENTUS SECURITIES
Cost base in Aventus Securities (at 1 October 2018)	2,535.45	155.87	2,691.32
Reduction in cost base (tax deferred distributions)	(235.32)	-	(235.32)
Cost base in Scheme Securities (at 18 October 2021)	2,300.13	155.87	2,456.00

Capital proceeds – HomeCo Scrip Consideration chosen

These values are based on the assumed price of New HomeCo Securities and New HDN Trust units on the Implementation Date as noted above.

Made up as follows:

Share Consideration	0.038	x	\$7.82	x	1,417	= \$421
Unit Consideration	2.20	x	\$1.45	x	1,417	= \$4,520
Total capital proceeds			\$3.487	x	1,417	= \$4,941

These values are based on the closing price of HomeCo Securities and HDN Units on 16 November 2021 as noted above.

Capital proceeds – Cash Consideration chosen

The capital proceeds received by the Scheme Securityholder if the Cash Consideration is chosen would be \$4,924, consisting of 1,417 Scheme Securities x (\$3.19 capital proceeds per Aventus Unit + \$0.285 per Aventus Share) made up as follows:

Cash Consideration	\$0.285	×	1,417	=	\$404
Unit Consideration	\$3.190	×	1,417	=	\$4,520
Total capital proceeds	\$3.475	×	1,417	=	\$4,924

Again, the Unit Consideration is based on the assumed price of HDN Trust units on the Implementation Date as noted above.

Capital gain – apart from scrip for scrip rollover relief

If scrip for scrip rollover relief is not chosen or not available and the Cash Consideration is chosen for the Members' Scheme, the capital gain for the Stapled Securityholder would be \$2,468, calculated as \$4,924 (capital proceeds) less \$2,456 (cost base).

Scrip for scrip rollover chosen only for Trust Scheme

If scrip for scrip rollover relief is chosen only for the Trust Scheme and the Cash Consideration is chosen for the Members' Scheme, the Scheme Securityholder's capital gain upon disposal of their Aventus Shares would be \$248, calculated as capital proceeds for Aventus Shares (\$404) less cost base of Aventus Shares (\$156).

Scrip for scrip rollover chosen for both Schemes

If scrip for scrip rollover relief is chosen for the Trust Scheme and the Members' Scheme, the Scheme Securityholder's capital gain will be disregarded in full provided the HomeCo Restructure occurs before the Effective Date. If the HomeCo Restructure does not occur before the Effective Date, the Aventus Shares capital proceeds and cost base will need to be apportioned, and a capital gain calculated as per the formulas in 10.4.1.3 above.

10.4.2. Non-resident Scheme Securityholders

The taxation consequences discussed in section 10.4.1 above will generally apply to Scheme Securityholders that are non-residents, if either the Aventus Shares or the Aventus Units are "taxable Australian property".

As the underlying value of Aventus Units is principally derived from Australian real property, Aventus Units will be "taxable Australian property" for a non-resident Scheme Securityholder if, just before the CGT event or throughout a 12 month period that began no earlier than 24 months before that time, the non-resident Scheme Securityholder and its associates held Aventus Units at that time of 10% or more. The CGT event will occur on the Implementation Date.

As the underlying value of Aventus Shares is not principally derived from Australian real property, Aventus Shares should not be "taxable Australian property" for a non-resident Securityholder, unless the following paragraph applies.

Aventus Shares and Aventus Units will also be "taxable Australian property" for non-resident Scheme Securityholders who:

- hold the Aventus Shares and Aventus Units in carrying on a business through a permanent establishment in Australia; or
- are individuals who made an election to treat the Aventus Shares and Aventus Units as taxable Australian property at the time they ceased to be an Australian resident (if the Aventus Securityholder was ever an Australian resident).

If an Aventus Share or Aventus Unit is "taxable Australian property" and a non-resident Scheme Securityholder makes a capital gain as a result of the disposal of the Aventus Share or Aventus Unit, the Scheme Securityholder should be entitled to choose scrip for scrip rollover in the same manner as a resident Scheme Securityholder, provided the HomeCo Securities (in respect of an Aventus Share) or HDN Units (in respect of a Aventus Unit) are also "taxable Australian property" to the non-resident after the transaction. If the HomeCo Securities or HDN Units are not "taxable Australian property" of the Scheme Securityholder immediately after the Scheme Securityholder acquires them under

10. Taxation Report

the Schemes (for example, because the Scheme Securityholder does not hold 10% or more of the Aventus Shares or Aventus Units), a non-resident Scheme Securityholder is not eligible for scrip for scrip rollover.

Where a non-resident Scheme Securityholder realises a capital gain for Australian tax purposes on disposal of their Aventus Shares or Aventus Units, the non-resident Scheme Securityholder will not be entitled to the CGT discount in relation to that gain. This is relevant where scrip for scrip rollover does not apply (e.g. because the Scheme Securityholder did not elect to receive HomeCo Scrip Consideration for their Aventus Shares, or where HDN Units are not “taxable Australian property” for the Scheme Securityholder immediately after the Implementation Date).

Where an Aventus Share or Aventus Unit is not “taxable Australian property”, the capital gain or loss that is made by a non-resident Scheme Securityholder on the disposal of the Aventus Share or Aventus Unit should be disregarded.

10.5. Foreign Resident Capital Gains Withholding

The foreign resident capital gains withholding regime may impose a 12.5% “withholding” obligation (calculated by reference to the Scheme Consideration) on HomeCo or HDN if HomeCo or HDN considers, or reasonably believes that:

- a Scheme Securityholder is a foreign resident; and
- the Scheme Securityholder satisfies the “taxable Australian property” test referred to above

10.6. Status of defeating conditions

Implementation of the Merger is subject to a number of conditions set out in clause 3.1 of the Scheme Implementation Deed. HomeCo and Aventus will provide updates on any material developments relating to the status of these conditions. If those conditions are not fulfilled or waived and the Merger is not implemented, then no CGT event will happen for Scheme Securityholders.

10.7. December 2021 Aventus Distribution

Aventus Securityholders will be required to treat the tax components of the December 2021 Distribution in the same manner that the tax components of Aventus’ regular quarterly income distributions are treated.

The tax profile of that distribution will be advised to Aventus Securityholders subsequent to payment.

10.8. Holding HDN Units and HomeCo Securities

Following implementation of the Merger, Scheme Securityholders will cease to hold Aventus Securities and will instead hold HDN Units and, if the Scheme Securityholder elected to receive the HomeCo Scrip Consideration, HomeCo Securities.

10.8.1. Income Distributions from Merged HDN Group

While HDN Trustee has made the election that HDN be an attribution managed investment trust (**AMIT**), unless circumstances change, the Merged HDN Group will not qualify as such from 1 July 2022.

In any event, it should be the case that the Merged HDN Group will be a “flow-through” entity for tax purposes. As such, HDN Trustee should not be liable to tax on its net income, provided the trustee makes HDN Unitholders presently entitled to all of the distributable income of the trust for an income year. In which case the net income of the Merged HDN Group will be subject to tax in the hands of HDN Unitholders.

10.8.1.1. Australian resident HDN Unitholders

For the period until 30 June 2022, HDN will be an AMIT. Australian-resident HDN Unitholders will include the amount of HDN’s net income that is attributed to them (via an Attribution MIT member annual or AMMA statement that will be provided to them by the HDN Merged Group) in their assessable income. To the extent any discount capital gains are attributed to the unitholder, the unitholder will need to ‘gross-up’ (via doubling) the capital gain before applying any capital losses, and the unitholder’s applicable CGT discount percentage (if any) – being 50% for individuals, and 33 1/3% for superannation entities; companies are not entitled to any discount. Where the amount of the Merged

HDN Group's taxable income (after doubling any discount capital gains) attributed to the HDN Unitholder is greater than the cash distributions received by that unitholder, the unitholder's cost base in their HDN Units is increased by that excess. If the cash distributed exceeds that attributed amount, the HDN Unitholder's cost base in their units is reduced to that extent (i.e. in a similar way as an Aventus Unit's cost base is reduced for tax deferred distributions).

For subsequent periods, unless circumstances change, HDN will cease to be an AMIT. In this instance, HDN Unitholders will include in their assessable income the taxable component of the Merged HDN Group's distributions to which the HDN Unitholder is entitled (being the HDN Unitholder's proportionate share of the Merged HDN Group's taxable income) even if the distributions are reinvested. This amount will be taxed to the HDN Unitholder in the income year to which the income relates, irrespective of the timing of the cash payments made in respect of distributions.

If a net capital gain is included in the taxable income of the trust (for example, on disposal of an asset), HDN Unitholders will be regarded as having derived a capital gain equal to their proportionate share of that net capital gain. However, where discount capital gains treatment has been applied in calculating the net capital gain for the trust, HDN Unitholders will be required to gross up the amount of the capital gain included in their assessable income. HDN Unitholders can then apply any available capital losses from other sources to offset the capital gain and then apply their CGT discount factor, if applicable. Australian-resident individual unitholders should be entitled to apply the 50% CGT discount to such gains.

If the total cash distributions that a HDN Unitholder receives in an income year exceeds his or her proportionate share of the taxable income of the Merged HDN Group, the excess should not be included in a HDN Unitholder's assessable income. However, the excess will reduce the cost base of the HDN Unitholder's HDN Units.

Where the cost base of a unit has been reduced to zero, any further distributions in excess of the taxable component will be assessable to the HDN Unitholder on receipt as a capital gain. The CGT discount may be applied to this capital gain where the HDN Units have been held for 12 months or more.

Unlike the case where HDN is an AMIT, if the HDN Unitholder's proportionate share of the taxable income of the Merged HDN Group is greater than the total cash distributions received, the cost base of that HDN Unitholder's HDN Units is not increased to the extent of that excess.

Where scrip for scrip rollover relief was available and was chosen, for the purposes of applying the CGT discount, a HDN Unitholder's acquisition date for their HDN Unit will be taken to be the date they acquired their original Aventus Unit (refer section 10.4.1.3 above).

10.8.1.2. Non-resident HDN Unitholders

For the period until 30 June 2022, HDN will be an AMIT. For distributions that relate to that period, the taxable component of those distributions will be subject to final withholding of 10% (to the extent they comprise of interest income earned by the Merged HDN Group), or 15% or 30% (to the extent they comprise of other net income of the Merged HDN Group, with the rate dependent upon the jurisdiction in which the HDN Unitholder is located).

For subsequent periods, unless circumstances change, HDN will cease to be an AMIT. In this instance, non-resident HDN Unitholders will need to include the taxable component of any distributions they receive in their assessable income. The taxable component is calculated, broadly, as net rental income less tax depreciation, plus capital gains. To the extent that the distribution includes a discount capital gain component, the "grossed-up" capital gain and not on the discount capital gain amount, is included (as non-residents would not be entitled to the CGT discount if they held the asset to which the capital gain relates directly).

HDN Trustee will also be required to pay tax on those amounts. The non-resident HDN Unitholder will be entitled to a credit for the tax paid by HDN Trustee. To the extent that the non-resident HDN Unitholder incurs deductible costs in respect of its investment in HDN Units, the HDN Unitholder should be entitled to a refund of the excess of the tax paid by HDN Trustee over the tax payable by the unitholder on its net income after those deductions.

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The amount of tax payable by the non-resident HDN Unitholder and HDN Trustee is dependent on the nature of the HDN Unitholder to which the distribution relates. Generally, the tax rate is 30% for non-resident companies, and up to 45% for non-resident individuals and non-resident trustees.

To the extent distributions paid to non-resident HDN Unitholders are greater than the taxable component, the excess should not be subject to tax, but should reduce the non-resident HDN Unitholder's cost base in HDN Units.

Unlike the case where HDN is an AMIT, if the HDN Unitholder's proportionate share of the taxable income of the Merged HDN Group is greater than the total cash distributions received, the cost base of that HDN Unitholder's HDN Units is not increased to the extent of that excess.

Unfranked dividends, interest and royalties (if any) distributed out of the Merged HDN Group will be subject to withholding tax which is generally imposed at a rate of 30% for unfranked dividends and royalties and 10% for interest. Non-resident HDN Unitholders who are residents of a country that has entered into a Double Tax Agreement with Australia may be entitled to a lower rate of withholding tax.

10.8.2. Dividends from HomeCo

10.8.2.1. Australian-resident HomeCo Securityholders

HomeCo Securityholders should include dividends paid by HomeCo in their assessable income. In addition to the amount of the dividends, HomeCo Securityholders will generally include any franking credits attached to the dividends in their assessable income. Where franking credits are included in a HomeCo Securityholder's assessable income, the HomeCo Securityholder will generally be entitled to a corresponding tax offset.

Relevantly, to be eligible for the franking credit and tax offset, the HomeCo Securityholder must have held the units "at risk" for at least 45 days (not including the date of the HomeCo Security's acquisition or disposal). This rule should not apply to a HomeCo Securityholder if the HomeCo Securityholder is an individual whose tax offset entitlement (on all shares and interests in shares held) does not exceed \$5,000 for the income year in which the franked dividend is paid.

HomeCo Securityholders who are individuals may be entitled to a refund to the extent that the franking credits attached to the HomeCo Securityholder's dividends exceed the HomeCo Securityholder's tax liability for the income year.

10.8.2.2. Non-resident HomeCo Securityholders

Non-resident HomeCo Securityholders should not be assessable on the amount of any dividend received from HomeCo. However, HomeCo will be required to withhold tax from the unfranked component of dividends paid to a non-resident HomeCo Securityholder. The tax withheld should, in the absence of a Double Tax Agreement, be equal to 30% of the unfranked component of the dividends paid.

This rate may be reduced, generally to 15%, where the HomeCo Securityholder is a resident of a country with which Australia has concluded a Double Tax Agreement.

10.9. Disposal of HDN Units and HomeCo Securities

10.9.1. Australian-resident HDN Unitholders and HomeCo Securityholders

Upon disposal of a HDN Unit or HomeCo Security, the HDN Unitholder or HomeCo Securityholder (as applicable) will make a capital gain if the consideration received exceeds the cost base of the HDN Unit or HomeCo Security. A HDN Unitholder or HomeCo Securityholder (as applicable) will make a capital loss if the consideration received is less than the reduced cost base of the HDN Unit or HomeCo Security.

For an HDN Unitholder or HomeCo Securityholder who chose a scrip for scrip rollover, the way in which the cost base of each HDN Unit or HomeCo Share will be calculated is outlined in section 10.4.1.3.

For HDN Unitholders/HomeCo Securityholders who choose scrip for scrip rollover, the acquisition date for their HDN Units/HomeCo Securities will be taken to be the date they acquired their original Aventus Securities (see section 10.4.1.3 to the extent scrip for scrip rollover applied). Otherwise, the HDN Units/ Home Co Securities will be taken to have been acquired on the date the Merger is implemented.

10.9.2. Non-resident HDN Unitholders and HomeCo Securityholders

Any capital gain or capital loss made by non-resident HDN Unitholders or HomeCo Securityholders from the disposal of either HDN Units or HomeCo Securities (as applicable) should be disregarded provided that the HDN Units or HomeCo Securities are not taxable Australian property. HDN Units and HomeCo Securities should not be taxable Australian property unless they satisfy the test outlined above (as applied to a HDN Unit or HomeCo Security rather than an Aventus Unit or Aventus Share).

To the extent that the HDN Units or HomeCo Securities are taxable Australian property and a non-resident HDN Unitholder or HomeCo Securityholder makes a capital gain as a result of the disposal of their HDN Units or HomeCo Securities (as applicable), the non-resident HDN Unitholder or HomeCo Securityholder will not be entitled to a CGT discount.

10.10. GST

No GST will be charged to Scheme Securityholders nor will any GST liability arise for Scheme Securityholders (whether resident or non-resident) on any of the steps in the Merger:

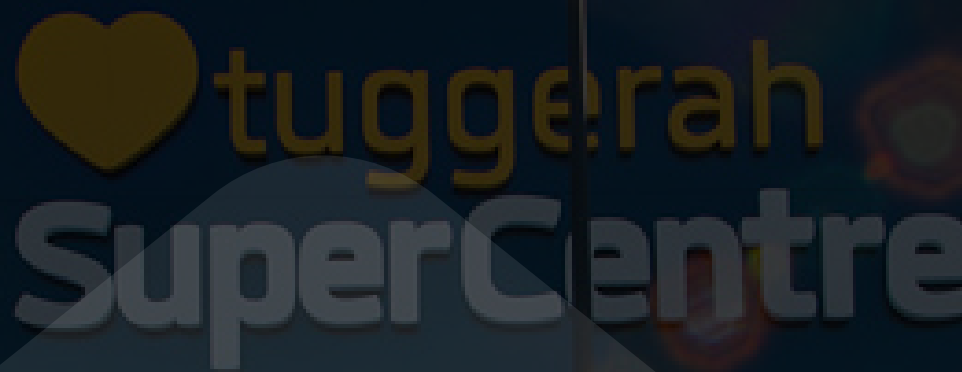
- the issue of HDN Units and HomeCo Securities, and any disposal of HDN Units and HomeCo Securities via the Sale Facility will not be subject to GST as they will be either input taxed supplies (to residents) or GST-free supplies (to non-residents);
- distributions on HDN Units and HomeCo Securities will not be consideration for supplies for GST purposes; and
- the unstapling of Aventus Securities will not amount to supplies for GST purposes.


10.11. TFN/ABN quotation

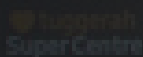
Aventus Securityholders will be invited to quote their Tax File Number (**TFN**) or Australian Business Number (**ABN**) in respect of their acquisition of HDN Units and, if applicable, HomeCo Securities. Aventus Securityholders are not obliged to provide their TFN or ABN. However, if an Aventus Securityholder does not provide their TFN, ABN or an exemption, tax may be withheld at a rate of 47% on any gross distributions made to them on their HDN Units and HomeCo Securities (with entitlement to claim an income tax credit in respect of the tax withheld).


Section Eleven

**Additional
information**

A large sign for Tuggerah SuperCentre. It features a yellow heart icon to the left of the word "tuggerah" in a yellow, lowercase, sans-serif font. Below "tuggerah" is the word "SuperCentre" in a larger, grey, uppercase, sans-serif font. The sign is set against a dark blue background.

 **tuggerah**
SuperCentre

A small logo for Tuggerah SuperCentre, featuring a yellow heart icon and the text "tuggerah SuperCentre" in a small, white, sans-serif font.

 **tuggerah**
SuperCentre

A sign that says "welcome" in a yellow, lowercase, sans-serif font, with a yellow heart icon to its left. The sign is set against a dark blue background.

 **welcome**

11.1. Scheme Implementation Deed

11.1.1. Overview

On 18 October 2021, Aventus, HDN Trustee and HomeCo entered into a Scheme Implementation Deed under which:

- the Aventus Units and Aventus Shares will be Unstapled;
- HDN Trustee will acquire all of the Aventus Units by way of a Trust Scheme; and
- HomeCo will acquire all of the Aventus Shares by way of a members' scheme of arrangement under Part 5.1 of the Corporations Act.

A full copy of the Scheme Implementation Deed was released to ASX on 18 October 2021 and can be obtained from <https://www.2asx.com.au> or <https://aventusgroup.com.au/investors/news-events/>. A summary of the key terms of the Scheme Implementation Deed is set out below.

Capitalised expressions used in this section 11.1 but not otherwise defined in this Scheme Booklet have the meaning given to them in the Scheme Implementation Deed.

11.1.2. Conditions Precedent

Implementation of the Merger, which comprises a merger of Aventus Trust and HDN and a merger of Aventus Company and HomeCo, is subject to the Conditions Precedent in the Scheme Implementation Deed which must be satisfied or waived (as applicable). For details of the Conditions Precedent, see clause 3.1 of the Scheme Implementation Deed and section 2.3 of this Scheme Booklet.

As far as Aventus is aware, immediately before the date of this Scheme Booklet no circumstances have occurred which will cause any of the Conditions Precedent not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the last time each Condition Precedent is to be satisfied, which for many of the Conditions Precedent is 8.00am on the Second Court Date. A summary of the Conditions Precedent and their status as at the date of this Scheme Booklet is as follows:

Conditions Precedent	Status
Conditions that cannot be waived	
FIRB: BBRC receives written notice that the Commonwealth Government has no objections to the Merger.	Outstanding
ASIC and ASX: all relief, waivers, confirmations, exemptions, consents or approvals to implement the Merger are obtained and not withdrawn or revoked.	Satisfied
Orders convening Meeting: the Court grants the First Judicial Advice and makes orders convening the Members' Scheme Meeting under section 411(1) of the Corporations Act.	Satisfied
Securityholder approval: Aventus Securityholders approve the Unstapling Resolutions and the Schemes by the requisite majorities at the Meetings. HDN Unitholders approve the Reverse Takeover Resolution by the requisite majority.	Outstanding
Independent Expert Report: the Independent Expert issues a report concluding that the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders).	Satisfied
Court approval: the Court grants the Second Judicial Advice and approves the Members' Scheme in accordance with section 411(4)(b) of the Corporations Act.	Outstanding

11. Additional information

Conditions Precedent	Status	
Conditions for benefit of Aventus	No HDN Prescribed Occurrence: no HDN Prescribed Occurrence occurs between (and including) 18 October 2021 and 8.00am on the Second Court Date.	Outstanding
	No HDN Material Adverse Change: no HDN Material Adverse Change occurs, is announced or otherwise becomes known to Aventus Trustee or Aventus Company, between (and including) 18 October 2021 and 8.00am on the Second Court Date.	Outstanding
	New HDN Units: the new HDN Units pursuant to the Trust Scheme are approved for official quotation by ASX by 8.00am on the Second Court Date (subject to customary conditions) and such approval remains in full force and effect and has not been withdrawn or revoked.	Outstanding
	New HomeCo Securities: the new HomeCo Securities to be issued pursuant to the Members' Scheme are approved for official quotation by ASX by 8.00am on the Second Court Date (subject to customary conditions) and such approval remains in full force and effect and has not been withdrawn or revoked.	Outstanding
	Rollover relief: a class ruling is obtained from the ATO confirming the availability of scrip for scrip rollover relief in relation to the acquisition of Aventus Units pursuant to the Trust Scheme.	Outstanding
Conditions for benefit of HomeCo and HDN	No Aventus Prescribed Occurrence: no Aventus Prescribed Occurrence occurs between (and including) 18 October 2021 and 8.00am on the Second Court Date.	Outstanding
	No Aventus Material Adverse Change: no Aventus Material Adverse Change occurs, is announced or otherwise becomes known to HDN Trustee or HomeCo, between (and including) 18 October 2021 and 8.00am on the Second Court Date.	Outstanding
Condition for the benefit of both parties	No regulatory intervention: no Court or Government Agency has issued or taken steps to prevent, make illegal or delay the Merger at 8.00am on the Second Court Date.	Outstanding

11.1.3. Aventus exclusivity arrangements

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of HDN Trustee and HomeCo. The arrangements are in line with Australian market practice and may be summarised as follows:

- **No shop:** Aventus must not solicit, invite, encourage or initiate any enquiries, discussions or proposals from any third party in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal;
- **No talk:** subject to a fiduciary exception on market standard terms, Aventus must not:
 - facilitate, participate in or continue any negotiations, discussions or communications with any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal; or
 - negotiate, accept or enter into any arrangement or understanding regarding an actual proposed or potential Competing Proposal;

- **No due diligence:** subject to a fiduciary exception on market standard terms, Aventus must not provide any non-public information about the Aventus Group to a third party in connection with, with a view of obtaining, or which would reasonably be expected to encourage or lead to an actual, proposed or potential Competing Proposal;
- **Notification:** Aventus must notify HDN Trustee and HomeCo within 24 hours if it becomes aware of any proposal in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; and
- **Matching right:** Aventus must not enter into an agreement (other than a confidentiality agreement) in relation to an actual, proposed or potential Competing Proposal unless:
 - the Aventus Boards acting in good faith, and in what the Aventus Directors consider to be their statutory or fiduciary duties, determine that the Competing Proposal is, would be, or would be reasonably likely to be, a Superior Proposal;
 - Aventus has provided HDN Trustee and HomeCo with the material terms and conditions of the Competing Proposal (including price and identity of the bidder, as well as information regarding conditions precedent, funding and termination events) and any written due diligence materials provided to the bidder (where applicable);
 - Aventus has given HDN Trustee and HomeCo at least three Business Days after the date of the provision of the material terms and conditions of the Competing Proposal, to provide a matching or superior proposal to the terms of the Competing Proposal; and
 - HDN Trustee and HomeCo have not announced or otherwise formally proposed to Aventus a matching or superior proposal to the terms of the Competing Proposal by the expiry of the three Business Day period.

These exclusivity provisions end on the earliest of the date of termination of the Scheme Implementation Deed in accordance with its terms, the End Date, the Schemes becoming Effective and Aventus determining that a Competing Proposal is a Superior Proposal after having complied with its matching right obligations.

These exclusivity arrangements are set out in clause 11 of the Scheme Implementation Deed.

11.1.4. Aventus Boards' recommendation

Aventus must use all reasonable endeavours to procure that the Aventus Boards collectively, and the Aventus Directors individually, do not adversely change, withdraw, adversely modify or adversely qualify its or their recommendation in relation to the Merger unless:

- the Independent Expert concludes that the Merger is not in the best interests of Aventus Securityholders;
- Aventus receives a Superior Proposal;
- the change, withdrawal, modification or qualification occurs because of a requirement by a court or Government Agency that one or more Aventus Directors abstain or withdraw from making a recommendation; or
- either Aventus Boards have determined, acting in good faith and after receiving written legal advice from their external legal advisers, that the Aventus Boards, by virtue of the directors' duties of the Aventus Directors, are required to change, withdraw or modify their recommendation, and Aventus has complied with their exclusivity provisions.

Aventus' obligations regarding the recommendation of the Aventus Boards are set out in clause 5.5 of the Scheme Implementation Deed.

11.1.5. Reimbursement Fees payable by Aventus Trustee and Aventus Company

In accordance with Australian market practice, Aventus Trustee and Aventus Company have agreed to pay HDN Trustee and HomeCo Reimbursement Fees totalling \$21.78 million (\$20.15 million attributable to Aventus Trustee and \$1.63 million attributable to Aventus Company) if certain events occur (unless the Schemes become Effective), including:

- during the Exclusivity Period, one or more Aventus Directors withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Merger or their recommendations in favour of the Merger, except as a result of:
 - the Independent Expert concluding that the Merger is not in the best interests of the Aventus Securityholders (except where that proposal is due to the existence of a Competing Proposal);

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- a requirement by a court or Government Agency that one or more Aventus Directors abstain or withdraw from making a recommendation; or
- Aventus Trustee or Aventus Company terminating the Scheme Implementation Deed in accordance with its termination rights;
- during the Exclusivity Period, one or more Aventus Directors supports, or recommends that Aventus Securityholders accept or vote in favour of, a Competing Proposal that is announced during the Exclusivity Period;
- a Competing Proposal is announced during the Exclusivity Period and within 12 months of announcement of the Competing Proposal, the competing bidder (or an Associate) completes a Competing Proposal or acquires a 50% or greater interest in the Aventus Trust or the Aventus Company; or
- HDN Trustee or HomeCo terminates the Scheme Implementation Deed as a result of:
 - a material breach of the Scheme Implementation Deed (including of a representation and warranty) by Aventus that is not remedied within the applicable remedy period; or
 - an Aventus Prescribed Occurrence or Aventus Regulated Event occurring that is not remedied within the applicable remedy period.

Each of Aventus, HDN Trustee and HomeCo considers that the Reimbursement Fees are a genuine and reasonable pre-estimate of costs that would be suffered by HDN Trustee and HomeCo if the Merger did not proceed.

The Reimbursement Fee is a cap on Aventus' liability except in relation to intentional contraventions of the Scheme Implementation Deed. If required, Aventus would utilise its existing debt facilities to pay the Reimbursement Fees.

The arrangements in relation to the Reimbursement Fees are set out in clause 13 of the Scheme Implementation Deed.

11.1.6. HDN exclusivity arrangements

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of Aventus. The arrangements may be summarised as follows:

- **No shop:** HDN Trustee and HomeCo must not solicit, invite, encourage or initiate any enquiries, discussions or proposals from any third party in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential HDN Competing Proposal; and
- **No talk:** subject to a fiduciary exception on market standard terms, HDN Trustee and HomeCo must not:
 - facilitate, participate in or continue any negotiations, discussions or communications with any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential HDN Competing Proposal; or
 - negotiate, accept or enter into any arrangement or understanding regarding an actual proposed or potential HDN Competing Proposal.

11.1.7. Reverse Reimbursement Fees payable by HDN Trustee and HomeCo

HDN Trustee and HomeCo have agreed to pay Aventus the Reverse Reimbursement Fees totalling \$21.78 million (\$20.15 million attributable to HDN Trustee and \$1.63 million attributable to HomeCo) if:

- a HDN Competing Proposal has been publicly announced and:
 - the HDN Meeting is held and at this meeting, the Reverse Takeover Resolution (approval of which is required to give effect to the Trust Scheme) is not approved by the requisite majority of HDN Unitholders; or
 - the majority approval of the Reverse Takeover Resolution aforementioned has not occurred by 8 May 2022; or
 - one or more HDN Trustee Directors withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Merger or their recommendation that HDN Unitholders vote in favour of the Reverse Takeover Resolution unless:
 - the change, withdrawal, modification or qualification occurs because of a requirement by a court or Government Agency that one or more HDN Trustee Directors abstain or withdraw from making a recommendation in favour of the Reverse Takeover Resolution; or
 - a HDN Trustee Director abstains from making a recommendation as they are also a director of HomeCo;

- Aventus Trustee or Aventus Company has terminated the Scheme Implementation Deed as a result of:
 - a material breach of the Scheme Implementation Deed (including of a representation and warranty) by HDN Trustee or HomeCo that is not remedied within the applicable period; or
 - a HDN Prescribed Occurrence or HDN Regulated Event occurring that is not remedied within the applicable remedy period; or
- Aventus Securityholders have approved the Schemes and the Unstapling but HDN Trustee or HomeCo has defaulted on its obligation to provide the Scheme Consideration to Scheme Securityholders.

If HDN Unitholders fail to approve the Reverse Takeover Resolution by 8 May 2022, unless the Reverse Reimbursement Fee is payable, HDN Group must reimburse Aventus for all external costs and expenses incurred in relation to the Merger up to a maximum of \$5 million.

The Reverse Reimbursement Fee is a cap on HDN Trustee's and HomeCo's liability except in relation to intentional contraventions of the Scheme Implementation Deed.

The arrangements in relation to the Reverse Reimbursement Fees and external cost reimbursement are set out in clause 14 of the Scheme Implementation Deed.

HomeCo and HDN Trustee propose to utilise their existing cash and debt facilities to fund their respective share of the Reverse Reimbursement Fees and, in relation to HDN Trustee only, any external cost reimbursement payable to Aventus.

11.1.8. Representations and warranties

Each party to the Scheme Implementation Deed has given representations and warranties to the other. A material breach of such representations and warranties that is not remedied within the applicable remedy period is capable of giving rise to a termination right.

These representations and warranties are set out in clause 7 and Schedule 3 (in the case of HDN Trustee and HomeCo) or Schedule 4 (in the case of Aventus) of the Scheme Implementation Deed.

11.1.9. Termination rights

The Scheme Implementation Deed may be terminated by the written agreement of Aventus, HDN Trustee and HomeCo, and each of these parties may terminate the Scheme Implementation Deed if:

- at any time before 8.00am on the Second Court Date, the Court or Government Agency has taken any action permanently restraining or otherwise preventing the implementation of the Merger and the action has become final and cannot be appealed or there is no realistic prospect of an appeal succeeding;
- any Condition Precedent becomes unable to be satisfied;
- the Effective Dates for the Schemes has not occurred, or will not occur, on or before the End Date;
- Aventus Securityholders have not agreed to the Unstapling or Schemes at the Meetings by the requisite majorities;
- HDN Unitholders have not approved the Reverse Takeover Resolution at the HDN meeting by the requisite majority and any Reverse Reimbursement Fee or indemnities (where applicable) have been paid in full; or
- the other party is in material breach of the Scheme Implementation Deed (including of a representation and warranty), it gives written notice to the other party setting out the relevant circumstances and the relevant circumstances continue for five Business Days after such notice is given.

In addition, HDN Trustee or HomeCo may terminate the Scheme Implementation Deed at any time before 8.00am on the Second Court Date if:

- an Aventus Prescribed Occurrence or Aventus Regulated Event occurs, HDN Trustee or HomeCo gives written notice to Aventus setting out the relevant circumstances and the relevant circumstances continue for five Business Days after such notice is given; or
- any Aventus Director:
 - fails to recommend the Merger;
 - adversely changes, withdraws, adversely modifies or adversely qualifies their support of the Merger or their recommendation in favour of the Merger; or

11. Additional information

- makes a public statement indicating they no longer support the Merger, or recommends, supports or endorses another transaction.

In addition, Aventus may terminate the Scheme Implementation Deed at any time before 8.00am on the Second Court Date if:

- a HDN Prescribed Occurrence or HDN Regulated Event occurs, Aventus gives written notice to HDN Trustee or HomeCo setting out the relevant circumstances and the relevant circumstances continue for five Business Days after such notice is given; or
- the Aventus Boards or a majority of the Aventus Boards have changed, withdrawn or qualified their recommendation as permitted in the circumstances described in section 11.1.4 of this Scheme Booklet.

The termination rights are set out in clause 15 of the Scheme Implementation Deed.

11.2. BBRC voting intention

Aventus' largest investor, BB Retail Capital (**BBRC**)¹, which has a 22.6% Relevant Interest in Aventus (as at the Last Practicable Date), has advised that its intention is to vote all of its Aventus Securities in favour of the Merger, based on the disclosed terms of the Merger and in the absence of a Superior Proposal.² BBRC's intention to vote is also subject to FIRB approval no HDN Prescribed Occurrence and no HDN Material Adverse Change conditions in the Scheme Implementation Deed being satisfied and not waived by Aventus prior to the Meetings.

11.3. Interest of HomeCo and HDN in Aventus Securities

On 20 October 2021 HomeCo advised that it had acquired a Relevant Interest in 34,243,758 Aventus Securities representing 6% of the Aventus Securities on issue and HDN Trustee advised that it had acquired voting power in the same Aventus Securities pursuant to substantial shareholding notices lodged with ASX and Aventus.

Other than described above, as at the Last Practicable Date neither HDN nor HomeCo has any Relevant Interest in Aventus Securities on issue.

The Relevant Interest and voting power arises by virtue of a put and call option agreement entered into between HomeCo and BBRC on 18 October 2021 (**BBRC Option Agreement**).

Pursuant to the BBRC Option Agreement, BBRC has granted HomeCo a call option to purchase 34,243,758 Aventus Securities (**Sale Securities**) for a cash amount per Aventus Security equal to the aggregate of (A) the Scheme Consideration multiplied by the volume weighted average price (VWAP) of HDN Units on the two highest consecutive days in the five Business Days before the Scheme Booklet is sent to Aventus Securityholders, or if this has not occurred before the option is exercised, the two Business Days before exercise or such other date as agreed; and (B) the Scheme Consideration multiplied by the VWAP of HomeCo Securities over the same period, capped at \$0.285 (**Option Consideration**). Completion of that purchase will take place five Business Days after the date of exercise of the call option.

Pursuant to the BBRC Option Agreement, HomeCo has granted BBRC a put option to dispose of the Sale Securities for the Option Consideration. The put option can be exercised at any time following HomeCo providing BBRC with a notice of the calculation of the Option Consideration following the sending of the Scheme Booklet to Aventus Securityholders. Completion of the disposal will take place five Business Days after the date of exercise of the put option.

1 BBRC's investment comprises Aventus Securities held by BB Retail Capital Pty Ltd as trustee for the Blundy Family Trust and BBFIT Investments Pte Limited.

2 If the BBRC Option has not been exercised before the time of the Meetings, BBRC intends to vote the Aventus Securities subject to the BBRC Option in favour of the Schemes.

As an indication of the Option Consideration, using the Last Practicable Date as a reference point instead of the date that the Scheme Booklet is sent to Aventus Securityholders, the Option Consideration and a worked example of the calculation of the Option Consideration is as set out below.

	Scheme Consideration	VWAP (\$)	Total (\$)
HDN Units	2.200	1.4432 ³	3.1750
HomeCo Securities	0.038	7.5598 ⁴	0.2850 ⁵
Total			3.4600

The above Option Consideration of \$3.46 per Aventus Security is indicative only. HomeCo and HDN will make an announcement to the ASX of the actual Option Consideration when it is determined after the Scheme Booklet is sent to Aventus Securityholders.

Pursuant to the BBRC Option Agreement BBRC has undertaken not to dispose of the Sale Securities until the termination of the agreement.

The options and the BBRC Option Agreement will terminate if the option exercise date has not occurred by the date that is 6 months after 18 October 2021.

As at the date of this Scheme Booklet neither the call option or the put option has been exercised.

If the call option or the put option were to be exercised before the Implementation Date so that HomeCo or HDN Trustee (or a related body corporate) becomes a holder of Aventus Securities before the Scheme Record Date it will become an Excluded Securityholder for purposes of the Schemes.

If a HomeCo Group Member becomes a holder of Aventus Securities before the Scheme Record Date it will participate in the Trust Scheme as a Scheme Securityholder but not participate in the Members' Scheme. If a HDN Group Member becomes a holder of Aventus Securities before the Scheme Record Date it will participate in the Members' Scheme as a Scheme Securityholder but not participate in the Trust Scheme.

11.4. HomeCo Restructure

HomeCo is currently comprised of a stapled company structure, under which HCL shares and HCDL shares are stapled such that they can only be dealt with together. The HomeCo Restructure will replace these stapled securities with ordinary shares in HCL.

The key steps involved in the proposed restructure of the HomeCo Securities are:

- the de-stapling of the shares in HCL from shares in HCDL such that they are not required to be dealt with together;
- the issuing of new HCL shares to eligible HomeCo Securityholders at the exchange ratio, being approximately 1.65 HCL shares for each HomeCo Security they hold on the proposal record date;
- in consideration for the issue of HCL shares to eligible HomeCo Securityholders, the acquisition by HCL of all the HCDL shares from the HomeCo Securityholders pursuant to a scheme of arrangement;
- the consolidation of HCL shares on issue so that eligible HomeCo Securityholders will hold one HCL share for each HomeCo Security they currently hold (subject to rounding); and
- the delisting of HCDL from the ASX,

together, the **HomeCo Restructure**.

3 This is the VWAP of HDN Units on 25-26 November 2021, being the VWAP on the two highest consecutive days in the 5 Business Days before the Last Practicable Date.

4 This is the VWAP of HomeCo Securities on 25-26 November 2021, being the VWAP on the two highest consecutive days in the 5 Business Days before the Last Practicable Date.

5 The total is \$0.2873 but a cap of \$0.285 applies.

11. Additional information

HCL will remain listed on the ASX as ASX:HMC. Further details of the HomeCo Restructure are set out in the shareholder booklet issued by HomeCo to holders of HomeCo Securities on 5 November 2021.

The scheme meeting under which approval for the HomeCo Restructure will be sought from holders of HomeCo Securities is scheduled for 10 December 2021, and the second court hearing is scheduled for 14 December 2021. Subject to conditions to restructure being satisfied, it is expected that the HomeCo Restructure will be implemented by 24 December 2021.

If the HomeCo Restructure is implemented before the Effective Date, Scheme Securityholders who elect to receive HomeCo Scrip Consideration under the Members' Scheme will receive fully paid ordinary shares in HCL, which will be quoted for trading on the ASX. If the HomeCo Restructure is not implemented before the Effective Date, Scheme Securityholders who elect to receive HomeCo Scrip Consideration under the Members' Scheme will receive the current stapled securities in HCL and HCDL.

See section 10.4.1.3 of this Scheme Booklet for the tax implications for Scheme Securityholders who elect to receive HomeCo Scrip Consideration if the HomeCo Restructure is not implemented before the Effective Date.

11.5. Aventus incentive and equity arrangements

As detailed in Aventus' 2021 Annual Report, Aventus operates a cash and equity-based incentive plan (**Aventus Executive Incentive Scheme**) under which variable remuneration, consisting of 50% in cash and 50% in Restricted Aventus Securities, is granted to senior management who achieve certain Key Performance Indicators (**KPIs**) within the relevant one-year performance period.

The 50% cash component is granted to senior management immediately following the end of the performance period, whereas the 50% in Restricted Aventus Securities is provided on a deferred basis, with:

- 1/3 of the equity vesting approximately two years after the start of the performance period;
- 1/3 of the equity vesting approximately three years after the start of the performance period; and
- 1/3 of the equity vesting approximately four years after the start of the performance period.

Aventus also operates an Employee Security Scheme (the **Aventus Employee Security Scheme**) under which Aventus employees may be granted Restricted Aventus Securities if they meet certain KPIs. These Restricted Aventus Securities vest over approximately a two-year period from the start of the performance period, subject to forfeiture of unvested amounts on resignation or termination prior to vesting. The fair value of the Restricted Aventus Securities are recognised as employee benefits expenses over the relevant vesting period.

When Restricted Aventus Securities are issued they are held in trust, on behalf of Aventus Executive Incentive Scheme or Aventus Employee Security Scheme participants, for the duration of the vesting period in the Aventus Group Employee Security Trust.

As at the Last Practicable Date, the Restricted Aventus Securities issued under the Aventus Executive Incentive Scheme and Aventus Employee Security Scheme, comprise of the following:

- 449,882 Restricted Aventus Securities issued on a deferred basis; and
- a further 131,134 Restricted Aventus Securities issued to Darren Holland, as Aventus Securityholders approved the issue at Aventus' 2021 Annual General Meeting.

For further information regarding the Aventus incentive and equity arrangements, please see the Aventus 2021 Annual Report.

11.5.1. Directors and executive officers

As at the date of this Scheme Booklet, no Aventus Directors hold Restricted Aventus Securities other than Darren Holland.

Darren Holland (current Aventus Managing Director and CEO) has an interest in 224,312 Restricted Aventus Securities, with 131,134 Restricted Aventus Securities having been issued following approval by Aventus Securityholders at Aventus' 2021 Annual General Meeting. Lawrence Wong (current Aventus CFO) has an interest in 144,366 Restricted Aventus Securities. If the Merger is implemented, Darren Holland's and Lawrence Wong's Restricted Aventus Securities will be dealt with in the manner described in section 11.5.2 of this Scheme Booklet.

11.5.2. Implications of the Merger for plan participants

The Aventus Boards, with the assistance of the Aventus Boards' People, Culture and Remuneration Committee, considered, in the absence of management, management retention and alignment risks arising from the Merger, the impact of the Merger on the ability to test performance conditions for incentives and equity arrangements, and the alternatives available to the Aventus Boards regarding the treatment of incentives and equity arrangements to address those risks.

Having regard to all those matters, in the period after entry into the Scheme Implementation Deed, the Aventus Boards have determined that it would be in the best interests of Aventus Securityholders to vest the Restricted Aventus Securities in full, subject to the Merger becoming Effective.

Amounts payable to Aventus Executive Incentive Scheme and Aventus Employee Security Scheme participants on vesting of the Restricted Aventus Securities will be paid to the participants after the Effective Date. Assuming vesting on 3 February 2022 (the expected Effective Date), the consideration to be paid to holders of Restricted Aventus Securities in exchange for Restricted Aventus Securities under the Merger will be \$1.9 million, assuming values of \$1.375 and \$7.25 per HDN Unit and HomeCo Security respectively, as at the Last Practicable Date.

11.5.3. Short-term incentives and retention arrangements

Aventus employees are eligible to receive short-term incentives, subject to the Aventus Boards' assessment of applicable performance conditions.

If the Merger proceeds, Aventus employees will receive their full short-term incentives for FY22 in cash, subject to them remaining employees of Aventus as at 1 July 2022. The amount of the incentives payable may be reduced by the Aventus Boards having regard to such circumstances as they consider relevant, including the employees' performance. Receipt of the full short-term incentive is not conditional on the Merger proceeding, but if the Merger does not proceed, relevant employees will receive their short-term incentives half in cash and half in Restricted Aventus Securities.

If the Merger proceeds, members of the senior leadership team, other than Darren Holland, will receive retention incentive payments three months after the Implementation Date, subject to forfeiture for resignation or termination for cause. If the Merger does not proceed, these employees will not be entitled to receive this payment. Certain other employees will receive a retention incentive payment on the Implementation Date, with a reduced amount being payable if the Merger does not proceed. No Aventus Director (including Darren Holland) is participating in these retention arrangements.

Further retention incentives may be put in place, for example if the Merger is delayed.

11.5.4. Implications for incentive and equity arrangements if the Merger does not proceed

Except as set out above, if the Merger does not proceed, Aventus expects that its existing incentive arrangements will remain in place subject to their existing terms and conditions (including the incentive arrangements relating to Darren Holland).

If the Merger does not proceed, Aventus also expects to put in place incentive arrangements for employees for future years similar to those in place prior to the announcement of the Merger.

11. Additional information

11.6. Sale Facility Agreement

HDN Trustee will appoint the Sale Agent under a Sale Facility Agreement for the purposes of the Sale Facility described in section 9.8.3.

Under its terms, a party to the Sale Facility Agreement may terminate its obligations under the agreement which have yet to be performed (other than any obligation to remit sale proceeds) if:

- the performance of those obligations would or would be likely to constitute a breach by it of applicable laws or ASIC or ASX rules;
- any other party breaches a material provision of the Sale Facility Agreement and fails to remedy the breach within a reasonable time of receiving notice; or
- if the Merger does not proceed for any reason.

11.7. Regulatory relief

11.7.1. ASIC relief

ASIC has granted relief to Aventus from the operations of the following provisions of the Corporations Act:

- **Takeovers relief:** a modification of item 7, section 611 of the Corporations Act pursuant to section 655A(1)(b) of the Corporations Act to permit holders of Aventus Units not associated with HomeCo or HDN Trustee to vote on the Trust Scheme Resolutions;
- **Equal treatment obligations:** an exemption from compliance with section 601FC(1)(d) of the Corporations Act to the extent necessary for Ineligible Foreign Securityholders not to receive the HDN Units as Scheme Consideration; and
- **Financial services guide:** an exemption from Division 2 of Part 7.7 of the Corporations Act in relation to the requirement for Aventus Trustee to issue a financial services guide under section 941A of the Corporations Act.

ASIC has granted relief to HDN Trustee, HomeCo and the Sale Agent from the operations of the following provisions of the Corporations Act:

- **Product Disclosure Statements (PDSs):** an exemption from Part 7.9 of the Corporations Act in relation to the requirement to prepare a PDS in respect of the HDN Units to be issued under the Trust Scheme;
- **Unsolicited offers:** an exemption from Division 5A of Part 7.9 of the Corporations Act pursuant to section 1020F(1)(a) of the Corporations Act in relation to offers by HDN Trustee under the Trust Scheme potentially being characterised as unsolicited off-market offers; and
- **On-sale relief:** an exemption from section 1012C of the Corporations Act in relation to the requirement that a Scheme Securityholder or the sale nominee issue a PDS before on-selling HDN Units.

11.8. Consents to be named

Each party in this section 11.8 as consenting parties:

- has given and has not, before the lodgement of this Scheme Booklet with ASIC, withdrawn its written consent to be named in this Scheme Booklet in the form and context in which it is named;
- has given and has not, before the lodgement of this Scheme Booklet with ASIC, withdrawn its written consent to the inclusion of its respective statements and reports (where applicable) noted next to its names in this section 11.8, and the references to those statements and reports in the form and context in which they are included in this Scheme Booklet;
- has not caused or authorised the issue of this Scheme Booklet; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Scheme Booklet.

The term “consent” as used in this Scheme Booklet, is used solely in the context of this Scheme Booklet and as that term is used in Australia.

Party	Consenting Party
Financial adviser	UBS Securities Australia Limited
Legal adviser	Herbert Smith Freehills
Independent Expert (Independent Expert’s Report at Annexure B)	Deloitte Corporate Finance Pty Limited
Auditor of Aventus	Ernst & Young
Tax adviser (section 10 of this Scheme Booklet)	Greenwoods & Herbert Smith Freehills Pty Limited
Aventus Securities Registry	Link Market Services Limited
Sale Agent	Macquarie Securities (Australia) Limited
HomeCo (sections 5 and 6 of this Scheme Booklet)	Home Consortium (a stapled group comprising Home Consortium Limited and Home Consortium Developments Limited)
HDN Trustee (section 5 of this Scheme Booklet)	HMC Funds Management Limited as responsible entity of HomeCo Daily Needs REIT

11.9. Foreign jurisdictions

The distribution of this Scheme Booklet outside Australia and New Zealand may be restricted by law and persons who come into possession of it outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Aventus, HDN Trustee and HomeCo disclaims all liabilities to such persons who contravene these laws.

Scheme Securityholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the transaction in any jurisdiction outside of Australia.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia. This Scheme Booklet does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

An Aventus Securityholder whose registered address shown in the Aventus Security Register is a place outside Australia, New Zealand, the United Kingdom or Singapore at the Scheme Record Date will be an Ineligible Foreign Securityholder unless HDN Trustee and HomeCo both determine that it is lawful and not unduly onerous or impractical to issue HDN Units and HomeCo Securities to that Scheme Securityholder when the Schemes become Effective.

11.10. Foreign selling restrictions

Notice to Scheme Securityholders in New Zealand

This Scheme Booklet is not a New Zealand product disclosure statement or similar offering or disclosure document and has not been, and will not be, registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of the HDN Units and HomeCo Securities under the Schemes is being made to Scheme Securityholders in New Zealand in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a product disclosure statement or similar offering or disclosure document is required to contain under New Zealand law. It is a term of the offer of the HDN Units and HomeCo

11. Additional information

Securities under the Schemes to Scheme Securityholders in New Zealand that such offer will comply with the laws of Australia and any code, rules, or other requirements relating to the offer of the HDN Units and HomeCo Securities applicable in Australia.

Notice to Scheme Securityholders in Singapore

This Scheme Booklet is confidential. It is addressed solely to you and is for your exclusive use. Any offer or invitation in respect of HDN Units and the HomeCo Scrip Consideration is capable of acceptance only by you and is not transferable. This Scheme Booklet may not be distributed or given or sent to any other person. If you have obtained a hard copy of the Scheme Booklet, the Scheme Booklet should be returned if you decide not to subscribe for any HDN Units or HomeCo Scrip Consideration. This Scheme Booklet shall not be reproduced, in whole or in part.

This Scheme Booklet has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). HDN is not authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**) or recognised under section 287 of the SFA by the MAS. Each of this Scheme Booklet and any other document or material issued in connection with the Merger is not a prospectus as defined in the SFA and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply. Prospective investors should consider carefully whether the investment is suitable for them.

This Scheme Booklet and any other document or material in connection with the Merger may not be circulated or distributed, nor may the HDN Units or the HomeCo Scrip Consideration be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- pursuant to and in accordance with:
 - the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA, other than an exemption in sections 272B and 280 of the SFA; or
 - the conditions of an exemption in section 272B of the SFA where the offer, sale or invitation to you is not made with a view to the HomeCo Scrip Consideration being subsequently the subject of an offer, sale or invitation to another person under sections 272B and 280 of the SFA; and
- pursuant to and in accordance with:
 - the conditions of an exemption under any provision of Subdivision (4) of Division 2 of Part XIII of the SFA, other than an exemption in sections 302C and 305C of the SFA; or
 - the conditions of an exemption in section 302C of the SFA where the offer, sale or invitation to you is not made with a view to the HDU Units being subsequently the subject of an offer, sale or invitation to another person under sections 302C and 305C of the SFA.

Notice to Scheme Securityholders in the United Kingdom

No HDN Units or HomeCo Securities have been offered or will be offered pursuant to the Merger to the public in the United Kingdom, except that HDN Units and HomeCo Securities may be offered to the public in the United Kingdom at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of HDN Units or HomeCo Securities shall require the publication of a prospectus pursuant to Section 85 of the FSMA or a supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For these purposes, the expression an “offer to the public” in relation to HDN Units or HomeCo Securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any HDN Units or HomeCo Securities to be offered so as to enable an investor to decide to purchase or subscribe for any HDN Units or HomeCo Securities, the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression “FSMA” means the Financial Services and Markets Act 2000 (as amended).

11.11. Transaction costs

Aventus has incurred significant costs in respect of the Merger, including those to conduct negotiations with HDN Trustee and HomeCo, retain advisers, provide information to HDN Trustee and HomeCo, engage the Independent Expert and prepare this Scheme Booklet. If the Merger does not proceed, subject to no Competing Proposal or Superior Proposal being implemented, Aventus is likely to incur transaction costs of approximately \$5.6 million (including GST). This assumes no Reimbursement Fees are payable by Aventus Trustee to HDN Trustee, and Aventus Company to HomeCo (see section 11.1.5 of this Scheme Booklet for more information as to when the Reimbursement Fees may be payable), and no Reverse Reimbursement Fees are payable by HDN Trustee or HomeCo to Aventus (see section 11.1.7 of this Scheme Booklet for more information as to when the Reverse Reimbursement Fees may be payable).

Implementing the Merger is expected to result in material one-off transaction costs of approximately \$47.5 million (excluding HomeCo Acquisition Fee)⁶ which will be incurred by the Merged HDN Group.

11.12. No unacceptable circumstances

The Aventus Directors believe that the Merger does not involve any circumstances in relation to the affairs of Aventus that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

11.13. No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the Aventus Boards are aware, there is no other information that is:

- material to the making of a decision by an Aventus Securityholder whether or not to vote in favour of the Merger; and
- known to any Aventus Director at the date of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Aventus Securityholders.

11.14. Supplementary disclosure

Aventus will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Aventus may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Aventus Securityholders at their address shown on the Aventus Security Register; or
- posting a statement on Aventus's website at <https://aventusgroup.com.au/> as Aventus, in its absolute discretion, considers appropriate.

⁶ Excludes HomeCo Acquisition Fee which is assumed to be paid in HDN Units, subject to HDN Unitholders approving the amendments to the Investment Management Agreement to allow any acquisition fee to be paid to the Investment Manager in HDN Units, cash or both (at the Investment Manager's election).


11. Additional information

11.15. Copy of the Aventus Security Register


Under sections 169 and 173 of the Corporations Act, any Aventus Securityholder has a right to inspect, and to ask for a copy of, the Aventus Security Register which contains details of the name and address of each Aventus Securityholder. Aventus may require an Aventus Securityholder to provide reasons for their request prior to providing a copy of the Aventus Security Register, and an Aventus Securityholder must not use any information obtained for an improper purpose. A copy of the Aventus Security Register will be given to any Aventus Securityholder upon request and payment of the prescribed fee under the Corporations Act where Aventus is satisfied that the details provided are not likely to be used for an improper purpose.

Section Twelve

**Glossary,
definitions and
interpretation**

 **tuggerah**
SuperCentre

 **welcome**

 **tuggerah**
SuperCentre

12. Glossary, definitions and interpretation

Defined term	Meaning
AMIT	attribution managed investment trust.
AGM	annual general meeting.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this Scheme Booklet and Aventus Trust was the designated body.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ATO	the Australian Taxation Office.
AUM	Assets Under Management.
Aventus	the stapled entity comprising Aventus Trustee and Aventus Company.
Aventus Boards	the boards of directors of Aventus Trustee and Aventus Company.
Aventus Company or AHL	Aventus Holdings Limited (ACN 627 640 180).
Aventus Company Constitution	the constitution of Aventus Company from time to time.
Aventus Director	a director appointed to either (or both) of the Aventus Boards.
Aventus Disclosure Letter	a letter identified as such provided by Aventus Trustee and Aventus Company to HDN Trustee and HomeCo and countersigned by HDN Trustee and HomeCo before entry into the Scheme Implementation Deed.
Aventus Disclosure Materials	<p>(1) the documents and information contained in the data room made available by Aventus Trustee and Aventus Company to HDN Trustee and HomeCo and their respective Related Persons, the index of which has been initialed by, or on behalf of, the parties for identification;</p> <p>(2) written responses from Aventus Trustee and Aventus Company and their respective Related Persons to requests for further information made by HDN Trustee and HomeCo and their respective Related Persons; and</p> <p>(3) the Aventus Disclosure Letter.</p>
Aventus Employee Security Scheme	the Employee Security Scheme operated by Aventus under the Aventus Group Employee Security Trust dated 24 September 2018.
Aventus Executive Incentive Scheme	the Aventus Group Equity Incentive Plan dated 24 September 2018.
Aventus Group	Aventus Trustee, Aventus Company and each of their respective Related Entities, and a reference to an Aventus Group Member is to a member of the Aventus Group.
Aventus Information	all information contained in this Scheme Booklet other than the HomeCo Information, the HDN Trustee Information, the Independent Expert's Report and any description of the taxation effect of the Merger on Scheme Securityholders (including the tax report in section 10) prepared by an external adviser to Aventus Trustee or Aventus Company.
Aventus Key Management	Darren Holland (current Aventus Managing Director and CEO) and Lawrence Wong (current Aventus CFO).

Defined term	Meaning
Aventus Material Adverse Change	<p>an event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Scheme Implementation Deed (each a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind and/or other Specified Events that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:</p> <ol style="list-style-type: none"> (1) the effect of a diminution in the value of the consolidated net assets of the Aventus Group, taken as a whole, by at least \$252 million against what it would reasonably have been expected to have been but for such Specified Event; or (2) the effect of a diminution in the FFO of the Aventus Group taken as a whole (calculated on a basis consistent with calculation of FFO for FY21), by at least \$17.6 million in the 12 month period starting on the date of the Specified Event against what they would reasonably have been expected to have been for such period but for such Specified Event, <p>other than (in each case) any events, changes, conditions, matters, circumstances or things to the extent:</p> <ol style="list-style-type: none"> (1) demonstrably arising out of the announcement or pendency of the Merger or the Schemes or Unstapling (including any loss of or adverse change in the relationship of Aventus Trustee, Aventus Company or the Aventus Group with their respective employees, customers, partners (including joint venture partners), creditors or suppliers as at the date of the Scheme Implementation Deed, including the loss of any contract); (2) required or permitted by the Scheme Implementation Deed, the Schemes, the Unstapling or the transactions contemplated by any of them; (3) that are Fairly Disclosed in the Aventus Disclosure Materials; (4) that an insurer has agreed to cover the liability arising from the Specified Event under an insurance policy maintained by a member of the Aventus Group; (5) that were actually known to HDN Trustee or HomeCo before the date of this deed (which does not include knowledge of the generic risk of the relevant event, change, condition, matter, circumstance or thing occurring, but does include knowledge of a specific risk of the relevant event, change, condition, matter, circumstance or thing occurring); (6) agreed to in writing by HDN Trustee or HomeCo; (7) arising as a result of any generally applicable change in law (including subordinate legislation), regulation, directions, orders, accounting standards or principles or governmental policy, or the interpretation of any of them; (8) arising from changes in economic or business conditions that impact on Australian business generally (including interest rates, general economic, political or business conditions, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets); (9) constituted by or arising from any determinations, announcements or rulings by the ATO; (10) arising from any act of terrorism, outbreak or escalation of war (whether or not declared), major hostilities, civil unrest or outbreak or escalation of any disease epidemic or pandemic (including the outbreak, escalation or any impact of, government response to, or recovery from, the Coronavirus or COVID-19 pandemic);

12. Glossary, definitions and interpretation

Defined term	Meaning
	<p>(11) arising from any act of God, natural disaster, lightning, storm, flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide or adverse weather conditions on or after the date of the Scheme Implementation Deed;</p> <p>(12) constituting fees payable to external advisers of Aventus Trustee or Aventus Company for advising on the Merger, to the extent such amounts are Fairly Disclosed in the Aventus Disclosure Materials; or</p> <p>(13) Fairly Disclosed in an announcement made by Aventus Trustee or Aventus Company to ASX, or a publicly available document lodged by any Aventus Group Member with ASIC, before the date of the Scheme Implementation Deed or which would be disclosed in a search of ASIC records or ASX announcements in relation to any Aventus Group Member before the date of the Scheme Implementation Deed.</p>
Aventus Prescribed Occurrence	<p>other than as:</p> <p>(1) regulated or permitted by the Scheme Implementation Deed, the Schemes, the Unstapling or the transactions contemplated by any of them; or</p> <p>(2) agreed to in writing by HDN Trustee or HomeCo,</p> <p>the occurrence of any of the following:</p> <p>(1) Aventus Trustee and Aventus Company agree to pay, declare, pay or make, or incur a liability to pay or make, a distribution of income, profits (including a dividend), assets or capital to any person, other than:</p> <ul style="list-style-type: none"> – the quarterly interim distribution announced on 24 September 2021; and – quarterly interim distributions for the quarters ending 31 December 2021 and March 2022 (provided that the Implementation Date has not taken place before 31 March 2022 in the case of the March 2022 distribution) in an amount not exceeding: <ul style="list-style-type: none"> ◦ \$0.05 per Aventus Security for the December quarterly distribution; and ◦ the lower of \$0.05 per Aventus Security and (in aggregate for the distribution) 90% of the FFO for the March 2022 quarter of the Aventus Group taken as a whole (calculated on a basis consistent with the calculation of FFO for the period ended 30 June 2021) for the March 2022 quarterly distribution, provided that the record date for each quarterly distribution is not more than five Business Days before the end of the relevant quarter and the distribution reinvestment plan does not apply to such distributions; <p>(2) Aventus Trustee reclassifying, combining, splitting or redeeming, repurchasing or buying back any of the Aventus Trust's units;</p> <p>(3) Aventus Company reclassifying, combining, splitting or redeeming, repurchasing or buying back any of its shares;</p> <p>(4) Aventus Trustee making any change to the Aventus Trust Constitution;</p> <p>(5) Aventus Company making any change to the Aventus Company Constitution;</p> <p>(6) a member of the Aventus Group issuing units or securities, or granting an option over its units or securities, or agreeing to make such an issue or grant such an option other than:</p> <ul style="list-style-type: none"> – the issue of up to 131,134 Restricted Aventus Securities under the Aventus Executive Incentive Scheme; or – the issue of Aventus Securities pursuant to its distribution reinvestment plan in respect of the distribution announced on the ASX on 24 September 2021 on the condition that the distribution reinvestment plan is not underwritten;

Defined term	Meaning
	<p>(7) a member of the Aventus Group issuing or agreeing to issue securities convertible into shares or units (as applicable);</p> <p>(8) a member of the Aventus Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the Aventus Group's business or property;</p> <p>(9) a member of the Aventus Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of the Aventus Group's business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due or in the normal course in relation to the Aventus Group's banking facilities;</p> <p>(10) a member of the Aventus Group amalgamating, merging or consolidating with any other entity or agreeing to do any of the foregoing;</p> <p>(11) Aventus Securities to be quoted by ASX or being suspended from trading by ASX for a consecutive period of more than 10 Business Days; or</p> <p>(12) an Insolvency Event occurring in relation to a material member of the Aventus Group.</p>
Aventus Property Management Agreement	the property management services (and no other services) to the Aventus Trust properties under the property management and development agreement entered into on 9 September 2015 (as amended on 25 March 2021) by Aventus Property Manager, Aventus Trustee and the relevant trustees holding the Aventus Trust properties.
Aventus Property Manager	Aventus Property Management Pty Limited (ACN 606 747 666).
Aventus Regulated Event	<p>other than as:</p> <p>(1) required or permitted by the Scheme Implementation Deed, the Schemes, the Unstapling or the transactions contemplated by any of them;</p> <p>(2) Fairly Disclosed in the Aventus Disclosure Letter;</p> <p>(3) in relation to Aventus Regulated Event items 5 and 9 below, Fairly Disclosed in the Aventus Disclosure Materials;</p> <p>(4) agreed to in writing by HDN Trustee or HomeCo; or</p> <p>(5) in relation to Aventus Regulated Event item 5 below, Fairly Disclosed in an announcement made by Aventus Trustee or Aventus Company to ASX, or a publicly available document lodged by any Aventus Group Member with ASIC, before the date of the Scheme Implementation Deed or which would be disclosed in a search of ASIC records or ASX announcements in relation to any Aventus Group Member before the date of the Scheme Implementation Deed,</p> <p>the occurrence of any of the following:</p> <p>(1) a member the Aventus Group:</p> <ul style="list-style-type: none"> – acquiring; or – agreeing, offering or proposing to acquire, <p>one or more retail properties, businesses, entities or other undertakings.</p> <p>HDN Trustee must not unreasonably withhold, condition or delay its agreement in relation to any such acquisition (or agreement, offer or proposal), and any debt or equity funding proposed by Aventus Company or Aventus Trustee to fund such acquisition.</p>

12. Glossary, definitions and interpretation

Defined term	Meaning
	<p>HDN Trustee is taken to have provided agreement to such acquisition (or agreement, offer or proposal) of a particular retail property, business, entity or undertaking if a HDN Group Member is seeking to, or is likely to seek to, acquire (or agree, offer or propose to acquire) that property, business, entity or undertaking as advised by HDN Trustee to Aventus Company and Aventus Trustee in response to a request for consent from Aventus Company and Aventus Trustee;</p> <p>(2) a member of the Aventus Group leasing or agreeing, offering or proposing to lease (including any variation, modification or extension to a lease) one or more retail properties, businesses or other undertakings if any of the following apply:</p> <ul style="list-style-type: none"> – the lease (or in the case of a variation, modification or extension, the variation, modification or extension) involves an incentive which exceeds \$2 million in aggregate; or – the lease (or in the case of a variation, modification or extension, the variation, modification or extension) involves payment which represents an incentive of 20% or more of the income generated under the lease; or – the lease term is longer than 10 years (or in the case of a variation, modification or extension, the effect of the variation, modification or extension is that the remaining term of the lease is longer than 10 years); <p>(3) a member of the Aventus Group disposing of or agreeing, offering or proposing to dispose of one or more retail properties, businesses, entities or other undertakings (and for the purposes of this item establishing or implementing a syndicate to hold retail properties, businesses, entities or other undertakings is deemed to be a disposal);</p> <p>(4) a member of the Aventus Group entering into a contract or commitment restraining a member of the Aventus Group from competing with any person or conducting activities in any material market;</p> <p>(5) a member of the Aventus Group:</p> <ul style="list-style-type: none"> – entering into any contract or commitment (other than with another member of the Aventus Group or in respect of (a) capital expenditure, (b) Financial Indebtedness and hedging or (c) the provision of financial accommodation) requiring payments by the Aventus Group over the term of the contract or commitment in excess of the amounts set out in the Aventus Disclosure Letter, other than any payment required by law; – entering into any contract or commitment (other than with another member of the Aventus Group) that generates, or is expected to generate, annual revenue to a member of the Aventus Group in excess of \$2 million; – entering into a contract or commitment (other than in respect of (a) capital expenditure or (b) Financial Indebtedness and hedging) that is not in the ordinary course of business; – incurring capital expenditure other than within the caps for each category of capital expenditure set out in the Aventus Disclosure Letter; – incurring any Financial Indebtedness such that immediately after the incurrence of the Financial Indebtedness the Aventus Group's Gearing will exceed 35%; – waiving any material third party default where the financial impact on the Aventus Group either individually or in aggregate will be in excess of \$2 million (except in response to the impact of the Coronavirus or COVID-19 pandemic and related government responses); or

Defined term	Meaning
	<ul style="list-style-type: none"> <li data-bbox="555 439 1423 564">– accepting as a compromise of a matter less than the full compensation due to a member of the Aventus Group where the adverse financial impact of the compromise on the Aventus Group either individually or in aggregate is more than \$1 million; <li data-bbox="536 577 1461 703">(6) a member of the Aventus Group providing financial accommodation other than to members of the Aventus Group (irrespective of what form of Financial Indebtedness that accommodation takes) other than rent deferral in the ordinary course; <li data-bbox="536 716 1461 869">(7) a member of the Aventus Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments other than in accordance with the Aventus Group’s hedging policy as disclosed in the Aventus Disclosure Materials; <li data-bbox="536 882 1471 1106">(8) a member of the Aventus Group entering into, or resolving to enter into, a transaction with any related party of the Aventus Trust or Aventus Company (other than a related party which is a member of the Aventus Group), as defined in section 228 of the Corporations Act (where applicable, as that section is modified by section 601LA of the Corporations Act), or with BBRC or its controlled entities or related bodies corporate (as that term is defined in the Corporations Act); <li data-bbox="536 1120 1471 1370">(9) a member of the Aventus Group altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors or senior executives, or accelerating or otherwise increasing compensation or benefits for any of the above, in each case other than pursuant to contractual arrangements in effect on the date of the Scheme Implementation Deed and which are Fairly Disclosed in the Aventus Disclosure Materials, or where the role of the relevant officer, director or senior executive expands as a result of the departure of an employee; <li data-bbox="536 1384 1455 1509">(10) a member of the Aventus Group employing any person, other than to replace an employee who has provided notice of resignation or who has been given notice of termination and in either case provided that any such replacement does not have a total fixed remuneration of more than \$250,000; <li data-bbox="536 1523 1461 1944">(11) any of the following occurs: <ul style="list-style-type: none"> <li data-bbox="555 1559 1385 1585">– Aventus Trustee ceases to be the responsible entity of the Aventus Trust; <li data-bbox="555 1599 1385 1657">– Aventus Securityholders resolve to remove or replace Aventus Trustee as responsible entity of the Aventus Trust; <li data-bbox="555 1671 1461 1729">– a meeting being convened to consider a resolution for the removal, retirement or replacement of Aventus Trustee as responsible entity of the Aventus Trust; <li data-bbox="555 1742 1423 1832">– an order is made by any court, or any application being made in any court, for the appointment of a temporary responsible entity of the Aventus Trust in accordance with the Corporations Act; <li data-bbox="555 1845 1398 1872">– Aventus Trustee effects or facilitates a termination of the Aventus Trust; or <li data-bbox="555 1886 1410 1944">– Aventus Trustee effects or facilitates the resettlement of any of the Aventus Trust’s trust property;

12. Glossary, definitions and interpretation

Defined term	Meaning
	(12) a member of the Aventus Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in law or accounting standards; or (13) a member of the Aventus Group making any material tax elections, settling or compromising any material liability relating to tax or changing any material tax methodologies applied by them in the 12 months prior to the date of the Scheme Implementation Deed, other than any change in methodology required by a change in law.
Aventus Securities Registry	Link Market Services Limited.
Aventus Security	a stapled security comprising one Aventus Unit stapled to one Aventus Share.
Aventus Security Register	the register of stapled securityholders of Aventus Trust and Aventus Company maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of Aventus Trust and shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Aventus Shareholder	each person who is the registered holder of an Aventus Share or Aventus Shares.
Aventus Trust or ARPF	Aventus Retail Property Fund (ARSN 608 000 764).
Aventus Trust Constitution	the constitution establishing the Aventus Trust as amended from time to time.
Aventus Trust Supplemental Deed	a deed poll under which Aventus Trustee will amend the Aventus Trust Constitution to effect the Trust Scheme.
Aventus Trustee	Aventus Capital Limited (ACN 606 555 480) as responsible entity of the Aventus Trust.
Aventus Unit	a fully paid unit in the Aventus Trust.
Aventus Unitholder	each person who is the registered holder of an Aventus Unit or Aventus Units.
Backstop Facility	in relation to the Merged HDN Group's financing arrangements, the debt facilities provided by the Underwriter to fund the balance of the existing debt commitments of lenders to HDN and Aventus where any existing lenders do not consent to rolling their commitment into the new facility by financial close and where new demand has not been obtained.
BBRC	(1) BB Retail Capital Pty Ltd as trustee for the Blundy Family Trust; and (2) BBFIT Investments Pte Limited.
BBRC Option	the call option or the put option granted pursuant to the BBRC Option Agreement.
BBRC Option Agreement	as defined in section 11.3.
Business Day	a business day as defined in the Listing Rules and which is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
Cash Consideration	for each Scheme Share held by a Scheme Securityholder as at the Scheme Record Date, \$0.285.
CEO	chief executive officer.
CFO	chief financial officer.
CGT	capital gains tax.

Defined term	Meaning
Company Reimbursement Fee	\$1.63 million.
Company Reverse Reimbursement Fee	\$1.63 million.
Competing Proposal	<p>any proposal, agreement, arrangement or transaction, which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) would:</p> <ol style="list-style-type: none"> (1) directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Aventus Securities; (2) acquire Control of Aventus Trust or Aventus Company; (3) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or substantially all of Aventus Group's business or assets or the business or assets of the Aventus Group; or (4) otherwise directly or indirectly acquire or merge, or be involved in an amalgamation or reconstruction (as those terms are used in s413(1) of the Corporations Act), with Aventus Trust or Aventus Company, <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.</p> <p>For the avoidance of doubt, each successive material change to the value of consideration offered for Aventus Securities under, or the conditions to implementation of, a Competing Proposal will constitute a new Competing Proposal.</p>
Conditions Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Deed.
Control	<p>has the meaning given in section 50AA of the Corporations Act.</p> <p>Also, for these purposes:</p> <ol style="list-style-type: none"> (1) a trust will Control another entity if its trustee Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as trustee of the trust; (2) a partnership will Control another entity if a partner (including a general partner) Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as partner; and (3) a fund or investment vehicle will Control another entity if the responsible entity or manager of the fund or investment vehicle Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as responsible entity or manager of the fund or investment vehicle.
Corporations Act	the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by the parties.

12. Glossary, definitions and interpretation

Defined term	Meaning
Custodian	in relation to HDN, Equity Trustees Limited (ACN 004 031 298).
Deed Poll	a deed poll in the form of Annexure E under which HDN Trustee and HomeCo each covenants in favour of the Scheme Securityholders to perform the obligations attributed to HDN Trustee and HomeCo under the Schemes.
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited.
Effective	when used in relation to the Schemes, both of the following events having taken place: <ol style="list-style-type: none"> (1) the Aventus Trust Supplemental Deed taking effect pursuant to section 601GC(2) of the Corporations Act; and (2) the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Members' Scheme.
Effective Date	the date on which the Schemes become Effective.
Election	a valid election that a Scheme Securityholder who is not an Ineligible Foreign Securityholder makes in accordance with the Members' Scheme to receive the HomeCo Scrip Consideration.
Election Deadline	the latest time and date for submitting an Election Form online or receipt of a paper Election Form in order to make an Election in accordance with the terms of the Members' Scheme, being 7.00pm (Sydney time) on Thursday, 20 January 2022 or such other time and date as Aventus Company and HomeCo agree in writing.
Election Form	the online or paper form by which a Scheme Securityholder (other than an Ineligible Foreign Securityholder) can make an Election.
End Date	15 May 2022, or such other later date as agreed in writing by the parties.
Excluded Securityholder	any Aventus Securityholder who is a member of the HDN Group or HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group or HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person.
Exclusivity Period	the period from and including the date of the Scheme Implementation Deed to the earliest of: <ol style="list-style-type: none"> (1) the date on which Aventus Trustee or Aventus Company gives notice to HDN Trustee and HomeCo that it has determined that a Competing Proposal is a Superior Proposal having complied with clause 11.5 of the Scheme Implementation Deed; (2) the date of termination of the Scheme Implementation Deed; (3) the End Date; and (4) the Effective Date.
Face Rent	the yearly amount of the gross base face rent, percentage or turnover rent, contributions towards or reimbursement of recoverable operating expenses and any other amounts payable under a lease by a tenant, excluding any incentives and GST.

Defined term	Meaning
Fairly Disclosed	<p>(1) in relation to disclosures to HDN Trustee or HomeCo, disclosed to HDN Trustee or HomeCo or any of their respective Related Persons, to a sufficient extent, and in sufficient detail, so as to enable a reasonable bidder (or one of its Related Persons) experienced in transactions similar to the Merger and experienced in a business similar to any business conducted by the Aventus Group, to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed); and</p> <p>(2) in relation to disclosures to Aventus Trustee or Aventus Company, disclosed to Aventus Trustee or Aventus Company or any of their respective Related Persons, to a sufficient extent, and in sufficient detail, so as to enable a reasonable investor (or one of its Related Persons) experienced in transactions similar to the Merger and experienced in a business similar to any business conducted by the HDN Group or HomeCo Group (as applicable), to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).</p>
FFO	funds from operations.
Financial Adviser	any financial adviser retained by a party in relation to the Merger from time to time.
Financial Indebtedness	<p>any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:</p> <p>(1) bill, bond, debenture, note or similar instrument;</p> <p>(2) acceptance, endorsement or discounting arrangement;</p> <p>(3) guarantee;</p> <p>(4) finance or capital lease;</p> <p>(5) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or</p> <p>(6) obligation to deliver goods or provide services paid for in advance by any financier.</p>
Financial Information	refers collectively to the Pro Forma Consolidated Statement of Financial Position and the Pro Forma Forecast FFO per unit.
Financial Year	the 12 month period ending on each 30 June.
FIRB	Foreign Investment Review Board.
First Court Date	the first day on which an application made to the Court to seek the First Judicial Advice and for an order under subsection 411(1) of the Corporations Act convening the Members' Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
First Judicial Advice	<p>confirmation from the Court under section 63 of the <i>Trustee Act 1925</i> (NSW) that:</p> <p>(1) Aventus Trustee would be justified in convening the General Meeting of Aventus Unitholders for the purposes of considering the Trust Scheme Resolutions; and</p> <p>(2) subject to the Aventus Securityholders (as holders of Aventus Shares) passing the Trust Scheme Resolutions, Aventus Trustee would be justified in proceeding on the basis that amending the Aventus Trust Constitution as set out in the Aventus Trust Supplemental Deed would be within the powers of alteration conferred by the Aventus Trust Constitution and section 601GC of the Corporations Act.</p>

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Defined term	Meaning
FY21	the Financial Year ending on 30 June 2021.
FY22	the Financial Year ending on 30 June 2022.
GAV	the consolidated gross asset value of the HDN Group calculated in accordance with the HDN constitution, and with the effects of all transactions between the HDN Group Members being eliminated in full.
Gearing	for Aventus, HDN or the Merged HDN Group as applicable, borrowings (excluding unamortised debt establishment costs) less cash and cash equivalents divided by total assets less lease liabilities, cash and cash equivalents and investments in associates.
GLA	gross lettable area.
Government Agency	any foreign or Australian government or governmental, semigovernmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
HCDL	Home Consortium Developments Limited ACN (635 859 700).
HCL	Home Consortium Limited (ACN 138 990 593).
HCL Debt Facilities	HomeCo's financing arrangements as outlined in section 6.4.2.
HCW	HealthCo Healthcare and Wellness REIT (ARSN 652 057 639).
HCW Trustee	HCW Funds Management Limited (ACN 104 438 100) as responsible entity of HCW.
HDN	HomeCo Daily Needs REIT (ARSN 645 086 620).
HDN Competing Proposal	any proposal, agreement, arrangement or transaction, which, if entered into or completed, would require or cause HDN Trustee to abandon or otherwise not proceed with the Merger, including a proposal, agreement, arrangement or transaction that is subject to a condition or obligation that: <ul style="list-style-type: none"> (1) HDN Trustee terminates the Scheme Implementation Deed; (2) any one or more HDN Trustee Directors adversely change, withdraw, adversely modify or adversely qualify its or their recommendation to vote in favour of the Reverse Takeover Resolution; (3) HDN Trustee not convene or not proceed with the HDN Meeting; or (4) HDN Unitholders not vote in favour of the Reverse Takeover Resolution.
HDN Debt Facilities	HDN's financing arrangements as outlined in section 5.12.6.
HDN Group	HDN Trustee, HDN and each of HDN Trustee's Related Entities, and a reference to a HDN Group Member is to a member of the HDN Group. For the avoidance of doubt, a HomeCo Group Member is not a HDN Group Member.

Defined term	Meaning
<p>HDN Material Adverse Change</p>	<p>an event, change, condition, matter, circumstance or thing occurring before, on or after the date of the Scheme Implementation Deed (each a Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind and/or other Specified Events that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:</p> <ol style="list-style-type: none"> (1) the effect of a diminution in the value of the consolidated net assets of the HDN Group, taken as a whole, by at least \$161m against what it would reasonably have been expected to have been but for such Specified Event; or (2) the effect of a diminution in the FFO of the HDN Group taken as a whole (calculated on a basis consistent with calculation of FFO for FY21), by at least \$10.1m in the 12 month period starting on the date of the Specified Event against what they would reasonably have been expected to have been for such period but for such Specified Event, or <p>other than (in each case) any events, changes, conditions, matters, circumstances or things:</p> <ol style="list-style-type: none"> (1) demonstrably arising out of the announcement or pendency of the Transaction or the Schemes or Unstapling (including any loss of or adverse change in the relationship of HDN Trustee or the HDN Group with their respective employees, customers, partners (including joint venture partners), creditors or suppliers as at the date of this deed, including the loss of any contract); (2) required or permitted by the Scheme Implementation Deed, the Schemes, the Unstapling or the transactions contemplated by any of them; (3) that are Fairly Disclosed in the HomeCo Disclosure Materials; (4) that an insurer has agreed to cover the liability arising from the Specified Event under an insurance policy maintained by a member of the HDN Group or HomeCo Group; (5) that were actually known to Aventus Trustee or Aventus Company before the date of the Scheme Implementation Deed (which does not include knowledge of the generic risk of the relevant event, change, condition, matter, circumstance or thing occurring, but does include knowledge of a specific risk of the relevant event, change, condition, matter, circumstance or thing occurring); (6) agreed to in writing by Aventus Trustee or Aventus Company; (7) arising as a result of any generally applicable change in law (including subordinate legislation), regulation, directions, orders, accounting standards or principles or governmental policy, or the interpretation of any of them; (8) arising from changes in economic or business conditions that impact on Australian business generally (including interest rates, general economic, political or business conditions, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets); (9) constituted by or arising from any determinations, announcements or rulings by the ATO; (10) arising from any act of terrorism, outbreak or escalation of war (whether or not declared), major hostilities, civil unrest or outbreak or escalation of any disease epidemic or pandemic (including the outbreak, escalation or any impact of, government response to, or recovery from, the Coronavirus or COVID-19 pandemic);

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Defined term	Meaning
	<p>(11) arising from any act of God, natural disaster, lightning, storm flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide, adverse weather conditions on or after the date of the Scheme Implementation Deed;</p> <p>(12) constituting fees payable to external advisers of HDN Trustee for advising on the Merger, to the extent such amounts are Fairly Disclosed in the HomeCo Disclosure Materials; or</p> <p>(13) Fairly Disclosed in an announcement made by HDN Trustee to ASX, or a publicly available document lodged by any HDN Group Member with ASIC, before the date of the Scheme Implementation Deed or which would be disclosed in a search of ASIC records or ASX announcements in relation to any HDN Group Member before the date of the Scheme Implementation Deed.</p>
HDN Meeting	<p>the meeting of the HDN Unitholders convened by HDN Trustee to consider and vote on the Reverse Takeover Resolution, and includes any meeting convened following any adjournment or postponement of that meeting.</p>
HDN Prescribed Occurrence	<p>other than as:</p> <p>(1) required or permitted by the Scheme Implementation Deed, the Schemes, the Unstapling or the transactions contemplated by any of them;</p> <p>(2) Fairly Disclosed in the HomeCo Disclosure Letter; or</p> <p>(3) agreed to in writing by Aventus Trustee or Aventus Company,</p> <p>the occurrence of any of the following:</p> <p>(1) HDN Trustee agrees to pay, declare, pay or make, or incurs a liability to pay or make, a distribution of HDN's income, profits, assets or capital to any person, other than:</p> <ul style="list-style-type: none"> – the quarterly interim distribution announced on 24 September 2021 of \$0.02 per HDN Unit; and – quarterly interim distributions for the quarters ending 31 December 2021 and March 2022 (provided that the Implementation Date has not taken place before 31 March 2022 in the case of the March 2022 distribution) in an amount not exceeding the lower of \$0.0208 per HDN Unit and (in aggregate for the distribution) FFO for the relevant quarter of the HDN Group taken as a whole adjusted for maintenance capital expenditure and leasing incentives (calculated on a basis consistent with the calculation of adjusted FFO for the period ended 30 June 2021) for each quarter, provided the record date for the relevant quarterly distribution is not more than five Business Days before the end of the relevant quarter and the distribution reinvestment plan does not apply to such distributions; <p>(2) HDN Trustee reclassifying, combining, splitting or redeeming, repurchasing or buying back any of the HDN Units;</p> <p>(3) HDN Trustee making any change to HDN's constitution;</p> <p>(4) a member of the HDN Group issuing units or securities, or granting an option over its units or securities, or agreeing to make such an issue or grant such an option;</p> <p>(5) a member of the HDN Group issuing or agreeing to issue securities convertible into units;</p> <p>(6) a member of the HDN Group disposing, or agreeing to dispose, of the whole, or a substantial part, of (as applicable) the HDN Group's business or property;</p>

Defined term	Meaning
	<p>(7) a member of the HDN Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of (as applicable) the HDN Group's business or property other than a lien which arises by operation of law or legislation securing an obligation that is not yet due or in the normal course in relation to the HDN Group's banking facilities;</p> <p>(8) a member of the HDN Group amalgamating, merging or consolidating with any other entity or agreeing to do any of the foregoing;</p> <p>(9) HDN Units ceasing to be quoted by ASX or being suspended from trading by ASX for a consecutive period or more than 10 Business Days; or</p> <p>(10) an Insolvency Event occurring in relation to a material member of the HDN Group.</p>
<p>HDN Regulated Event</p>	<p>other than as:</p> <p>(1) required or permitted by the Scheme Implementation Deed, the Schemes, the Unstapling or the transactions contemplated by any of them;</p> <p>(2) Fairly Disclosed in the HomeCo Disclosure Letter;</p> <p>(3) in relation to HDN Regulated Event item 5 below, Fairly Disclosed in the HomeCo Disclosure Materials;</p> <p>(4) agreed to in writing by Aventus Trustee or Aventus Company; or</p> <p>(5) in relation to HDN Regulated Event item 5 below, Fairly Disclosed in an announcement made by HDN Trustee to ASX, or a publicly available document lodged by any HDN Group Member with ASIC, before the date of the Scheme Implementation Deed or which would be disclosed in a search of ASIC records or ASX announcements in relation to any HDN Group Member before the date of the Scheme Implementation Deed,</p> <p>the occurrence of any of the following:</p> <p>(1) a member of the HDN Group:</p> <ul style="list-style-type: none"> – acquiring; or – agreeing, offering or proposing to acquire, <p>one or more retail properties, businesses, entities or other undertakings, other than where no units or securities are issued (or agreed to be issued) to fund the acquisition, and no new Financial Indebtedness is incurred or agreed to be incurred (other than drawings under facilities, and subject to the drawing limits, in place as at the date of the Scheme Implementation Deed) and provided that the relevant member of the HDN Group first consults with Aventus Trustee and Aventus Company.</p> <p>Aventus Trustee must not unreasonably withhold, condition or delay its agreement in relation to any such acquisition (or agreement, offer, proposal, announcement, bid or tender), and any debt or equity funding proposed by HDN Trustee to fund such acquisition.</p> <p>Aventus Trustee is taken to have provided agreement to such acquisition (or agreement, offer or proposal) of a particular retail property, business, entity or undertaking if an Aventus Group Member is seeking to, or is likely to seek to, acquire (or agree, offer or propose to acquire) that property, business, entity or undertaking as advised by Aventus Trustee to HDN Trustee in response to a request for consent from HDN Trustee;</p>

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Defined term	Meaning
	<p>(2) a member of the HDN Group leasing or agreeing, offering or proposing to lease (including any variation, modification or extension to a lease) one or more retail properties, businesses or other undertakings if any of the following apply:</p> <ul style="list-style-type: none"> – the lease (or in the case of a variation, modification or extension, the variation, modification or extension) involves an incentive which exceeds \$2 million in aggregate; or – the lease (or in the case of a variation, modification or extension, the variation, modification or extension) involves payment which represents an incentive of 20% or more of the income generated under the lease; or – the lease term is longer than 10 years (or in the case of a variation, modification or extension, the effect of the variation, modification or extension is that the remaining term of the lease is longer than 10 years); <p>(3) a member of the HDN Group disposing of or agreeing, offering or proposing to dispose of one or more retail properties, businesses, entities or other undertakings (and for the purposes of this item establishing or implementing a syndicate to hold retail properties, businesses, entities or other undertakings is deemed to be a disposal);</p> <p>(4) a member of the HDN Group entering into a contract or commitment restraining (as applicable) a member of the HDN Group from competing with any person or conducting activities in any material market;</p> <p>(5) a member of the HDN Group:</p> <ul style="list-style-type: none"> – entering into any contract or commitment (other than with another member of the HDN Group or in respect of (a) capital expenditure or (b) Financial Indebtedness and hedging or (c) the provision of financial accommodation) requiring payments by the HDN Group over the term of the contract or commitment in excess of the amounts set out in the HomeCo Disclosure Letter, other than any payment required by law; – entering into any contract or commitment (other than with another member of the HDN Group) that generates, or is expected to generate, annual revenue to a member of the HDN Group in excess of \$2 million; – entering into a contract or commitment (other than in respect of (a) capital expenditure or (b) Financial Indebtedness and hedging) that is not in the ordinary course of business; – incurring capital expenditure other than within the caps for each category of capital expenditure set out in the HomeCo Disclosure Letter; – incurring any Financial Indebtedness such that immediately after the incurrence of the Financial Indebtedness the HDN Group's Gearing will exceed 40%; – waiving any material third party default where the financial impact on the HDN Group either individually or in aggregate will be in excess of \$2 million (except in response to the impact of the Coronavirus or COVID-19 pandemic and related government responses); or – accepting as a compromise of a matter less than the full compensation due to a member of the HDN Group where the adverse financial impact of the compromise on the HDN Group either individually or in aggregate is more than \$1 million;

Defined term	Meaning
	<p>(6) a member of the HDN Group providing financial accommodation other than to members of the HDN Group (irrespective of what form of Financial Indebtedness that accommodation takes) other than rent deferral in the ordinary course;</p> <p>(7) a member of the HDN Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments other than in accordance with the HDN Group's treasury policy as disclosed in the HomeCo Disclosure Materials;</p> <p>(8) a member of the HDN Group entering into, or resolving to enter into, a transaction with any related party of the HDN (other than a related party which is a member of the HDN Group), as defined in section 228 of the Corporations Act (as that section is modified by section 601LA of the Corporations Act);</p> <p>(9) a member of the HDN Group materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors or senior executives, or accelerating or otherwise materially increasing compensation or benefits for any of the above, in each case other than pursuant to contractual arrangements in effect on the date of the Scheme Implementation Deed and which are contained in the HomeCo Disclosure Materials;</p> <p>(10) a member of the HDN Group employing any person or engaging any person as a contractor;</p> <p>(11) any of the following occurs:</p> <ul style="list-style-type: none"> – HDN Trustee ceases to be the responsible entity of the HDN; – HDN Unitholders resolve to remove or replace HDN Trustee as responsible entity of the HDN; – a meeting being convened to consider a resolution for the removal, retirement or replacement of HDN Trustee as responsible entity of the HDN; – an order is made by any court, or any application being made in any court, for the appointment of a temporary responsible entity of the HDN in accordance with the Corporations Act; – HDN Trustee effects or facilitates a termination of the HDN; or – HDN Trustee effects or facilitates the resettlement of any of HDN's property; <p>(12) a member of the HDN Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in law or accounting standards; or</p> <p>(13) a member of the HDN Group making any material tax elections, settling or compromising any material liability relating to tax or changing any material tax methodologies applied by them in the 12 months prior to the date of the Scheme Implementation Deed, other than any change in methodology required by a change in law.</p>
HDN Trustee	HMC Funds Management Limited (ACN 105 078 635) as responsible entity of the HDN.
HDN Trustee Board	the board of directors of HDN Trustee and, following implementation of the Merger, the board of directors of the Merged HDN Group.
HDN Trustee Director	a director appointed to the HDN Trustee Board.

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Defined term	Meaning
HDN Trustee Information	<p>information regarding the HDN Group or the Merged HDN Group provided by HDN Trustee or HomeCo to Aventus Trustee or Aventus Company in writing for inclusion in this Scheme Booklet, including:</p> <ul style="list-style-type: none"> – information about HDN, the Merged HDN Group, HDN Trustee, other HDN Group Members, the businesses of the HDN Group, HDN Trustee's interests in Aventus Securities, HDN Trustee's intentions for Aventus Trustee and Aventus Trust, and funding for the Merger, and which includes the information in sections 5 (Overview of Merged HDN Group) and 7 (Financial Information for the Merged HDN Group) but excludes the Aventus Information, information provided by Aventus to HDN Trustee (or otherwise obtained from Aventus' public filings on ASX and ASIC) contained in, or used for the preparation of, the information regarding the Merged HDN Group. <p>For the avoidance of doubt, the HDN Trustee Information excludes the Aventus Information, information provided by Aventus to HDN (or otherwise obtained from Aventus' public filings on ASX and ASIC), the Independent Expert's Report and any description of the taxation effect of the Merger on Scheme Securityholders prepared by an external adviser to Aventus Trustee and Aventus Company.</p>
HDN Unit	a fully paid unit in the HDN.
HDN Unitholder	each person who is registered as the holder of an HDN Unit.
Health & Services	properties devoted predominantly to healthcare and wellness & lifestyle services tenants.
HomeCo	Home Consortium, a stapled group comprising HCL and HCDL provided that if HomeCo Securityholders approve the HomeCo Restructure, HomeCo shall be HCL.
HomeCo Acquisition Fee	refers to the one-off \$22.3 million acquisition fee payable by the Merged HDN Group to HomeCo in relation to the Merger.
HomeCo Board	the board of directors of HomeCo.
HomeCo Director	a director appointed to the HomeCo Board.
HomeCo Disclosure Letter	a letter identified as such provided by HDN Trustee and HomeCo to Aventus Trustee and Aventus Company and countersigned by Aventus Trustee and Aventus Company before entry into the Scheme Implementation Deed.
HomeCo Disclosure Materials	<ol style="list-style-type: none"> (1) the documents and information contained in the data room made available by HDN Trustee and HomeCo to Aventus Trustee and Aventus Company and their respective Related Persons, the index of which has been initialled by, or on behalf of, the parties for identification; (2) written responses from HDN Trustee and HomeCo and their respective Related Persons to requests for further information made by Aventus Trustee and Aventus Company and their respective Related Persons; and (3) the HomeCo Disclosure Letter.
HomeCo Group	HomeCo and each of HomeCo's Related Entities, and a reference to a HomeCo Group Member is to a member of the HomeCo Group. For the avoidance of doubt, assets held by HDN Trustee as assets of HDN Group do not form part of the assets of HomeCo Group and HDN Group is not part of the HomeCo Group.

Defined term	Meaning
HomeCo Information	<p>information regarding the HomeCo Group provided by HDN Trustee or HomeCo to Aventus Trustee or Aventus Company in writing for inclusion in this Scheme Booklet, including:</p> <ul style="list-style-type: none"> – information about HomeCo, other HomeCo Group Members, the businesses of the HomeCo Group, the HomeCo Restructure, HomeCo's interests in Aventus Securities, HomeCo's intentions for Aventus Company, Aventus Group and Aventus Group's employees, and funding for the Merger, which includes the information in sections 6 (Overview of HomeCo) and 7 (Financial Information for the Merged HDN Group) but excludes the Aventus Information, information provided by Aventus to HomeCo (or otherwise obtained from Aventus' public filings on ASX and ASIC) contained in, or used for the preparation of, the information regarding the HomeCo Group following implementation of the Merger. <p>for the avoidance of doubt, the HomeCo Information excludes the Aventus Information, information provided by Aventus to HomeCo (or otherwise obtained from Aventus' public filings on ASX and ASIC), the Independent Expert's Report and any description of the taxation effect of the Merger on Scheme Securityholders prepared by an external adviser to Aventus Trustee and Aventus Company.</p>
HomeCo Restructure	the proposed simplification of the HomeCo structure from a stapled company structure to a single company structure as defined in section 11.4.
HomeCo Scrip Consideration	for each Scheme Share held by a Scheme Securityholder as at the Scheme Record Date, 0.038 HomeCo Securities.
HomeCo Security	a stapled security comprising a fully paid ordinary share in HCL and a fully paid ordinary share in HCDL, or, if applicable, after implementation of the HomeCo Restructure a fully paid ordinary share in HCL.
HomeCo Securityholder	each person who is registered as the holder of an HomeCo Security.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
Independent Expert	Deloitte Corporate Finance, which has been appointed by Aventus as the independent expert in respect of the Merger.
Independent Expert's Report	the report to be issued by the Independent Expert in connection with the Merger, setting out the Independent Expert's opinion whether or not the Merger is in the best interests of Aventus Securityholders (other than Excluded Securityholders) and the reasons for holding that opinion.
Ineligible Foreign Securityholder	a Scheme Securityholder whose address shown in the Aventus Security Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or Singapore, unless HDN Trustee and HomeCo both determine that it is lawful and not unduly onerous or impracticable to issue that Scheme Securityholder with HDN Units and HomeCo Securities when the Schemes become Effective.

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Defined term	Meaning
Insolvency Event	<p>in relation to an entity:</p> <ol style="list-style-type: none"> (1) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days); (2) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; (3) the entity executing a deed of company arrangement; (4) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed; (5) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or (6) the entity being deregistered as a company or otherwise dissolved.
Investment Manager	HomeCo Investment Management Pty Limited (formerly HomeCo DNR Investment Management Pty Limited) (ACN 644 510 583).
Investment Management Agreement	the investment management agreement between HDN Trustee and the Investment Manager for the provision of investment management services to the HDN Group that commenced on 26 November 2020.
Last Practicable Date	2 December 2021, being the last practicable trading day before the date of this Scheme Booklet.
LFR or Large Format Retail	comprises multi-tenanted properties which includes (but is not limited to) homewares & electrical, hardware, furniture, bedding and other bulky goods tenants.
Listing Rules	the official listing rules of ASX.
LVR	loan to value ratio.
Management Agreements	the Investment Management Agreement and the Property Management Agreement as described in sections 5.12.2 and 5.12.3 respectively.
Managers	in relation to the Merged HDN Group, the Property Manager, the Investment Manager and the Aventus Property Manager.
Marketable Parcel	is a parcel of New HomeCo Securities having a value of not less than \$500 based on the closing price of HomeCo Securities on the ASX as at the Scheme Record Date.
Meetings	the General Meeting of Aventus Unitholders, the General Meeting of Aventus Shareholders and the Members' Scheme Meeting to be held concurrently.
Members' Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders (as holders of Aventus Shares), the form of which is attached in Annexure C, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by HomeCo and Aventus Company.
Members' Scheme Meeting	the meeting of Aventus Securityholders (other than certain Excluded Securityholders), as holders of Aventus Shares, ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Members' Scheme, and includes any meeting convened following any adjournment or postponement of that meeting.

Defined term	Meaning
Merged HDN Group	the combination of the Aventus Trust and the entities it Controls and the HDN Group following implementation of the Merger.
Merged HomeCo Group	the combination of the Aventus Company and the entities it Controls and HomeCo following implementation of the Merger.
Merger	the Unstapling of the Scheme Securities followed by: (1) the acquisition of the Scheme Units by HDN Trustee through implementation of the Trust Scheme; and (2) the acquisition of the Scheme Shares by HomeCo through implementation of the Members' Scheme in accordance with the terms of the Scheme Implementation Deed.
MIT	managed investment trust.
Model Portfolio	has the meaning as described in section 5.1.3.2.
NAV or net asset value	total assets minus total liabilities.
Neighbourhood Retail	retail centres with a supermarket anchor and other retail convenience stores that service daily needs.
NTA or net tangible assets	equity minus intangible assets.
Operating Rules	the official operating rules of ASX.
Property Manager	HomeCo Property Management Pty Limited (formerly HomeCo DNR Property Management Pty Limited) (ACN 644 510 707).
Property Management Agreement	the property management agreement between HDN Trustee and the Property Manager for the provision of property management services to the HDN Group that commenced on 26 November 2020.
Registered Address	in relation to a Aventus Securityholder, the address shown in the Aventus Security Register as at the Scheme Record Date.
Reimbursement Fees	the Trustee Reimbursement Fee and the Company Reimbursement Fee.
REIT	real estate investment trust.
Related Entity	(1) in relation to Aventus Trustee and Aventus Company, Aventus Trust and each entity, from time to time, Controlled by any one or more of Aventus Trustee, Aventus Company or Aventus Trust (and the custodians or trustees of such entities acting in their capacity as such); and (2) in relation to HDN Trustee, HDN and each entity, from time to time, Controlled by HDN (and the custodians or trustees of such entities acting in their capacity as such); and (3) in relation to HomeCo, each entity, from time to time, Controlled by HomeCo (excluding HDN Trustee and its Related Entities).
Related Person	(1) in respect of a party or its Related Entities, each director, officer, employee, adviser, agent or representative of that party or Related Entity; and (2) in respect of a Financial Adviser, each director, officer, employee or contractor of that Financial Adviser.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Resolutions	the resolutions described in section 2.4 and set out in the Notices of General Meeting and Notice of Members' Scheme Meeting in Annexure F.

12. Glossary, definitions and interpretation

Defined term	Meaning
Restricted Aventus Securities	Aventus Securities issued under the Aventus Executive Incentive Scheme or Aventus Employee Security Scheme, subject to restrictions on transfer and forfeiture in accordance with the terms of those schemes.
Reverse Reimbursement Fee	the Trustee Reverse Reimbursement Fee and the Company Reverse Reimbursement Fee.
Reverse Takeover Resolution	the resolution of holders of HDN Units to approve the issue of HDN Units as Scheme Consideration under the Trust Scheme for purposes of Listing Rule 7.1.
RG 60	Regulatory Guide 60 issued by ASIC in September 2011.
Sale Agent	Macquarie Securities (Australia) Limited (AFSL number 238947) which has been appointed to sell HDN Units that are to be issued pursuant to the Trust Scheme.
Sale Facility	the facility established for the sale of the Sale HDN Units on behalf of Ineligible Foreign Securityholders as described in Section 9.8.3.
Sale Facility Agreement	the agreement entered into between HDN Trustee, HomeCo and the Sale Agent in respect of the Sale Facility.
Sale HDN Units	the HDN Units to be issued to the Sale Agent under the Sale Facility.
Scheme Consideration	the consideration to be provided by HDN Trustee and HomeCo to each Scheme Securityholder for: <ol style="list-style-type: none"> (1) the transfer to HDN Trustee of each Scheme Unit, being for each Scheme Security held by a Scheme Securityholder as at the Scheme Record Date, 2.20 HDN Units (or, in the case of Ineligible Foreign Securityholders, the proceeds of sale of such HDN Units by the Sale Agent); and; (2) the transfer to HomeCo of each Scheme Share, being for each Scheme Security held by a Scheme Securityholder as at the Scheme Record Date, the Cash Consideration or the HomeCo Scrip Consideration.
Scheme Implementation Deed	the scheme implementation deed dated 18 October 2021 between Aventus Trustee, Aventus Company, HDN Trustee and HomeCo relating to the implementation of the Merger, as amended.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other time and date as the parties agree in writing.
Schemes	<ol style="list-style-type: none"> (1) the Trust Scheme; and (2) the Members' Scheme.
Scheme Securities	all Aventus Securities held by the Scheme Securityholders as at the Scheme Record Date.
Scheme Securityholders	a holder of Aventus Securities recorded in the Aventus Security Register as at the Scheme Record Date (other than an Excluded Securityholder but subject to HomeCo Group Members that hold Aventus Units (or persons that hold for Aventus Units their benefit) participating in the Trust Scheme and HDN Group Members that hold Aventus Shares (or persons that hold for Aventus Shares their benefit) participating in the Members' Scheme).
Scheme Shares	all Aventus Shares held by the Scheme Securityholders (as components of a Scheme Security) as at the Scheme Record Date.
Scheme Units	all Aventus Units held by the Scheme Securityholders (as components of a Scheme Security) as at the Scheme Record Date.


Defined term	Meaning
Second Court Date	the first day on which an application made to the Court to seek the Second Judicial Advice and for an order under paragraph 411(4)(b) of the Corporations Act approving the Members' Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Second Court Hearing	the hearing of an application made to the Court by Aventus Company and Aventus Trustee for orders approving the Members' Scheme and for the Second Judicial Advice.
Second Judicial Advice	confirmation from the Court under section 63 of the <i>Trustee Act 1925</i> (NSW) that, the Aventus Securityholders having approved the Trust Scheme Resolutions by the requisite majorities, Aventus Trustee would be justified in implementing the Trust Scheme Resolutions, giving effect to the provisions of the Aventus Trust Constitution (as amended by the Aventus Trust Supplemental Deed) and in doing all things and taking all necessary steps to put the Trust Scheme into effect.
Security Interest	has the meaning given in section 51A of the Corporations Act.
Superior Proposal	a bona fide Competing Proposal that the Aventus Boards, acting in good faith, and after receiving written legal advice from external legal advisers and written financial advice from a Financial Adviser, determines would, if completed substantially in accordance with its terms, be reasonably likely to be more favourable to Aventus Securityholders (as a whole) than the Merger (and, if applicable, than the Merger as amended or varied following application of the matching right set out in clause 11.5 of the Scheme Implementation Deed), taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the probability of the Competing Proposal being completed) and of the Merger.
Takeovers Panel	the Australian Takeovers Panel.
Tax Act	the <i>Income Tax Assessment Act 1997</i> (Cth).
Third Party	a person other than any of the parties, their respective Related Entities or their other Associates.
Trust Acquisition Resolution	a resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by HDN Trustee of all the Aventus Units as at the Scheme Record Date.
Trust Constitution Amendment Resolution	a special resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the Aventus Trust Constitution as set out in the Aventus Trust Supplemental Deed.
Trust Scheme	an arrangement under which HDN Trustee acquires all of the Scheme Units from Scheme Securityholders, the form of which is in Annexure F, facilitated by amendments to the Aventus Trust Constitution as set out in the Aventus Trust Supplemental Deed, subject to the requisite approvals of the Aventus Securityholders.

12. Glossary, definitions and interpretation


Defined term	Meaning
Trust Scheme Resolutions	the resolutions to approve the Trust Scheme including: (1) a special resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the Aventus Trust Constitution as set out in the Aventus Trust Supplemental Deed; and (2) a resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by HDN Trustee of all the Aventus Units as at the Scheme Record Date.
Trustee Reimbursement Fee	\$20.15 million.
Trustee Reverse Reimbursement Fee	\$20.15 million.
Underwriter	a relationship bank of HDN and Aventus.
Unstapling	the termination of stapling of Aventus Units and Aventus Shares in accordance with the Aventus Trust Constitution and Aventus Company Constitution.
Unstapling Resolutions	the resolutions of holders of Aventus Units (the Unstapling Resolution (Aventus Trust)) and Aventus Shares (the Unstapling Resolution (Aventus Company)) respectively to approve the Unstapling for the purposes of clause 20.5 of the Aventus Trust Constitution and clause 16.5 of the Aventus Company Constitution.
Voting Record Date	time and date for determining eligibility to vote at the Meetings, being 7.00pm, Sunday, 23 January 2022.
WACR or Weighted Average Capitalisation Rate	the average capitalisation rate in relation to Aventus, Merged HDN Group or HomeCo for a group of properties, weighted by value.
WADE	Weighted Average Debt Expiry.
WALE or Weighted Average Lease Expiry	the average lease term remaining to expiry in relation to Aventus, Merged HDN Group or HomeCo for a property or group of properties, weighted by gross passing income.
WARR or Weighted Average Rent Review	the average rent review in relation to Aventus, Merged HDN Group or HomeCo for a property or group of properties, weighted by gross passing income.

Section Thirteen

**Annexure A:
Summary
of HDN
Corporate
Governance
Policies**

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13. Annexure A: Summary of HDN Corporate Governance Policies

HDN Trustee has adopted the following corporate governance policies, each having been prepared having regard to the ASX Recommendations and which will be available on HDN's website at <https://hdn.home-co.com.au/Investor-Centre/>.

13.1. Code of Conduct

The HomeCo Group's Code of Conduct applies to all directors of the HDN Trustee Board, as well as all other officers and employees of the Managers, and all other persons that act on behalf of HDN Group.

HDN Trustee recognises the need to observe the highest standards of corporate practice and business conduct. The Code of Conduct is designed to provide a benchmark of professional behaviour throughout HDN Group, and post implementation of the Merger, the Merged HDN Group, support its business reputation and corporate image within the community and make directors of the HDN Trustee Board and employees and officers of the Managers aware of the consequences if they breach the policy.

13.2. Securities Trading Policy

The HomeCo Group's securities trading policy applies to dealings in HDN Units by directors of the HDN Trustee Board, employees and officers of the Managers and their associates. Please refer to section 6.8.4 of this Scheme Booklet for a summary of the HomeCo Group's securities trading policy.

13.3. Continuous Disclosure Policy

HDN Trustee is required to comply with the continuous disclosure requirements of the Listing Rules, in addition to those disclosure requirements to which HDN Trustee is currently subjected to under applicable law. Subject to the exceptions contained in the Listing Rules, HDN Trustee will be required to disclose to the ASX any information concerning the Merged HDN Group which is not generally available and which a reasonable person would expect to have a material effect on the price or value of HDN Units.

HDN Trustee is committed to observing its continuous disclosure obligations and has adopted a continuous disclosure policy which establishes procedures that are aimed at ensuring that directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information.

13.4. Unitholder Communication Policy

HDN Trustee has adopted a Unitholder Communication Policy. HDN Trustee aims to ensure that HDN Unitholders are provided with sufficient information to assess the performance of the Merged HDN Group and that they are informed of all major developments affecting the state of affairs of the Merged HDN Group in accordance with all applicable laws.

All announcements made to the market, including half-year and annual financial results, will be posted on HDN's website <https://hdn.home-co.com.au/Investor-Centre/> as soon as they have been released by HDN Trustee on the ASX. The full text of all notices of meetings and explanatory material, annual reports and copies of all investor presentations made to analysts and media briefings will be posted on HDN's website.

13.5. Whistleblower Policy

HDN Trustee has adopted a Whistleblower Policy, which encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and provides that those who report may do so with confidence and without fear of intimidation, ramifications or adverse consequences. Reportable conduct under the Whistleblower Policy includes (but is not limited to):

- dishonest, corrupt, fraudulent or unlawful conduct or practices, including bribery;
- financial irregularities;
- unfair, dishonest or unethical dealings with a customer or third party; and
- unethical or serious improper conduct including breaches of any legal or regulatory obligations.

The Whistleblower Policy ensures protection over whistleblowers by allowing for anonymous reports to be made, protecting confidentiality of the whistleblowers and not tolerating any detriment caused or threatened to be caused against any person who has made or who is believed to have made a report regarding the reportable conduct.

13.6. Anti-corruption Compliance Policy

HDN Trustee has adopted an Anti-corruption Compliance Policy to demonstrate its commitment to conducting its business and operations with honesty, integrity and the highest standards of personal and professional ethical behaviour, complementing its Code of Conduct. All employees, officers, directors and agents acting for, or representing the HDN Trustee (including officers and employees of the Managers), in all their dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, subcontractors or service providers must not either directly or indirectly:

- offer, promise, give, solicit or accept any bribe or facilitation payments;
- falsify any books, record or accounts relating to the Merged HDN Group;
- offer to provide gifts, hospitality or any other benefit to public officials without prior approval of the Company Secretary of the Merged HDN Group;
- make any political or charitable donations on behalf of the Merged HDN Group which are or could be perceived to be a bribe;
- engage with or deal with third parties or agents acting for or representing the Merged HDN Group such as giving secret commissions; and
- cause, authorise or wilfully ignore any conduct that is believed or suspected to be contrary to this policy or anti-corruption laws, or to aid or abet such conduct.

13.7. Conflicts of Interest and Related Party Transactions Policy

HDN Trustee has obligations under the Corporations Act and Listing Rules to have in place adequate arrangements to identify and manage conflicts of interest or duty and related party transactions. Given the relationships between HDN and the HomeCo Group, HDN Trustee has adopted a Conflicts of Interest and Related Party Transactions Policy to ensure there are adequate arrangements to identify and manage conflicts of interest or duty and related party transactions.

In relation to related party transactions, the key elements of the policy include the following:

- the HDN Trustee Board will consider the information provided in order to determine whether and how to proceed with any proposed related party transaction. In considering the information, the HDN Trustee Board may seek further advice from appropriately qualified advisers and professionals required; and
- each related party transaction will be approved by HDN Unitholders unless the HDN Trustee Board determines that it falls within an appropriate exception, including where a transaction is on arm's length terms or terms that are more favourable to the business than arm's length terms.


In relation to conflicts of interest, the policy aims to:

- identify any actual, perceived or potential conflicts of interest;
- outline policies and procedures to assess and evaluate conflicts of interest; and
- establish processes and procedures to monitor and manage conflicts of interest.

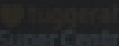
The Merged HDN Group, HDN Trustee and the Managers, and any entities owned, either beneficially or legally, by Merged HDN Group or HDN Trustee, are required to adhere to the Conflicts of Interests and Related Party Transactions Policy.

Section Fourteen

**Annexure B:
Independent
Experts Report**



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Aventus Group

Independent expert's report and Financial Services Guide

6 December 2021

14. Annexure B: Independent Experts Report



Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Why are we providing this FSG to you?

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) has been engaged by Aventus Group (AVN) to prepare an independent expert's report (our Report) in connection with Proposed Merger. AVN will provide our Report to you.

Our Report provides you with general financial product advice. This FSG informs you about the use of general financial product advice, the financial services we offer, our dispute resolution process and our remuneration. Our contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

We are providing general financial product advice

In our Report, we provide general financial product advice as we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. You should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. You are not responsible for our fees. We will receive a fee of approximately \$450,000 exclusive of GST in relation to the preparation of our Report. This fee is not contingent on the outcome of the Proposed Merger.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

In the last 2 years Deloitte has not provided any advice or services to AVN that are connected with the Proposed Merger.

What should you do if you have a complaint?

If you have a concern about our Report, please contact us:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Fax: +61 2 9322 7000

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

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

6 December 2021

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000

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Aventus Group

Independent expert's report and Financial Services Guide

6 December 2021

14. Annexure B: Independent Experts Report



Summary and conclusion

We have considered whether the Proposed Merger is fair by comparing the estimated market value of an AVN security to the estimated market value of the consideration that AVN securityholders are receiving, being securities in the Merged HDN Group (Merged HDN Group), along with the cash component of the Consideration. Whilst AVN securityholders can elect to receive 0.038 securities in HMC rather than the cash, the cash option is the default option and thus our assessment of fairness has been undertaken having regard to this option. However, we have also set out in this report our considerations around the HMC security election option.

In our opinion, the Proposed Merger is fair and reasonable to, and therefore in the best interests of AVN securityholders. In arriving at this opinion, we have had regard to the following factors.

The Proposed Merger is fair

According to ASIC Regulatory Guide 111, in order to assess whether the Proposed Merger is fair, the independent expert is required to compare the estimated market value of an AVN security on a control basis with the estimated market value of the Consideration.

The Proposed Merger is fair if the value of the Consideration is equal to or greater than the value of an AVN security prior to the Proposed Merger.

Set out in the table below is a comparison of our assessment of the estimated market value of an AVN security before the Proposed Merger, and the value of the Consideration.

Table 1: Comparison of our valuation of an AVN security to the value of the Consideration

	Reference	Unit	Low value	High value
Estimated market value of one AVN security	Section 7.3	\$	3.08	3.49
Estimated market value of the Consideration	Section 8.3	\$	3.26	3.68

Source: Deloitte Corporate Finance analysis

We have estimated the market value of an AVN security using the net assets on a going concern basis methodology, an approach commonly used in valuing property investment trusts and other asset holding businesses. The valuation reflects the value of an AVN security on a control basis. Our valuation does not incorporate the tax impact on AVN securityholders as a result of any future disposal of their securities, or the underlying properties as the tax liability is borne directly by securityholders and the tax position of each securityholder is different.

In applying this methodology, we made certain adjustments to the net assets of AVN for changes reflecting the estimated increase in the value of the properties since the last balance date, accumulated distributable earnings expected at the Implementation Date, inclusion of certain transaction costs, movements in other net assets, deduction of capitalised corporate costs and application of a portfolio premium. Our valuation of a AVN security is set out in Section 7.

The Proposed Merger involves AVN securityholders receiving 2.2 securities in the Merged HDN Group for every security they currently own in AVN. We have estimated the market value of the Merged HDN Group based on the market values of AVN and HDN and made certain adjustments to the net assets of the Merged HDN Group, consistent with the adjustments made in the valuation of AVN. Our valuation of the Consideration is set out in Section 8. Given the value of the Consideration is greater than the value of an AVN security, in our opinion, the Proposed Merger is fair to AVN securityholders.

Our analysis assumes a difference in portfolio premiums between the AVN portfolio and the Merged HDN Group portfolio recognising, amongst other things, the fact that the number of properties and the value of the properties will more than double. However, if we were to assume the same portfolio premium for AVN and Merged HDN Group, our assessment would still be that the Proposed Merger is fair.

For scrip transactions it is common to use share trading in the proposed merged entity following announcement of the transaction to value the consideration. Given the large proportion of the scrip that AVN shareholders will hold in the Merged HDN Group, we have not adopted that approach in assessing the Proposed Merger. However, if we did use the recent trading in HDN securities to value the scrip component of the Consideration, the Proposed Merger would still be fair.

Our evaluation of the Proposed Merger as presented above has been undertaken having regard to the cash option given this is the default option. However, AVN securityholders can elect to instead receive 0.038 securities in HMC, the manager of HDN. Recent trading in HMC securities since the announcement of the Proposed Merger would suggest that the value of the Consideration is the same at the bottom end of the range and \$3.70 at the top end of the range. Given the value of the Consideration under the HMC scrip election option is greater than the value of an AVN security, the Proposed Merger is still fair. However, we have set out further below some considerations AVN securityholders should have regard to in considering whether to elect the HMC scrip option.

The Proposed Merger is reasonable

In accordance with ASIC Regulatory Guide 111, an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Merger is reasonable. We have also identified the following considerations.

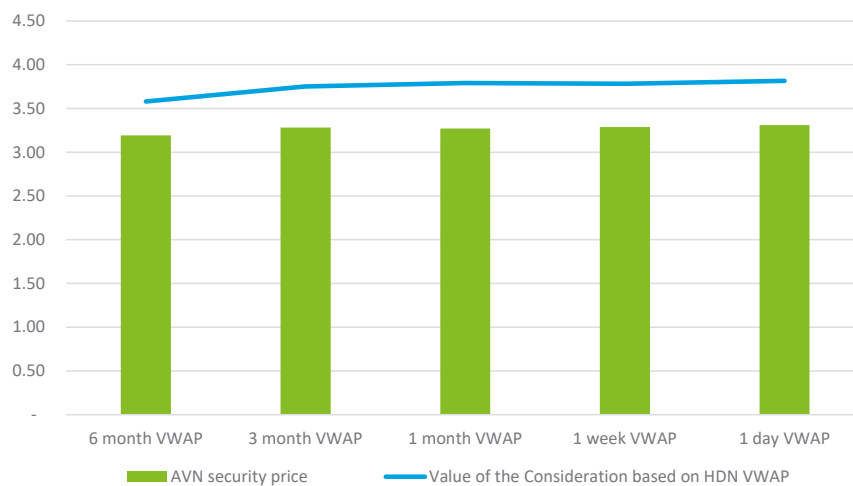
Regardless of how you evaluate the Proposed Merger, the value of the Consideration is greater than the value of AVN securities

In assessing the value of an AVN security prior to the Proposed Merger and assessing the value of Merged HDN Group following the Proposed Merger as summarised above, we have undertaken a fundamental valuation of both businesses.

However, there are a number of alternative approaches that could be used to evaluate the Proposed Merger. Evaluating the Proposed Merger based on these alternative approaches also suggests that the value of the Consideration is greater than the value of AVN securities.

Set out in the figure below is the value of the Consideration based on the volume weighted average price (VWAP) of trading in HDN securities, compared to the VWAP of trading in AVN securities.

Figure 1: Implied value based on VWAPs of AVN and HDN securities



Source: S&P CapitalIQ, Deloitte Corporate Finance analysis

The value of the Consideration based on VWAPs for HDN securities over the 6 months prior to the date of announcement of the Proposed Merger exceeds the VWAP of AVN securities by 12% to 16%.

In addition, the value of the Consideration, when assessed on the basis of the net tangible assets (NTA) and net asset value (NAV) per security reflects a premium of 12% and 2%, respectively.

The value of the Consideration based on the closing price of HDN securities on 15 November 2021 exceeded the VWAP of AVN securities by 2%. As evidenced above, this difference has reduced and could be the result of a number of factors including the share market pricing in anticipation of the Proposed Merger.

14. Annexure B: Independent Experts Report



Further discussion of these alternative approaches is set out in Section 9.

The Merged HDN Group will be significantly larger, more diversified and will have higher weighted average lease expiry (WALE) as compared to AVN

AVN securityholders' will increase their exposure from 19 properties to 51 properties and gross asset value (GAV) will increase from \$2.3bn to \$4.1bn. The portfolio will also be more diversified with respect to:

- retail segments, with a reduction in exposure to large format retail (LFR) properties from 100% to 50% by value, offset by gaining exposure to Daily Needs (34%) and Health & Services (16%). This will reduce exposure to non-discretionary retail which is commonly associated with LFR
- geographic location, with a reduction in exposure to New South Wales (NSW) from 56% to 45% by property value, offset by increases particularly in Queensland (19% to 22%) and Victoria (17% to 24%)
- individual properties, with the largest property (Castle Hill) reducing from 15% to 9% of the portfolio by value.

The Proposed Merger will result in an increase in the WALE from 3.7 years to 5.3 years. Whilst the higher WALE will provide greater security of income, there are also disadvantages in that the opportunity for rental growth at tenancy expiry is delayed.

Further information on the Merged HDN Group is set out in Section 6 of this report.

AVN securityholders will be exposed to more development and tenant remixing opportunities

AVN's current development pipeline spans six existing assets, with expected expenditure of c.\$20m in FY22 and progressive completion over the next 5 years. In comparison, HDN has development opportunities across 12 properties, with c.\$28m expected to be spent in FY22 and a similar completion timeframe. Whilst HDN has less GLA under-development, the smaller footprint of its properties relative to AVN's LFR format results in HDN's developments being more intensive.

In addition, HDN has indicated that it intends to rebalance the merged entity's property portfolio towards more defensive daily needs and health & services offerings. Whilst over the long-term, if successfully executed, this should bring more defensive attributes (less reliance on discretionary spend) to the portfolio, there are risks with a change in tenant mix.

Consequently, the risk profile of the investment will change and AVN securityholders should consider whether the increased exposure to risk is consistent with their risk appetite.

AVN securityholders will be exposed to externalised management arrangements

Should the Proposed Merger proceed, AVN will transition from being an internally managed REIT to being externally managed (by HMC). This is a reversal of the internalisation of management which occurred in 2018. Whilst our assessment of fairness accounts for the value inherent in an internalised management structure and equally, our valuation of the Consideration (specifically the Merged HDN Group securities) takes account of the externalised management structure, AVN securityholders may not be attracted to this attribute. As set out in Section 6.3, the cost base that AVN securityholders are exposed to in Merged HDN Group is expected to increase. Further information on the management agreements with HMC in respect of Merged HDN Group (which will be the agreements currently in place with HDN) are set out in Section 5.3.

Whilst HMC's investment in the Merged HDN Group (13.5%) will act to align the interests of the manager with investors in the Merged HDN Group, and existing executives of AVN will be offered roles with HMC will aid in a smooth transition, there is no obligation on the manager to act solely in the interests of the Merged HDN Group given it has ambitions to pursue growth in other investment sectors which could potentially dilute the manager's focus on the Merged HDN Group.

External management arrangements are sometimes not viewed as a positive factor by investors. Whilst it would not appear to be the case at the moment, there have been periods where entities with externalised management arrangements have traded at a discount to those with internalised management arrangements.

AVN securityholders will be exposed to increased leverage and a shorter debt expiry

Pro forma gearing of the Merged HDN Group is estimated to be 34.5%, being 4.2% higher than AVN's existing gearing ratio as at 30 June 2021. This is due to HDN's higher gearing relative to AVN and the funding of material one-off transaction costs. Despite this, HDN's target gearing is within its target range of 30% to 40%.

On a pro-forma basis, whilst the current debt maturity for AVN and HDN are similar (4.1 years at 31 October 2021), the weighted average debt maturity of the Merged HDN Group will reduce from 4.1 years to 3.3 years as the tenor will change irrespective of whether the existing lenders roll over their commitments.

Despite this, future gearing and debt maturity may change as the executives of the manager of HDN have indicated their intention to refinance the debt facilities of the Merged HDN Group through alternative funding sources including debt capital markets, to capitalise on the expectation of a lower cost of debt for the Merged HDN Group given its increased size and diversification.

The directors of Merged HDN Group will include directors of AVN

The directors of the responsible entity of HDN will include three independent non-executive directors, along with two directors who have roles with HMC (the manager of HDN). They will be joined by 3 existing directors of AVN (including Darren Holland, Managing Director and CEO of AVN).

The Proposed Merger will be accretive from a FFO and NTA perspective

The Proposed Merger is expected to be accretive on a funds from operations (FFO) and NTA basis, as illustrated in the table below.

Table 2: Impact on per security metrics

Cents (unless otherwise stated)	AVN (pre-announcement)	Merged HDN Group (post-announcement)	% accretion or dilution
FY22 FFO per security ¹	20.3	21.1 ²	3.8% accretive
Proforma NTA per security	2.69	3.02 ³	12.2% accretive

Notes:

- Leasing fees are expensed given AVN's internalised management structure and as such, are factored into FFO. HDN capitalises such fees and thus are not factored into FFO. Correcting for this difference in accounting treatment does not have a material impact on the post announcement FFO per security metric
- Assumes the cash consideration is re-invested in Merged HDN Group securities to enable a like-for-like comparison
- Includes the consideration received in cash to enable a like-for-like comparison

Source: Scheme Booklet

Further information on the basis of calculation is set out in Section 3.2.2 of the Scheme Booklet.

This accretion is driven largely by the premium relative to NTA that the Consideration implies and assumes that the premium over NTA being offered will translate into increased investment property valuations and consequently NTA.

No guidance has been provided with respect to future distributions. Whilst the intention is to target a normalised payout ratio of between 90% and 100% of FFO, this will be dependent on the future investment opportunities that may be pursued. There is a risk that with the development opportunities and tenant remixing strategies that the Merged HDN Group pursues, that distributions may be constrained in the intervening period. If the strategies are successful executed, this would be for the benefit of capital growth over the long-term.

The securities in the enlarged HDN are likely to be more liquid and qualify for inclusion in various indices

With a portfolio value of more than \$4bn, the Merged HDN Group is likely to be one of the largest retail-focused REITs on the ASX. In addition, with the increase in market capitalisation and free float, it is likely to qualify for inclusion in the S&P/ASX 200 Index.

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The Proposed Merger will incur transaction costs

If the Proposed Merger is approved, transaction costs of \$69.8m (including legal, accounting and advisory costs, stamp duty and HMC's acquisition fee) will be incurred. Of these costs, \$5.6m will be incurred by AVN regardless of whether the Proposed Merger is approved. HMC's, the manager of HDN (and Merged HDN Group), acquisition fee of \$22.3m is expected to be paid by way of securities in Merged HDN Group subject to completion of the Proposed Merger.

AVN security price is likely to decrease if the Proposed Merger is not completed

On announcement of the Proposed Merger, the AVN security price increased substantially. If the Proposed Merger does not complete, there is a risk that the AVN security price will decrease.

The Proposed Merger appears to be the best alternative available

The Directors have previously undertaken reviews to assess the potential long-term opportunities available to AVN securityholders. In evaluating this transaction, they formed the view that the Proposed Merger is the best alternative available. Since the announcement of the Proposed Merger on 18 October 2021, there have not been any other approaches proposing alternative transactions. As such, the Proposed Merger would appear to be the best alternative relative to the status quo. The Directors' discussion of the alternatives is set out in the Scheme Booklet.

Securityholders may benefit from capital gains rollover relief

Any capital gain made by Australian resident AVN securityholders may be eligible for scrip-for-scrip rollover relief. AVN is in the process of seeking a ruling from the Australian Taxation Office confirming the extent to which scrip-for-scrip rollover relief is available. Further information on the tax consequences of the Proposed Merger is set out in Section 11 of the Scheme Booklet.

Conclusion on reasonableness

Having regard to the above including our assessment that the Proposed Merger is fair, in our opinion, the Proposed Merger is reasonable.

Considerations around the HMC security election option

AVN securityholders can receive cash of \$0.285 for every AVN security they own. However, they can elect to instead receive 0.038 securities in HMC, the manager of HDN. Our evaluation of the Proposed Merger has been undertaken having regard to the cash option given this is the default option.

However, we have set out below some considerations related to the HMC security election option.

An investment in HMC is very different to an investment in AVN. HMC is in the process of transitioning to being an alternative assets fund manager and therefore the risks and opportunities associated with an investment in HMC are very different to the risks and opportunities of an investment in an REIT like AVN or HDN. Further information on HMC is set out in Section 4.

Set out in the figure below is a comparison of recent trading in HMC securities represented as a proportion of HMC securities AVN securityholders will receive for every AVN security:

Figure 2: HMC consideration component



Source: CapitalIQ, Deloitte Corporate Finance analysis

Since 1 July 2021, HMC’s security price increased by 40% up to 15 October 2021, largely as a consequence of its growth in external AUM through HDN and the HealthCo Healthcare and Wellness REIT (HCW) initial public offering (IPO). Whilst HMC intends to significantly increase assets under management over the long term, there is inherent uncertainty in the rate and pace of growth that may be achieved which is currently supporting the security price. However, the security price trading over the month of October suggests that, absent other considerations, AVN securityholders may be better off electing to receive HMC securities depending on the prevailing price of HMC securities near the Implementation Date.

Given AVN securityholders who elect to receive HMC securities will receive 0.038 HMC securities for every AVN security they own, some AVN securityholders may receive a small parcel of HMC securities which may not be marketable or the costs of disposing the parcel may be relatively expensive.

Opinion

In our opinion, the Proposed Merger is fair and reasonable to AVN securityholders. It is therefore in the best interests of AVN securityholders.

An individual securityholder’s decision in relation to the Proposed Merger may be influenced by his or her particular circumstances. If in doubt the securityholder should consult an independent adviser, who should have regard to their individual circumstances.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

Tapan Parekh
 Authorised Representative
 AR Number: 461009

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Glossary

Reference	Definition
\$	Australian dollars
AFCA	Australian Financial Complaints Authority
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ACL	Aventus Capital Limited
AHL	Aventus Holding Limited
APS1	Aventus Property Syndicate 1
ARPF	Aventus Retail Property Fund
AUM	Assets under management
AVN	AHL together with ACL as RE of ARPF
BBRC	Entities associated with BB Retail Capital Pty Limited
bn	billion
Cap rate	Capitalisation rate
Consideration	2.2 HDN securities and cash of \$0.285 for every AVN security
Deloitte	Deloitte Touche Tohmatsu
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
Directors	The directors of ACL in its capacity as RE of ARPF and the directors of AHL
Excluded AVN Securityholder	An AVN securityholder who is a member of HDN or HMC, or who holds AVN securities on behalf of, or for the benefit of, any member of HDN, HMC and does not hold AVN securities on behalf of, or for the benefit of, any other person.
FSG	Financial Services Guide
FY	Financial year
FFO	Funds from operations
GAV	Gross asset value
GLA	Gross lettable area

Reference	Definition
Implementation Date	Anticipated date that the Proposed Merger is intended to take effect
IPO	Initial public offering
HCW	HealthCo Healthcare and Wellness REIT
HDN	HomeCo Daily Needs REIT
HMC	Home Consortium (representing Home Consortium Limited and Home Consortium Developments Limited)
LFR	Large format retail
LVR	Loan to value ratio
m	Million
NTA	Net tangible assets
Merged HDN Group	The entity that will be formed from the merger of HDN and ARPF
Proposed Merger	a proposed transaction whereby AVN is unstapled, followed by APRF being acquired by HDN, and AHL being acquired by HMC
RE	Responsible entity
REIT	Real estate investment trust
Scheme Booklet	The scheme booklet issued by the Directors in respect of the Proposed Merger dated on or around 6 December 2021
SID	Scheme implementation deed
sqm	Square metreage
VWAP	Volume weighted average price
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry
WARR	Weighted average rent reviews

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1 Overview of the Proposed Merger

1.1 Summary

On 18 October 2021, AVN announced a proposed merger with HDN and HMC. Under the proposal, ARPF will merge with HDN and AHL will merge with HMC. The legal mechanism being proposed to complete the Proposed Transaction is complex but in effect, each AVN stapled securityholder will receive the following consideration (the Consideration):

- 2.2 HDN securities for every 1 security in AVN; and
- \$0.285 per AVN security in cash or, as an alternative, 0.038 HMC securities for every 1 security in AVN. Cash is the default option, with AVN securityholders needing to explicitly elect to receive HMC securities instead of cash.

Based on closing security prices on 15 October 2021¹, the Consideration is \$3.82 per AVN stapled security, as summarised in the following table.

Table 3: Value of Consideration based on trading price on 15 October 2021

	\$ per security ¹	Ratio	\$ per AVN security	% Total
HDN securities	1.605	2.200x	3.531	92.5%
HMC securities / cash	7.500	0.038x	0.285	7.5%
Total Consideration			3.816	100.0%

Notes:

1. Based on closing price of trading on the ASX of HMC and HDN securities on 15 October 2021, being the last trading day prior to announcement of the Proposed Merger

Source: ASX release by AVN and HMC, dated 18 October 2021.

The Proposed Merger is expected to provide the following benefits to AVN securityholders:

- Exposure to a larger business with a combined portfolio size of \$4.1bn.² and market capitalisation of \$3.2bn.³, which will likely lead to greater liquidity in security trading given the expectation that the Merged HDN Group will qualify for inclusion in the S&P/ASX200
- expected accretion in NTA and FY22 FFO
- exposure to greater development potential associated with the 2.5 million square metres (sqm) of land located across key Australian metropolitan markets and current low site coverage.⁴ of c.38% of the Merged HDN Group.

Further discussion of the benefits is provided in the Scheme Booklet.

AVN has unanimously recommended that AVN securityholders, other than Excluded AVN Securityholders, vote in favour of the Proposed Merger in the absence of a superior proposal and subject to an independent expert opinion that the Proposed Merger is in the best interests of AVN securityholders (other than Excluded AVN Securityholders).

AVN's major securityholder, BB Retail Capital Pty Ltd (BBRC), which owns a voting interest of approximately 23%, intends to vote in favour of the Proposed Merger (in the absence of a superior proposal and subject to certain other conditions). It has also entered into put and call arrangements with HMC over a portion of its holding equivalent to 6% of AVN's issued securities.

Prior to the Proposed Merger and regardless of whether the Proposed Merger proceeds, AVN is expected to incur transaction costs of \$6.0m, whilst HDN is expected to incur transaction costs of \$2.4m.

¹ being the last trading day prior to the announcement of the Proposed Merger

² adjusted to reflect post balance date disposal of MacGregor and McGrath's Hill at 100% valuation by AVN and post balance date acquisition of 9 LFR assets from HMC, adjoining properties to existing HDN assets, and Victoria Point, Pakenham, Woodlea from third parties

³ based on HDN and AVN closing prices on 15 October 2021

⁴ site coverage represents the portion of land that is covered by buildings and structures.

In addition, upon completion of the Proposed Merger, further transaction costs of approximately \$61.4m are expected to be incurred. These costs include, amongst other things, \$22.3m in fees payable to HMC⁵, fees to other advisors of \$15.8m and stamp duty of \$15.1m. HMC is also expected to incur costs of \$8.1m subject to the Proposed Merger proceeding.

1.2 Key conditions of the Proposed Merger

The Proposed Merger is subject to various conditions, including:

- the AVN schemes will require, among other approvals, the approval of more than 75% of AVN securityholders (other than Excluded AVN Securityholders) who vote
- HDN will be required to convene a meeting of its securityholders seeking approval in respect of aspects of the Proposed Merger and at their meeting the approval of more than 50% of HDN securityholders who vote will be required
- BBRC, the largest securityholder in AVN, obtaining approval from FIRB in respect of the Proposed Merger
- Australian Taxation Office ruling on rollover relief in respect of the acquisition of HDN units by AVN securityholders.

There are also certain other regulatory and procedural conditions. Please refer to the Scheme Booklet for the full list and details of the conditions.

The Proposed Merger is also subject to customary exclusivity provisions, including 'no shop, no talk' notification obligations and matching rights, as well as break fees under certain circumstances. Further detail on the terms and conditions of the Proposed Merger are set out in the Scheme Booklet.

1.3 Intentions if the Proposed Merger proceeds

If the Proposed Merger proceeds, AVN will be delisted from the ASX, and ARPF and AHL, the two stapled entities that form AVN, will be de-stapled and become wholly owned by HDN and HMC respectively.

AVN securityholders would receive approximately 60.9% of the HDN securities on issue and up to 6.9% of HMC (depending on the extent of election to receive HMC securities), as illustrated in the table below.

Table 4: AVN securityholders' potential interest in acquiring entities post-merger

	HDN		HMC ¹	
	Number of securities (m)	% in HDN	Number of securities	% in HMC
Existing securityholders of the entity	794.6	38.5%	292.0 ²	93.1%
Current AVN securityholders	1,257.0 ³	60.9%	21.7 ⁵	6.9%
Other securities issued ⁴	13.9	0.7%	n/a	n/a
Proforma securities	2,065.5	100.0%	313.7	100.0%

Notes:

n/a = not applicable

1. Assumes all AVN securityholders elect to receive HMC securities instead of the cash consideration (which is the default)

2. Inclusive of securities and rights

3. Represents 2.2 HDN securities for each of the 571.4m AVN securities (including unvested securities). Assumes the BBRC option over 6% of AVN securities has not been exercised

4. HDN securities issued as compensation for the HMC acquisition fee of \$22.3m

5. Represents 0.038 HMC securities for each 571.4m AVN securities, assuming all AVN securityholders elect to receive HMC securities rather than cash.

Source: ASX release by AVN and HDN, dated 18 October 2021.

Generally, there will be no adjustments to the Consideration for regular distributions announced by HDN, HMC or AVN prior to the Implementation Date.

⁵ HMC is expected to nominate that this fee be paid in HDN securities.

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2 Basis of evaluation

2.1 Guidance

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

Section 640 of the Corporations Act 2001 (Section 640) requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Where the scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the entity'. Accordingly, if an expert were to conclude that a proposal was 'fair' if it was in the form of a takeover bid, they will also be able to conclude that the proposed scheme is in the best interests of the members of the entity.

ASIC Regulatory Guide 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for a range of transactions.

ASIC Regulatory Guide 111 refers to a 'control transaction' as being the acquisition (or increase) of a controlling stake in a company that could be achieved, for example, by way of a takeover offer, scheme of arrangement, approval of an issue of securities using item 7 of s611, a selective capital reduction or selective buy back under Chapter 2J.

In respect of control transactions, under ASIC Regulatory Guide 111 an offer is:

- fair, when the value of the consideration is equal to or greater than the value of the securities subject to the proposed scheme. The comparison must be made assuming 100% ownership of the target entity
- reasonable, if it is fair, or, despite not being fair, after considering other significant factors, securityholders should accept the offer under the proposed scheme, in the absence of any higher bids before the close of the offer.

To assess whether the Proposed Merger is in the best interests of securityholders, we have adopted the tests of whether the Proposed Merger is either fair and reasonable, not fair but reasonable, or neither fair nor reasonable, as set out in ASIC Regulatory Guide 111.

ASIC Regulatory Guide 112 primarily focuses on the independence of experts and provides little guidance on evaluating transactions.

2.2 Fairness

ASIC Regulatory Guide 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target entity.

Accordingly, we have assessed whether the Proposed Merger is fair by comparing the Consideration offered with the value of a security in AVN on a control basis.

AVN securities have been valued at market value, which we have defined as the amount at which the securities would be expected to change hands between a knowledgeable and willing but not anxious buyer and a knowledgeable and willing but not anxious seller, neither of whom is under any compulsion to buy or sell.

Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of an AVN security has not been premised on the existence of a special purchaser.

We have valued an AVN security on a stapled basis. This is because there is no opportunity for a securityholder to destaple the AHL share from the ARPF unit – the two individual securities (the share and the unit) are not capable of being individually traded. This opportunity only arises when the Proposed Merger is effected and in that event, there is no option for an AVN securityholder to 'mix-and-match' the Consideration between the share and the unit.

We have assessed whether the Proposed Merger is fair by comparing the value of an AVN security to the value of the Consideration to be offered, being:

- The cash consideration of \$0.285 per security; and
- The 2.2 securities in the Merged HDN Group that AVN securityholders are receiving for each security in AVN.

AVN securityholders have the option of receiving the cash component of the Consideration as securities in HMC. However, the percentage of securities in HMC that they will collectively own will only be up to 6.9%⁶. In our assessment of reasonableness, we have had regard to factors relevant to the election of the HMC securities option.

2.3 Reasonableness

Our assessment of whether the Proposed Merger is reasonable has had regard to additional factors relevant to the AVN securityholders. Such factors include:

- the premiums implicit in the Consideration that AVN securityholders are receiving
- the change in the composition and attributes of the underlying assets held by AVN securityholders before and after the Proposed Merger
- the exposure of AVN securityholders to debt before and after the Proposed Merger
- changes in the structure of management and other arrangements
- changes in governance requirements before and after the Proposed Merger
- transaction costs that AVN securityholders will incur in the absence of the Proposed Merger and if the Proposed Merger proceeds
- the alternatives available to AVN and to AVN securityholders.

2.4 Limitations

We have evaluated the Proposed Merger for AVN securityholders as a whole and have not considered the effect of the Proposed Merger on the particular circumstances of individual securityholders. Due to their particular circumstances, individual securityholders may place a different emphasis on various aspects of the Proposed Merger from the one adopted in this report. Accordingly, securityholders may reach different conclusions to ours on whether the Proposed Merger is fair and reasonable and in their best interests. If in doubt, securityholders should consult an independent adviser, who should have regard to their individual circumstances.

This report should be read in conjunction with Appendix 8.

⁶ On the assumption that all AVN securityholders elect to receive the HMC security consideration

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3 Profile of Aventus Group

3.1 Overview of AVN

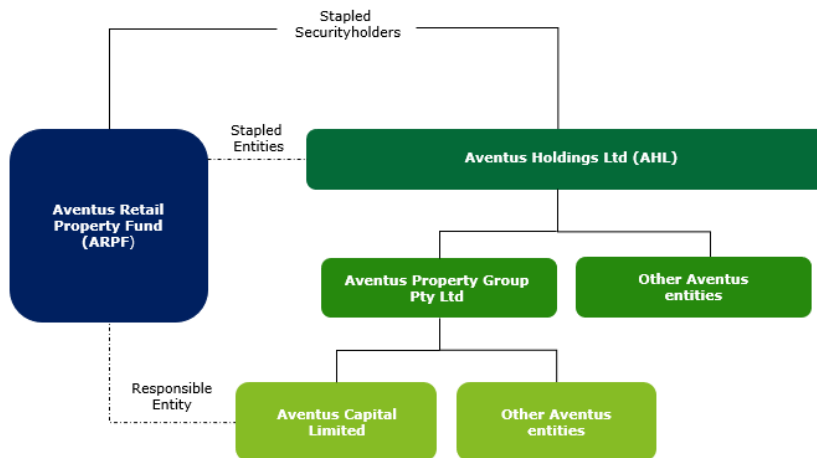
AVN is an internally managed ASX listed Australian real estate investment trust (A-REIT) which owns, develops and manages LFR centres in Australia. On 15 October 2021, prior to the announcement of Proposed Merger, AVN had a market capitalisation of approximately \$1.9bn based on the closing price on the ASX of \$3.31 per security.

As at 30 June 2021, AVN owned a portfolio of 20.⁷ LFR super centres across five states of Australia. These were valued at \$2.3bn, with 537,000 square meters (sqm) in gross lettable area (GLA) leased to 591 tenants of which 88% are national retailers.

In addition, AVN is seeking to diversify capital sources and income streams by way of securing the rights to manage property assets owned by third parties. Currently, external AUM include two centres in Kotara North and McGraths Hill that are owned by third parties.

AVN is a stapled entity comprising the Aventus Retail Property Fund (ARPF), and Aventus Holdings Limited (AHL). A summary of AVN's corporate structure is outlined in the following figure:

Figure 3: AVN's corporate structure



Source: AVN FY18 prospectus and AVN audited financials.

⁷ Inclusive of McGraths Hill and MacGregor.

AHL owns 100% of Aventus Property Group (APG). Aventus Capital Limited (ACL) is the responsible entity of ARPF whereby it acts as trustee and is responsible for the oversight of asset management of the fund, its service providers, capital management, financial accounting and liaison with investors. ARPF is a unit trust which owns all the AVN properties.

3.2 Property portfolio

3.2.1 Overview of portfolio

Key metrics of the AVN portfolio are summarised in the following table.

Table 5: AVN's property portfolio

Property	State	Valuation ¹ (\$m)	GLA ² (sqm '000)	Cap. Rate ³ (%)	WALE ⁴ (years)	Occupancy (%)
Ballarat	VIC	47	20	6.50%	2.4	100%
Bankstown	NSW	78	18	6.00%	3.9	100%
Belrose	NSW	202	37	5.75%	3.0	100%
Caringbah	NSW	152	21	5.75%	3.5	100%
Castle Hill	NSW	354	51	5.75%	3.9	100%
Cranbourne	VIC	175	57	6.00%	4.7	100%
Epping	VIC	64	22	6.25%	2.7	94%
Highlands	NSW	44	11	6.00%	4.1	100%
Jindalee	QLD	163	27	6.00%	2.6	100%
Kotara South	NSW	137	29	6.00%	4.1	99%
Logan	QLD	107	27	6.25%	3.4	100%
MacGregor	QLD	42	12	6.00%	6.2	90%
Marsden Park	NSW	108	20	5.75%	4.5	100%
McGraths Hill	NSW	50	16	6.00%	3.1	100%
Midland	WA	67	23	6.75%	3.4	91%
Mile End	SA	128	34	6.50%	3.5	100%
Peninsula	VIC	115	33	6.00%	3.3	100%
Sunshine Coast	QLD	121	27	6.00%	3.3	97%
Tuggerah	NSW	111	39	6.50%	4.6	98%
Warners Bay	NSW	55	12	6.00%	4.6	100%
Total (at 30 June 2021)⁵		2,320	537			
Weighted average⁶				6.01%	3.7	99%
Less: MacGregor ⁷		42	12	6.00%	6.2	90%
Less: McGraths Hill ⁸		50	16	6.00%	3.1	100%
Total (at 31 October 2021)⁵		2,228	509			
Weighted average⁶				6.01%	3.7	99%

Notes:

- Value based on latest independent property valuations undertaken as at 30 June 2021. The exception is MacGregor which was based on the settled price on sale
 - Gross Lettable area (GLA)
 - Capitalisation rate (cap. rate)
 - Weighted average lease expiry (WALE)
 - The independent valuations of the portfolio include rental guarantees with an aggregate value of \$1.9m
 - WALE and occupancy have been weighted by GLA. Cap rates have been weighted by property valuation
 - MacGregor was sold in August 2021
 - Aventus Property Syndicate 1 (APS1) owns McGraths Hill. AVN owns a 25% interest in APS1.
- Source: AVN FY21 results presentation

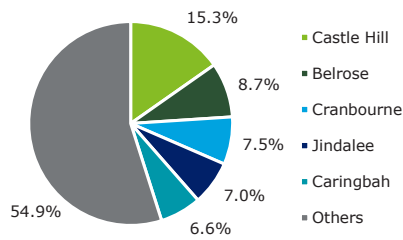
Occupancy across the portfolio is strong with an occupancy of approximately 99%. The higher vacancy at Epping Hub is due to the capping of specific existing tenancies in order to facilitate the commencement of construction of a significant planned development. The higher vacancy at Midland as at 30 June 2021 can be explained by a new tenancy agreement under negotiation at the balance date.

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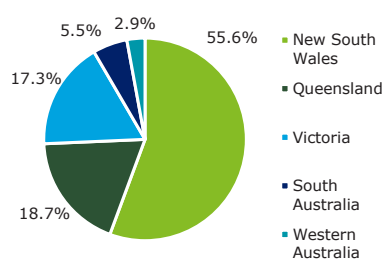
Set out in the figures below is an analysis of AVN's portfolio by individual property and by state:

Figure 4: Contribution of each property to total portfolio value



Note: Includes McGraths Hill and MacGregor.
Source: AVN FY21 results presentation

Figure 5: AVN properties by state (by book value)



Note: Includes McGraths Hill and MacGregor.
Source: AVN FY21 results presentation

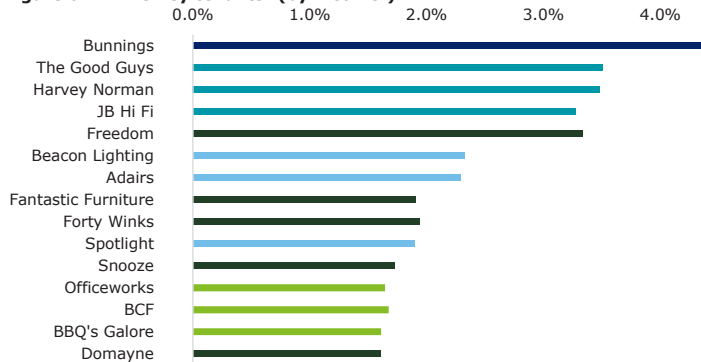
The top 5 properties comprise slightly more than 45% of the total value of the portfolio.

The portfolio is substantially weighted to NSW (55.6%), with Castle Hill (15.3%) being the largest single asset in the portfolio. Castle Hill has two separate buildings linked through an open walkway and forms part of the major shopping precinct in North-West Sydney.

3.2.2 Key tenants

AVN has a diversified tenant base of over 591 tenants, with Bunnings, the largest tenant (by income), accounting for over 4% of the portfolio income. AVN's key tenants categorised by gross passing income and sectors are presented below.

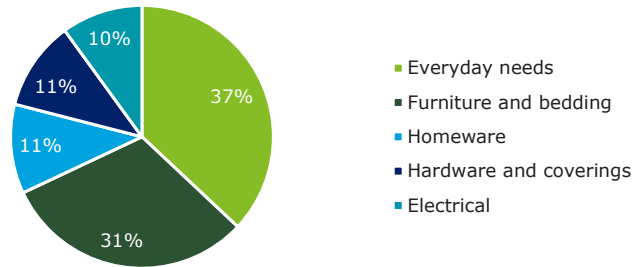
Figure 6: AVN's key tenants¹ (by income²)



Note:
1. The colours correlate with the segments shown below in Figure 7
2. Includes McGraths Hill and MacGregor.
Source: AVN FY21 results presentation

As mentioned earlier, almost 90% of portfolio GLA comprises national retailers.

Figure 7: AVN’s key tenants (by sector) for FY21

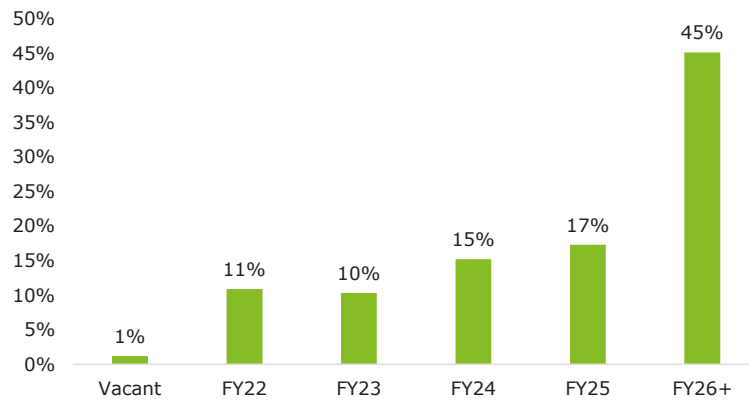


Notes:
Includes McGraths Hill and MacGregor.
Source: AVN FY21 results presentation

Everyday needs⁸ tenants comprise the single largest category, accounting for 37% of portfolio income and approximately half by number. As observed in the figure above, retailers such as Officeworks, BCF and BBQ’s Galore form a key part of this segment.

As at 30 Jun 2021, WALE across the portfolio was 3.7 years⁹, with the expiry profile of the leases set out in the figure below.

Figure 8: AVN’s lease expiry profile as at 30 June 2021¹



Notes:
1. Based on GLA. Includes McGraths Hill, MacGregor and holdovers.
Source: AVN FY21 results presentation

As at 30 June 2021, almost half of leases by GLA had at least 5 years remaining, with the rest steadily expiring in the interim.

⁸Everyday needs includes tenants like food & beverage, supermarkets, automotive, office supplies, liquor and convenience, health well-being discount variety, and pets.

⁹Based on GLA and excludes holdovers (tenants that continue to occupy and use the premise after the term of the lease).

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Overall, based on discussions with executives of AVN and our review of the independent valuations (where the independent valuers have made assessments of the market rent), current rents approximate market rents, with rental growth under the agreements generally linked to either CPI or a fixed rate of 3% to 5%. The weighted average rent review (WARR) for the portfolio is 3.8%.

3.2.3 Property valuations

AVN has documented property valuation policies, which is applied to all owned properties. The key principles of the policy are as follows:

- An independent valuation of each property is obtained at least every 2 years
- The directors determine the fair value of each property at each reporting period having regard to:
 - the most recent independent valuation
 - a reasonable fair value range.
- Fair value is assumed as the amount at which the property could be exchanged between informed, willing and non-anxious parties acting at arm's length. No regard is given to specific circumstances of the owner of the property.
- In determining fair value, reliance is placed on current pricing of similar properties in an active market. Where such information is not available, reference is made to:
 - Current prices in an active market for other types of properties, or recent pricing of similar properties in less active markets, adjusted to reflect any differences
 - Discounted cash flow (DCF) analysis based on reliable projection estimates
 - Capitalisation of net income, with the property's estimated net market income capitalised at a rate derived from market evidence.

We have set out below the historical valuation outcomes for the properties.

Table 6: Historical AVN property valuations summarised by state

	No of independent/director's valuation ²	Valuation date	Valuation (\$m)	Change in Valuation	Cap rate	Change in Cap rate	WALE
NSW	5/5	Jun-19	1,136		6.32%		3.8
	8/2	Jun-20	1,137	0.10%	6.41%	0.09%	3.8
	9/0 ³	Jun-21	1,241	9.10%	5.88%	-0.53%	4.0
VIC	2/2	Jun-19	320		7.32%		4.6
	2/2	Jun-20	320	-	7.32%	-	4.1
	4/0	Jun-21	401	25.30%	6.10%	-1.22%	3.7
QLD ¹	1/2	Jun-19	356		7.00%		4.3
	3/0	Jun-20	354	-0.60%	7.00%	-	3.7
	3/0	Jun-21	433	22.30%	6.06%	-0.94%	3.3
SA	1/0	Jun-19	104		7.25%		3.6
	1/0	Jun-20	103	-1.00%	7.25%	-	3.3
	1/0	Jun-21	128	24.30%	6.50%	-0.75%	3.5
WA	1/0	Jun-19	63		7.25%		3.8
	1/0	Jun-20	64	1.60%	7.25%	-	3.9
	1/0	Jun-21	67	4.70%	6.75%	-0.50%	3.4

Notes:

Detailed historical valuation per AVN property can be found in Appendix 2

1. Historical figures for Queensland properties exclude MacGregor which was sold in August 2021

2. Number of properties for which the book value is based on either the independent valuation or the directors' valuation

3. Excludes McGraths Hill as this was disposed in FY20.

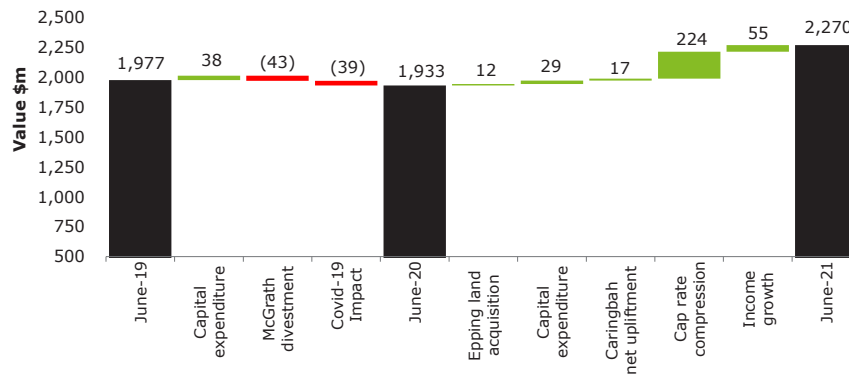
Source: AVN FY19, FY20 and FY21 results presentations, Deloitte Corporate Finance analysis

All properties were independently valued at 30 June 2021. Except for the exclusion of rental guarantees which were recognised as a separate asset to investment properties on the balance sheet, no adjustment to these independent valuations were made for the purposes of their book values at 30 June 2021.

Falls in weighted average capitalisation rate (WACR), particularly for Victoria and Queensland is a consequence of the capitalisation rates (cap rates) of prevailing transactions in the market. WALE has been stable for NSW and South Australia, though fell for Victoria, Queensland and Western Australia largely driven by large tenancies reaching expiry (particularly for Epping, Cranbourne and Ballarat) and the loss of high WALE from Macgregor being held for sale.

The following figure presents movements in value of the property portfolio over the last two years.

Figure 9: Historical movement in AVN property valuations



Notes:
 Portfolio presented above includes rental guarantees.
 Values as at June 2020 and June 2021 exclude McGraths Hill as this is recorded as investment in associate.
 Includes MacGregor which is recorded as an asset held for sale in AVN's financial statements as at 30 June 2021.
 Source: AVN FY20 and FY21 results presentations, Deloitte Corporate Finance analysis

The portfolio experienced a slight decline in value in FY20 (relative to FY19) largely owing to the impact of COVID-19 and the disposal of the McGraths Hill property to Aventus Property Syndicate 1 (APS1)¹⁰.

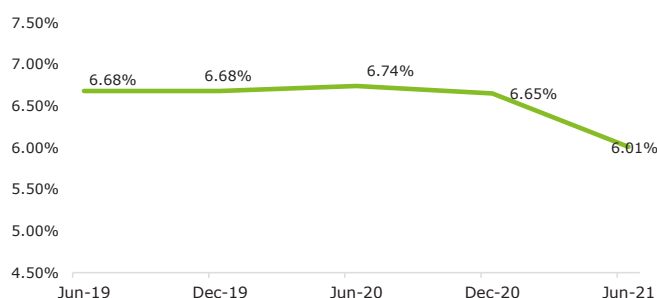
¹⁰ Note that AVN holds a 25.3% interest in APS1 which is recorded as investment in associates.

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The movement in WACR across the whole portfolio from FY19 to FY21 is presented in the figure below.

Figure 10: AVN historical WACR movement



Source: AVN FY19, HY20, FY20, HY21 and FY21 results presentations

In FY21, the valuation of the properties increased significantly, primarily due to a compression of cap rates with the portfolio WACR reducing materially from 6.65% at 31 December 2020 to 6.01% at 30 June 2021. The main driver of the decrease in cap rates was the continuation of economic stimulus by governments and regulators, particularly the reduction in interest rates and introduction of quantitative easing during FY21 by the Reserve Bank of Australia. This led to a lower cost of funds, which combined with better than expected operating performance of LFR property assets during the pandemic, resulted in increased investor demand for stable, long duration assets such as those in the LFR sector.

Other sources of value growth in FY21 were higher property income, driven by higher occupancy, annual rent escalations and higher level of rent collections.

Also in FY21, AVN completed the expansion of Caringbah Super Centre with the expansion being completely leased to national retailers like Harvey Norman, JB Hi-fi and Freedom. This resulted in a net uplift in value of \$17m as at 31 December 2020. AVN also acquired land for development next to Epping hub for \$12m and invested development capital into the existing portfolio.

3.2.4 Development opportunities

AVN has a development pipeline spanning six existing assets. In FY21, AVN focused on completing council approvals and master planning for future projects. In FY22, AVN expects to spend a further \$20m on developments, with approximately half of this going towards master planning initiatives.

Near-term opportunities comprise:

- Tuggerah expansion, NSW – AVN owns 55,815 sqm of land in Tuggerah which is currently being utilised as an overflow carpark for the existing centre. Discussions are in progress with national retailer tenants for the pre-release of a 11,500 sqm development which is expected to cost approximately \$30m to \$40m. Construction is anticipated to start in FY22 with completion expected in FY24
- Cranbourne expansion, VIC – development to add approximately 3,000 sqm of GLA to the existing Cranbourne site. This is comprised of the complete Officeworks Super Store expansion of approximately 2,133 sqm with the remaining 850 sqm being conditionally agreed with Petbarn. Completion is currently estimated for H2FY22 with an expected cost of \$7.5m
- Belrose upgrade, NSW – plans to construct an upper level to the existing Belrose LFR property with an estimated spend of approximately \$15m to \$20m. The development would add approximately 2,000 sqm of GLA and AVN has pre-leased to three key anchor tenants. The development will commence construction in H2FY22 with expected completion toward the end of FY23.

Medium to long-term opportunities comprise:

- Caringbah expansion, NSW – stage 2 expansion centred around the corner site opposite Bunnings. This adds approximately 3,000 sqm of GLA at a cost of between \$10m to \$20m. Current expectations are that construction works will start in FY22 with completion in FY23, subject to development application approval

- Kotara South, NSW – opportunity to develop additional GLA of 250 sqm for an Aldi supermarket
- Jindalee, QLD – mixed use development currently under planning and design. Opportunity to add between 20,000 sqm and 50,000 sqm which is expected to be completed by FY24 at a projected cost of \$100m to \$200m
- Epping, VIC – 90,000 sqm site acquired next to Epping Hub for a retail-led mixed-use development. Currently in stage 1, discussions being undertaken with existing retailers to ensure trade continuity and addition of a supermarket. Development cost is projected to be between \$120m to \$300m (depending on the final masterplan) with completion by FY26.

3.2.5 Impact of COVID-19

Since the World Health Organisation declared a worldwide COVID-19 pandemic in March 2020, AVN's performance has been impacted by lockdown measures. The LFR/Retail sector was adversely impacted with landlords offering discounted rents and higher incentives to minimise vacancy levels as mandated by legislation. Large tenants delayed leasing decisions whilst eligible tenants made requests for rent relief. In FY20, AVN provided rental relief in the form of rental abatements and/or deferred rental payments to tenants who were significantly impacted. Rental abatements were included in property expenses as a bad and doubtful debt expense. AVN reported a \$6.3m in bad and doubtful debt expenses and a doubtful debt provision of \$6.7m for FY20.

AVN implemented initiatives to reduce property and corporate costs with savings passed onto tenants in the form of lower outgoings. Further, non-essential capital projects were delayed and the distribution ratio in FY20 was materially reduced to support liquidity. While all AVN centres remained open for trading, 16 tenancies remained closed with the majority subject to mandated closures owing to government regulations.

FY21 marked a recovery from COVID-19 for the LFR sector whereby retailers effectively managed lockdowns through click and collect services and facilitating accelerated online orders. The LFR sector benefited from the sudden surge in discretionary spending in Australia. This, combined with monetary stimulus, led to strong investor demand for LFR assets due to better than expected operating performance.

Consistent with the overall sector, AVN delivered improved financial results in FY21 with all centres open for trading. Consequently along with the H1FY21 results, AVN provided details of a reconciliation of rental relief provided to tenants against verified sales data which resulted in reversal of \$0.9m of abatements previously provided to tenants along with an accelerated repayment of \$0.9m in deferred rental payments. Total bad and doubtful debt expense in FY21 amounted to \$1.3m which was considerably lower than applied in FY20.

The most recent restrictions imposed in NSW and Victoria between June and October as a result of the Delta outbreak required non-essential retailers to close their doors to physical customers. The restrictions were imposed on a large proportion of AVN's key tenants including Bunnings, Harvey Norman, the Good Guys and JB Hi Fi which closed their physical stores for most or part of the lockdowns. However, the experience gained from past lockdowns helped AVN and its tenants manage the impacts on their businesses better than in previous lockdowns, particularly for retailers who had invested in online sale capabilities and last-mile infrastructure such as click and collect and in-store fulfilment.

NSW and Victorian restrictions began easing in mid to late October to fully vaccinated customers. Foot traffic has since returned to pre COVID-19 levels, with 80% of rental arrears having been paid and physical store trading largely on track to recovery. Executives of AVN also advised that there are likely to be some tenancy risks and uncertainty for small businesses in the entertainment, food and fitness categories going forward. With that backdrop, they have identified potential tenants at risk and considered mitigating strategies including the transfer of tenancy to alternative retailers if required.

3.2.6 Investment in APS1

AVN also owns a 25.3% equity interest in APS1, an entity established to own McGraths Hill. As at 30 June 2021, APS1 had net assets of \$30.1m, with McGraths Hill being valued at \$50m based on an independent valuation. APS1 is classified as an associate in AVN's financial statements.

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3.3 Management

3.3.1 AVN management team

AVN became internally managed in 2018 when it acquired the manager of ARPF. It currently employs 65 personnel across various functions as set out in the following table.

Table 7: AVN organisational structure and responsibility

Function	Function activities	Key personnel
CEO office	<ul style="list-style-type: none"> - overall management of AVN - executive assistant, office management and team support 	Darren Holland
Asset Management	<ul style="list-style-type: none"> - centre and operations management - marketing 	Ruth Jothy
Development and leasing	<ul style="list-style-type: none"> - design and development management - project management - act as agent of AVN and co-ordinate leasing activities - marketing of applicable properties and negotiate terms and renewals of leases 	Jason James
Acquisitions	<ul style="list-style-type: none"> - identification of potential sites for acquisition - negotiation of terms for acquisitions 	Darren Holland
Finance	<ul style="list-style-type: none"> - general management accounting including the generation of internal reports - preparation of financial statements - capital and investment management of the Fund - funds management 	Lawrence Wong
Legal	<ul style="list-style-type: none"> - general legal functions and compliance - preparation and review of lease contracts - administration of lease contracts 	Mary Weaver
Culture and talent	<ul style="list-style-type: none"> - human resource management - employee recruitment 	Sandra Francis

Source: Executives of AVN

Darren Holland is the Managing Director and CEO of AVN and has over 28 years of experience in acquiring, developing and managing LFR properties, including experience with Homemaker Retail Group.

The range of services undertaken by management, whether internally for AVN or to third parties under management agreements, broadly cover:

- management and operation of the business
- managing revenues and operating expenses of the underlying properties
- minimising and managing risk
- management of tenant relationships including leasing negotiations
- facilities management and technical services
- administering of the capital works program
- meeting compliance and reporting requirements
- preparation of annual budgets
- acting as agent of the fund and co-ordinating activities of licensed real estate agents
- conducting marketing of the applicable property and negotiating terms of leases and renewals of leases
- evaluating property development potential and preparation of development proposals
- provision of whole of life cycle property development services, including:
 - engaging, commissioning, coordinating, managing, paying and supervising the work of project consultants
 - administering buildings contracts
 - preparing development proposals and obtaining relevant government approvals
 - preparing related budgets and progress reports.

3.3.2 External AUM

AVN has mandates to manage the following properties owned by third parties:

- APS1: AVN generated \$0.7m in fee income for FY21 related to the management of APS1 and McGraths Hill
- Kotara North is located to the west of the Newcastle central business district and opposite Westfield Kotara which adjoins Kotara Home South. The centre has zoning that permits both LFR and retail. AVN generated \$1.0m in fee income for FY21 related to the management of the centre.

AVN provides services similar to those listed in Section 3.3.1 above and earns property management, leasing and development fee income as is customary for such management arrangements.

3.4 Debt profile

The following table sets out a summary of the key characteristics of AVN's debt at 30 June 2021:

Table 8: Debt profile

	At 30 June 2021
Total facility limit ¹	\$820.0m
Total borrowings (excluding unamortised borrowing costs) ²	\$694.9m
Loan to Value ratio (LVR) ³	30.8%
Weighted average debt expiry	4.4 years
Interest coverage ratio (ICR) ⁴	6.6x
Weighted average hedge expiry term	1.2 years
Weighted average cost of debt ⁵	2.8%

Notes:

1. Total debt portfolio
2. Total borrowing includes the drawn amount of Bi-lateral bank debt and syndicated loan note
3. LVR ratio is calculated as total debt drawn debt divided by the total fair value of investment properties
4. Interest coverage ratio calculated as EBITDA divided by interest expense
5. Weighted average cost of debt is calculated based on historical finance costs, excluding amortisation of debt establishment costs and net fair value gains/losses on interest rate swaps for the 12 months ended 30 June 2021.

Source: AVN FY21 annual report, AVN FY21 results presentation

During FY21, 80% of the total debt was refinanced increasing the debt duration to 4.4 years, thereby reducing refinancing risk with no debt expiring before FY25. AVN's cost of debt reduced to 2.8% in FY21 owing to lower floating interest rates and expiry of hedges. At 30 June 2021, AVN had total debt facilities of \$820m, of which \$125.1m was undrawn. Details of the debt facilities are set out below:

Table 9: Debt facilities

Facility	Limit (\$m)	Maturity date	Gearing covenant	
			ICR	LVR
Bi-lateral bank debt facilities	660.0	Apr 2025 to Jul 2026		
Syndicated domestic loan notes	68.0	Jan 2025	2.0x	55%
Syndicated international loan notes	92.0	Jan 2025		
Total	820.0			

Sources: AVN audited financials, AVN FY21 results presentation

The debt facilities are secured against the assets of AVN and are non-recourse to securityholders. As at the date of our report, AVN is in compliance with all debt facility covenants.

AVN utilises interest rate swaps to partially hedge against interest rate risk fluctuations. As at 31 October 2021, 51.7% of \$657m drawn debt was hedged via interest rate swaps with maturities across FY23 (\$125m), FY24 (\$115m) and FY25 (\$50m).

Given increases in interest rates, the fair value of the interest rate swap liability had decreased to \$2.7m as at 31 October 2021.

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3.5 Financial performance

We have summarised the audited statements of financial performance of AVN for the two years ended 30 June 2020 and 30 June 2021.

Table 10: AVN financial performance

\$m (unless otherwise stated)	FY20	FY21
Property revenue ^{1,2}	170.1	176.2
Property expenses	(34.6)	(32.2)
Net property income	135.5	144.0
Revenue from services ³	1.8	1.7
Other revenue ^{4,5}	0.9	1.3
Operating expenses ⁶	(14.4)	(17.9)
Finance costs ⁷	(23.4)	(19.6)
Income taxes (expense)/benefit	(0.2)	0.3
FFO	100.2	109.8
Decrease/(increase) in fair value of investment properties	(37.3)	297.3
Decrease/(increase) in fair value of derivative financial instruments	(1.3)	8.5
Other ⁸	(4.9)	(5.9)
Profit after tax attributable to securityholders	56.7	409.7
<i>Property revenue growth (%)</i>	<i>n/a</i>	<i>3.11%</i>
<i>Net property income growth (%)</i>	<i>n/a</i>	<i>6.3%</i>
<i>FFO growth (%)</i>	<i>4.2%</i>	<i>9.6%</i>
<i>FFO per security (cents)</i>	<i>18.2</i>	<i>19.4</i>
<i>Cash distributions per security (cents)</i>	<i>11.9</i>	<i>17.5</i>
<i>Distribution payout ratio (% of FFO)</i>	<i>66%</i>	<i>90%</i>

Notes:

- Adjusted to exclude straight lining of income against property revenue
- Adjusted to exclude amortisation of rental guarantees and other non-cash adjustments against property revenue
- Fees derived from management agreements with APS1 and Kotara North
- Other revenue relates to head office, not operating properties
- Adjusted for distributions from associates of \$0.3m in FY20 and \$0.5m in FY21
- Adjusted to remove software development costs \$0.8m in FY21 net of tax
- Adjusted for amortised debt establishment costs of \$1.6m in FY20 and \$2.3m in FY21 and financial instrument fair value loss of \$1.3m in FY20 and gain of \$8.5m in FY21
- Other primarily includes non-cash adjustments such as straight lining of rental income, amortisation of rental guarantees, amortisation of debt establishment costs, profits/distributions from associates, software development costs and other immaterial items.

Source: AVN audited financials, AVN FY21 results presentation, Deloitte Corporate Financial Analysis

Net property income increased by 6.3% in FY21 primarily due to continued revenue growth and a reduction in property expenses. Property revenue was driven by rent escalations and higher occupancy, whilst property expenses were lower due to a reduction in bad and doubtful debts expense following a tapering of COVID-19 rental relief and true-up of rental relief from tenants who traded more favourably than originally expected. However, the total increase in net property income was marginally offset by a reduction in property income owing to the sale of McGraths Hill in FY20.

Finance costs reduced by 16.2% in FY21 primarily due to lower interest costs.

The significant increase in profit after tax was driven by an increase in property values resulting from lower cap rates and steady income growth as well as gain on fair value adjustments on interest rate swaps.

Non-property revenues and expenses relate to the fund and property management activities of AVN. Service revenues are based on a fixed percentage charged on the underlying external assets of the funds managed by AVN. More detail is outlined in Section 3.3.2.

A breakdown of the operating expenses is outlined in the table below:

Table 11: Operating expenses

\$m	FY20	FY21
Employee benefit expenses	(9.4)	(11.4)
JobKeeper subsidy	0.5	0.6
Depreciation	(1.1)	(1.1)
Audit, accounting, tax and other consulting fees	(1.3)	(2.0)
IT and process improvement	(0.7)	(1.9)
Director benefit expenses	(0.4)	(0.5)
Payroll expense	(0.5)	(0.6)
Insurance	(0.3)	(0.7)
Other	(1.2)	(1.1)
Operating expenses – Total¹	(14.4)	(18.7)

Notes:

1. Total expenses for FY21 includes software development costs \$0.8m which is not included in the operating expenses in Table 10 used to derive FFO

Source: AVN audited financials, AVN FY21 results presentation

Employee expenses increased by \$1.9m in FY21 as FY20 was abnormally reduced from voluntary reductions in remuneration for the period from April to June 2020 to address the initial impact of COVID-19, whilst FY21 was abnormally higher as bonuses which were due in FY20 flowed into FY21 as well as certain stretch targets were achieved in FY21. For both periods, AVN received JobKeeper subsidies.

The increase in consulting costs was driven by engagement of ESG and insurance consultants as well as the commencement of Brett Blundy in a consulting role. The increase in IT and processing improvement expenses to \$1.9m in FY21 is attributable to \$1.1m in one-off Salesforce development and implementation costs. Depreciation on plant and equipment of \$1.1m is calculated based on the straight-line method.

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3.6 Financial position

We have summarised the audited statements of financial position of AVN as at 30 June 2020 and 30 June 2021 in the table below:

Table 12: AVN financial position

\$m (unless otherwise stated)	FY20	FY21
Receivables, prepaid expenses, and tax assets/liabilities	10.5	6.2
Payables, provisions and deferred revenue	(27.7)	(29.1)
Net working capital	(17.2)	(22.9)
Investment properties ¹	1,933.4	2,227.5
Investment properties classified as asset held for sale (MacGregor)	-	42.2
Investment in APS1 (25% in McGraths Hill)	5.8	7.6
Investment in property assets and associates	1,939.2	2,277.3
Financial liabilities held at fair value ²	(16.8)	(8.3)
Borrowings	(735.0)	(691.8)
Less: cash and cash equivalents	39.2	7.3
Net cash/(debt)	(712.6)	(692.8)
Intangible assets ³	144.2	144.2
Other net assets ⁴	-	0.2
Distributions payable	(13.1)	(24.9)
Net assets attributable to securityholders	1,340.5	1,681.1
Number of securities (m)	557.1	570.0
NTA per unit (\$)	2.14	2.69
Balance sheet gearing ⁵	36.0%	30.3%

Notes:

- Investment properties include rental guarantees and exclude McGraths Hill and MacGregor Home.
- Financial liabilities held at fair value has been calculated net of financial assets
- Intangible assets include goodwill and management rights. Goodwill represents incremental value created from internalisation of management in FY18 and management rights related to external AUM (Kotara North)
- Other net assets include plant and equipment, right-of-use assets and lease liabilities relating to AVN's corporate office building and land
- Calculated as total debt less cash and cash equivalents divided by total assets less cash and cash equivalents and intangible assets including proportional interests in APS1

Source: AVN audited financials, Deloitte Corporate Finance analysis

The value of investment properties and associates increased by \$338.1m in FY21 primarily due to valuation gains driven by compression of cap rates, higher property income and acquisition of development land adjoining Epping Hub. As mentioned earlier, AVN entered into an agreement to sell MacGregor for \$42m and accordingly this asset was classified as held for sale. The transaction settled on 16 August 2021.

AVN entered into derivative financial instruments, in the form of interest rate swap agreements to partially hedge against interest rate fluctuations on its debt facilities. As mentioned earlier, the fair value of the liability decreased due to subsequent increases in interest rates.

On 29 April 2021, AVN refinanced \$660m of bi-lateral bank debt comprising 80% of the \$820m debt portfolio. Subsequently, the syndicated bank debt facility was also terminated, and all debt tranches were repaid in full. On a net basis, AVN repaid \$43.2m in borrowings from \$22.3m in proceeds from the distribution reinvestment plan in the September 2020 quarter. The balance as at 30 June 2021 was net of unamortised borrowing costs of \$3.1m.

AVN's balance sheet gearing reduced by 5.7% primarily due to net valuation gains on investment properties and debt repayments following a distribution reinvestment plan issue in FY21. Owing to these factors, NTA per security increased from \$2.14 per security to \$2.69 per security.

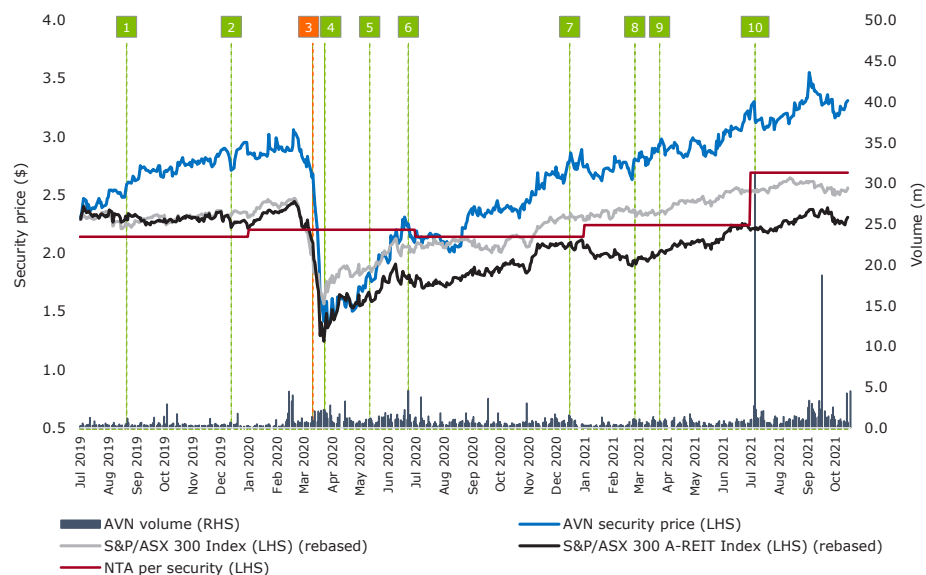
3.7 Securities in AVN

AVN is structured as a stapled group, with its stapled securities comprising one unit in ARPF and one share in AHL.

3.7.1 Recent security price trading

AVN has approximately 570m securities on issue. AVN's security trading price movements and NTA per security for the last two years are presented in the figure below.

Figure 11: Historical security trading price, volumes and NTA per security since 1 July 2019



Note:
S&P/ASX 300 Index and S&P/SX 300 A-REIT Index rebased to AVN security price as at 1 July 2019
Source: S&P CapitalIQ, ASX announcements, AVN audited financials, Deloitte Corporate Finance analysis

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Key announcements identified in the chart above are set out in the following table.

Table 13: Key events and announcements

#	Date	Announcement
1	Aug 19	AVN reported FY19 results including FFO up by approximately 7.9% in the financial year to date, upward portfolio revaluation of \$85m and announced FY20 guidance of 19.0 - 19.2 cents per security representing growth of 3 - 4%
2	Dec 19	AVN declared a distribution of 4.26 cents per security for December 2019 quarter. AVN announced \$20m upward revaluation and unchanged cap rates since FY19
3	Mar 20	COVID-19 declared a global pandemic by the World Health Organisation. AVN's security price decreased by 46.6% between 1 March and 31 March 2020
4	Mar 20	AVN withdrew FY20 earnings guidance due to uncertainty of the impact of COVID-19 and volatility in the financial markets and broader economy The AVN Board significantly reduced the distribution for the quarter ending 31 March 2020 to 1.065 cents per security, equivalent to 25% of the distribution paid in the previous quarter
5	May 20	Brett Blundy, AVN non-executive director and largest securityholder (through BBRC), resigned from the Board of Directors
6	Jun 20	AVN declared a distribution of 2.35 cents per security for the June 2020 quarter Rebound in shopping activity at AVN portfolio centres as indicated by foot traffic exceeding pre COVID-19 levels and 98% leased stores opened and trading
7	Dec 20	AVN declared a distribution of 4.20 cents per security and dividend reinvestment plan activated for the December 2020 quarter
8	Feb 21	AVN's reported HY21 results including FFO up by 6.5% in the first half of FY21, upward portfolio revaluation of \$46m and upgraded FY21 guidance to 19.0 cents per security representing growth of 4% from FY20
9	Mar 21	AVN Board of Directors approved an elevated March 2021 distribution of 4.90 cents per security, which is 17% higher than the distribution in the previous quarter, to account for the lower distribution payout ratio in the first half of FY21
10	Jul 21	BBRC divests 5% of securityholding to reduce equity interest in AVN to 22.6%

Source: S&P CapitalIQ, ASX announcements

Prior to February 2020, AVN securities tracked consistently with the broader market. The impact of the COVID-19 pandemic on markets in February and March 2020 resulted in the value of AVN securities (and the property sector generally) underperforming the broader market and relative to NTA during this period as wide scale lockdowns created significant uncertainty on property patronage and discretionary spend. The subsequent security price recovery and trading relative to NTA since the low on 27 March 2020 was a consequence of a range of factors such as better than expected performance in the retail sector which led to upward revisions in distributions, and lower cap rates resulting from increased monetary stimulus such as lower interest rates and quantitative easing. The relative outperformance as compared to the S&P/ASX 300 A-REIT Index over the last year reflects the positive view on neighbourhood and LFR retail property sectors as compared to other property sectors such as office and general commercial which the S&P/ASX 300 A-REIT Index is otherwise weighted towards.

Prior to the stock market correction as a result of the onset of the COVID-19 pandemic, AVN securities traded at a substantial premium to NTA reflecting their strong comparative distribution yield. The COVID-19 pandemic had a substantial impact on the retail property sector, but the recovery was also swift as investors gained confidence that the impacts on the sector in Australia may be minimal (and potentially positive). As such, and coupled with decreases in interest rates, AVN securities rapidly increased in value and started again trading at a substantial premium to NTA. For the period from 1 July 2021 to the day prior to the announcement of the Proposed Merger, AVN securities traded at an average premium to NTA of 20%, whilst the premium was 23% on the day prior to announcement of the Proposed Merger.

In the twelve months to 15 October 2021, 44.5%¹¹ of AVN issued capital was traded on the ASX reflecting average daily trading of 0.2%. This is lower than AVN's peers¹², which average 50.3% over the same period. The lower level of liquidity in AVN securities can be partly attributed to its lower free float of 60.5%.¹³ compared to the 79.5% free float average of AVN's peers.

3.7.2 Securityholders

Outlined in the table below are the substantial securityholders of AVN as at 26 October 2021:

Table 14: Substantial securityholders of AVN

	Number of AVN securities held (m)	Percentage of total AVN securities issued (%)
BBRC (and entities associated with Brett Blundy)	129.0	22.6%
The Vanguard Group	41.5	7.3%
Ray Itaoui	31.1	5.4%
Other securityholders	369.1	64.7%
Total	570.7	100.0%

Source: Executives of AVN

Approximately 35.3% of the total securities on issue were held by substantial securityholders. BBRC has entered into put and call arrangements with HMC over 6% of securities which it owns.

3.7.3 Management rights

Certain AVN executives have been granted unvested securities which would vest upon achieving certain performance hurdles. As of 31 October 2021, there were approximately 0.5m unvested securities which entitle the holder to a security in AVN. These unvested securities are expected to vest under the Proposed Merger.

¹¹ Calculated as the total volume of securities traded over the average number of securities outstanding for the relevant period

¹² Includes HMC, HDN, Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexus Convenience Retail REIT, Elanor Retail Property Fund, Waypoint REIT. Analysis of HDN liquidity was for the period between 23 November 2020 to 15 October 2021

¹³ As at 15 October 2021

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3.7.4 Distribution yield and FFO multiple

The cash distributions made to securityholders along with the implied distribution yields are set out in the table below:

Table 15: AVN distribution yield

	Unit	FY20	FY21
NTA per security	\$	2.14	2.69
Trading price at end of period	\$	2.09	3.15
Cash distributions per security	cents	11.90	17.47
Distribution payout ratio (% of FFO)	%	66%	90%
Distribution yield based on NTA ¹	%	5.6%	6.5%
Distribution yield based on security trading price ²	%	5.7%	5.5%
FFO multiple ²	x	11.6x	16.4x

Note:

1. Calculated on NTA at the end of the period

2. Calculated on Market cap divided by FFO at the end of the period

Source: AVN investor presentations, S&P CapitalIQ, Deloitte Corporate Finance analysis

AVN's policy is to distribute between 90% to 100% of FFO to securityholders. The payout ratio was low in FY20 as the directors applied conservatism in light of the uncertainty caused by the COVID-19 pandemic. As operating conditions in the retail sector were better than expected, this resulted in a gradual increase in distributions during FY21.

The FFO multiple increased from 11.6x in FY20 to 16.4x in FY21, driven by a stronger recovery in the security price relative to underlying earnings (primarily due to revaluations of the properties) and an improvement in equity markets. This demonstrates increased investor confidence in the business and lower cap rates on the underlying properties.

3.8 Outlook

The table below summarises equity research consensus estimates for AVN based on 8 analyst reports published on or after the announcement of the Proposed Merger.

Table 16: Summary of broker consensus

\$m (unless otherwise stated)	Actual FY21	Forecast FY22	Forecast FY23	Forecast FY24
Revenue	139.3	144.2	149.7	154.1
FFO per security (cents)	19.4	20.4	21.1	22.0
Distribution per security (cents)	17.5	18.5	19.2	19.7
NTA per security (cents)	2.69	2.75	2.78	2.88
Revenue growth (%)	n/a	3.5%	3.8%	3.0%

Note:

n/a = not applicable

Source: HMC audited financials, Broker reports, Deloitte Corporate Finance analysis

On the date of the Proposed Merger announcement, AVN also provided FY22 FFO per security guidance of 20.5 cents, implying growth of 5% on FY21.

Whilst no announcement has been made with respect to distribution guidance, the Directors confirmed their intention to pay out FY22 distributions in line with the distribution policy of 90% to 100% of FFO. AVN's declared September quarter distribution of 4.5 cents per security is in line with the indicated percentage range of FFO guidance.

4 Profile of Home Consortium

4.1 Overview of HMC

HMC was established in 2016 by a consortium of private investors to acquire the real estate assets formerly occupied by Masters, the home improvements business of Woolworths Group Limited. In subsequent years, HMC evolved to become an owner, developer and manager of convenience-based retail and health & services property assets.

HMC listed on the ASX in 2019. It continued growing its owned-property portfolio through acquisitions and developments before in effect disposing its property assets into two ASX-listed REITs in 2020 (HomeCo Daily Needs REIT (HDN)) and 2021 (HealthCo Healthcare and Wellness REIT (HCW)), both of which it now manages. As a result, HMC transitioned its core business from a property owner and landlord to a capital-light fund manager.

Prior to the announcement of the Proposed Merger, HMC had a market capitalisation of approximately \$2.2bn based on the last closing price of \$7.50 per security and is a constituent of the S&P/ASX 300 Index. Currently, HMC continues to execute its strategy to actively recycle capital by making direct property investments, divesting such assets to its managed investment vehicles (such as HDN and HCW), and over the longer term, establish other vehicles including private equity, infrastructure and credit.

4.2 Assets under management

HMC manages a portfolio of externally and directly owned property assets valued at \$2.5bn.¹⁴ across Australia. This portfolio comprises operating and development properties in the retail, healthcare and services sectors and includes neighbourhood shopping centres, LFR, private hospitals and medical centres, government services, childcare centres and aged care facilities.

4.2.1 External AUM

HMC is the external manager of:

- HDN, which listed on the ASX in November 2020. HDN owns 32 LFR and neighbourhood shopping assets across five states of Australia, with a combined portfolio value of \$1.8bn¹⁴. HMC also owns a 25% interest in HDN. More information on HDN is outlined in Section 5
- HCW, which listed on the ASX in September 2021. HCW owns 40 properties across health and well-being related subsectors in four states of Australia, with a combined portfolio value of \$0.7bn¹⁴. HMC owns a 20% interest in HCW.

The table below summarises portfolio statistics for each of HDN and HCW.

¹⁴ As of 15 October 2021

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Table 17: External AUM portfolio statistics

	HDN	HCW
Number of properties ¹	32 operating	35 operating 5 developments ²
Fair value of properties owned ¹	\$1,786m	\$668m ²
WACR	5.64%	5.29%
Occupancy	99%	97%
WALE	7.5 years	10.7 years
Rent collection	99%	99%
Market capitalisation	\$1,269m	\$732m
Gearing	36% ⁴	11.5% ⁵
Debt facility	\$800m ³	\$400m

Notes:

1. Includes operating properties and developments
2. Inclusive of Metro childcare portfolio of 13 assets and 50% of Proxima as announced on 14 October 2021
3. As at 29 July 2021
4. Includes distribution reinvestment plans, recent acquisitions and equity raisings
5. Pro forma gearing is on the basis that the \$59m of contracted acquisitions at IPO are executed using cash on balance sheet. Pro forma gearing also includes the impact of acquisitions announced on 14 October 2021 and related transaction costs (stamp duty and acquisition fees)

Source: HMC Morgans conference presentation, executives of HMC, Deloitte Corporate Finance analysis

To align its interests with the securityholders of these REITs, HMC owns equity in HDN (25%) and HCW (20%), which has a combined market value of \$464m as at 31 October 2021.

Management agreements

HMC provides asset, investment and development management services to HDN and HCW under management agreements. These agreements outline the services provided, fee structure and tenure of the manager, including circumstances under which the manager may be removed. The structure and key terms of the agreements are similar across the two listed trusts.

Refer to Section 5.3 for more information on fee rates and terms of the management agreements. Whilst this is specific to HDN, it is indicative of the management agreement with HCW which largely mirrors the HDN agreement.

4.2.2 Direct property investments

As a fund manager, HMC continues to acquire and develop properties with the intention to divest the assets into existing or new managed funds/trusts which may be established in the future.

Key metrics of the HMC owned-property portfolio are summarised in the following table.

Table 18: HMC's property investments¹

Property ²	State	Fair Value (\$m)	GLA (sqm)	Cap rate ³ (%)	WALE (years) ³	Occupancy (%) ³
Operating						
Gregory Hills Home Centre	NSW	32	9,636	6.25%	6.3	100%
Knoxfield	VIC	31	13,622	7.00%	10.4	98%
North Lakes	QLD	40	11,401	6.00%	6.8	99%
Total		103	34,659			
Weighted average				6.38%	8.1	98.8%
Under development						
Roxburgh Park	VIC	23	11,033	7.50%	7.3	n/a
Richlands (excess land)	QLD	4	-	n/m	n/m	n/a
Camden ⁴	NSW	15	-	n/m	16.3	n/a
Total		42	11,033			
Weighted average				7.50%	7.3	n/a

Notes:

n/m = not meaningful; n/a = not applicable

1. As at 31 October 2021

2. Excludes Lismore, Coffs Harbour and Proxima which have been sold down to HDN and HCW since 30 June 2021, and Wagga Wagga which has been sold and is expected to settle in November 2021

3. WALE and occupancy have been weighted by GLA. Cap rates have been weighted by property valuation

4. Acquired 28% of Camden post 30 June 2021, with HCW the owner of the remaining interests. HMC announced on 14 October 2021 on the future sale of the interest in these Camden to HCW once construction is complete

Source: FY21 HMC results presentation

Given these assets are owned by HMC, no fees are generated on the management of these assets.

The Camden asset which is currently under development will be divested and acquired by HCW on completion of the development.

4.3 Key drivers to performance

Key drivers to the operating performance of HMC are outlined below.

4.3.1 AUM and property values

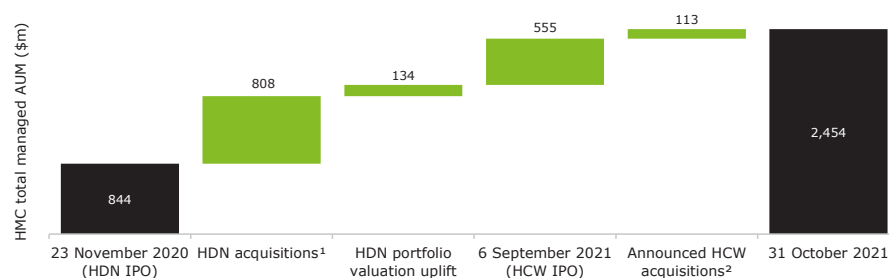
HMC derives a large proportion of its revenues from investment management fees which are a function of the value of AUM, or GAV of the properties under management. Movements in AUM are driven by property acquisitions, developments, revaluations and divestments.

The following figure illustrates the change in the value of external AUM over time.

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Deloitte.

Figure 12: Historical movement in external AUM



Note:

1. Includes Parafield ROU asset of \$11m

2. Announced HCW acquisitions refers to \$113m portfolio acquisition announced on 14 October 2021

Source: ASX announcements

As shown in Figure 12, HMC grew its external AUM portfolio through acquisitions, developments and revaluations of HDN and HCW properties between 23 November 2019 and 31 October 2021. This has led to a 190%.¹⁵ increase in pro-forma annual investment management fees for the period.

4.3.2 Lease profile

Leasing fees are approximately 15% of average annual rent for new tenants and 7.5% for lease renewals. This fee income is driven by the number of tenants, duration of tenancies and frequency of tenant turnover.

As of 30 June 2021, the WALE of HMC's direct investment properties was 8.6 years, with 7.5 years for HDN and 10.7 years for HCW. Having quality tenants on longer WALEs increases the stability of lease income as the risk of vacancies.

4.3.3 Development management

HMC manages developments for both greenfield and brownfield sites, refurbishments and project management services. HMC generates development fees of between 3.0% to 5.0% of project cost, depending on the nature of the project. Developments are undertaken to enhance returns and portfolio quality.

The majority of developments undertaken by HMC are on assets held by HDN and HCW. A summary of the development pipeline managed by HMC is outlined in the following table.

Table 19: HMC managed external developments summary as at 30 June 2021

Managed vehicle	HDN	HCW
Committed projects ¹	\$27.5m	\$130m
Uncommitted projects ¹	\$100.0m	\$350m+
Total developments	\$127.5m	\$480m+

Notes:

1. Estimated total capital expenditure

Source: HDN FY21 investor presentation

The development pipeline is expected to provide fee income over development time frame which are currently expected to extend beyond 3 years.

¹⁵ Based on the change in AUM from \$844m to \$2,454m, and assuming a constant ongoing fee rate of 0.8%

4.4 Management team

HMC employs 38 staff across key functions as summarised in the table below.

Table 20: HMC management team

Function	Responsibilities	Key personnel
Key executives and directors	<ul style="list-style-type: none"> Overall operations, long-term growth, profitability, policies and financial objectives Overall asset strategy and consideration of new investment opportunities 	<p>Chris Saxon (Independent Chairman) David Di Pilla (Managing Director and Chief Executive Officer)</p>
Investment	<ul style="list-style-type: none"> Building relationships with investors Planning, identifying and executing on key business initiatives 	<p>Heechung Sung (Head of Capital Partnerships) Misha Mohl (Head of Strategy and Investor Relations)</p>
Asset & property management, development and leasing	<ul style="list-style-type: none"> Manage REITs, asset portfolio and underlying properties, including decision making on maintenance, strategy and operations Acquisitions and disposals of managed assets Management of development approval process Works closely with architects/builders to complete developments on time and budget Securing and renewal of anchor tenants for managed properties 	<p>Sid Sharma (Chief Operating Officer) Paul Doherty (Fund Portfolio Manager) Andrew Boustred (Development Director)</p>
Legal, finance and support	<ul style="list-style-type: none"> Manages operational functions of the business including leasing, property management, development, asset management and marketing Oversight of finance and strategy functions across the business Responsible for all legal, compliance and governance activities of the group 	<p>Will McMicking (Chief Financial Officer) Andrew Selim (General Counsel and Company Secretary)</p>

Source: HMC prospectus, HMC website

In addition to managing HMC's operations, the HMC management team also has responsibility for managing HDN and HCW.

4.5 Securities in HMC

HMC is structured as a stapled group comprising Home Consortium Limited (HCL) and Home Consortium Developments Limited (HCDL) and their controlled entities. Shares in the two entities are stapled together to form a stapled security, such that a share in Home Consortium Limited and a share in Home Consortium Developments Limited must be purchased or sold together.

On 18 October 2021, HMC announced its intention to simplify its stapled company structure to a single company structure. The proposed restructure will be achieved through the de-stapling of shares in HCL and HCDL, the transfer of HCDL shares to HCL by way of a scheme of arrangement and the consolidation of shares in HCL on issue so that shareholders will hold one share in HCL for each HMC stapled share they currently hold.

Except for the cost of the restructure, it is not expected that this will impact the value of securities in HMC.

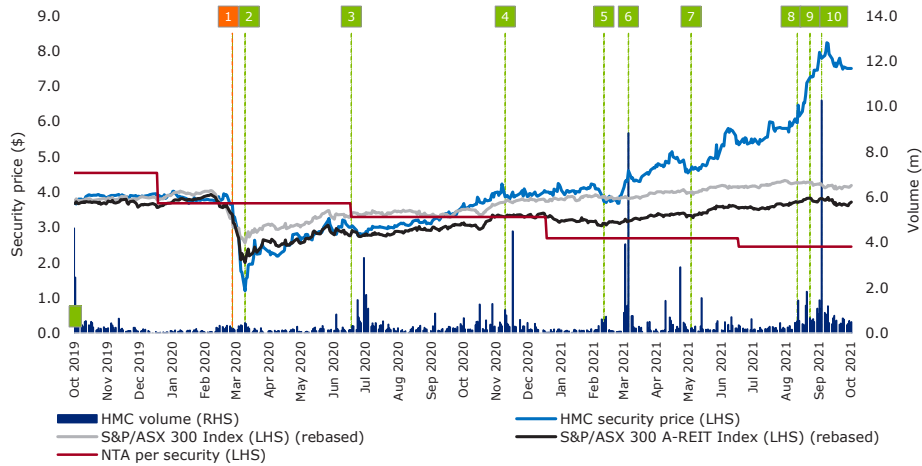
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4.5.1 Recent security price trading

HMC has 290m securities on issue. HMC's security trading price movements and NTA per security since listing on the ASX on 14 October 2019 are presented in the figure below.

Figure 13: Historical security trading price, volumes and NTA per security since listing



Note:
S&P/ASX 300 Index and S&P/SX 300 A-REIT Index rebased to HMC security price as at 1 July 2019
Source: S&P CapitalIQ, ASX announcements, HMC audited financials, Deloitte Corporate Finance analysis

Key announcements identified in the chart above are set out in the following table.

Table 21: Key events and announcements

#	Date	Announcement
1	Mar 20	COVID-19 declared a global pandemic by the World Health Organisation. HMC security price decreased by 43.4% between 1 March and 31 March 2020
2	Mar 20	HMC withdrew FY20 earnings, distribution and occupancy guidance in light of the uncertainties surrounding the social and economic impact caused by the COVID-19 pandemic
3	Jul 20	Completed \$140m equity capital raising at an issue price of \$2.88 per security to fund the acquisition of the Parafield Retail Complex for \$25m, 3 neighbourhood shopping centres from Woolworths Group for \$128m and Aurrum Erina residential age care property with 250 beds for \$33m on a sale and lease back basis
4	Nov 20	HDN listed on the ASX (via in-specie distribution) with a market capitalisation of \$642m and an issue price of \$1.33 per security
5	Feb 21	HMC reported HY21 results, provided FY21 distribution forecast of 12 cents per security and reaffirmed FFO guidance of \$35m (12.9 cents per security)
6	Mar 21	HMC enters S&P/ASX 300 Index
7	May 21	Acquired \$133.2m of seed assets for proposed listed HealthCo REIT (HCW) FY22 guidance reaffirmed
8	Aug 21	HMC reported FY21 results including FFO of 13.1 cents per security and AUM growth of 144% since FY20 to \$2.5bn HMC announced FY22 guidance for FFO at 19.5 cents per security, representing growth of 25% from FY21, and distribution per security of 12 cents
9	Sep 21	HCW listed on the ASX with a market capitalisation of \$650m and an issue price of \$2.00 per security
10	Sep 21	Vanguard Group becomes a substantial securityholder in HMC

Source: S&P CapitalIQ, ASX announcements

Up until the onset of national lockdowns in Australia in March 2020, HMC securities tracked in line with the broader market. From March 2020, HMC securities underperformed relative to the broader market as the escalating health crisis caused by the COVID-19 pandemic led to significant uncertainty in the retail real estate sub-sector. HMC's subsequent price recovery since its low on 23 March 2020 was a consequence of better than expected performance in the retail sector, lower cap rates resulting from increased monetary stimulus and growth in external AUM through HDN and the HCW IPO. However, whilst it is trading at a substantial premium to NTA, a comparison to NTA is increasingly less relevant given the decreasing tangible asset base within the entity and the growing AUM (which generates revenues).

In the twelve months to 15 October 2021 38.5% of HMC's issued capital was traded on the ASX, reflecting average daily trading of 0.1%. This is significantly lower than HMC's peers¹⁶, which average 51.1% over the same period. We note that even though HMC is currently an asset light fund manager, it held significant direct property investments over the period (prior to the spin-off of HCW) and thus we consider the peer set to be appropriate for HMC.

Factors impacting the low levels of liquidity in HMC securities include the substantial holdings of employees and directors and the interests of strategic investors. As such, only 43.7%¹⁷ of securities on issue are considered free-float.

¹⁶ Includes AVN, HDN, Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexs Convenience Retail REIT, Elanor Retail Property Fund and Waypoint REIT. Analysis of HDN liquidity was for the period between 23 November 2020 to 15 October 2021

¹⁷ As at 15 October 2021

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4.5.2 Securityholders

Outlined in the table below are the substantial securityholders of HMC as at 2 November 2021.

Table 22: Substantial securityholders of HMC

	Number of HMC securities held (m)	Percentage of total HMC securities issued (%)
Home Investment Consortium Trust	93.4	32.2%
The Vanguard Group	15.8	5.4%
Others	181.1	62.4%
Total	290.3	100.0%

Source: S&P CapitalIQ

Approximately 37.6% of the total securities on issue are held by substantial securityholders. Home Investment Consortium Trust (the largest securityholder) represents the interests of strategic investors, along with members of the management team and the board of directors.

4.5.3 Management rights

Key management personnel and Board-invited employees are eligible to receive performance rights which are subject to certain hurdles. As of 31 October 2021, there are 1.7m rights on issue.

4.6 Financial analysis

HMC's recent shift to a capital-light fund manager, combined with the completion of the divestment of 7 assets to HDN and establishment of HCW post 30 June 2021, results in the historical audited information not being indicative of the ongoing business.

Accordingly, we consider the following metrics to be a better indicator of the future financial performance of HMC.

Table 23: HMC financial metrics

	Units	
Financial performance		
Fees – recurring	% of AUM	~0.8%
Fees – transactional	% of AUM	~1.0%
External AUM	\$bn	\$2.4bn
EBITDA margin	%	60%
Financial position		
Fair value of investment properties (directly owned)	\$m	145.0
Fair value of investments in HDN and HCW ¹	\$m	489.0
Cash at bank	\$m	108.0
Debt – Senior facility limit ²	\$m	375.0
Debt – Drawn	\$m	Nil

Notes:

1. As at 15 October 2021

2. Expires in November 2023.

Source: FY21 HMC results presentation

Based on the current level of external AUM, ongoing fee income is likely to be in the order of \$45m¹⁸ per annum. Additional revenue is likely to be generated from the provision of transactional services such as development management services as described in Section 4.3. The current tangible asset base is in the order of \$1bn, comprising directly owned properties, investments in HDN/HCW and cash (which are also likely to generate additional income).

4.7 Outlook

HMC's strategy is to generate above average risk adjusted returns through a combination of regular dividend income and capital growth through investments in the retail and health & wellness sectors.

In light of the Proposed Merger, HMC has upgraded FY22 pre-tax FFO per security to 26 cents representing a 40.5% increase to guidance previously announced on 25 August 2021. This increase largely reflects revenue of \$22.3m HMC is expected to derive as a result of the completion of the Proposed Merger. Additionally, HMC has indicated there will be no adjustment to distribution guidance of 12 cents per security prior to the implementation of the Proposed Merger.

Over the longer term, HMC seeks to grow external AUM to \$10bn by the end of 2024 mainly through acquisitions in their managed funds. Through its capital-light business model, HMC aims to achieve this by re-investing the proceeds from the sale of properties to managed funds towards acquiring and developing further assets. HMC also has ambitions to diversify its asset management capabilities to other higher fee alternative asset classes such as private equity, infrastructure and credit.

HMC aims to broaden its sources of capital over the long term, from institutional equities and funds from private wealth, to target global pension and sovereign wealth funds, insurance, global private wealth, wrap platforms and financial planners.

¹⁸ Based on ~1.8% (0.8% management fee + 1.0% transaction-based fee) of current AUM of \$2.5bn

14. Annexure B: Independent Experts Report

Deloitte.

5 Profile of HomeCo Daily Needs REIT

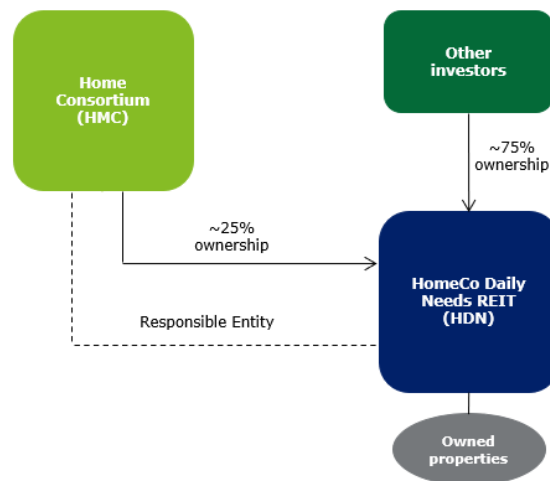
5.1 Overview of HDN

HDN is an ASX-listed REIT that owns property assets across the neighbourhood retail, LFR and health & services sub-sectors. HDN's portfolio is externally managed by HMC which holds a 25% interest in HDN. On 15 October 2021, prior to the announcement of the Proposed Merger, HDN had a market capitalisation of approximately \$1.3bn based on the closing price of \$1.605.

HDN owns 32 property assets across five states of Australia, with a combined GLA of 397,417 sqm and value of \$1.8bn¹⁹. HDN targets ownership of convenience and metro-located assets that have been diversified through quality tenant mix and geographic mix.

A summary of HDN's legal structure is outlined in the following figure:

Figure 14: HDN's legal structure



Source: HDN FY21 annual report, HDN prospectus

HDN is structured as a registered managed investment scheme. Securityholders own ordinary securities in HDN which is externally managed by HMC. More information on the management agreement is outlined in Section 5.3.

¹⁹ As of 13 September 2021 per HDN Acquisition and Equity Raising presentation, includes acquisitions settled and to be settled post 30 June 2021

5.2 Property assets

5.2.1 Overview of portfolio

Key metrics of the HDN portfolio as at 30 June 2021 are summarised in the following table.

Table 24: HDN's property portfolio as at 30 June 2021

Property	State	Valuation (\$m)	GLA (sqm)	Cap rate (%)	WALE (years)	Occupancy (%)
Armstrong Creek	VIC	56	9,847	6.00%	11.1	100%
Braybrook ¹	VIC	67	15,927	5.25%	9.2	100%
Bunnings Seven Hills	NSW	60	13,440	4.50%	10.0	100%
Butler ¹	WA	43	17,258	6.25%	8.7	100%
Coomera City Centre ¹	QLD	57	7,423	5.75%	6.8	100%
Ellenbrook ⁴	WA	28	12,778	6.50%	10.9	89%
Glenmore Park ¹	NSW	149	17,227	5.50%	6.3	100%
Gregory Hills Town Centre ¹	NSW	76	14,731	5.25%	9.6	99%
Hawthorn East ¹	VIC	73	11,485	5.00%	8.2	100%
Joondalup ¹	WA	53	17,190	6.25%	8.5	98%
Keysborough ¹	VIC	44	11,998	5.75%	9.5	100%
Marsden	QLD	53	8,279	6.00%	7.2	98%
Mornington ¹	VIC	52	11,346	5.75%	9.9	100%
Parafield ^{1,2}	SA	34	15,672	7.00%	5.8	100%
Penrith ¹	NSW	55	13,168	5.75%	4.7	100%
Prestons ¹	NSW	39	5,171	5.25%	6.6	100%
Richlands ⁴	QLD	44	12,565	6.25%	11.0	95%
Rosenthal ¹	VIC	32	4,814	5.25%	7.5	98%
Tingalpa ¹	QLD	35	10,675	6.00%	5.2	100%
Vincentia ¹	NSW	65	12,164	5.50%	6.1	100%
Total (at 30 June 2021)		1,113	243,158			
Weighted average³				5.64%	8.2	99%

Notes:

1. These properties have been acquired from HMC
2. Valuation includes Parafield ROU asset of \$11m
3. WALE and occupancy have been weighted by GLA. Cap rates have been weighted by property valuation (including the Parafield ROU asset)
4. Ellenbrook and Richlands were development properties as at 30 June 2021; completed and fully operational post 30 June 2021

Source: HDN PDS, HDN FY21 investor presentation, ASX announcements

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HDN has also acquired a number of assets since 30 June 2021. The key metrics of those assets, along with the metrics for the entire portfolio are presented in the following table

Table 25: HDN's property portfolio

Property	State	Valuation (\$m)	GLA (sqm)	Cap rate (%)	WALE (years)	Occupancy (%)
Add: Post 30 June 2021 additions:						
Armstrong Creek pad site ^{3,4}	VIC	22	2,903	5.00%	8.8	90%
Box Hill ^{1,5}	VIC	58	13,866	6.00%	8.6	100%
Bundall ^{1,5}	QLD	36	10,460	6.50%	6.0	100%
Coffs Harbour ^{1,4}	NSW	27	9,813	5.75%	8.4	100%
Lismore ^{1,4}	NSW	21	8,784	6.00%	5.4	100%
Mackay ^{1,5}	QLD	27	14,430	7.00%	5.6	100%
Marsden Park ^{1,5}	NSW	57	11,512	5.50%	4.9	100%
Pakenham	VIC	99	30,716	6.00%	5.4	100%
South Morang ^{1,5}	VIC	36	11,194	6.25%	5.6	100%
Toowoomba South ^{1,5}	QLD	32	11,360	6.50%	5.7	97%
Upper Coomera ^{1,5}	QLD	39	11,261	6.00%	7.0	94%
Upper Coomera pad site ^{3,4}	QLD	7	260	3.86%	2.7	100%
Victoria Point	QLD	160	20,892	4.75%	7.3	98%
Woodlea ⁴	VIC	55	8,582	5.25%	10.7	100%
Total (post 30 June 2021 additions)		674	166,004			
Weighted average (post 30 June 2021 additions)²				5.64%	6.6	99%
Total portfolio (at 30 October 2021)		1,787	409,162			
Weighted average portfolio (at 30 October 2021)³				5.64%	7.5	99%

Notes:

1. These properties have been acquired from HMC
2. WALE and occupancy have been weighted by GLA. Cap rates have been weighted by property valuation
3. Adjoining properties to existing assets in the HDN portfolio
4. Draft independent valuation as at September 2021
5. Book value based on independent valuation for FY21 year end.

Source: HDN PDS, HDN FY21 investor presentation, ASX announcements

The following acquisitions were made after 30 June 2021:

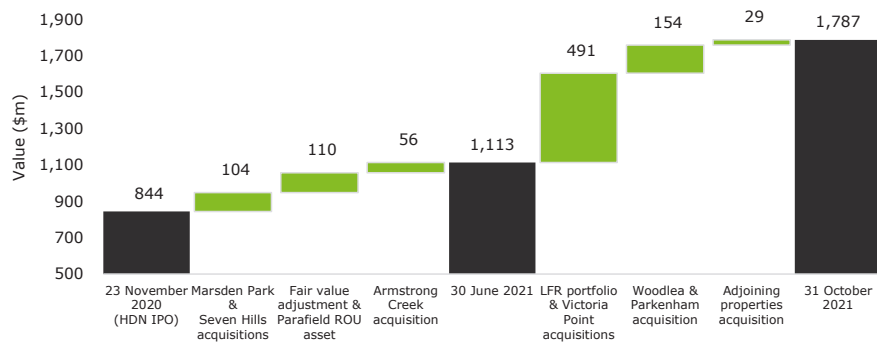
- **Victoria Point (QLD)** – a shopping centre located 30km south-east from the Brisbane CBD, with approximately 21,000 sqm of GLA, the mall is anchored by Woolworths, Bunnings, and Endeavour Drinks. The acquisition was settled in August 2021 for a purchase price of \$160m
- **Pakenham (VIC)** – a LFR centre located 53km south-east of Melbourne CBD with 30,716 sqm of GLA. The key tenants include JB HI-FI, The Good Guys and Supercheap Auto. The acquisition is expected to be completed in December 2021 for a purchase price of \$98.5m
- **Woodlea (VIC)** – newly completed neighbourhood centre opened in March 2021 located 29km west of Melbourne CBD with approximately 27,336 sqm of GLA. The centre is anchored by Coles and was acquired for \$55m
- **HomeCo LFR portfolio (9 assets)** – purchased 100% interest in a portfolio of seven large LFRs from HMC for \$266m at a WACR of 6.75% in July 2021. These properties are located in Box Hill (VIC), Bundall (QLD), Mackay (QLD), Marsden Park (NSW), South Morang (VIC), Toowoomba South (QLD) and LFR Upper Coomera (QLD). In September 2021, HDN acquired 2 more LFR properties from HMC; Coffs Harbour (NSW) for \$22m and Lismore (NSW) for \$17m
- **Adjoining properties to existing HDN assets (2 assets)** – includes 10,929sqm property adjoining HDN's Armstrong Creek asset (VIC) for \$21.5m and 4,050sqm Upper Coomera pad site which is a freestanding property located between Coomera City Centre and Upper Coomera asset (QLD) for \$7m. Both assets have low site coverage at 26.6% and 6.4% respectively.

In addition to the above acquisitions, HDN completed the following brownfield developments.

- **Ellenbrook (WA)** – located 21km north-east from the Perth CBD and was completed as a Daily Needs centre with pre-commitments from supermarkets and leisure & lifestyle retailers.
- **Richlands (QLD)** – is located 21km south-west of the Brisbane CBD. The property has land size of 62,650 sqm and staged developments have been completed.

Outlined in the figure below is the movement in AUM since the IPO of HDN in November 2020.

Figure 15: Historical movement in HDN property valuations¹

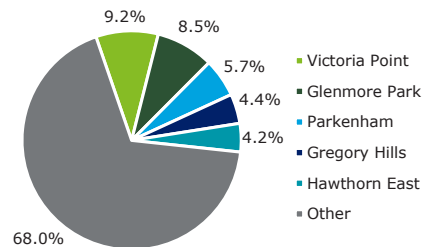


Note:
 1. 30 June 2021 portfolio valuation includes Parafield ROU asset of \$11m
 Source: HDN ASX announcements, Deloitte Corporate Finance analysis

As shown in Figure 15, HDN has grown its portfolio primarily through acquisitions and development activities since IPO.

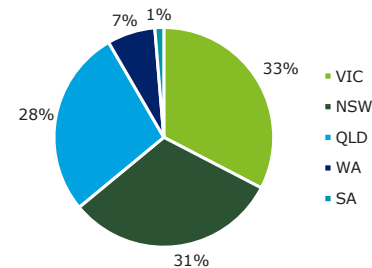
Set out in the figures below is the analysis of the portfolio by property and by state:

Figure 16: Contribution of each property to total portfolio value



Note: Includes recently completed development properties Ellenbrook and Richlands
 Source: HDN FY21 results presentation, HDN ASX announcements

Figure 17: HDN properties by state (by book value)



Note: Includes recently completed development properties Ellenbrook and Richlands
 Source: HDN FY21 results presentation, HDN ASX announcements

HDN's current portfolio is diversified across the three largest states of Australia (i.e. Victoria, New South Wales and Queensland) and across a number of sites, with no site comprising more than 9.2% of the value of the portfolio.

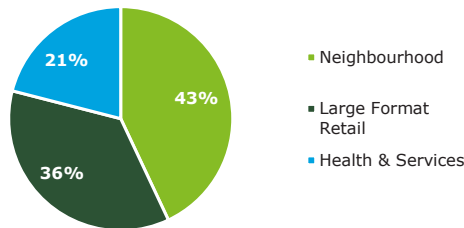
5.2.2 Key tenants

Neighbourhood retailers such as supermarkets, including Woolworths and Coles, are the single largest tenant category by portfolio income (43%), with LFR tenants such as Bunnings, BCF and Nick Scali comprise 36%.

14. Annexure B: Independent Experts Report



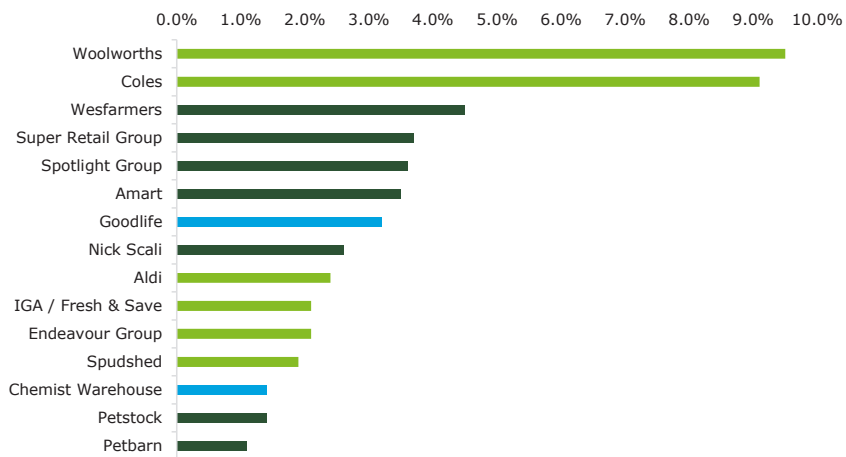
Figure 18: HDN properties by tenant mix (by income)



Source: HDN ASX announcements

The following figure summarises HDN’s key tenants by gross passing income.

Figure 19: HDN’s key tenants (by income)



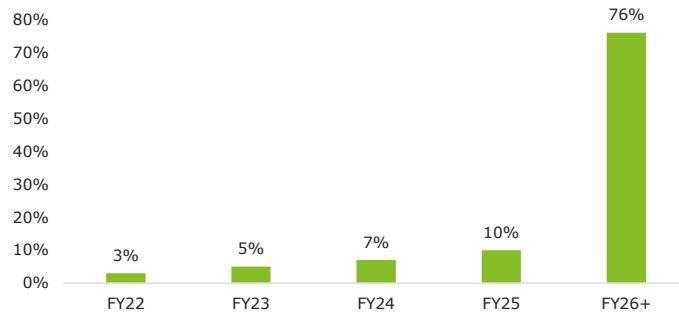
Note: The colours correlate with the segments shown above in Figure 18
Source: HDN FY21 results presentation

HDN’s major tenants include Woolworths and Coles, representing 18.6% of gross income. The largest 15 tenants represent 52% of gross income in FY21. Subsequent major acquisitions made by HDN (i.e. Pakenham, Woodlea, Coffs Harbour and Lismore) are largely anchored by LFR retailers such as Anaconda, JB HIFI and Spotlight. Hence there will be a greater presence of LFR tenants and LFR retailers in HDN’s current portfolio.

As set out in Table 24, occupancy across the portfolio is strong with a vacancy rate of 3%. The vacancy at Ellenbrook, Richlands and Upper Coomera can be explained by the fact that these properties have been completed post FY21 and are currently in the process of ramping up.

WALE across the portfolio is 7.6 years. Set out in the figure below is the expiry profile of leases in the portfolio.

Figure 20: HDN’s lease expiry profile as at 30 June 2021¹



Notes:

1. Based on income and includes 8 acquisitions settled in July 2021, but excludes 6 acquisitions to be settled in September 2021 and beyond

Source: HDN FY21 results presentation.

As at 30 June 2021, 76% of leases are expiring after FY26, with no more than 15% of leases expiring in any year before FY25 which demonstrates relatively strong lease outcomes with continued rent growth and tenant demand noted for the next 5 years.

Overall portfolio passing rent is marginally lower than current market rates, which is specific to certain properties and a consequence of HDN’s historical strategy of quickly populating space following the Masters portfolio acquisition at the expense of market rents. Annual rent escalations are largely fixed (circa 3% to 4%), and where not the case, it is either inflation linked with some exposure to turnover based rents (primarily for the grocery retailers).

5.2.3 Property valuations

The investment properties owned by HDN are valued on the basis of fair market value. The directors of the responsible entity determine the fair value of each property at each reporting period within a reasonable range having regard to:

- the most recent independent valuation, which is obtained on a rotational basis and at least once every 2 years
- fair value measured based on current prices in an active market for similar properties of the same location and condition, subject to similar leases, occupancy rates and return on investment.
- discounted cash flow analysis and capitalisation method.

As at 30 June 2021, 23 properties were valued by independent property valuers whilst three properties were valued by the Directors of HDN and one property was held at acquisition cost. Generally, the carrying value is based on the independent valuation where available.

14. Annexure B: Independent Experts Report



Outlined in the table below are the historical valuation outcomes for the properties based on the year of acquisition by either HMC or HDN:

Table 26: Historical HDN/HMC property valuations summarised by state¹

	No. of independent/director's valuation / acquisition costs ²	Valuation date ³	Valuation (\$m) ³	% Change in Valuation	Cap rate ³	Change in Cap rate ³	WALE
VIC	4 / 1 / 1	Sep-19	271		6.22%		10.2
	5 / 1 / 1	Jun-20	333	22.7%	6.11%	(0.11%)	9.5
	7 / 1 / -	Jun-21	416	24.9%	5.61%	(0.50%)	8.8
NSW	3 / - / -	Sep-21	592	42.3%	5.62%	0.01%	8.1
	1 / - / 1	Sep-19	100		6.25%		5.3
	3 / 1 / -	Jun-20	199	99.3%	6.25%	(0.00%)	6.4
	7 / - / -	Jun-21	501	151.2%	5.35%	(0.90%)	7.5
QLD	2 / - / -	Sep-21	545	8.8%	5.39%	0.04%	7.4
	3 / 1 / 1	Sep-19	160		6.97%		7.3
	3 / 1 / 1	Jun-20	165	2.9%	6.89%	(0.08%)	6.7
WA	7 / 1 / -	Jun-21	438	165.9%	5.65%	(1.24%)	6.3
	2 / 1 / -	Sep-21	489	11.6%	5.68%	0.03%	6.9
	2 / - / -	Sep-19	79		7.25%		9.4
SA	2 / - / -	Jun-20	90	14.6%	6.80%	(0.45%)	8.7
	2 / - / -	Jun-21	96	6.4%	6.25%	(0.55%)	8.7
	- / - / -	Sep-21	123	28.8%	6.31%	0.06%	10.0
	1 / - / -	Jun-21	23		7.00%		5.8
	- / - / -	Sep-21	23	0.0%	7.00%	0.00%	5.8

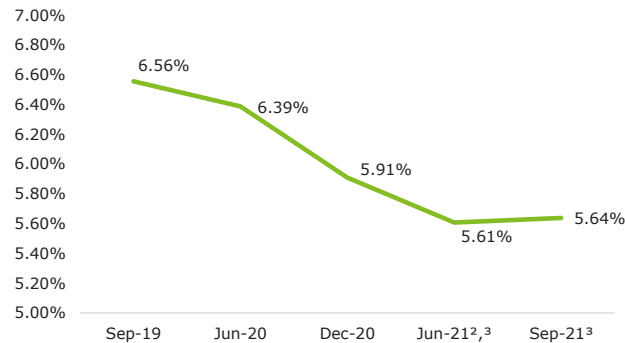
Notes:

- Detailed historical valuation per HDN property can be found in Appendix 3
 - We have assumed that a property has been recorded at acquisition costs if the property has no independent valuations and set equal to the carrying amount. For Sep-21, we have only included the count of new properties acquired in Sep-21 that were independently valued
 - As Sep-19 was the IPO date of HMC, pre-FY20 vintage properties were valued as of this date rather than Jun-19; Sep-21 valuation sum of existing properties valued at Jun-21 and latest HDN acquisitions draft valuation at Sep-21.
- Source: HDN FY21 results presentation, HMC FY20 results Presentation, HMC Prospectus, HDN Acquisition and Equity raising presentation

Overall, the total value of the properties, whether in the hands of HMC or HDN, increased significantly over the last two years, which can be largely attributed to the acquisition of properties, completion of developments and cap rate compression. Specifically, the NSW portfolio increased in size due to the acquisition of Glenmore Park (\$149m) and Gregory Hills (\$73m), whilst the Queensland portfolio increased due to the addition of Victoria Point (\$160m) and the value uplift from the completion of the Richlands development site given their low cap rates and uplift in WALE due to new tenant leases.

Trends in the compression of cap rates as set out in the figure below:

Figure 21: HDN historical WACR¹ movement



Notes:

1. Historical WACR for HDN captures all properties and their cap rates dating back to HMC's IPO in September 2019
 2. Difference between Jun-21 WACR of 5.61% and FY21 reported WACR 5.64% is due to acquisitions that were not settled yet.
 3. Jun-21 and Sep-21 includes Parafield ROU asset
- Source: HDN announcements, HDN FY21 results presentation, HDN PDS, HMC PDS

In FY21 particularly, the average cap rates decline was 0.60% for pre-FY21 vintage properties, whilst the total portfolio WACR decreased to 5.61% as at 30 June 2021, against 5.91% at 31 December 2020. The main driver for this decrease was due to the continuation of economic stimulus, specifically lower interest rates and quantitative easing which lowered the cost of funds, alongside strong performance of the operating properties and real estate sector throughout the pandemic, which combined resulted in increased investor demand for stable, long duration assets such as those in the LFR and neighbourhood and convenience retail sectors.

The slight uplift in cap rates to 5.64% in September 2021 was due to post-FY21 vintage acquisitions which were acquired at a WACR of 5.83%.

Other sources of value growth in FY21 were higher property income, driven by higher occupancy, annual rent escalations and higher level of rent collections.

5.2.4 Development opportunities

HDN currently has 6 brownfield projects across 4 sites which are 100% pre-leased, and on track for completion in FY22. HDN expects total expenditure of \$27.5m to complete these projects, with c. \$20.0m expected to be incurred (funded by existing cash and debt facilities) by the Implementation Date:

- **Gregory Hills** - located 60km south-west of Sydney CBD, with major tenants including Woolworths. The additional 3,129 sqm GLA centre extension will be anchored by Aldi. Estimated expenditure is \$12m with target opening in H1FY22
- **Braybrook** (3 sites) - located 11km northwest of Melbourne CBD, with key tenants including Coles, Chemist Warehouse and BCF. There will be an additional 1,800 sqm GLA Medical centre and 400 sqm of drive-throughs with estimated capital expenditure of \$9m and a target opening in H2FY22
- **Penrith** - a major centre in the Sydney metro area which is currently under development for a 1,500 sqm GLA Childcare centre with an estimated capex of \$4m and a target opening in H2FY22
- **Mackay** - 200 sqm GLA for a petrol station with an estimated capital expenditure of \$2.5m and target opening in 2H FY22.

HDN has six developments targeted for commencement of construction in FY23. These projects are expected to add around c. 12,900 sqm of GLA to the portfolio. HDN expects to incur total expenditure of approximately \$63m in respect of these developments:

- **Vincentia Stage 2** - 6,500 sqm GLA childcare centre and health & services precinct, at an estimated cost of \$30m
- **Glenmore Park** - 1,550 sqm health & services precinct, at an estimated cost of \$15m
- **South Morang** - planned investment of approximately \$3m for a 200 sqm quick service restaurant

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- **Upper Coomera** - planned 1,800 sqm childcare centre with estimated development investment of \$7m
- **Toowoomba South** - 2,000 sqm with planned investment of c.\$5m for centre expansion
- **Lismore** - 850 sqm medical centre site with estimated development costs of \$4m.

Additionally, HDN has approximately \$120m of future developments currently in master planning phase with estimated construction commencement in FY24:

- **Mackay** - additional 21,000 sqm expansion of current LFR centre and quick service restaurant sites on vacant adjoining land
- **Glenmore Park** - potential acquisition of council owned community centre and integration into the centre
- **Marsden (QLD)** - 7,000 sqm GLA supermarket and childcare anchored centre extension
- **Victoria Point Stage 3** - Bunnings expansion from 7000 sqm to 14,000 sqm
- **Vincentia Stage 3** - state significant development approval in place for 8,000sqm LFR centre
- **Marsden Park (NSW)** - 4,000 sqm site LFR and childcare development
- **Richlands** - 10,000sqm town centre redevelopment.

HDN owns the land upon which all development opportunities discussed above are based. Beyond the above specifically identified medium term development opportunities, executives of the manager of HDN are of the view that with the lower site coverage (relative to the AVN portfolio), there are more development opportunities within the HDN portfolio that would be executed before FY24.

5.2.5 Impact of COVID-19

Consistent with the broader LFR/Retail sector, HDN's performance has been impacted by lockdown measures since the onset of the COVID-19 pandemic. However, given the majority of HDN properties have either a supermarket, pharmacy, or health services as 'essential services' tenants, the impact has been less compared to pure LFR as these retailers are more non-discretionary in nature. In some cases, HDN's retailers have performed better than expected given the tendency of consumers to stock up on essential items and non-perishables due to concerns on product supply and closure of food service / hospitality businesses.

The rollout of click & collect, home delivery services complemented by accelerated online sales, and fiscal and monetary stimulus, supported better than expect operating performance of the properties and strong investor demand for such assets as evidenced by the fall in cap rates.

Despite the recent lockdowns in NSW and Victoria, HDN tenants have been anticipating a rapid bounce-back based on previous recoveries from earlier waves of COVID-19. Rental collections fell from 98% in July 2021 to a low of 92% in October 2021, but this is expected to recover quickly in the coming months as restrictions ease and sales improve substantially.

5.3 Management agreements

HDN is externally managed by entities associated with HMC. This is set out in three agreements, specifically:

- The responsible entity of HDN is HMC Funds Management Limited (RE Agreement)
- The investment manager is HomeCo DNR Investment Management Pty Limited (IM Agreement)
- The property manager is HomeCo DNR Property Management Pty Limited (PM Agreement)

These three agreements are collectively referred to as the HDN Management Agreement. Set out below is a summary of the key terms of the HDN Management Agreement:

Table 27: Key terms of management agreements

Type of Fee	Fees charged
Investment management fee	<p>A fee for the management and operation of HDN, including day-to-day control over the REIT and its controlled entities and the Group's portfolio of assets.</p> <p>Management fee:</p> <ul style="list-style-type: none"> - 0.65% p.a. of GAV up to \$1.5bn - 0.55% p.a. of GAV in excess of \$1.5bn <p>Acquisition fee:</p> <ul style="list-style-type: none"> - 1% of asset purchase price directly or indirectly acquired by HDN <p>Disposal fee:</p> <ul style="list-style-type: none"> - 0.50% of asset sale price directly or indirectly sold by HDN <p>The investment manager will be paid or reimbursed for all reasonable expenses incurred in the performance of the services, including all taxes and amounts it pays to third parties for which it is also separately indemnified.</p>
Property management fee	<p>A fee for the management and operation of the properties, which includes day-to-day management. Maintenance, strategic and operational decision making in connection with the properties.</p> <p>Property management Fee:</p> <ul style="list-style-type: none"> - 3% of property gross income <p>New tenant lease fee:</p> <ul style="list-style-type: none"> - 15% of face rent for first year of the lease term where the tenant is new to the property <p>Lease renewal fee:</p> <ul style="list-style-type: none"> - 7.5% of the face rent for the first year of a new lease if an existing tenant enters a new lease, to continue leasing their current tenancy in the property <p>Lease admin and design fee:</p> <ul style="list-style-type: none"> - charged on a cost recovery basis, unless payable by the tenant <p>Development management fee:</p> <ul style="list-style-type: none"> - 5% of development costs inherent in the first \$2.5m of project costs incurred for each project - 3% of development costs thereafter <p>The property manager will be reimbursed for all reasonable expenses properly incurred in the performance of the services.</p>
Responsible entity fee	<p>A fee for responsible entity activities, only if the property manager and investment manager are not receiving fees under the agreement:</p> <ul style="list-style-type: none"> - 1% p.a. of GAV <p>The responsible entity will be reimbursed for all expenses including those associated with the establishment, promotion, and operation of HDN.</p>

Source: HDN prospectus

The initial term of the HDN Management Agreement is 10 years and is automatically extended for successive five-year terms unless terminated by either the investment manager, property manager or responsible entity by giving at least 12 months' notice. The termination of the agreement will give rise to compensation equal to:

- two years of management fees to the investment manager
- two times the fees paid under the agreement in the 12 months up to the expiry of the term to the property manager

Both the investment manager and the property manager can terminate their respective agreements if:

- there is material default of the agreement by the responsible entity which is not rectified within 30 days of written notice from the investment manager or the property manager;
- the responsible entity commits five or more breaches of the agreement within a consecutive 12-month period;
- the responsible entity is insolvent;
- HDN is insolvent; or

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- without prior written approval of the managers, there is a change in a person having or gaining control of the ability to replace the responsible entity with an entity that is not a member of HMC or a winding-up of the HDN commences

Finally, the responsible entity may not increase the fees payable without a special resolution that requires 75% of votes cast by HDN securityholders entitled to vote on the resolution. Fees for the investment manager or property manager may not be amended without the agreement of the responsible entity, the investment manager and property manager.

5.4 Debt profile

The following table sets out a summary of the key characteristics of HDN's debt:

Table 28: Debt profile

As at 31 October 2021	
Total facility limit ¹	\$800.0m
Total borrowings (excluding unamortised borrowing costs) ²	\$575.7m
Current Loan to Value Ratio (LVR) ³	37.0%
Weighted average debt expiry ⁴	4.1 years
Interest coverage ratio ⁵	5.5x
Weighted average term of interest rate hedging ⁶	1.8 years
Weighted average cost of debt ⁷	2.45%

Notes:

- Total debt portfolio
 - Total borrowings includes the drawn amount of bank loans for senior secured facility 1 and 2
 - LVR ratio is calculated as total debt drawn debt divided by the total fair value of investment properties. As at 30 September 2021
 - Weighted average debt expiry has been calculated by weighting the drawn amounts per secured facility to the years left to expiry. As at 1 November 2021
 - Interest Coverage ratio calculated as EBITDA divided by interest expense. As at 30 September 2021
 - Weighted average of the current date (Nov-21) and maturity date (Aug-23) of interest rate swaps
 - Weighted average cost of debt is calculated based on historical finance costs, excluding amortisation of debt establishment costs and net fair value gains/losses on interest rate swaps at the end of September 2021.
- Source: HDN FY21 annual report, executives of the manager of HDN

HDN completed an increase and extension of its existing debt facility on 29 July 2021 to a total debt facility of \$800m, of which \$576m was drawn. The refinancing increased the facility duration to 4.1 years, thereby reducing refinancing risk with no debt expiring before FY25. Details of the debt facilities are set out below:

Table 29: Debt facilities

Facility ¹	Drawn Amount (\$m)	Limit (\$m)	Maturity date	Gearing covenant	
				ICR	LVR
Senior secured facility 1 (term)	550	550	Jul-26		
Senior secured facility 2 (revolver)	26	250	Jul-24	2.2x	50%
Total	576	800			

Notes:

- All existing facilities were upsized and extended on 29 July 2021 to a \$800m senior secured facility
- Source: HDN FY21 annual report

The facilities are secured against the assets of HDN and are non-recourse to securityholders. As at the date of our report, HDN is in compliance with all facility covenants.

HDN is a party to interest rate swaps which are used to hedge the drawn debt. Swaps over \$275m in debt were entered into in mid-August 2021, representing c.47.8% of drawn borrowings at 31 October 2021.

The fair value of the interest rate swap asset has increased to \$3.7m as at 31 October 2021.

5.5 Financial performance

We have summarised the audited statements of financial performance of HDN for the period from 15 October 2020 to 30 June 2021.

Table 30: HDN financial performance

\$m (unless otherwise stated)		FY21
Rental income ¹		39.9
Other property income		4.6
Property expenses		(10.9)
Net property income		33.6
Corporate expenses		(1.3)
Management fees		(5.8)
Finance costs (net of interest income) ²		(5.1)
FFO	A	21.4
Increase/(decrease) in fair value of investment properties	B	16.8
Other ³	B	(6.9)
Profit attributable to securityholders	C = sum(A:B)	31.3
<i>Profit after tax per security (cents)</i>		5.97
<i>Cash distributions per security (cents)</i>		4.25
<i>Distribution payout ratio (% of FFO)</i>		104%

Notes:

1. Adjusted for rental guarantee income of \$0.9m and straight lining and amortisation of incentives of \$1.1m
2. Adjusted for amortised borrowing costs \$1.5m
3. Others includes straight lining and amortisation of incentives, acquisition & transaction costs, rental guarantee income and amortisation of capitalised borrowing costs

Source: HDN audited financials

Rental income is derived from tenants based in Australia. Other property income represents direct and indirect outgoings recovered from tenants.

Property income was partially offset by \$10.9m in property expenses such as cleaning, electricity, repairs & maintenance, statutory outgoings, and directly recoverable items. Other building expenditures were bad debts expense and non-recoverable expenses.

Management fees are payable to HMC as per the HDN Management Agreement.

HDN's investment properties are first recognised at cost (including transaction costs) and are subsequently remeasured annually at fair value with any movements (including capitalised costs not capable of recovery through revaluations) being recognised directly through to the profit or loss. As such, the net fair value gain of \$16.8m was a consequence of a \$47.0m upward revaluation of the investment properties less \$30.2m capitalised stamp duty and transaction costs incurred with respect to new property acquisitions in FY21. As at 30 June 2021, there were no costs capitalised in the investment property balance which had not been tested for recovery through revaluations.

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5.6 Financial position

We have summarised the financial position of HDN as at the IPO date and 30 June 2021.

Table 31: HDN financial position

\$m (unless otherwise stated)	IPO Pro Forma 26 November 2020	Audited 30 June 2021
Receivables and prepaid expenses	-	5.2
Payables and provisions	-	(19.0)
Net working capital	-	(13.8)
Investment properties ¹	826.9	1,111.8
Investment properties classified as asset held for sale ²	14.1	14.1
Investment in property assets	841.0	1,125.9
Borrowings	(224.3)	(414.8)
Less: cash and cash equivalents	5.0	249.5
Net cash/(debt)	(219.3)	(165.3)
Other net assets ³	19.2	(1.2)
Distributions payable	-	(12.5)
Net assets attributable to securityholders	640.9	933.1
Number of securities (m)	482.9	687.5
NTA per security (\$)	1.33	1.36
Balance sheet gearing ⁴	25.2%	14.5%

Notes:

1. Investment properties include rental guarantees
2. Assets held for sale represents a parcel of land at the property in Hawthorn East, Victoria that is contracted to be sold to HMC upon finalisation of the sub-division of the land
3. Other net assets include other assets, right-of-use assets and lease liabilities
4. Calculated as total debt less cash and cash equivalents divided by total assets less cash and cash equivalents and intangible assets.

Source: HDN audited financials, Deloitte Corporate Finance analysis

Since HDN's IPO in November 2020, the fair value of investment properties has increased from \$827m to \$1,112m (or 30.1%) driven by a combination of acquisitions, developments, asset revaluations and lower cap rates.

Borrowings consisted of \$420.7m drawn from debt facilities which has been partially offset by \$5.9m in capitalised borrowing costs. These borrowings are used for HDN's active investment activities across the portfolio and other general corporate purposes.

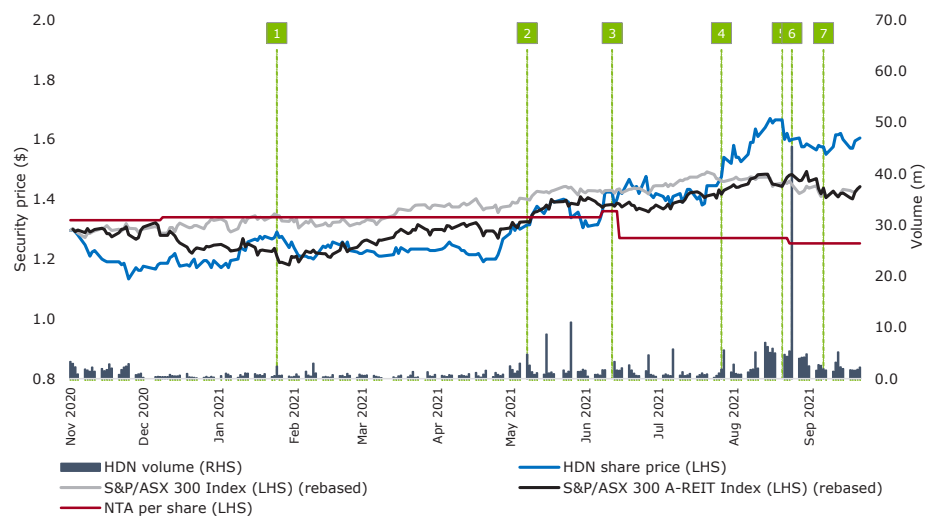
Despite the significant increase in net assets during FY21, NTA per security have only increased by 2.3% to \$1.36 as the increase in the balance sheet has largely been driven by capital raisings.

5.7 Securities in HDN

5.7.1 Recent security price trading

HDN has approximately 791m securities on issue. HDN’s security trading price movements and NTA per security since listing on the ASX on 24 November 2020 are presented in the figure below.

Figure 22: Historical security trading price, volumes and NTA per security since 24 November 2020



Note:
S&P/ASX 300 Index and S&P/SX 300 A-REIT Index rebased to HDN security price as at 23 November 2020 (date of IPO)
Source: S&P CapitalIQ, ASX announcements, HDN audited financials, Deloitte Corporate Finance analysis

Key announcements identified in the chart above are set out in the following table.

Table 32: Key events and announcements

#	Date	Announcement
1	Feb 21	HDN reported results since IPO to 30 December 2020 and upgrades PDS guidance for FFO to 4.2 cents per security
2	May 21	Reaffirms FY22 FFO per security guidance of 8.3 cents and FY21 Q4 distribution of 1.8 cents per security. HMC announced unaudited uplift in portfolio valuation (net of capex) of 4.7% to \$61.1m from December 2020
3	Jul 21	HDN announced \$160m asset acquisition and \$70m institutional placement to fund the acquisition. The equity raising completed on 6 July 2021 at an issue price of \$1.45 per security
4	Aug 21	HDN reported FY21 results of FFO per security of 4.1 cents, exceeding PDS guidance by 5%. HDN confirmed FY22 guidance of FFO at 8.3 cents per security and distribution per security of 8.0 cents
5	Sep 21	HDN announced the establishment of a distribution reinvestment plan
6	Sep 21	Completed \$88.3m equity capital raising and securities issued at an issue price of \$1.61 to fund the \$222m acquisition of 6 LFR and neighbourhood shopping centres
7	Sep 21	HDN annual report released

Source: S&P CapitalIQ, ASX announcements

In the first financial year of trading, HDN had underperformed against the broader market. It was not until the release of FY21 results which exceeded prior guidance, followed by the announcement of FY22 guidance when the HDN security price commenced its recovery to be more in line with the broader sector.

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HDN traded at a discount to NTA after the IPO for essentially the remainder of FY21 which we understand may have been influenced by the overhang of HMC securityholders seeking to rebalance their investment in HDN. Subsequently, HDN began to trade at a premium to NTA which is likely to have been driven by its increased size built via acquisition, longer track record as a listed entity and greater alignment with industry cap rates.

For the period from 1 July 2021 to the day prior to the announcement of the Proposed Merger, HDN securities traded at an average premium to NTA of 11%, whilst the premium was 18% on the day prior to announcement of the Proposed Merger.

The trading liquidity in HDN securities from listing date to 15 October 2021 was 60.2%.²⁰ reflecting average daily trading of 0.2%. HDN's liquidity is higher than its comparable peers²¹, which averaged 43.8% over the same period, due to increased free float from 71.3%.²² of new securities issued from three separate equity raisings and institutional placements during the period.

5.7.2 Substantial securityholders

Set out in the table below are the substantial securityholders of HDN as at 2 November 2021. Approximately 60.8% of total securities on issue were held by the top 20 securityholders, with the largest securityholder, HMC, holding 25.2%.

Table 33: Substantial securityholders of HDN

	Number of HDN securities held (m)	Percentage of total HDN securities issued (%)
Home Consortium (HMC)	200.5	25.2%
The Vanguard Group	42.1	5.3%
Others	552.0	69.5%
Total	794.6	100.0%

Source: Scheme Booklet

²⁰ Calculated as the total volume of securities traded over the average number of securities outstanding for the relevant period

²¹ Includes AVN, HMC, Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexus Convenience Retail REIT, Elanor Retail Property Fund, Waypoint REIT

²² From the official initial listing of 483m HDN securities on the ASX

5.7.3 Distribution yield and FFO multiples

The cash distributions made to securityholders along with the implied distribution yields are set out in the table below.

Table 34: HDN distribution yield

	Unit	FY21
NTA per security	\$	1.36
Trading price at end of period	\$	1.33
Cash distributions per security ¹	cents	4.25
Distribution payout ratio (% of FFO)	%	104%
Distribution yield based on NTA ^{1,2}	%	3.1%
Distribution yield based on security trading price ^{1,3}	%	3.2%
FFO multiple ³	x	45.0x

Notes:

1. Influenced by partial period as HDN listed during the period
2. Calculated NTA at the end of the period
3. Calculated based on market capitalisation at the end of the period divided by FFO

Source: HDN FY21 Annual Report, CapitalIQ, Deloitte Corporate Finance analysis

The distribution payout ratio exceeded 100% of FFO as HDN's development properties were in the process of completion during FY21. Once HDN's portfolio has reached maturity, a normalised distribution payout ratio in the range of 90% to 100% of FFO would be targeted, with distributions to HDN securityholders expected to be made quarterly.

HDN has recorded total combined of 4.3 cents of distribution per security which has resulted in low distribution yield on NTA (3.1%) and security price (3.2%). The distribution yield was impacted by the fact that HDN was only in existence for part of the financial year. This factor, along with the capital raisings undertaken by HDN during the period also influenced the FFO multiple.

5.8 Outlook

In the transaction announcement, HDN confirmed FY22 pre-merger FFO per security guidance of 8.5 cents and distribution guidance of 8.0 to 8.25 cents per security (which was previously announced on 13 September 2021). The distribution of 2 cents per security for the September quarter was in line with HDN forecasts.

14. Annexure B: Independent Experts Report

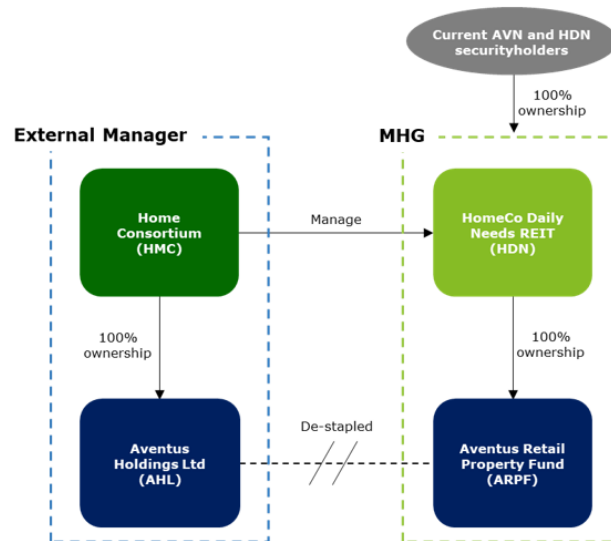


6 Profile of the Merged HDN Group

6.1 Overview of the Merged HDN Group

The Proposed Merger involves the de-stapling of AVN securities into one ARPF unit and one AHL share for every AVN security on issue, followed by the acquisition of ARPF units by HDN and the acquisition of AHL shares by HMC.

Figure 23: Legal structure of Merged HDN Group



Source: Scheme Booklet, Deloitte Corporate Finance analysis

If the Proposed Merger proceeds, current AVN securityholders will receive 2.2 HDN securities for every unit in ARPF they own and will collectively own 60.9% of the issued securities in the Merged HDN Group.

AVN securityholders will also receive \$0.285 for every AVN security they own.²³

6.2 Property portfolio

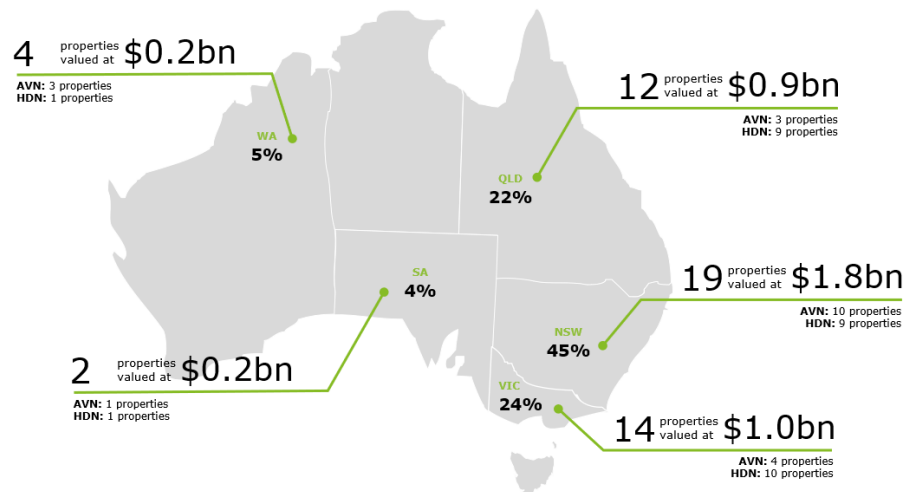
6.2.1 Overview of portfolio

On completion of the Proposed Merger, the 19 properties currently owned by AVN will be added to HDN's portfolio of 32 properties and the Merged HDN Group will have a property portfolio with a combined value of approximately \$4.1bn.

The Merged HDN Group portfolio will have greater geographical exposure and a more diverse asset and tenant base than the standalone portfolios of HDN and AVN. This portfolio will have properties in five Australian states, with 80% of the combined portfolio in metropolitan locations and 92% concentrated on the Eastern Seaboard. The breakdown of the portfolio by State is set out in the figure below.

²³ Whilst cash is the default option, AVN securityholders can elect to receive 0.038 HMC securities for every AVN security instead of the cash

Figure 24: Merged HDN Group's portfolio



Source: Scheme Booklet, Deloitte Corporate Finance analysis

The table below shows the changes in the key portfolio metrics to which AVN securityholders will be exposed in the event the Proposed Merger proceeds.

Table 35: Merged HDN Group key metrics

\$m unless otherwise stated	Unit	AVN (pre-announcement) ¹	Merged HDN Group (post-announcement)
Pro-forma GAV ²	\$m	2,276	4,061 ³
Total NTA	\$m	1,537	2,563
Number of properties	no.	19	51
GLA ⁴	'000s sqm	525	972
Average GLA per property	sqm	27.6	19.1
Occupancy	%	99%	99%
WALE	years	3.7 years	5.3 years
Weighted average debt expiry	years	4.4 years	3.3 years
Pro-forma gearing ⁵	%	30.3%	34.5%

Note:

- All of AVN's pre-announcement key metrics are at 30 June 2021
- 30 June 2021 gross property value, adjusted to reflect post balance date disposal of MacGregor and include McGrath's Hill at 100% valuation. Excludes rental guarantee of \$1.9m
- HDN is adjusted to include 9 LFR assets acquired from HMC, Victoria Point, Pakenham, Woodlea and adjoining properties to HDN assets existing prior to 30 June 2021
- Excludes MacGregor and includes 25% remaining investment in McGrath's Hill
- Calculated as borrowings (excluding unamortised debt establishment costs) plus cash and cash equivalents divided by total assets less lease liabilities less cash and cash equivalents

Source: Scheme Booklet, Deloitte Corporate Finance analysis

The properties in the Merged HDN Group portfolio will have a pro-forma valuation of \$4.1bn. The average GLA per property is expected to decrease reflecting the smaller size of the properties within the HDN portfolio. Pro forma gearing of the Merged HDN Group is estimated to be 34.5%, being 4.2% higher than AVN's existing gearing ratio as at 30 June 2021 but within HDN's target gearing of 30-40%. In addition, the weighted average debt expiry will fall from 4.1 years (as at 31 October 2021) to 3.3 years as the tenor will change, irrespective of whether AVN's existing lenders roll over their commitment or Merged HDN Group utilises a facility provided by a relationship bank to replace any departing lenders.

14. Annexure B: Independent Experts Report

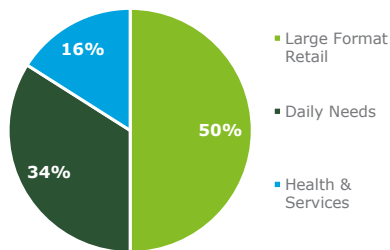


Executives of the manager of HDN have indicated their intention to refinance the debt facilities of the Merged HDN Group to diversify debt sources, extend debt expiry and potentially lower cost of debt.

The Merged HDN Group is expected to have an occupancy of 99% which is consistent with AVN's current occupancy, as well as an uplift in WALE by 1.6 years to 5.3 years, reflecting the higher WALE currently within the HDN portfolio. It is expected that no more than 15% of rent is expected to expire in any one year before 2027 and 43% is expected to expire in 2027 or later.²⁴

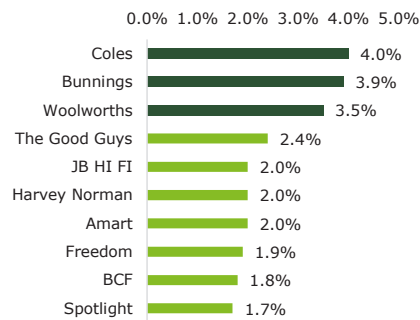
The Merged HDN Group's sector and tenant mix is illustrated in the figures below.

Figure 25: Merged HDN Group's properties by sector allocation (by value)



Source: Scheme Booklet

Figure 26: Merged HDN Group's key tenants (by income)¹



Note:

1. The colours correlate to the segments shown in Figure 25 by gross income for signed leases and MoUs for Merged HDN Group.

Source: Scheme Booklet

The Merged HDN Group will derive rental income from over 1,200 diversified tenants across the LFR, Daily Needs and Health & Services sectors, with 84% of the portfolio comprising tenants with national reach. The top 10 tenants will represent over 25% of income and no single tenant will comprise more than 4% of income²⁵. As compared to the existing AVN portfolio where Bunnings is the largest tenant, Coles will become the largest tenant in Merged HDN Group.

6.2.2 Development opportunities

In addition to AVN's developments (refer Section 3.2.4), AVN securityholders are expected to gain exposure to the larger development activity in HDN (refer Section 5.2.4). The Merged HDN Group is expected to increase development activity through its targeted annual development capex of \$60m and capitalising on its 2.5m sqm land portfolio (which currently has 38% site coverage) by way of its larger scale, tenant relationships, development capability and balance sheet capacity.

In addition to new developments, HDN's active acquisition strategy is likely to continue through the Merged HDN Group as HMC continues toward the creation of a 'model portfolio' (Daily Needs 50%, LFR 30%, Health & Service 20%) and AUM targets (\$10bn by 2024). Further information on this strategy is set out in Section 6.1.3 of the Scheme Booklet.

²⁴ Scheme Booklet

²⁵ Scheme Booklet

6.3 Management arrangements

The Merged HDN Group will have the same management arrangements with HMC that currently apply to HDN (the external manager of the Merged HDN Group), except for AVN's existing property management agreement which will continue to apply to the management and development of the AVN portfolio. However, should the fees under the existing AVN property management agreement be higher than what would have been incurred had such agreement been replaced with the HDN property management agreement, the fees will be reduced by that excess.

More details on the scope and fees charged by HMC to HDN are discussed in Section 5.3.

Set out in the table below is a comparison of the costs under AVN as compared to within Merged HDN Group:

Table 36: Operating cost comparison for FY22

\$m (unless otherwise stated)	AVN standalone	Merged HDN Group		Total
		AVN component	HDN component	
Current AVN operating cost budget ¹	19.9			
Operating cost budget of Merged HDN Group				
Investment and property management fees		18.0	14.4	32.4
Development and leasing fees ²		3.8	1.5	5.3
Other corporate costs		1.0	2.0	3.0
Total operating costs	A	19.9	22.8	40.7
Proforma GAV ³	B	2,276	2,276	4,061
Total operating costs as % of GAV	C=A/B	0.87%	1.00%	1.00%
Non-corporate expense adjustment ⁴	D	(12.9)	(9.2) ⁵	(14.4)
Implied corporate cost	E=A-D	7.0	13.6	26.3

Note:

1. AVN FY22 budget for non-property operating costs. Includes \$1.2m in development costs which have been capitalised
 2. Development and leasing costs are capitalised by HDN, as compared to AVN which only capitalises development costs
 3. Refer Table 35
 4. Costs related to property management, development and leasing activities, as well as an allocable component of corporate costs
 5. Includes property management fees of \$5.4m
- Source: Scheme Booklet, HMC FY21 investor presentation, executives of the manager of HDN

As compared to the current internalised operating cost base that AVN securityholders have exposure to, the contribution of the AVN assets to the Merged HDN Group will result in a net increase in the cost base by \$3.0m.

Executives of AVN who are currently responsible for the management of AVN will become executives of the HMC group and together with other executives of HMC, will manage the Merged HDN Group. Further information on the management and executive responsibility structures of the Merged HDN Group are set out in Section 6.11 of the Scheme Booklet.

6.4 Governance arrangements

The responsible entity of the Merged HDN Group will be the same as the existing responsible entity of HDN.

14. Annexure B: Independent Experts Report



The directors of the responsible entity will comprise of eight directors, three of which are current AVN directors, Darren Holland, Bruce Carter and Robyn Stubbs. Bruce Carter will join the board during the transition period following implementation of the Merged HDN Group and will retire from the position with effect from 31 December 2022. Further details are set out in Section 6.8.2 of the Scheme Booklet.

6.5 Securities of the Merged HDN Group

The number of issued securities in the Merged HDN Group will be based on the existing number of HDN securities plus new HDN securities that will be issued to AVN securityholders, as set out in the following table.

Table 37: Pro-forma number of securities in Merged HDN Group

	Number of securities (m)	Percentage of securities (%)
Current number of HDN securities	794.6	38.5%
HDN securities issued to current AVN securityholders ¹	1,257.0	60.9%
HDN securities issued as part of the HMC acquisition fee	13.9	0.7%
Pro-forma number of securities in Merged HDN Group	2,065.5	100.0%

Notes:

1. Assumes the BBRC option over 6% of AVN securities has not been exercised
Source: Scheme booklet

Upon completion of the Proposed Merger, the number of HDN securities on issue will increase from 795m to 2,066m. As a result, HDN securityholders will own approximately 38.5% and AVN securityholders will own approximately 60.9% of the Merged HDN Group.

The substantial securityholders of the Merged HDN Group on a pro-forma basis and based on the securityholder registers of AVN and HDN as at 31 October 2021 are set out in the table below.

Table 38: Substantial securityholders²⁶ of Merged HDN Group

	Number of Merged HDN Group securities held (m)	Percentage of total Merged HDN Group securities issued (%)
HMC	289.7	14.0%
BBRC	208.6	10.1%

Source: Scheme Booklet

Approximately 24.1% of the total securities on issue will be held by the substantial securityholders (being those with an interest greater than 5%) of the Merged HDN Group with existing AVN securityholder BBRC owning 10.1% of the securities in Merged HDN Group (as compared to its existing interest in AVN of 22.6%). As compared to AVN securityholders which currently has a substantial securityholder with a 22.6% interest, the largest securityholder in Merged HDN Group will own 14.0% of Merged HDN Group's securities.

Given its larger scale and liquidity, the Merged HDN Group is eligible for inclusion in a number of indices such as the S&P/ASX 200 index. This, combined with its larger securityholder base, should result in additional liquidity.

²⁶ A substantial securityholder holds greater than 5% of the securities on issue. Assumes exercise of the HomeCo option over 6% of AVN securities held by BBRC, and the acquisition fee paid to HMC by way of securities in MHG

6.6 Pro-forma financial position

Set out in the table below is the pro-forma financial position of Merged HDN Group:

Table 39: Merged HDN Group Pro-forma financial position

\$m (unless otherwise stated)	Pro Forma HDN	Pro Forma AVN	AVN De- staple ¹	Merger adjustment	Pro Forma Merged HDN Group
	A	B	C	D	Sum(A:D)
Receivables, prepaid expenses and taxes assets	6.2	10.5	(1.8)	-	14.8
Payables and provisions	(19.0)	(29.3)	3.8	-	(44.5)
Net working capital	(12.8)	(18.8)	2.0	-	(29.7)
Investment properties	1,785.5	2,225.6	-	-	4,011.1
Investment properties classified as asset held for sale	14.1	-	-	-	14.1
Investment in associates	-	7.6	-	-	7.6
Investment in property assets and associates	1,799.6	2,233.2	-	-	4,032.8
Financial liabilities held at fair value	-	(8.3)	-	-	(8.3)
Borrowings	(693.3)	(646.3)	-	(47.5)	(1,387.2)
Less: cash and cash equivalents	5.5	7.3	(6.4)	-	6.4
Net cash/(debt)	(687.8)	(647.3)	(6.4)	(47.5)	(1,389.1)
Intangible assets	-	144.2	(144.2)	-	-
Other net assets	(11.0)	(2.0)	1.2	-	(11.8)
Distributions payable	(12.5)	(24.9)	-	-	(37.4)
Net assets attributable to securityholders	1,075.5	1,684.4	(147.4)	(47.5)	2,564.9
Number of securities (m)	794.6	571.4	-	1,270.9	2,065.5
NTA per security (\$)	1.35	2.69	-	-	1.24
Balance sheet gearing ²	38.7%	28.7%	-	-	34.5%

Notes:

1. De-stapling adjustment reflects the assets and liabilities of AVN which are being acquired by HMC

2. Calculated as (borrowings excluding unamortised debt establishment costs - cash and cash equivalents)/(total assets - lease liabilities - cash and cash equivalents).

Source: Scheme Booklet

In respect of the above table, we note the following:

- **Column A:** the proforma financial position of HDN at 30 June 2021 has been adjusted for the acquisition of the 9 LFR properties from HMC, Victoria Point, Woodlea and Pakenham and adjoining properties, proceeds from three equity raisings including from the September 2021 distribution reinvestment plan (DRP), and a \$8m valuation uplift on the Lismore and Coffs Harbour assets
- **Column B:** the proforma financial position of AVN is based on the position at 30 June 2021, adjusted for the divestment of MacGregor and issuance of securities under the employee incentive scheme, performance rights and the September 2021 distribution reinvestment plan
- **Column C:** de-stapling adjustments reflect the net assets of AVN which are being acquired by HMC (primarily those related to AHL and its subsidiaries)
- **Column D:** merger adjustments reflect the \$47.5m in transaction costs and issuance of 1,257m HDN securities to AVN securityholders, with 14m securities to HMC as consideration for the acquisition fee of \$22.3m.

The proforma NTA per security for AVN securityholders of \$2.69 is expected to increase to \$2.73 (2.2 times post Merged HDN Group NTA per security of \$1.24) post implementation.

14. Annexure B: Independent Experts Report



AVN securityholders' exposure to gearing is expected to increase from 28.7% to 34.5% under the Proposed Merger, driven by the higher gearing levels of HDN.

6.7 Outlook

The impact of the Proposed Merger on AVN's FFO and NTA is set out in the table below:

Table 40: Impact on FY22 FFO and NTA per AVN security

Cents (unless otherwise stated)	AVN (pre-announcement)	Merged HDN Group (post-announcement)	% accretion or dilution
FFO per security	20.3	21.1 ¹	3.8% accretive
NTA per security	2.69	3.02 ²	12.2% accretive

Notes:

1. Assumes the HMC cash consideration is re-invested in Merged HDN Group securities to enable a like-for-like comparison
2. Includes the HMC consideration received in cash to enable a like-for-like comparison.

Source: Scheme Booklet

Further information on the basis of preparation of the above is set out in Section 8 of the Scheme Booklet

As set out in the table, the Proposed Merger is expected to be accretive to both FFO and NTA for AVN securityholders.

7 Valuation of AVN

7.1 Introduction

The methodologies available to value entities such as AVN are set out in Appendix 4.

To estimate the market value of an AVN security, we have:

- estimated the market value of AVN on a net assets on a going concern basis

The net assets on a going concern basis approach is commonly used in valuing property investment trusts and other asset holding businesses. This is because the net assets of a REIT, subject to certain adjustments, are largely based on the value of the underlying properties which are the subject of periodic revaluations. Further discussion is provided in Section 7.2.2 below. We are of the opinion that this approach is the most appropriate methodology to value AVN.

We have made adjustments to the NAV for changes reflecting the estimated increase in the value of the properties since 30 June 2021, accumulated distributable earnings at the Implementation Date, inclusion of certain transaction costs and movements in other net assets.

- considered whether it is appropriate to apply a portfolio premium to reflect the scale and efficiencies of a property portfolio in excess of the sum of the value of the individual properties
- deducted the capitalised operating costs reflecting the costs associated with the management of the properties and the fund
- divided the NAV of AVN by the number of securities on issue to estimate the market value of one AVN security.

Given the characteristics of REITs, we consider that market based methodologies and income based methodologies would not necessarily be suitable for use as a primary basis of valuation, especially when undertaking a valuation on a control basis. Such methodologies would also not necessarily lead to a more accurate valuation when compared to asset based methodologies which have taken account of the characteristics of the individual properties owned by the entity. However, in order to cross-check our valuation, we did consider the FFO multiples implied by our valuation and how they compare to other ASX listed REITs. As additional reference points to our valuation, we also had regard to current trading premiums to NTA and the trading in AVN securities on the ASX.

7.2 Valuation of AVN

In order to arrive at the estimated market value of AVN prior to the completion of the transaction, some adjustments are required to reflect the following:

- estimated changes in assets and liabilities between 30 June 2021 and the Implementation Date
- certain amounts included in the net assets of AVN at 30 June 2021 that we consider a prospective investor in AVN would seek to adjust in assessing the market value of AVN.

14. Annexure B: Independent Experts Report



Our assessment of the market value of AVN, reflecting the adjustments summarised above, is set out in the following table.

Table 41: Valuation of AVN

\$m	Reference	Low value	High value
Net assets as at 30 June 2021 (pro-forma)	7.2.1	1,684.4	1,684.4
Adjustments			
AVN value adjustment between July and Implementation Date	7.2.2	114.0	228.0
Income (net of distributions) from July 2021 and Implementation Date	7.2.3	11.7	11.7
Transaction costs	7.2.4	(5.6)	(5.6)
Goodwill and intangibles	7.2.5	(143.1)	(143.1)
Other	7.2.6	2.4	2.4
Market value of AVN (before premiums/discounts and deduction of capitalised operating costs)		1,663.8	1,777.8

Source: Deloitte Corporate Finance analysis

7.2.1 Net assets as at 30 June 2021

The value of AVN's net assets as at 30 June 2021 is based on the aggregate of the following:

- the value of AVN's property portfolio including investments in property trusts as at 30 June 2021 recorded in the financial statements of AVN as at 30 June 2021, as presented in Table 5
- the market value of AVN's other assets and liabilities, such as cash, borrowings, receivables and payables. Based on discussions with the executives of AVN and noting some of the adjustments we make below, the net assets of AVN have not changed materially in the period since 30 June 2021.

We note the financial statements of AVN as at 30 June 2021 have been subject to an audit by Ernst & Young.

7.2.2 Pro-forma adjustments for AVN revaluations between July and Implementation Date

The largest component of AVN's net assets is represented by the value of its properties which are the subject of regular independent property valuations.

For the purposes of our valuation, we have considered the property valuations prepared in accordance with AVN's valuation policy. As at 30 June 2021, all 19 properties were valued by independent property valuers whilst the book value of MacGregor was based on the agreed sale price for the property. A number of independent property experts were engaged by AVN to prepare valuations of the property portfolio.

We have undertaken a review of the independent property valuations, together with discussions with executives of AVN and have concluded that:

- the protocols and processes that are used by AVN to commission independent property valuations and to subsequently review the valuations (by executives of AVN), along with the Director oversight process, are sufficiently robust and appropriately address perceived and actual conflicts of interest
- the valuations were undertaken by suitably qualified and credentialed firms and personnel who have experience in valuing similar assets and knowledge of the markets in which the assets are located
- from our review of the valuations:
 - based on our experience, the valuation methods used and applied are consistent with those generally applied in the industry. Both the discounted cash flow and capitalisation of net income approaches have been used as the primary approaches. The valuation conclusions had regard to the results of each methodology and in a number of cases, where it was possible, cross-checks of the valuations were also performed
 - the assumptions and valuation metrics used by the valuers are not unreasonable and not inappropriate for the purpose of estimating the market value of the property. However, we note the following:

- o the valuers make certain assumptions regarding allowances such as vacancy and incentives which seem on the high side relative to AVN's recent actual experience
- o the valuations do not include estimated additional income of c.\$3m that AVN management anticipate as an opportunity related to solar panel installations and parking charges at their centres
- o the portfolio WACR of 6.01% at 30 June 2021 is higher than the median of 5.86% for comparable peers.²⁷ which own similar retail assets. Refer at Appendix 5 for more detail. Historically, the LFR segment of the retail market has been viewed as a specialist component and coupled with limited transactional evidence has traded at a higher cap rate compared to other segments of the retail sector. Over time, as investors have gained a better appreciation of this segment and how it operates, the gap has narrowed. In particular, during late 2020 and 2021, there have been a number of transactions in the LFR segment which have traded at yields between 5% and 6% (and in some cases below 5%)

As set out in Table 6, all of the AVN properties were valued as at 30 June 2021.

We also held discussions with the executives of AVN to gain an understanding of the current status of each of the properties and any material developments since the latest available valuation. The most material activities have been related to developments at Epping and Cranbourne. AVN's policy is that for developments which have been de-risked by way of secured leases and fixed cost construction contracts (such as at Cranbourne) are valued on an 'as complete' basis, less costs to complete. Otherwise, any costs incurred are expensed, as is applicable for Epping and the remainder of the portfolio.

AVN expects to incur approximately \$21.9m in development expenditure and leasing incentives across the portfolio for the period from 30 June 2021 up to the Implementation Date. This expenditure has or will have been funded by cash and debt. Therefore, its impact from a NAV perspective will be nil. However, there may be a small uplift in value attributable to this development activity.

We also considered:

- movements in cap rates, based on market insights and/or evidenced by recent transactions. Historically, the LFR segment of the property market has witnessed limited transactions. Since 30 June 2021, there have been transactions in the LFR segment which suggest there has been a further compression of cap rates. By way of example:
 - a bulky goods centre in Punchbowl, NSW with tenants such as Officeworks, Petbarn and Caltex Woolworths sold for a passing yield of 4.5% in October 2021
 - a homemaker centre in Campbelltown, NSW anchored by The Good Guys, Beacon Lighting, Carpet Call, Nick Scali and Rebel Sport sold for a passing yield of 4.76% yield in August 2021
 - a new homemaker centre in Minchinbury, NSW sold on a yield of 5.7% in July 2021
 - a homemaker centre in Craigieburn, Victoria anchored by Freedom, Nick Scali and Supercheap Auto sold for passing yield of 5.40% in September 2021.
- Further, we note that a CBRE publication on the retail sector for the September 2021 quarter²⁸ indicated that there had been a decline in cap rates of c.0.23% for LFR properties over the quarter owing to the increase in demand for these assets compared to industrial and office properties. The decline was primarily witnessed in Western Australia, South Australia and Victoria.
- the change in the traded security price of listed REITs with similar sector exposure²⁹ in the Australian market for the 4-month period from 1 July 2021 to 31 October 2021, which reflect a 6% increase in their combined market capitalisation since June 2021. This would suggest a decrease in average WACR of approximately 0.13%.

Considering the factors above, we are of the opinion there may have been an increase in the current market value of the AVN properties from that estimated at 30 June 2021 and have estimated that increase in the order of 5% to 10%. This increase is equivalent to an average reduction in the WACR from 6.01% to approximately 5.61%.

²⁷ Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexu Convenience Retail REIT, Waypoint REIT and Elanor Retail Property Fund

²⁸ CBRE Retail Figures, Q3 2021

²⁹ Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexu Convenience Retail REIT, Waypoint REIT and Elanor Retail Property Fund

14. Annexure B: Independent Experts Report



7.2.3 Income (net of distributions) between July 2021 and Implementation Date

Generally, all adjusted funds from operations (AFFO) are paid out as distributions to AVN securityholders and therefore no adjustment to net assets is required. However, given the expected timing of the Implementation Date (February 2022) and the timing of distributions, AVN would have accumulated approximately \$11.7m in distributable funds by the Implementation Date. Accordingly, we increased the net assets for this amount for the purposes of our analysis.

7.2.4 Pro-forma adjustments for transaction costs

Total costs associated with the Proposed Merger to be incurred by the Merged HDN Group are estimated at \$69.8m, comprising stamp duty, advisory and underwriting fees, debt establishment costs, contingencies, IMI insurance and acquisition fees (a component of which are expected to be paid by way of securities in Merged HDN Group).

AVN is expected to incur \$12.6m of this amount in the event the Proposed Merger proceeds, or \$5.6m if it does not.

For the purposes of the valuation of AVN prior to the Proposed Merger, we do not consider it appropriate to take account of costs that will only be incurred if the Proposed Merger proceeds and as such we have only adjusted for those costs which are expected to be incurred regardless of whether the Proposed Merger is successful, being \$5.6m.

7.2.5 Goodwill and intangibles

At 30 June 2021, AVN recognised \$143.1m³⁰ of intangible assets which largely comprised goodwill and management rights over Kotara North, which were required to be recognised as a result of the internalisation of AHL in 2018.

The benefit of these assets is recognised in the lower operating cost base of AVN and as such this value is implicitly recognised in our valuation of the capitalised cost base set out below. Therefore, we deducted these assets from the NAV for the purposes of our analysis.

An alternative way would be to keep the goodwill and intangible asset and adjust the operating cost base for the higher notional management fee that would be incurred. We did not consider it appropriate to present the valuation of AVN on this basis as it does not reflect what AVN securityholders currently have an interest in. However, we did consider it as part of our analysis and arrived at a very similar value for AVN.

7.2.6 Other adjustments

We increased the net assets of AVN for a net amount of \$2.4m, which comprises the following items:

- Interest rate swaps reflected a liability of \$8.3m as at 30 June 2021. With the increase in interest rates, this liability reduced to \$2.7m at 31 October 2021, thereby resulting in a reduction in the liability of \$5.7m
- AVN sold the MacGregor property in August 2021 for \$42m, incurring transaction costs of approximately \$0.2m. The net assets as at 30 June 2021 already reflected a sale price of \$42m and so the impact of the receipt of the \$42m would be nil (given the cash balance would increase by this amount). However, we have adjusted for the transaction costs of \$0.2m by deducting this from net assets
- As at 30 June 2021, there were unamortised establishment cost of the debt facility of \$3.1m capitalised into the borrowings. We have deducted this amount from net assets to reflect the actual amount of debt due
- Executives of AVN have advised that at the Implementation Date, AVN would have accrued distributions from APS1, though this is included in income (refer Section 7.2.3). We took into account AVN's share of the increase in the net assets of APS1 since 30 June 2021 (at the date of this report, no revaluations are expected on the underlying property), which represented an upward adjustment of \$0.1m to net assets.

³⁰ \$144.2m less deferred tax liabilities of \$1.1m

7.3 Valuation of AVN’s securities

Set out in the table below is a summary of the estimated market value of an AVN security:

Table 42: Valuation of AVN security

	Reference	Unit	Low value	High value
Market value of AVN (before portfolio premiums and deduction of capitalised operating costs)	Table 41	\$m	1,663.8	1,777.8
Premium to NAV	7.3.1	\$m	166.4	266.7
Capitalised operating costs	7.3.2	\$m	(68.6)	(51.5)
Market value of AVN (on a going concern, control basis)		\$m	1,761.5	1,993.0
Number of AVN securities	7.3.3	m	571.4	571.4
Market value of one AVN security		\$	3.08	3.49

Source: Scheme Booklet, Deloitte Corporate Finance analysis

Our valuation takes account of the ongoing operating costs associated with managing the fund as well as a portfolio premium, which is discussed below.

7.3.1 Portfolio premium

Each property owned by AVN has been valued on a standalone basis. A large, diversified property portfolio can provide scale and greater efficiencies (as well as risk mitigation) that would not otherwise be available through ownership of an individual property and, as a result, a market participant may be willing to pay a premium for a portfolio of assets when compared to the aggregate market value of the same assets on a standalone basis.

Set out at Appendix 7 is our analysis of recent transactions and the premium to net assets implied in those transactions. The results are mixed because the premium to net assets can also be influenced by numerous other factors which can vary over time. Such factors can include the property market cycle (for example, the premiums in transactions during the period 2009 and 2012 which were influenced by the global financial crisis and its impact on the property sector in Australia) along with the relative attractiveness of portfolios that provide exposure to certain sectors such as social infrastructure, healthcare, agriculture, or industrial properties.

We have adopted a portfolio premium for AVN in the range of 10% to 15%, which we consider appropriate based on the following reasons:

- AVN has a portfolio of 19³¹ properties with a GLA of 525k sqm, with diversification across a broad tenant base and tenancy expiry
- The portfolio includes a number of large, landmark LFR centres. Along with this, the average GLA per property is 28k sqm which is large for the sector
- The portfolio is one of the largest LFR focussed portfolios in Australia with a specialised internal management capability
- The portfolio has a WALE of 3.7 years³² reflecting the maturity of the properties. However, occupancy across the portfolio is 99% with very few properties with occupancy below 95%. The occupancy of the AVN portfolio has been consistently high for a number of years. In the current environment, the short WALE also presents an opportunity to renegotiate rents (upwards) at the expiry of (shorter) tenancies
- The property portfolio spans five Australian states, though is largely concentrated in NSW (10 sites), with lower exposures in Victoria (4) and Queensland (3), and single assets in South Australia and Western Australia
- The costs avoided and the time saved to replicate a portfolio of 19 properties with a market value of \$2.3bn³¹ based on valuations as at 30 June 2021

³¹ Includes McGraths Hill but excludes Macgregor

³² Based on GLA

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- The development and upside opportunities available within the portfolio not all of which are captured in the property valuations.

7.3.2 Capitalised corporate costs

The management, compliance function and reporting of AVN is undertaken internally. This means that as opposed to paying management and other fees to a third party, AVN incurs costs associated with the employment of these executives.

Whilst the costs associated with property management, development and leasing activities are captured in the property valuations, we consider any prospective buyer would incur costs associated with the management of the fund along with managing the financing of the properties and therefore we consider it reasonable to deduct a portion of the capitalised value of these corporate costs in assessing the market value of AVN.

We have applied the following assumptions in estimating the capitalised corporate costs:

- ongoing expenses: \$4.1m having regard to the FY22 budget for non-property, corporate level operating costs of \$7.0m³³, offset by management fee income on external AUM and other recurring income we consider a prospective buyer would seek to rationalise the existing cost base of AVN to remove costs relating to its ASX listing and associated compliance and governance framework. In this regard, we assumed nil to 25% of the net cost amount would be avoided
- cap rate: 6.01%, based on the WACR of the underlying valuations of the AVN property portfolio determined by independent valuers as summarised in Table 5.

For the reasons noted above (namely the costs of managing the assets and the fund, which would be incurred by any prospective buyer), we consider that a market participant would include these costs when considering the acquisition of AVN.

7.3.3 Number of securities

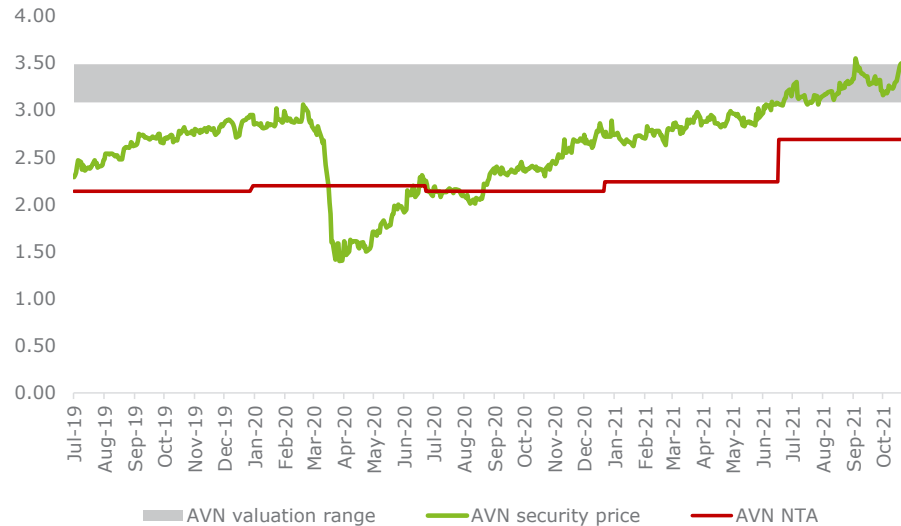
The number of AVN securities has been determined based on the current number of securities on issue, plus management rights which will vest under the Proposed Merger.

7.4 Cross-check of our valuation of AVN

Our valuation of an AVN security is higher than the last reported NTA per AVN security of \$2.69, and the top end of the range aligns with pre-announcement trading in AVN securities as set out in the figure below:

³³ Refer Table 36

Figure 27: Our valuation of an AVN security as compared to various reference points



Source: S&P CapitalIQ, ASX announcements, Deloitte Corporate Finance analysis

Given current trading prices and liquidity of AVN securities, and the range of trading premiums to NTA of the comparable peer group, we consider these points of reference provide broad support for our valuation range.

We have undertaken further cross-checks of our valuation below.

7.4.1 Implied multiples

Set out in the table below is our assessment of the value of AVN and the FFO multiple implied by our valuation.

Table 43: Analysis of FFO multiples implied by our valuation of AVN

	Unit	Low value	High value
Market value of AVN (on a going concern, control basis)	\$m	1,761.5	1,993.0
FFO (FY21)	\$m	109.8	109.8
FFO (FY22) ¹	\$m	115.9	115.9
Implied FY21 FFO multiple	times	16.0x	18.2x
Implied FY22 FFO multiple	times	15.2x	17.2x
Comparable peer multiples			
Implied FY21 FFO multiple (range)	times	11.8x to 23.9x	
Implied FY22 FFO multiple (range)	times	14.6x to 23.5x	

Notes:

1. Based on 20.3 cents per unit and 571.4m securities on issue

Source: AVN annual report, Scheme Booklet, CapitalIQ, Deloitte Corporate Finance analysis

Set out in Appendix 5 is the detail on the comparable entities. They are represented by other ASX listed entities with exposure to the retail sector. Excluding outliers, the range of FY21 FFO multiples is 15.0 times to 19.8 times whilst the range of FY22 FFO multiples is 14.6 times to 17.1 times. We consider this supports the range of FFO multiples implied by our valuation.

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8 Valuation of the Consideration

8.1 Introduction

The Consideration comprises cash of \$0.285 per AVN security, together with 2.2 securities in HDN for every AVN security held. Whilst AVN securityholders have the option of electing to receive the cash component of the Consideration by way of securities in HMC, since cash is the default option and represents a constant value, we have only considered the cash component in our quantitative assessment of the Consideration. However, set out in Section 9.3 is our analysis of how the cash component of the consideration compares to recent trading in HMC securities on the ASX.

To estimate the market value of the security component of the Consideration, we have:

- estimated the market value of the Merged HDN Group on a net assets on a going concern basis. This represents the sum of our assessed value of AVN, and the value of the adjusted net assets of HDN has been estimated using a similar approach to that which was applied for AVN given they are both REITs
- divided the NAV of the Merged HDN Group by the number of securities on issue immediately after implementation to obtain the estimated market value of one security in the Merged HDN Group.

For the reasons stated in Section 7.2 above, we also did not consider, absent use as cross-checks, other valuation methodologies to be appropriate in the context of the valuation of the Merged HDN Group.

8.2 Valuation of the Merged HDN Group

We have estimated the current market value of the net assets of the Merged HDN Group by aggregating the current market value of the property portfolio and other assets and liabilities, reduced by an estimate of the market value of ongoing operating costs and other adjustments. In our assessment of the current market value of the Merged HDN Group, we have also considered whether it is appropriate to apply a property portfolio premium.

Our estimate of the market value of the Merged HDN Group is set out in the following table.

Table 44: Valuation of the Merged HDN Group

	Reference	Unit	Low value	High value
Market value of AVN ¹	Table 37	\$m	1,663.8	1,777.8
HDN net assets as at 30 June 2021	8.2.2	\$m	1,075.5	1,075.5
Adjustments in respect of market value of HDN				
Acquisitions since 30 June 2021	8.2.3	\$m	(37.2)	(37.2)
Value increase between July and Implementation Date	8.2.4	\$m	-	89.0
Income (net of distributions) July 2021 and Implementation Date	8.2.5	\$m	9.2	9.2
Transaction costs	8.2.6	\$m	(2.1)	(2.1)
Capital raising (net of costs)	8.2.7	\$m	152.3	152.3
Other adjustments	8.2.8	\$m	(2.2)	(2.2)
Market value of HDN¹		\$m	1,195.5	1,284.5
Aggregated market value of AVN and HDN¹		\$m	2,859.3	3,062.3
Transaction costs and stamp duty ²	8.2.9	\$m	(39.7)	(39.7)
Portfolio premium	8.2.10	\$m	428.9	612.5
Capitalised operating costs	8.2.11	\$m	(451.2)	(451.2)
Market value of Merged HDN Group (on a going concern, control basis)		\$m	2,797.2	3,183.8

Note:

1. Before premiums/discounts and capitalised operating costs
2. Transaction costs borne by AVN and HDN (excludes HMC) contingent on whether the transaction proceeds.

Source: Deloitte Corporate Finance analysis

8.2.1 AVN net assets as at 30 June 2021

Our estimate of the market value of the net assets being contributed by AVN (before portfolio premiums and deduction of capitalised costs) is set out in Section 7.2.

8.2.2 HDN net assets as at 30 June 2021

The value of HDN's net assets as at 30 June 2021 is based on the aggregate of the following:

- the value of HDN's property portfolio as recorded in the financial statements as at 30 June 2021, as presented in Section 5.2.1
- adjustments to include the acquisition of 9 LFR properties from HMC, Victoria Point, Woodlea and Pakenham and adjoining properties, proceeds from three equity raisings including the September 2021 distribution reinvestment plan and an \$8m valuation uplift on the Lismore and Coffs Harbour assets
- the market value of HDN's other assets and liabilities, such as receivables, and payables. Based on discussions with the executives of the manager of HDN and noting some of the adjustments we make below, the NAV of these balances have not changed materially in the period since 30 June 2021.

We note the financial statements of HDN as at 30 June 2021 have been subject to an audit by PricewaterhouseCoopers.

8.2.3 Adjustments for acquisitions since 30 June 2021

HDN has acquired (or is contracted to acquire) property assets for an aggregate purchase price of \$674m and incurred transaction costs of \$37.2m in the purchase of these properties. These acquisitions have been funded by a mixture of equity and debt. As such, the impact on net assets is theoretically nil. However, given the transaction costs (including taxes and duties) do not increase the market value of these properties, we have made adjusted for these costs.

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8.2.4 Pro-forma adjustments for changes in value of property portfolio between July and Implementation Date

The largest component of HDN's net assets is represented by the value of its properties which are subject to regular property valuations.

For the purposes of our valuation, we have considered the property valuations prepared in accordance with HDN's valuation policy. As at 30 June 2021, 23 properties were valued by independent property valuers, three properties were valued by the Directors of HDN and one property was held at acquisition cost.

We have undertaken a review of the independent property valuations, along with holding discussions with executives of the manager of HDN, and have concluded that:

- the protocols that are used by the manager to commission independent property valuations are sufficiently robust and appropriately address perceived and actual conflicts of interest
- the valuations are undertaken by suitably qualified and credentialed firms and personnel who have experience in valuing similar assets and knowledge of the markets in which the assets are located
- from our review of the valuations:
 - based on our experience, the valuation methods used and applied are consistent with those generally applied in the industry. Both the discounted cash flow and capitalisation of net income approaches have been used as the primary approaches. The valuation conclusions had regard to the results of each primary methodology
 - the assumptions and valuation metrics used by the valuers are not unreasonable and not inappropriate for the purpose of estimating the market value of the property. However, we note the following:
 - o a number of properties have passing rent which is significantly lower than current market rates, which is a consequence of HDN's historical strategy of quickly letting space following the acquisition of the Masters portfolio. The assumptions adopted by the valuer regarding the reversion of the properties to a stable state could be materially different to what will eventually be achieved, especially given the longer WALE in the HDN portfolio
 - o the portfolio WACR of 5.64% at 30 June 2021 (and when including post 30 June 2021 acquisitions) is not inconsistent with the median of 5.86% for comparable entities³⁴ which own similar retail assets. Refer at Appendix 5 for more detail. The majority of HDN's portfolio is focused on neighbourhood and convenience retail and the lower WACR is aligned with the WACR of that segment

For the internal valuations, executives of the manager of HDN adopted similar methodologies to those adopted by external valuers, including determining the cap rate having regard to the previous rates adopted by the external valuer. The adopted value of one property was based on the agreed purchase price, which we understand was supported by an independent valuation around the time of acquisition.

We have held discussions with the executives of the manager of HDN to gain an understanding of the current status of each of the properties and any new material developments since the latest available valuation. HDN currently has 6 brownfield projects across 4 sites which are 100% pre-leased, and on track for completion in FY22. AVN expects to incur costs of \$20m by the Implementation Date. As these projects will be funded by cash and debt, this will have no impact on the NAV. However, there may be a small uplift attributable to the additional value delivered by this development activity. HDN has numerous other development opportunities though these are at earlier stages of planning and not due to commence construction until at least FY23.

We also considered:

- movements in cap rates, based on market insights and/or evidenced from recent transactions. Since 30 June 2021, the following transactions in the neighbourhood retail segment suggest some compression of cap rates:
 - Cherrybrook Village, a neighbourhood retail centre in North-West Sydney was sold in August 2021 on an implied yield of 5%
 - Drayton Central, a centre in Toowoomba, QLD was acquired in August 2021 on an implied yield of 5.39%

³⁴ Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexu Convenience Retail REIT, Waypoint REIT and Elanor Retail Property Fund

- Oatley Village Square, a centre in Southern Sydney was acquired in August 2021 on an implied yield of 4.81%
- Moggill Village, a centre in South-West Brisbane was acquired in October 2021 on an implied yield of 4.95%
- Victoria Point, a centre in South-East Brisbane was acquired by HDN in July 2021 on an implied yield of 4.75%
- Further, we note that a CBRE publication on the retail sector for the September 2021 quarter³⁵ indicated that there had been a decline in cap rates of neighbourhood properties in the order of c.0.17% for the quarter. A report by Dexus for the September 2021 quarter³⁶, noted cap rate declines for the quarter in the order of c.0.6% across Sydney, Melbourne and South East Queensland, with smaller declines or flat conditions in regional markets.
- the security price movements of listed REITs with similar sector exposure³⁷ in the Australian market for the 4-month period from 1 July 2021 to 31 October 2021, which suggest that there has been a 6% uplift in their combined market capitalisation since June 2021. This, in turn, is equivalent to a decrease in average WACR of 0.13%.

Considering the above factors, we are of the opinion there may have been an increase in the current market value of the HDN properties from that estimated at 30 June 2021 and have estimate that increase in the order of nil to 5%. This increase is equivalent to an reduction in the average WACR from 5.64% to approximately 5.50%.

8.2.5 Income (net of distributions) between July 2021 and Implementation Date

Generally, all adjusted funds from operations (AFFO) are distributed to HDN securityholders and therefore no adjustment to net assets is required. However, given the expected timing of the Implementation Date (February 2022) and the timing of distributions, HDN would have accumulated distributable funds of approximately \$9.2m by the Implementation Date. Accordingly, we increased the net assets by this amount for the purposes of our analysis.

8.2.6 Pro-forma adjustments for transaction costs

HDN's budgeted or committed merger costs, which will be incurred regardless of whether the Proposed Merger proceeds, are \$2.1m.

8.2.7 Net proceeds from capital raisings

HDN undertook capital raisings in July and September 2021 of \$152.3m, net of transaction costs. The net impact is an increase in cash and the issue of additional HDN securities (which we have also taken account of below).

8.2.8 Other adjustments

We reduced the net assets of HDN for a net amount of \$9.6m, which comprises the following:

- HDN did not hedge any debt at 30 June 2021. Subsequent to 30 June 2021, HDN completed an upsize and extension of its existing debt, which included entering into a 2-year \$275m interest rate swap in August 2021. As at 31 October 2021, the swap arrangement was in the money by approximately \$3.7m, thereby resulting in an upward adjustment to net assets of \$3.7m.
- As at 30 June 2021, there were unamortised debt establishment costs of \$5.9m capitalised into the borrowings included in net assets. We have deducted this to reflect the actual amount of debt due.

³⁵ CBRE Retail Figures, Q3 2021

³⁶ Dexus Australian Real Estate Quarterly Review Q4 2021

³⁷ Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexus Convenience Retail REIT, Waypoint REIT and Elanor Retail Property Fund

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8.2.9 Deal contingent transaction costs and stamp duty

As noted in Section 7.2.4 total merger transaction costs are estimated to be \$69.8m. Of these costs, AVN and HDN are expected to incur costs of \$5.6m and \$2.1m, respectively, in respect of the Proposed Merger (and regardless of whether it proceeds). These costs are considered in Section 7.2.4 and Section 8.2.6 respectively.

The Merged HDN Group is expected to incur the residual amount of \$62.0m in other transaction costs if the Proposed Merger proceeds, split \$39.7m in cash which will decrease the NAV of the Merged HDN Group and \$22.3m in Merged HDN Group securities.

8.2.10 Portfolio premium

Each property owned by AVN and HDN has been valued on a standalone basis. However, as noted in Section 7.3.1 above, a large diversified property portfolio can provide scale and greater efficiencies (as well as risk mitigation) that would not otherwise be available through ownership of an individual property and, as a result, a market participant may be willing to pay a premium for a portfolio of assets when compared to the aggregate market value of the same assets on a standalone basis.

Set out at Appendix 7 is our analysis of recent transactions and the premium to net assets paid in those transactions. The results are mixed because the premium to net assets can also be influenced by numerous other factors which can vary over time. Such factors can include the property market cycle (for example, the premiums in transactions during the period 2009 and 2012 were influenced by global financial crisis and its impact on the property sector in Australia) along with the relative attractiveness of portfolios that provide exposure to certain sectors such as social infrastructure, healthcare, agriculture, or industrial properties.

We have adopted a portfolio premium to the NAV of the Merged HDN Group in the range of 10% to 20%, which we consider appropriate based on the following reasons:

- the Merged HDN Group will have a total of 51 properties with a GLA of 972k sqm, with diversification across a broad tenant base, tenancy expiry and both discretionary and non-discretionary sectors
- the portfolio will include a number of large, landmark LFR centres. Along with this, the average GLA per property will be 19k sqm which is smaller than the average in the AVN portfolio
- the portfolio will have a WALE of 5.3 years, which will be slightly higher than AVN
- the property portfolio is located across all mainland Australia states
- the costs avoided and the time saved with replicating a portfolio of 51 properties with a market value of \$4.1bn
- relative to AVN, the Merged HDN Group will have more development opportunities given the contribution from HDN. These opportunities are not captured in the property valuations
- the Merged HDN Group will be of sufficient size to qualify for inclusion into stock market indices and hence should benefit from improved liquidity and demand from capital markets.

8.2.11 Capitalised corporate costs

The strategy development, management, compliance function and reporting of the Merged HDN Group will be undertaken by the manager on behalf of the RE, for which the Merged HDN Group pays fees (refer to Section 5.3).

Whilst the costs associated with property management, development and leasing activities are inherently captured in the property valuations, we consider any prospective buyer would incur costs associated with the management of the fund along with managing the financing of the properties and therefore we consider it reasonable to deduct a portion of the capitalised value of such corporate level costs in assessing the value of the Merged HDN Group.

We have estimated this cost by capitalising the corporate costs using the following assumptions:

- ongoing corporate expenses: we applied a rate of 0.65% of GAV based on the investment management fee rate range of 0.55% to 0.65%, plus other corporate costs, which are expected to be paid by the Merged HDN Group to the external manager
- cap rate: 5.85%, being the WACR of the Merged HDN Group. This is based on a weighted average of the portfolio WACR for AVN and HDN.

For the reasons noted above (namely the costs of managing the fund, which would be incurred by any prospective buyer), we consider that a market participant would adjust for these costs when considering the acquisition of the Merged HDN Group.

8.3 Valuation of a security in Merged HDN Group

Set out in the table below is a summary of our estimate of the market value of a security in the Merged HDN Group:

Table 45: Valuation of a security in the Merged HDN Group

	Reference	Unit	Low value	High value
Market value of the Merged HDN Group (on a going concern, control basis)		\$m	2,797.2	3,183.8
Discount for lack of control	8.3.1	%	-	-
Market value of Merged HDN Group from the perspective of AVN securityholders		\$m	2,797.2	3,183.8
Securities on issue in Merged HDN Group	8.3.2	mil	2,065.5	2,065.5
Market value of one security in Merged HDN Group		\$	1.35	1.54

Source: Deloitte Corporate Finance analysis, Scheme Booklet

8.3.1 Discount for non-controlling interest

Given that the values of the underlying properties that are anticipated to be owned by the Merged HDN Group have been determined on a control basis, it could be viewed that our valuation of the Merged HDN Group represents a control value. AVN securityholders, collectively, will own 61% of the securities in the Merged HDN Group.

In respect of property trusts, the benefit of control can be limited due to a number of factors including the fact that property trusts are required to distribute the majority of their profits (and therefore there is limited value in having control over distributions). This is indirectly evident in the current environment where property trust securities (being parcels of securities conferring a non-controlling interest) are trading at a premium to NTA (being the amalgamation of the value of the underlying properties). Refer Appendix 5 for our analysis. Whilst this can be influenced by a number of factors, this suggests to us that in the current environment investors do not value (or place limited value on) a controlling interest

Based on the considerations above, we do not consider it appropriate to apply a minority discount in our assessment of the value of a security in the Merged HDN Group.

8.3.2 Number of securities in the Merged HDN Group

The number of securities in the Merged HDN Group has been calculated based on the existing number of HDN securities, plus new HDN securities that will be issued to AVN securityholders as set out in Section 1.3 as well as 14m securities that are anticipated to be issued to HMC as consideration for its acquisition fee.

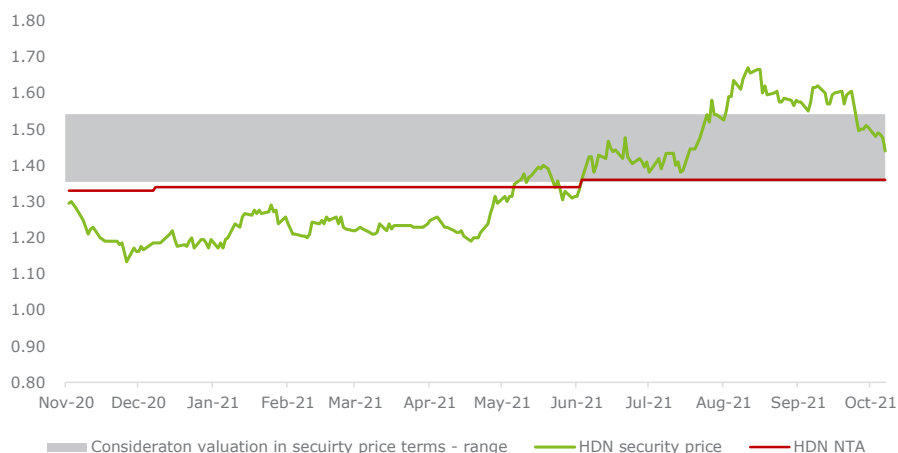
8.4 Cross-check of our valuation of Merged HDN Group

Our valuation of a Merged HDN Group security is higher than the pro-forma NTA per Merged HDN Group security of \$1.24, and the top end of the range aligns with post-announcement trading in HDN securities as set out in the figure below:

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Figure 28: Our valuation of a Merged HDN Group security as compared to various reference points



Source: S&P CapitalIQ, Scheme Booklet, Deloitte Corporate Finance analysis

Given current trading levels and liquidity in HDN securities, and the current range of trading premiums to NTA of the comparable entities, we consider these points of reference provide broad support for our valuation range.

We have undertaken further cross-checks of our valuation below.

8.4.1 Implied multiples

Set out in the table below is our assessment of the value of the Merged HDN Group and the FFO multiple implied by our valuation.

Table 46: Analysis of FFO multiples implied by our valuation of Merged HDN Group

	Reference	Unit	Low value	High value
Market value of Merged HDN Group (on a going concern, control basis)		\$m	2,797.2	3,183.8
FFO (FY22)		\$m	181.4	181.4
Implied FY22 FFO multiple		x	15.4	17.6
Comparable peer multiples				
Implied FY22 FFO multiple (range)		times	14.6x to 23.5x	

Source: Scheme Booklet, CapitalIQ, Deloitte Corporate Finance analysis

Set out in Appendix 5 is the detail on the comparable entities. They are represented by other ASX listed entities with exposure to the retail sector. Excluding outliers, the range of FY22 FFO multiples is 14.6 times to 17.1 times. We consider that this supports the range of FFO multiples implied by our valuation.

8.5 Conclusion on the value of the Consideration

Summarised in the table below is the estimated value of the Consideration relative to a single AVN security.

Table 47: Valuation of the Consideration (per AVN security)

	Unit	Low value	High value
Market value of one security in Merged HDN Group	\$	1.35	1.54
Number of securities in Merged HDN Group AVN securityholders will receive		2.2	2.2
Value of the security component of the Consideration		2.98	3.39
Cash component of the consideration	\$	0.285	0.285
Total value of the Consideration per AVN security	\$	3.26	3.68

Source: Deloitte Corporate Finance analysis

We have assessed the value of the Consideration under the Proposed Merger to be in the range of \$3.26 to \$3.68 per AVN security.

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9 Other considerations

In assessing the value of an AVN security prior to the Proposed Merger and assessing the value of a security in the Merged HDN Group following the Proposed Merger, we have undertaken a fundamental valuation of both businesses in accordance with the requirements of ASIC RG 111.

However, there are a number of alternative approaches that could be used to evaluate the Proposed Merger:

- Relative security price analysis – a comparison of the AVN security price prior to the Proposed Merger to the HDN security price
- Relative NTA analysis – a comparison of the AVN NTA per security as compared to the pro-forma NTA per security of the Merged HDN Group.

Our evaluation of each of the above approaches is set out below.

9.1 Evaluation of the Proposed Merger based on security pricing

Set out in the table below is a comparison of the AVN security price prior to the Proposed Merger as compared to HDN security price and its implication for the value of the Consideration:

Table 48: Valuation of the Consideration based on trading prices

	Unit	VWAP
1-month VWAP of AVN securities prior to announcement of the Proposed Merger ¹	\$	3.27
1-month VWAP of HDN securities prior to announcement of the Proposed Merger ¹	\$	1.59
Number of securities in Merged HDN Group that AVN securityholders will receive		2.2
Value of the security component of the Consideration		3.50
Cash component of the Consideration	\$	0.285
Implied value of the Consideration per AVN security based on trading prices	\$	3.78

Note:

1. Volume weighted average price (VWAP) for the period from 16 September 2021 to 15 October 2021 inclusive. Source: CapitalIQ, Deloitte Corporate Finance analysis

Trading in HDN securities during the month immediately prior to the announcement of the Proposed Merger implies Consideration of \$3.78 for each AVN security based on VWAP analysis. More specifically:

- This represents a 16% premium to the 30-day VWAP of AVN securities of \$3.27 and is consistent with the notion that control premiums are generally paid in transactions to entice target securityholders to accept the offer, though such premiums are generally minimal for REITs
- This implied value is marginally above our assessed value of an AVN security of \$3.26 to \$3.68. The price of HDN securities have fallen post-announcement to a VWAP of \$1.49³⁸ as the market prices in the impact of the Proposed Merger, implying an offer price of \$3.56 per AVN security which falls within our assessed value range. We consider the value of the Consideration implied by market trading supports our assessment of the value of a AVN security.

³⁸ For the period from 18 October 2021 to 31 October 2021 inclusive.

9.2 Evaluation of the Proposed Merger based on NTA

Set out in the table below is a comparison of the AVN NTA prior to the Proposed Merger as compared to the pro-forma Merged HDN Group NTA and its implication for the value of the Consideration:

Table 49: Valuation of the Consideration based on NTA

	Unit	
AVN NTA ¹	\$	2.69
Merged HDN Group NTA	\$	1.24
Number of securities in Merged HDN Group that AVN securityholders will receive		2.2
Value of the security component of the Consideration	\$	2.73
Cash component of the Consideration	\$	0.285
Implied value of the Consideration per AVN security based on proforma NTA	\$	3.02

Note:

1. Proforma as at 30 June 2021

Source: Scheme Booklet, Deloitte Corporate Finance analysis

The implied value of the Consideration based on the Merged HDN Group's proforma NTA is \$3.02:

- this represents a 12% premium to the proforma NTA of AVN of \$2.69 and is consistent with the notion of control premiums being paid in transactions to entice target securityholders to accept the offer, though such premiums are generally minimal for REITs
- is lower than our assessed value of the Consideration of \$3.26 to \$3.68, which is reasonable considering the NTA position doesn't capture any portfolio premium or development upside from the portfolio (offset by operating costs).

9.3 Considerations on the HMC security election option

AVN securityholders can receive cash of \$0.285 for every AVN security they own. However, they can elect to instead receive 0.038 securities in HMC, the manager of HDN.

An investment in HMC is very different to an investment in AVN. HMC is in the process of transitioning to being an alternative assets fund manager and therefore the risks and opportunities associated with an investment in HMC are very different to the risks and opportunities of an investment in a REIT like AVN or HDN. Further information on HMC is set out in Section 4.

14. Annexure B: Independent Experts Report



Set out in the figure below is a comparison of recent trading in HMC securities represented as a proportion of HMC securities AVN securityholders will receive for every AVN security:

Figure 29: HMC consideration component



Source: CapitalIQ, Deloitte Corporate Finance analysis

Since 1 July 2021, HMC's security price increased by 40% up to 15 October 2021, largely as a consequence of its growth in external AUM through HDN and the HCW IPO. Whilst HMC intends to significantly increase AUM over the long term, there is inherent uncertainty in the rate and pace of growth that may be achieved which is currently supporting the security price. However, the security price trading over the month of October suggests that, absent other considerations, AVN securityholders may be better off electing to receive the HMC securities depending on the prevailing price on HMC securities near the Implementation Date.

Given AVN securityholders who elect to receive HMC securities will receive 0.038 HMC securities for every AVN security they own, some AVN securityholders may receive a small parcel of HMC securities which may not be marketable or the costs of disposing the parcel may be relatively expensive.

Appendix 1: Industry analysis

Convenience retail property sector

The convenience retail industry is characterised by offerings of everyday goods and services including groceries, pharmacies, gym and childcare. Within the property sector, convenience retail can be categorised into neighbourhood retail and LFR subsectors. Neighbourhood retail centres comprise of local retail services often anchored by a supermarket and complemented by a small number of specialty shops, such as pharmacies, liquor stores and essential services. In contrast, LFR centres generally supplement convenience retail with traditional consumer and homemaker goods such as furniture, electrical appliances, and garden supplies.

COVID-19 changes to consumer spending

Overall, the convenience retail industry was the key beneficiary from the changes of consumer spending trends driven by the impacts of COVID-19. Supermarkets and groceries (i.e. Woolworths and Coles) recorded significant sales growth of 3.3% year-on-year in FY21, as customers were panic buying essential supplies and non-perishable food products due to COVID-19 induced lockdowns combined with the closure of food services / hospitality venues across Australia. During the same period shopping centre retailers which suffered a 1.7% decline in sales.³⁹ Such increase in home consumption has allowed convenience-based neighbourhood retail properties to perform strongly, with high rates of rent collection compared to other sub-sectors such as shopping centres that were largely exposed to a decrease in foot traffic and retail spending.

Furthermore, LFR also experienced a boost in sales over the same period with rising demand for household goods including fitness, home office, furniture, home renovation and electrical appliances as a result of increased time spent at home with businesses and schools shifting to remote working/learning. LFR retailers currently contribute almost 25% of all retail sales in Australia.⁴⁰ In FY21, the furniture retailers recorded sales growth of 20%.⁴¹ whilst electrical products retailers posted sales growth of 4.8%.⁴² Current expectations are that overall consumer goods sales will grow over 5% in FY22 before normalising over the next five years.⁴³

The ability for these sectors to trade without significant disruptions from the COVID-19 lockdowns has underpinned strong investment demand for convenience retail property assets.

Shift to omni-channel retailing

Consumer behaviours have shifted significantly in the past two years instigated by health and safety concerns that suddenly became a purchase driver and technological adaptation. This resulted in a structural shift to omni-channel retailing.⁴⁴ which flourished during COVID-19 and is expected to continue going forward.

As a result, traditional 'bricks-and-mortar' retailers have been building their online shopping capabilities and are also building out their capabilities to serve customers through last mile infrastructure modes such as 'Click & Collect' and home delivery in order to ensure delivery of goods to consumers.

In this vein, retailers have invested significant amounts of capital and resources into the optimisation and/or expansion of digital user experience platforms, fulfilment centres and distribution channels over the past 2 years. As a result, retailers were able to rationalise store networks and mitigate the impediments imposed on bricks-and-mortar stores by COVID-19 health orders. Retailers with well-established and developed infrastructures have experienced significant growth following on from a large jump in online penetration with online retailer revenue expected to rise by 35% in FY21, to \$45.3 bn.⁴⁵

³⁹ Convenience Stores in Australia, IBIS World report

⁴⁰ HDN PDS

⁴¹ Furniture Retailing in Australia, IBIS World report

⁴² Computer and Software Retailing in Australia, IBIS World report

⁴³ Consumer Goods Retailing in Australia, IBIS World report

⁴⁴ Omni-channel retailing is an approach to sales and marketing that provides customers with shopping experience that integrates offline physical channels and online digital channels (i.e. mobile apps).

⁴⁵ Online Shopping in Australia IBIS, World report

14. Annexure B: Independent Experts Report



Consequently, the prevalence of omni-channel retailing enabled non-discretionary spend tenants in both neighbourhood retail and LFR to perform consistently well.

Outlook

The strong demand observed for convenience retail is expected to continue with little deviation from current customer behaviours as the Australian retail sector recovers from the COVID-19 pandemic. Neighbourhood retail comprising of supermarkets and groceries is forecasted to grow at annualised 2.2%⁴⁶ whilst LFR consumer goods retailers are forecasted to grow at 2.8% over the next five years⁴⁷.

The neighbourhood retail sector is expected to experience slowing sales growth as trading begins to normalise and traditional behaviours return from re-opening of the hospitality sector. However, due to the essential, non-discretionary nature of convenience goods (i.e. food, health and sanitary), and increased health and wellness focus on spacing (over the medium term), demand for neighbourhood retailers can be expected to continue even as the effects of the pandemic subside.

Similarly, growth momentum from the shift in consumer spending trends are expected to continue for LFR retailers as improvements in disposable income, and limitations of alternative uses of that disposable income (i.e. international travel) are projected to support greater demand as the economy recovers from COVID-19 pandemic. The renewed customer interest in various leisure activities (i.e. home improvements, gardening and sports) presented by lockdowns and remote working are expected to stabilise LFR retailer sales over the next two years through 2022-23 despite rising online competition.

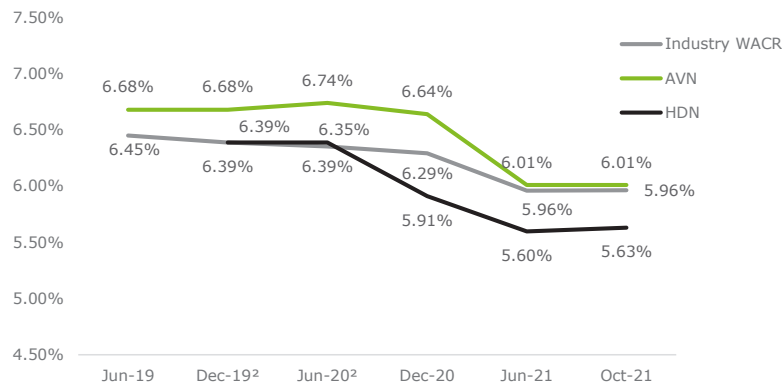
Continued momentum in digitalisation and omni-channel retailing will also play a key role in further consumer engagement as well as an expectation that neighbourhood retail and LFR centres can play a role in the delivery of efficient last mile delivery services.

With this backdrop, investors are anticipated to remain attracted to the secure income streams of the neighbourhood retail and LFR centres who performed particularly well throughout 2020 and 2021. These stable income streams coupled with strong fundamentals and relatively higher yields compared to other retail sub-sectors is also expected to drive investors towards convenience-based retail properties, who are actively seeking exposure to non-discretionary, defensive assets with long WALE.

⁴⁶ Convenience Stores in Australia, IBIS World report

⁴⁷ Consumer Goods Retailing in Australia, IBIS World report

Figure 30: Comparable industry WACR¹



Notes:

1. Industry comparable includes AVN, HDN, Charter Hall Retail REIT, SCA Property Group, BWP Trust, Dexus Convenience Retail REIT, Elanor Retail Property Fund, Waypoint REIT
 2. As HDN IPO was in November 2020, the WACR in Dec-19 and Jun-20 for the portfolio currently held by HDN was calculated by taking the equivalent properties from HMC's portfolio in Dec-19 and Jun-20.
- Source: Respective comparable firms' FY21, FY20 and FY19 Annual reports and HY21 and HY20 results, Deloitte Corporate Finance analysis

The decreasing trend in WACR rates across the industry demonstrates that comparable companies to AVN and HDN have also been experiencing similar decline in cap rates since June 2020. The upward revaluation of the portfolios as a result supports the view that properties with secure income yields will continue to drive industry demand from investors.

There is an expectation of further growth opportunities strengthened by the excess of offshore capital, as overseas investors continue to express interest for the Australian property sector.

Alternative asset management

HMC intends to focus on alternative asset classes in pursuit of growth. Given the Proposed Merger provides the option for AVN securityholders to obtain an equity interest in HMC, we have provided some analysis below of the broader risks and opportunities impacting the alternative assets funds management sector.

Alternative assets are financial assets that do not fall into the conventional investment categories such as stocks, bonds, and cash. They often include private equity, hedge funds, commodities, derivatives, infrastructure, and real estate.

Key drivers of alternative assets

Overall, investment in alternative assets have recorded favourable performance over the past decade due to strong growth in capital allocations from pension and institutional funds, along with decreases in interest rates.

14. Annexure B: Independent Experts Report



As of June 2021, the Australian pension market rose to \$3,353bn in funds under management (16% growth year-on-year) and is the major source of capital in the domestic managed funds industry⁴⁸. Growth in AUM can be largely attributed to consistent inflows from employer mandated contributions which currently sit at 10%. In addition, there has been a propensity to shift pension funds into alternative assets as investors looked for under-exploited segments of the investment market to seek higher returns due to extended periods of lower interest rates in Australia and rising volatility of the global equity market. As alternative asset classes perform with lower correlation to the traditional market, it has generated healthy returns during the time of heightened economic uncertainty, including from the shocks caused by the COVID-19 pandemic which led to an initial downturn in the global market.

Therefore, growth opportunities have increasingly driven investors, especially long-term investors like pension funds to seek higher yields by deploying capital into alternative assets.

Global trends and outlook

Globally, the value of total AUM reached \$103 trillion in 2020, representing a 7% CAGR since 2009. It is expected to grow at a CAGR of 6% to \$136 trillion by 2025. During this time, the allocation to alternative assets increased from 13% of total AUM in 2009 to 21% in 2020 and is expected to be 25% by 2025⁴⁹. Alternative assets represent the largest revenue pool for asset managers given the higher fee rates charged, capturing more than 39% of total industry revenue in 2009 and 42% in 2020, and expected to be 46% in 2025⁴⁹.

Figure 31: Global AUM split by asset class

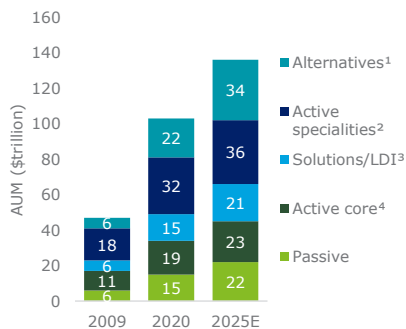
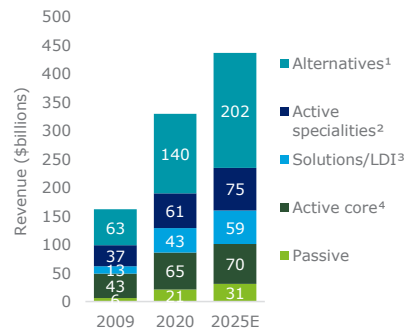


Figure 32: Global revenue split by asset class



Notes:

1. Includes hedge funds, private equity, real estate, infrastructure, commodities, private debt and liquid alternative mutual funds
2. Includes equity specialties and fixed-income specialties
3. Includes maturity, liability-driven, multi-asset allocation
4. Includes actively managed domestic large-cap equity, domestic government and corporate debt, money market and structured product.

Source: BCG Global Asset Management 2021

Australian alternatives market has been developing at a similar pace to the rest of the world, aligning closely to the global trend above⁴⁹.

Whilst this growth in alternative assets has been driven by institutional investors historically, future growth is expected to be driven by retail investors. Retail investors currently hold about 50% of AUM across public market asset classes but only 10% in alternatives⁴⁹. As a result of the above, but also because of the fact that alternative asset investment has become more accessible, there is an expectation that there is now an opportunity for retail investors to increase their allocation to this asset class.

⁴⁸ Managed Funds, Australia Australian Bureau of Statistics (ABS)
⁴⁹ Global Asset Management 2021, Boston Consulting Group (BCG)

Appendix 2: Historical valuation of AVN properties

Set out in the table below is the list of properties owned by AVN and the changes to their historical valuations over time:

Table 50: AVN's operating properties

	Valuation date	Independent valuation	Valuation (\$m) ³	Change in Valuation	Cap rate	Change in Cap rate	WALE
Ballarat	Jun-19	43	43		7.50%		4.1
	Jun-20	43	43	-	7.50%	-	3.1
	Jun-21	47	47	9.3%	6.50%	(1.00%)	2.4
Bankstown	Jun-19	61	64		6.75%		4.4
	Jun-20	67	66	3.1%	6.75%	-	4.3
	Jun-21	78	78	18.2%	6.00%	(0.75%)	3.9
Belrose	Jun-19	183	183		6.25%		3.8
	Jun-20	183	183	-	6.25%	-	3.3
	Jun-21	202	202	10.4%	5.75%	(0.50%)	3.0
Caringbah	Jun-19	97	97		7.50%		0.8
	Jun-20	97	112	15.5%	7.50%	-	3.3
	Jun-21	152	152	35.7%	5.75%	(1.75%)	3.5
Castle Hill	Jun-19	347	359		5.50%		3.2
	Jun-20	340	340	(5.3%)	5.75%	0.25%	3.5
	Jun-21	354	354	4.1%	5.75%	-	3.9
Cranbourne	Jun-19	133	143		7.25%		6.0
	Jun-20	144	142	(0.7%)	7.25%	-	5.4
	Jun-21	176	175	23.2%	6.00%	(1.25%)	4.7
Epping	Jun-19	44	45		7.50%		3.2
	Jun-20	44	45	-	7.50%	-	2.5
	Jun-21	64	64	42.2%	6.25%	(1.25%)	2.7
Highlands	Jun-19	33	34		7.50%		2.9
	Jun-20	34	34	-	7.25%	(0.25%)	4.2
	Jun-21	44	44	29.4%	6.00%	(1.25%)	4.1
Jindalee	Jun-19	136	136		7.00%		3.4
	Jun-20	136	135	(0.7%)	7.00%	-	2.9
	Jun-21	163	163	20.7%	6.00%	(1.00%)	2.6
Kotara South	Jun-19	120	124		6.50%		4.7
	Jun-20	127	123	(0.8%)	6.50%	-	4.0
	Jun-21	137	137	11.4%	6.00%	(0.50%)	4.1
Logan	Jun-19	91	95		7.00%		4.3
	Jun-20	92	92	(3.2%)	7.00%	-	3.7
	Jun-21	107	107	16.3%	6.25%	(0.75%)	3.4
Marsden Park	Jun-19	101	101		6.00%		5.1
	Jun-20	100	100	(1.0%)	6.00%	-	4.4
	Jun-21	108	108	8.0%	5.75%	(0.25%)	4.5
Midland	Jun-19	62	63		7.25%		3.8
	Jun-20	65	64	1.6%	7.25%	-	3.9
	Jun-21	67	67	4.7%	6.75%	(0.50%)	3.4
Mile End	Jun-19	104	104		7.25%		3.6
	Jun-20	104	103	(1.0%)	7.25%	-	3.3
	Jun-21	128	128	24.3%	6.50%	(0.75%)	3.5
Peninsula	Jun-19	86	89		7.25%		3.4
	Jun-20	86	90	1.1%	7.25%	-	3.4
	Jun-21	115	115	27.8%	6.00%	(1.25%)	3.3
Sunshine Coast	Jun-19	96	100		7.00%		4.7
	Jun-20	101	101	1.0%	7.00%	-	4.0
	Jun-21	121	121	19.8%	6.00%	(1.00%)	3.3

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Deloitte.

	Valuation date	Independent valuation	Valuation (\$m) ³	Change in Valuation	Cap rate	Change in Cap rate	WALE
Tuggerah	Jun-19	85	92		7.00%		5.5
	Jun-20	94	94	2.2%	7.00%	-	4.8
	Jun-21	111	111	18.1%	6.50%	(0.50%)	4.6
Warners Bay	Jun-19	37	39		7.50%		6.3
	Jun-20	42	42	7.7%	7.25%	(0.25%)	5.2
	Jun-21	55	55	31.0%	6.00%	(1.25%)	4.6

Notes:

1. Aventus Property Syndicate 1 (APS1) owns McGraths Hill. As AVN owns a 25% interest in APS1, McGraths Hill has been included in the historical property valuation table
 2. Not available as McGraths Hill was held for sale
 3. Generally, the management adopts independent valuation except when independent valuation is not current
- Source: AVN FY19, FY20 and FY21 results presentations, Deloitte Corporate Finance analysis

Appendix 3: Historical valuation of HDN properties

Set out in the table below is the list of properties owned by HDN and the changes to their historical valuations over time. For comparison purposes, we have included valuations of the properties undertaken during the period of ownership by HMC where relevant.

Table 51: HDN's operating properties

	Valuation date	Independent valuation	Valuation (\$m) ³	Change in Valuation	Cap rate	Change in Cap rate	WALE
Pre-FY20							
Box Hill	Sep-19	48	48		6.75%		10.3
	Jun-20	49	49	1.9%	6.80%	0.05%	9.9
	Jun-21	58	58	18.6%	6.00%	(0.80%)	8.6
Braybrook	Sep-19	53	53		6.00%		9.5
	Jun-20	53	56	6.6%	6.00%	0.00%	9.0
	Jun-21	67	67	19.2%	5.25%	(0.75%)	9.2
Bundall	Sep-19	32	32		7.00%		7.0
	Jun-20	32	32	1.0%	7.00%	0.00%	5.9
	Jun-21	36	36	11.6%	6.50%	(0.50%)	6.0
Butler	Sep-19	36	36		7.25%		9.4
	Jun-20	41	41	11.3%	6.80%	(0.45%)	8.7
	Jun-21	43	43	5.7%	6.25%	(0.55%)	8.7
Hawthorn East ²	Sep-19	73	73		5.50%		11.7
	Jun-20	82	82	12.9%	5.50%	0.00%	10.5
	Jun-21	73	73	(11.1%)	5.00%	(0.50%)	8.2
Joondalup	Sep-19	42	42		7.25%		9.3
	Jun-20	50	50	17.6%	6.80%	(0.45%)	8.9
	Jun-21	53	53	7.1%	6.25%	(0.55%)	8.5
Keysborough	Sep-19	24	24		6.75%		11.3
	Jun-20	41	41	68.8%	6.30%	(0.45%)	10.5
	Jun-21	44	44	8.6%	5.75%	(0.55%)	9.5
Mackay	Sep-19	26	26		7.75%		6.3
	Jun-20	26	26	0.8%	7.50%	(0.25%)	5.9
	Jun-21	27	27	3.8%	7.00%	(0.50%)	5.6
Marsden Park	Sep-19	50	50		6.25%		6.6
	Jun-20	52	52	4.0%	6.30%	0.05%	5.9
	Jun-21	57	57	10.2%	5.50%	(0.80%)	4.9
Mornington	Sep-19	41	41		6.25%		11.6
	Jun-20	41	43	4.8%	6.30%	0.05%	11.0
	Jun-21	52	52	18.7%	5.75%	(0.55%)	9.9
Penrith	Sep-19	50	50		6.25%		5.3
	Jun-20	50	51	2.0%	6.30%	0.05%	5.2
	Jun-21	55	55	7.5%	5.75%	(0.55%)	4.7
South Morang	Sep-19	33	33		7.00%		7.0
	Jun-20	32	32	(3.6%)	7.00%	0.00%	6.4
	Jun-21	36	36	12.3%	6.25%	(0.75%)	5.6
Tingalpa	Sep-19	30	30		6.75%		6.8
	Jun-20	33	33	10.0%	6.50%	(0.25%)	6.2
	Jun-21	35	35	6.1%	6.00%	(0.50%)	5.2
Toowoomba South	Sep-19	27	27		7.25%		7.5
	Jun-20	29	29	7.5%	7.30%	0.05%	6.8
	Jun-21	32	32	12.3%	6.50%	(0.80%)	5.7

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Deloitte.

	Valuation date	Independent valuation	Valuation (\$m) ³	Change in Valuation	Cap rate	Change in Cap rate	WALE
Pre-FY20							
Upper Coomera ³	Sep-19	46	46		6.50%		8.5
	Jun-20	45	45	(1.7%)	6.50%	0.00%	8.0
	Jun-21	39	39	(15.0%)	6.00%	(0.50%)	7.0
FY20 Vintage:							
Prestons	Jun-20	37	37		5.70%		7.7
	Jun-21	39	39	7.4%	5.25%	(0.45%)	6.6
Rosenthal	Jun-20	31	31		5.40%		8.3
	Jun-21	32	32	3.3%	5.25%	(0.15%)	7.5
Vincentia	Jun-20	60	60		6.50%		5.8
	Jun-21	65	65	8.5%	5.50%	(1.00%)	6.1
FY21 Vintage:							
Armstrong Creek	Jun-21	54	56		6.00%		11.1
Bunnings Seven Hills	Jun-21	60	60		4.50%		10.0
Coomera City Centre	Jun-21	57	57		5.75%		6.8
Glenmore Park Town Centre	Jun-21	149	149		5.50%		6.3
Gregory Hills Town Centre	Jun-21	76	76		5.25%		9.6
Marsden	Jun-21	53	53		6.00%		7.2
Parafield	Jun-21	23	23		7.00%		5.8
Victoria Point	Jun-21	159	160		4.75%		7.3
Post FY21 Vintage⁴:							
Armstrong Creek Pad Site	Sep-21	22	22		5.00%		8.8
Coffs Harbour	Sep-21	27	27		5.75%		8.4
Ellenbrook	Sep-21	13	28		6.50%		10.9
Lismore	Sep-21	21	21		6.00%		5.4
Pakenham	Sep-21	99	99		6.00%		5.4
Richlands	Sep-21	24	44		6.25%		11.0
Upper Coomera pad site	Sep-21	7	7		3.86%		2.7
Woodlea	Sep-21	55	55		5.25%		10.7

Notes:

1. As Sep-19 was the IPO date of HMC, pre-FY20 vintage properties were valued as of this date rather than Jun-19.
 2. Hawthorn East acquisition was settled post Sep-19 valuation date by HMC until transferred to HDN at IPO date
 3. Upper Coomera acquisition was settled post Sep-19 valuation date. The asset was held by HMC until transferred to HDN post 30 June 2021 date.
 4. Post FY21 vintage include subsequent acquisitions settled or to be settled post 30 June 2021.
- Source: HDN FY21 results presentation, HMC FY20 results Presentation, HMC Prospectus, HDN Acquisition and Equity raising presentation

Appendix 4: Valuation methodologies

Common market practice and the applicable valuation methodologies are discussed below.

Market based methods

Market based methods estimate an entity's market value by considering the market price of transactions in its securities or the market value of comparable companies. Market based methods include:

- capitalisation of maintainable earnings
- analysis of an entity's recent security trading history
- industry specific methods.

The capitalisation of maintainable earnings method estimates market value based on an entity's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the entity's earnings are relatively stable.

The most recent security trading history provides evidence of the market value of the securities in an entity where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally rules of thumb provide less persuasive evidence of the market value of an entity than other valuation methods because they may not account for entity specific factors.

Discounted cash flow methods

Discounted cash flow methods estimate market value by discounting an entity's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Asset based methods

Asset based methods estimate the market value of an entity based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates market value by determining the amount that would be distributed to securityholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not necessarily be appropriate.

The net assets on a going concern basis method estimates the market values of the net assets of an entity, does not take account of realisation costs, but has regard to ongoing costs that may be associated with maintaining the business or entity as a going concern.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its tangible assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of an entity's assets are liquid, or for asset holding companies.

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Appendix 5: Comparable entity valuation metrics

Set out in the table below are the valuation metrics for various ASX listed entities with exposure to the convenience, neighbourhood and LFR retail property sectors.

Table 52: Valuation metrics of comparable entities

	WACR ¹		Premium to NTA ²	Distribution yield ^{2,3}		FFO multiple ^{2,4}	
	Implicit in NTA	Implicit in Market Cap		FY21	FY22	FY21	FY22
BWP	5.65%	4.57%	28.7%	4.2%	4.2%	23.9x	23.5x
Charter Hall Retail REIT	5.81%	6.01%	2.9%	5.6%	5.7%	15.0x	14.6x
Dexus Convenience Retail REIT	6.02%	5.96%	2.0%	6.4%	6.7%	18.2x	15.3x
Elanor Retail Property Fund	7.32%	7.81%	-12.5%	8.1%	6.1%	11.8x	n/a
SCA	5.90%	5.90%	13.3%	4.3%	5.1%	19.8x	16.8x
Waypoint	5.37%	5.56%	-2.4%	5.3%	5.6%	18.1x	17.1x
AVN	6.01%	5.71%	16.4%	4.9%	5.2%	17.8x	16.9x
HDN ⁵	5.61%	5.45%	9.2%	3.2%	5.6%	46.8x	17.5x

Notes:

1. As at 30 June 2021

2. Based on market capitalisation as at 31 October 2021

3. Distribution yield is calculated as distributions divided by market capitalisation

4. FFO multiple is calculated as market capitalisation divided by FFO. FY22 FFO multiple is based on FFO estimates per CapitalIQ. No FY22 FFO data was available for Elanor Retail Property Fund

5. HDN FY21 distribution yield and FFO multiple have been annualised

Source: Annual reports, CapitalIQ, Deloitte Corporate Finance analysis

Set out below is a brief summary of each entity.

BWP

BWP is an externally managed REIT that owns 74 LFR properties, in particular Bunnings Warehouses, with a value of \$2.6bn. The properties are located in every state in Australia with the exception of Northern Territory, ACT and Tasmania. The WALE of the portfolio is 4.2 years and over the coming years, a number of properties are approaching their lease expiry.

Charter Hall Retail REIT

Charter Hall Retail REIT is managed by Charter Hall Group (i.e. externally managed) and holds 50 convenience retail shopping centres with a total portfolio valuation of \$3.6bn. The properties are located in every state across Australia, with major tenants including Coles and Woolworths. The WALE of the portfolio is 7.5 years which is an increase from previous years due to acquisitions and major lease extensions.

Dexus Convenience Retail REIT

Dexus Convenience Retail REIT is an externally managed REIT (managed by Dexus) that owns 107 service station and convenience retail properties with a value of \$723m. The properties are located in every state in Australia with the exception of Northern Territory, ACT and Tasmania. Its major tenants include Chevron and 7-Eleven. The portfolio has a WALE of 11.7 years owing to its long-term leases.

Elanor Retail Property Fund

Elanor Retail Property Fund is an externally managed REIT (managed by Elanor Group) which owns 6 neighbourhood and sub-regional shopping centres, with a portfolio value of \$215m. The properties are located in various parts of NSW, VIC and QLD. The WALE of the portfolio is 4.4 years, with a number of properties approaching their lease expiry over the coming years.

SCA

SCA Property Group is an internally managed REIT that owns 92 neighbourhood and sub-regional shopping centres predominantly anchored by retailers including Coles, Woolworths and Wesfarmers. The properties are located in every state across Australia with the exception of ACT. The portfolio is valued at \$4.0bn with WALE of 7.2 years, which has increased by recent acquisition activities.

Waypoint

Waypoint is an internally managed REIT that owns 427 service station and convenience retail properties, with a total value of \$2.9bn. The properties are located in every state across Australia and its major tenants are Viva Energy who operates Shell-branded retailers. The WALE of the portfolio is 10.5 years achieved through its long-term lease contracts.

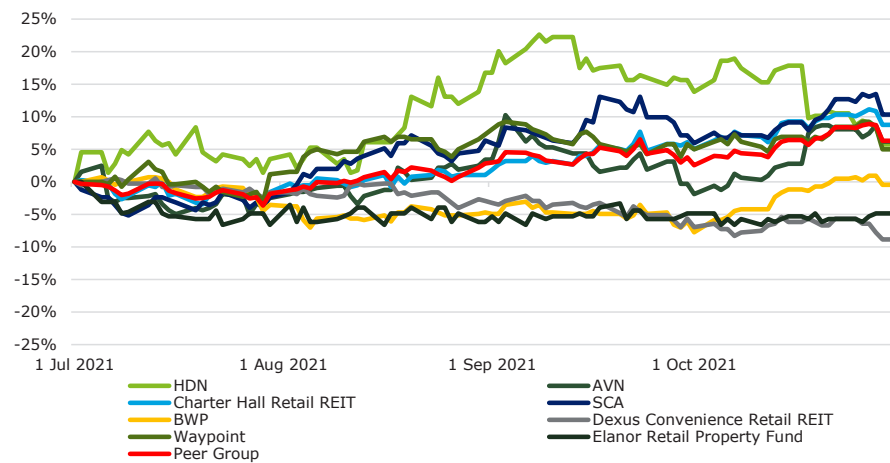
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Appendix 6: Movements in trading prices of comparable entities

Set out in the table below is the relative movement in security prices since 30 June 2021 for the comparable entities.

Figure 33: Relative movement in security prices of comparable entities



Note:
 1. Peer group is the combined market capitalisation of the peer group, excluding AVN and HDN
 Source: CapitalIQ, Deloitte Corporate Finance analysis

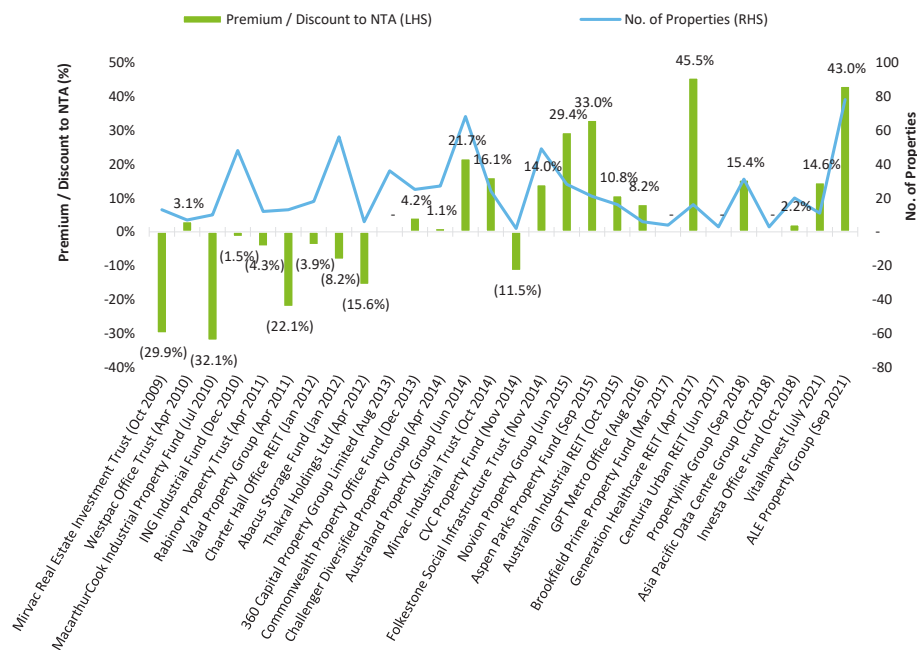
Between 30 June 2021 to 31 October 2021, the security prices of the comparable peer group (excluding AVN and HDN) moved in a range from a loss of 4% to a gain of 13%, with the combined value of this group having increased by 6%. The greatest negative movement was with respect to Dexus Convenience Retail REIT and we consider that this may reflect a market overhang following a capital raising it undertook during the period. Elanor Retail Property Fund’s performance is likely to reflect a substantial increase in price it experienced in the month of June 2021 which in turn was driven by the announcement of a large special distribution that became payable at the end of FY21.

Appendix 7: Premiums and discounts to the market value of the properties

In considering the extent to which it is appropriate to apply a premium or discount to the aggregated value of the property portfolio of AVN and the Merged HDN Group, we have considered market evidence on the extent to which a market participant may be willing to pay a premium for a portfolio of investment properties as compared to the aggregate market value of the same investment properties on a standalone basis. In the absence of public information on unlisted REITs, we have had regard to comparable listed REITs which have been the subject of control transactions as a point of reference.

We considered the premium or discount to NTA observed in transactions involving ASX listed REITs, as set out in the figure below.

Figure 34: Premiums or discounts to NTA from transactions



Source: CapitalIQ and Deloitte Corporate Finance analysis

We make the following observations in relation to the above transactions:

- given the limited number of transactions that have occurred in this sector, we have looked at transactions going back a relatively long period of time
 - over the period 2009 to 2012, market conditions were more challenging than today. A number of REITs were in a deleveraging phase requiring capital injections and therefore the transactions reflect an element of distress which resulted in a number of transactions occurring at significant discounts to NTA

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- since 2012, market conditions have improved and most transactions during this period have taken place at a premium to NTA, albeit that some transactions have shown very small premiums to NTA, and that in a rising market, some element of the transaction premium could relate to time differences between the transaction announcement and the most recent property valuations
- over the past four years, most transactions have involved REITs owning more than 10 properties
- the higher premium to NTA implicit in the price paid in the Generation Healthcare REIT transaction is reflective of the fact that a number of properties were under development and nearing completion, yet their valuation uplift (from the development activities) was not included in the NTA
- the premium implicit in the Propertylink Group transaction relates primarily to the fund management activities which were not included in the NTA
- Vitalharvest's portfolio was exposed to the agriculture sector which has positive investor sentiment and together with the fact that it owned 130 properties that were leased to a high quality tenant base, we consider that the entity attracted a substantial premium
- ALE Property Group owned a portfolio of hotels (78 in total) that were leased to high quality tenants under long leases. We consider that these attributes also attracted the substantial premium. We also note that this transaction has not yet completed.

Appendix 8: Context to the report

The report has been prepared at the request of the Directors and is to be included in the Scheme Booklet to be provided to AVN securityholders for approval of the Proposed Merger. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Proposed Merger and should not be used for any other purpose. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the AVN securityholders and the Directors, in respect of this report, including any errors or omissions however caused.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Merger is fair and reasonable to, and is the best interests of, AVN securityholders (other than Excluded AVN Securityholders).

The report has been prepared having regard to professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited.

Individual circumstances

We have evaluated the Proposed Merger for AVN securityholders (other than Excluded AVN Securityholders) as a whole and have not considered the effect of the Proposed Merger on the particular circumstances of individual securityholders. Due to their particular circumstances, individual securityholders may place a different emphasis on various aspects of the Proposed Merger from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Merger is fair and reasonable, and in their best interests. If in doubt, securityholders should consult an independent adviser, who should have regard to their individual circumstances.

Limitations

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by AVN, HDN and HMC and their officers, employees, agents or advisors. Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to the executives of AVN for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by AVN, HDN and HMC and their officers, employees, agents or advisors, AVN has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which AVN may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by AVN, HDN or HMC and their officers, employees, agents or advisors or the failure by AVN, HDN and HMC and their officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Merger.

To the extent that this report refers to prospective financial information, we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of AVN, HDN or HMC executives and their officers, employees, agents or advisors and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte Corporate Finance considers that there are reasonable grounds to believe that the prospective financial information for AVN and the Merged HDN Group included in this report has been prepared on a reasonable basis consistent with the requirements of ASIC Regulatory Guide 111. In relation to the prospective financial information, actual results may be different from the prospective financial information of AVN and the Merged HDN Group referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

14. Annexure B: Independent Experts Report



Qualifications

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu.

The employee of Deloitte Corporate Finance principally involved in the preparation of this report was Tapan Parekh, Partner, B.Bus, M.Comm, CA, F.Fin. Tapan has many years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 225 George Street, Sydney, NSW, 2000 acknowledges that:

- AVN proposes to issue the Scheme Booklet in respect of the Proposed Merger
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review (Draft Scheme Booklet)
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report in Section 4 of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the Draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Section 4 of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included in Section 4.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- draft copies of the Scheme Booklet
- historical financial reports for AVN, HDN and HMC
- AVN and HDN merger announcement presentations dated 18 October 2021
- AVN and HMC company websites
- Information provided by executives of AVN, HDN and HMC with respect to the properties and operations of the entities including independent valuation reports, directors' valuations
- publicly available information, media releases and equity research analysts' reports on AVN, HDN, HMC and the property industry.

In addition, we have had discussions and correspondence with certain directors and executives of AVN, HDN and HMC, in relation to the above information and to current operations and prospects.

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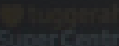
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Section Fifteen

**Annexure C:
Members'
Scheme**



tuggerah
SuperCentre



tuggerah
SuperCentre



welcome

15. Annexure C: Members' Scheme



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Scheme of arrangement - Aventus

Aventus Holdings Limited
Scheme Securityholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia T +61 2 9225 5000 F +61 2 9322 4000
GPO Box 4227 Sydney NSW 2001 Australia herbertsmithfreehills.com DX 361 Sydney

15. Annexure C: Members' Scheme



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Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Aventus Company **Aventus Holdings Limited**
ACN 627 640 180 of Level 33, Governor Macquarie Tower, 1 Farrer
Place, Sydney, NSW 2000

and the Scheme Securityholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme. Each term that is undefined in this Scheme is as defined in the Implementation Deed.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Aventus Company is a public company limited by shares, registered in New South Wales, Australia, and has been admitted to the official list of the ASX.
- (b) As at the date of the Implementation Deed, 570,729,306 Aventus Securities were on issue. Each Aventus Security comprises one Aventus Share stapled to one Aventus Unit, and they trade together as a stapled security on ASX.
- (c) Aventus Trust is a registered managed investment scheme. Aventus Trustee is the responsible entity of the Aventus Trust.
- (d) HomeCo is a public company limited by shares registered in New South Wales, Australia, and has been admitted to the official list of the ASX.
- (e) If this Scheme becomes Effective:



- (1) Aventus Company and Aventus Trustee must Unstaple the Aventus Shares and Aventus Units;
 - (2) HomeCo must provide or procure the provision of the Scheme Consideration to the Scheme Securityholders in accordance with its obligations under the terms of this Scheme and the Deed Poll;
 - (3) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to HomeCo; and
 - (4) Aventus Company will enter the name of HomeCo in the Aventus Security Register in respect of the Scheme Shares.
- (f) Aventus Company, Aventus Trustee, HomeCo and HDN Trustee have agreed, by executing the Implementation Deed, to implement, among other matters, the Unstapling and this Scheme.
- (g) This Scheme attributes certain actions to HomeCo but does not itself impose an obligation on it to perform those actions. HomeCo has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Securityholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by HomeCo and Aventus Company;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by HomeCo and Aventus Company having been satisfied or waived; and
- (e) both:
 - (1) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Aventus Company and HomeCo agree in writing); and
 - (2) the Aventus Property Retail Fund Supplemental Deed Poll (Trust Scheme) taking effect pursuant to section 601GC(2) of the Corporations Act.

15. Annexure C: Members' Scheme



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4 Lodgement of Court orders with ASIC

3.2 Certificate

- (a) Aventus Company and HomeCo will each provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived as at 8.00am on the Second Court Date.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Aventus Company and HomeCo otherwise agree in writing.

4 Lodgement of Court orders with ASIC

Aventus Company must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act an office copy of the Court order approving this Scheme (the **Court Orders**), as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as HomeCo and Aventus Company agree in writing.

5 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the Unstapling having been implemented and the provision of the Scheme Consideration in the manner contemplated by clause 6.1 and HomeCo having provided Aventus Company with written confirmation of the provision of the Scheme Consideration, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to HomeCo, without the need for any further act by any Scheme Securityholder (other than acts performed by Aventus Company as attorney and agent for Scheme Securityholders under clause 9.5), by:
 - (1) Aventus Company delivering to HomeCo a duly completed Scheme Transfer, executed on behalf of the Scheme Securityholders by Aventus Company; and
 - (2) HomeCo duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Aventus Company for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 5(a)(2), but subject to the stamping of the Scheme Transfer (if required), Aventus Company must enter, or procure the entry of, the name of HomeCo in the Aventus Security Register in respect of all the Scheme Shares transferred



to HomeCo in accordance with this Scheme, at the same time as Aventus Trustee enters, or procures the entry of, the name of HDN Trustee in the Aventus Security Register in respect of all the Aventus Units transferred to HDN Trustee in accordance with the Trust Scheme.

6 Scheme Consideration

6.1 Provision of Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:
 - (1) the Cash Consideration; or
 - (2) the Scrip Consideration.
- (b) Each Scheme Securityholder is entitled to receive either Cash Consideration or Scrip Consideration in respect of each Scheme Share held by that Scheme Securityholder, subject to the terms of this Scheme.

6.2 Election

- (a) A Scheme Securityholder, other than an Ineligible Foreign Securityholder, may make an election (**Election**) to receive either Cash Consideration or Scrip Consideration for all of their Scheme Shares by completing the Election Form, such Election being subject to the terms of this Scheme including without limitation clauses 6.5, 6.6, 6.7 and 6.9.
- (b) Subject to clause 6.2(g), for an Election to be valid:
 - (1) the Scheme Securityholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and on the Election Form; and
 - (2) the Election Form must be received by the Aventus Registry before the Election Time at the address specified by Aventus Company in the Scheme Booklet and on the Election Form.
- (c) An Election made by a Scheme Securityholder pursuant to clause 6.2(a), whether valid or not, will be irrevocable unless HomeCo in its absolute discretion agrees to the revocation of the Election.
- (d) If:
 - (1) a valid Election is not made by a Scheme Securityholder;
 - (2) the Scheme Securityholder is an Ineligible Foreign Securityholder; or
 - (3) no Election is made by a Scheme Securityholder,then that Scheme Securityholder will be deemed to have elected to receive Cash Consideration in respect of all of their Scheme Shares.
- (e) Subject to clause 6.2(g), if a Scheme Securityholder makes a valid Election to receive Scrip Consideration in respect of only some of its Scheme Shares, and makes no Election or an invalid Election in respect of the remainder of its Scheme Shares, the Scheme Securityholder will be deemed to have elected to receive Scrip Consideration in respect of all of its Scheme Shares and not only those Scheme Shares for which the Scheme Securityholder made a valid Election to receive Scrip Consideration.

15. Annexure C: Members' Scheme



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6 Scheme Consideration

- (f) Subject to clause 6.2(g), if a Scheme Securityholder makes a valid Election to receive Cash Consideration in respect of only some of its Scheme Shares, and makes no Election or an invalid Election in respect of the remainder of its Scheme Shares, the Scheme Securityholder will be deemed to have elected to receive Cash Consideration in respect of all of its Scheme Shares and not only those Scheme Shares for which the Scheme Securityholder made a valid Election to receive Cash Consideration.
- (g) In the manner considered appropriate by Aventus Company and HomeCo (acting reasonably including after consultation with the Aventus Registry), a Scheme Securityholder who holds one or more parcels of Aventus Company Shares as trustee or nominee for, or otherwise on account of, another person, may make separate elections to receive either Cash Consideration or Scrip Consideration for all of their Scheme Shares in relation to each of those parcels of Scheme Shares.
- (h) Subject to clauses 6.5, 6.6, 6.7 and 6.9 if a Scheme Securityholder makes a valid Election to receive Scrip Consideration, it will receive:
 - (1) Scrip Consideration in respect of the number of Scheme Shares held by it at the Scheme Record Date only if the total Scrip Consideration in respect of that Scheme Securityholder's Scheme Shares, determined in accordance with the terms of this Scheme, comprises a number of New HomeCo Securities that is a Marketable Parcel; and
 - (2) Cash Consideration in respect of the number of Scheme Shares held by it at the Scheme Record Date, if the total Scrip Consideration in respect of that Scheme Securityholder's Scheme Shares, determined in accordance with the terms of this Scheme, would comprise a number of New HomeCo Securities that is not a Marketable Parcel.
- (i) Subject to clauses 6.2(j) and 6.2(k), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 6.2(b).
- (j) HomeCo will determine, in its sole discretion, all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. HomeCo is not required to communicate with any Scheme Securityholder prior to making this determination. The determination of HomeCo will be final and binding on the Scheme Securityholder.
- (k) Notwithstanding clause 6.2(b), HomeCo may, in its sole discretion, at any time and without further communication to Scheme Securityholder, deem any Election Form it receives from a Scheme Securityholder to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

6.3 Provision of Cash Consideration

- (a) HomeCo must, and Aventus Company must use its best endeavours to procure that HomeCo does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Cash Consideration payable to all Scheme Securityholders into an Australian dollar denominated trust account with an ADI operated by Aventus Company as trustee for the Scheme Securityholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to HomeCo's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 6.3(a), Aventus Company must pay or procure the



payment of the Cash Consideration from the trust account referred to in clause 6.3(a), to each Scheme Securityholder who:

- (1) does not make an Election;
- (2) does not make a valid Election to receive Scrip Consideration;
- (3) makes or is deemed to make a valid Election (or otherwise validly elects or is deemed to validly elect pursuant to clause 6.2(f)) to receive Cash Consideration in respect of all (or if permitted pursuant to clause 6.2(g), some) of that Scheme Securityholders' Scheme Shares (including Ineligible Foreign Securityholders in accordance with clause 6.2(d)(2)); or
- (4) makes a valid Election to receive Scrip Consideration, but where the total Scrip Consideration in respect of that Scheme Securityholder's Scheme Shares, determined in accordance with the terms of this Scheme, would comprise a number of New HomeCo Securities that is not a Marketable Parcel,

such amount of cash as is due to that Scheme Securityholder as Cash Consideration in respect of all that Scheme Securityholder's Scheme Shares.

- (c) The obligations of Aventus Company under clause 6.3(b) will be satisfied by Aventus Company (in its absolute discretion, and despite any election referred to in clause 6.3(c)(1) or authority referred to in clause 6.3(c)(2) made or given by the Scheme Securityholder):
- (1) if a Scheme Securityholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Aventus Registry to receive dividend payments from Aventus Company by electronic funds transfer to a bank account nominated by the Scheme Securityholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Securityholder by an appropriate authority from the Scheme Securityholder to Aventus Company; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Securityholder by prepaid post to their Registered Address, such cheque being drawn in the name of the Scheme Securityholder (or in the case of joint holders, in accordance with the procedures set out in clause 6.5).
- (d) To the extent that, following satisfaction of Aventus Company's obligations under clause 6.3(b), there is a surplus in the amount held by Aventus Company as trustee for the Scheme Securityholders in the trust account referred to in that clause, that surplus may be paid by Aventus Company to HomeCo.

6.4 Provision of Scrip Consideration

HomeCo must, subject to clauses 6.5, 6.6, 6.7 and 6.9:

- (a) on or before the Implementation Date, issue the Scrip Consideration to the Scheme Securityholders and procure that the name and address of each Scheme Securityholder is entered in the HomeCo Register in respect of those New HomeCo Securities; and

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6 Scheme Consideration

- (b) procure that on or before the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Securityholder representing the number of New HomeCo Securities issued to the Scheme Securityholder pursuant to this Scheme.

6.5 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 6.3(c), any Cash Consideration payable in respect of those Scheme Shares is payable to the joint holders;
- (b) the New HomeCo Securities to be issued under this Scheme must be issued to and registered in the names of the joint holders and entry in the HomeCo Register must take place in the same order as the holders' names appear in the Aventus Security Register;
- (c) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Aventus Company, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders; and
- (d) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Aventus Company, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders.

6.6 Ineligible Foreign Securityholders

- (a) HomeCo will be under no obligation to issue any New HomeCo Securities under this Scheme to any Ineligible Foreign Securityholder and Ineligible Foreign Securityholders will instead receive the Cash Consideration.
- (b) If Aventus Company receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Securityholder, Aventus Company is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Securityholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme). Aventus Company must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Securityholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Securityholder.
- (c) Payment of the Cash Consideration in accordance with clause 6.6(a) to an Ineligible Foreign Securityholder in accordance with this clause 6.6 satisfies in full the Ineligible Foreign Securityholder's right to Scheme Consideration.

6.7 Fractional entitlements and splitting

- (a) Where the calculation of the number of New HomeCo Securities to be issued, or the amount of Cash Consideration to be paid, to a particular Scheme Securityholder would result in the Scheme Securityholder becoming entitled to a fraction of a New HomeCo Security or cent, then the fractional entitlement will be rounded to the nearest number of New HomeCo Security or cent (as applicable), with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New HomeCo Securities or cents (as



applicable), and any such fractional entitlement of 0.5 or more rounded up to the nearest whole number of New HomeCo Securities or cents (as applicable).

- (b) If HomeCo is of the opinion, formed reasonably, that several Scheme Securityholders, each of which holds a holding of Aventus Securities which results in a fractional entitlement to New HomeCo Securities have, before the Scheme Record Date, been party to a securityholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Securityholder's entitlement to the Scheme Consideration, HomeCo may direct Aventus Company to give notice to those Scheme Securityholders:
- (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Aventus Securities held by all of them,

and, after the notice has been so given, the Scheme Securityholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Aventus Securities and each of the other Scheme Securityholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Aventus Securities.

6.8 Unclaimed monies

- (a) Aventus Company may cancel a cheque issued under this clause 6 if the cheque:
- (1) is returned to Aventus Company; or
 - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Securityholder to Aventus Company (or the Aventus Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Aventus Company must reissue a cheque that was previously cancelled under this clause 6.8.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

6.9 Orders of a court or Government Agency

If written notice is given to Aventus Company (or the Aventus Registry), HomeCo (or its registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Securityholder, which would otherwise be payable or required to be issued to that Scheme Securityholder by Aventus Company in accordance with this clause 6, then Aventus Company shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Aventus Company from providing consideration to any particular Scheme Securityholder in accordance with this clause 6, or the payment or

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7 Dealings in Aventus Securities

issuance of such consideration is otherwise prohibited by applicable law, Aventus Company shall be entitled to (as applicable):

- (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Securityholder multiplied by the Scheme Consideration; or
- (2) direct HomeCo not to issue, or to issue to a trustee or nominee, such number of New HomeCo Securities as that Scheme Securityholder would otherwise be entitled to under clause 6.1,

until such time as provision of the Scheme Consideration in accordance with this clause 6 is permitted by that (or another) order or direction or otherwise by law and the payment, retention or issue (as applicable) in accordance with this clause 6.6 will constitute full discharge of HomeCo's obligations under clause 6.1 with respect to such payment, retention or issue (as applicable) until, in the case of clause 6.6(b)(1), it is no longer required to be retained.

6.10 Status of New HomeCo Securities

Subject to this Scheme becoming Effective, HomeCo must:

- (a) issue the New HomeCo Securities required to be issued by it under this Scheme on terms such that each such New HomeCo Security will rank equally in all respects with each existing HomeCo Security;
- (b) ensure that each such New HomeCo Security is duly and validly issued in accordance with all applicable laws and HomeCo's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under HomeCo's constitution); and
- (c) use all reasonable endeavours to ensure that such New HomeCo Securities are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

7 Dealings in Aventus Securities

7.1 Determination of Scheme Securityholders

To establish the identity of the Scheme Securityholders, dealings in Aventus Securities or other alterations to the Aventus Security Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Aventus Security Register as the holder of the relevant Aventus Securities on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Aventus Security Register is kept,

and Aventus Company must not accept for registration, nor recognise for any purpose (except a transfer to HomeCo pursuant to this Scheme and any subsequent transfer by HomeCo or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.



7.2 Register

- (a) Aventus Company must register, or cause to be registered registrable transmission applications or transfers of the Aventus Securities that are received in accordance with clause 7.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2(a) requires Aventus Company to register a transfer that would result in an Aventus Securityholder holding a parcel of Aventus Securities that is less than a 'marketable parcel' (as defined in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Aventus Securities (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Aventus Securities or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Aventus Company shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Aventus Company must maintain, or cause to be maintained, the Aventus Security Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Securityholders and HomeCo has been entered in the Aventus Security Register as holder of all the Scheme Shares. The Aventus Security Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for the Aventus Securities (other than statements of holding in respect of Scheme Shares in favour of HomeCo, its successors in title or any Excluded Securityholder) will cease to have effect after the Scheme Record Date as documents of title in respect of those securities and, as from that date, each entry current at that date on the Aventus Security Register (other than entries on the Aventus Security Register in respect of HomeCo, its successors in title or any Excluded Securityholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Aventus Company will ensure that details of the names, Registered Addresses and holdings of Aventus Securities for each Scheme Securityholder as shown in the Aventus Security Register at the Scheme Record Date are available to HomeCo in the form HomeCo reasonably requires.

8 Quotation of Aventus Securities

- (a) Aventus Company must apply to ASX to suspend trading of the Aventus Securities on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by HomeCo, Aventus Company must apply:
 - (1) for termination of the official quotation of the Aventus Securities on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

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9 General Scheme provisions

9 General Scheme provisions

9.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Aventus Company may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which HomeCo has consented; and
- (b) each Scheme Securityholder agrees to any such alterations or conditions which Aventus Company has consented to.

9.2 Scheme Securityholders' agreements and warranties

- (a) Each Scheme Securityholder irrevocably:
 - (1) agrees that, following Unstapling of Aventus Shares and Aventus Units, certificates in respect of the Scheme Securityholder's Scheme Shares may be issued to, held by and delivered to HomeCo together with the duly completed Scheme Transfer by, Aventus Company;
 - (2) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (3) agrees to become a member of HomeCo, to have their name entered in the HomeCo Register, accepts the New HomeCo Securities issued to them and agrees to be bound by HomeCo's constitution;
 - (4) agrees and acknowledges that the issue of New HomeCo Securities in accordance with this Scheme constitutes satisfaction of their entitlements under this Scheme;
 - (5) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (6) who holds their Aventus Securities in a CHESS Holding agrees to the conversion of those Aventus Securities to an Issuer Sponsored Holding and irrevocably authorises Aventus Company to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (7) acknowledges and agrees that this Scheme binds Aventus Company and all Scheme Securityholders (including those who do not attend the Members' Scheme Meeting and those who do not vote, or vote against this Scheme, at the Members' Scheme Meeting).
- (b) Each Scheme Securityholder is taken to have warranted to Aventus Company and HomeCo on the Implementation Date, and appointed and authorised Aventus Company as its attorney and agent to warrant to HomeCo on the Implementation Date, that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Shares to HomeCo together



with any rights and entitlements attaching to those shares. Aventus Company undertakes that it will provide such warranty to HomeCo as agent and attorney of each Scheme Securityholder.

9.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to HomeCo will, at the time of transfer of them to HomeCo vest in HomeCo free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 6.4(a) and 6.6(a), HomeCo will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Aventus Company of HomeCo in the Aventus Security Register as the holder of the Scheme Shares.

9.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 6.4(a) and 6.6(a), and until Aventus Company registers HomeCo as the holder of all Scheme Shares in the Aventus Security Register, each Scheme Securityholder:

- (a) is deemed to have appointed HomeCo as attorney and agent (and directed HomeCo in each such capacity) to appoint any director, officer, secretary or agent nominated by HomeCo as its sole proxy and, where applicable or appropriate, corporate representative to attend securityholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any securityholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as HomeCo reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), HomeCo and any director, officer, secretary or agent nominated by HomeCo under clause 9.4(a) may act in the best interests of HomeCo as the intended registered holder of the Scheme Shares.

9.5 Authority given to Aventus Company

Each Scheme Securityholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Aventus Company and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against HomeCo, and Aventus Company undertakes in favour of each Scheme Securityholder that it will enforce the Deed Poll against HomeCo on behalf of and as agent and attorney for each Scheme Securityholder; and

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10 General

- (b) on the Implementation Date, irrevocably appoints Aventus Company and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer and delivering share certificates for Scheme Shares,

and Aventus Company accepts each such appointment. Aventus Company as attorney and agent of each Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

9.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Securityholder to Aventus Company that are binding or deemed binding between the Scheme Securityholder and Aventus Company relating to Aventus Company or the Aventus Securities, including instructions, notifications or elections relating to:

- (a) whether distributions are to be paid by cheque or into a specific bank account;
(b) payments of distributions on the Aventus Securities; and
(c) notices or other communications from Aventus Company (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by HomeCo in its sole discretion), by reason of this Scheme, to be made by the Scheme Securityholder to HomeCo and to be a binding instruction, notification or election to, and accepted by, HomeCo in respect of the New HomeCo Securities issued to that Scheme Securityholder until that instruction, notification or election is revoked or amended in writing addressed to HomeCo.

9.7 Binding effect of Scheme

This Scheme binds Aventus Company and all of the Scheme Securityholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Aventus Company.

10 General

10.1 Stamp duty

HomeCo will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with the Scheme and the Deed Poll; and
(b) indemnify each Scheme Securityholder against any liability arising from failure to comply with clause 10.1(a).



10.2 Consent

Each of the Scheme Securityholders consents to Aventus Company doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Securityholders, Aventus Company or otherwise.

10.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Aventus Company, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Aventus Company's registered office or at the office of the Aventus Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an Aventus Securityholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

10.5 Further action

Aventus Company must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

10.6 No liability when acting in good faith

Each Scheme Securityholder agrees that neither Aventus Company nor HomeCo, nor any of their respective directors, officers, secretaries or employees shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.7 Obligations and rights of multiple parties

Subject to clause 10.8, references to HomeCo in this Scheme are to HCL and HCDL acting together. Liabilities and obligations expressed in this Scheme to be owed by HomeCo are owed by HCL and HCDL jointly and severally.

10.8 Destapling

If the Destapling Implementation Date occurs before the Effective Date:

- (a) all references in this Scheme, to HomeCo will mean HCL; and
- (b) liabilities and obligations expressed in this Scheme to be owed by HomeCo will be owed by HCL alone.

15. Annexure C: Members' Scheme



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10 General



Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ADI	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Aventus Company	Aventus Holdings Limited ACN 627 640 180.
Aventus Company Constitution	the constitution of the Aventus Company as amended from time to time.
Aventus Registry	the corporate registry maintained by Aventus.
Aventus Security	an Aventus Share stapled to an Aventus Unit.
Aventus Security Register	the register of Aventus Securityholders maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of Aventus Trust and the register of shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Aventus Trust	Aventus Retail Property Fund ARSN 608 000 764.

15. Annexure C: Members' Scheme



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Schedule 1 Definitions and interpretation

Term	Meaning
Aventus Trust Constitution	the trust deed constituting the Aventus Trust as amended from time to time.
Aventus Trust Supplemental Deed	a deed poll under which Aventus Trustee will amend the Aventus Trust Constitution to effect the Trust Scheme.
Aventus Trustee	Aventus Capital Limited ACN 606 555 480 as the responsible entity of the Aventus Trust.
Aventus Unit	a fully paid unit in the Aventus Trust.
Business Day	a business day as defined in the Listing Rules and which is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
Cash Consideration	A\$0.285 cash for each Scheme Share held by a Scheme Securityholder.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Control	has the meaning given in section 50AA of the Corporations Act. Also, for these purposes: <ol style="list-style-type: none"> 1 a trust will Control another entity if its trustee Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as trustee of the trust; 2 a partnership will Control another entity if a partner (including a general partner) Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as partner; and 3 a fund or investment vehicle will Control another entity if the responsible entity or manager of the fund or investment vehicle Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as responsible entity or manager of the fund or investment vehicle.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).



Term	Meaning
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by HomeCo and Aventus.
Deed Poll	the deed poll under which each of HomeCo and HDN Trustee covenants in favour of the Scheme Securityholders to perform the obligations attributed to HomeCo and HDN Trustee under this Scheme and the Trust Scheme respectively.
Destapling	the restructure described in the Destapling Scheme Booklet under which HCL will acquire all the shares in HCDL and become the single head entity of Home Consortium.
Destapling Implementation Date	the 'Proposal Implementation Date' for the Destapling as set out in the Destapling Scheme Booklet.
Destapling Scheme Booklet	the scheme booklet issued by HCL and HCDL dated 5 November 2021.
Effective	<ol style="list-style-type: none">1 when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme; and2 when used in relation to the Trust Scheme, the Aventus Trust Supplemental Deed taking effect pursuant to section 601GC(2) of the Corporations Act.
Effective Date	the date on which this Scheme and the Trust Scheme have both become Effective.
Election	has the meaning in clause 6.2(a)
Election Form	the election form separately provided or made available to Aventus Securityholders (through an electronic election facility), on or about the date of the Scheme Booklet under which each Aventus Securityholder (other than any Excluded Securityholder) is requested to elect to receive either the Scrip Consideration or the Cash Consideration in respect of all of their Aventus Securities.
Election Time	7:00pm on the date that is three Business Days before the Scheme Meeting, or such other time and date as agreed in writing by HomeCo and Aventus Company.
End Date	

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Schedule 1 Definitions and interpretation

Term	Meaning
	15 May 2022, or such other date as agreed in writing by HomeCo and Aventus.
Excluded Securityholder	any Aventus Securityholder who is a member of the HDN Group or HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group or HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
HCDL	Home Consortium Developments Limited ACN 635 859 700.
HCL	Home Consortium Limited ACN 138 990 593.
HDN Group	HDN Trustee, HDN Trust and each of HDN Trustee's Related Entities, and a reference to an HDN Group Member is to a member of the HDN Group. To avoid doubt, a HomeCo Group Member is not a HDN Group Member.
HDN Trust	HomeCo Daily Needs REIT ARSN 645 086 620.
HDN Trustee	HMC Funds Management Limited ACN 105 078 635 as responsible entity of HDN Trust.
HomeCo	<ol style="list-style-type: none"> 1 if the Destapling Implementation Date does not occur before the Effective Date, Home Consortium, a stapled group comprising HCL and HCDL; and 2 if the Destapling Implementation Date occurs before the Effective Date, HCL.
HomeCo Group	HomeCo and each of its Related Entities and a reference to a HomeCo Group Member is to a member of the HomeCo Group. For the avoidance of doubt, assets held by HDN Trustee as assets of HDN Group do not form part of the assets of HomeCo Group and HDN Group is not part of the HomeCo Group.
HomeCo Register	the register of members maintained by HomeCo or its agent.



Term	Meaning
HomeCo Security	<ol style="list-style-type: none">1 if the Destapling Implementation Date does not occur before the Effective Date, a stapled security comprising a fully paid ordinary share in HCL and a fully paid ordinary share in HCDL; and2 if the Destapling Implementation Date occurs before the Effective Date, a fully paid ordinary share in HCL.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Aventus Company and HomeCo.
Implementation Deed	the scheme implementation deed dated 18 October 2021 between Aventus Company, Aventus Trustee, HomeCo and HDN Trustee relating to the implementation of this Scheme and the Trust Scheme.
Ineligible Foreign Securityholder	a Scheme Securityholder whose address in the Aventus Security Register as at the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or Singapore unless HomeCo and Aventus Company agree in writing that it is lawful and not unduly onerous or impractical to issue New HomeCo Securities to that Scheme Securityholder.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	is a parcel of New HomeCo Securities having a value of not less than \$500 based on the closing price of fully paid ordinary shares of HomeCo on the ASX as at the Scheme Record Date.
New HomeCo Security	a HomeCo Security to be issued to Scheme Securityholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to an Aventus Securityholder, the address shown in the Aventus Security Register as at the Scheme Record Date.
Related Entity	<ol style="list-style-type: none">1 in relation to HDN Trustee, HDN Trust and each entity, from time to time, Controlled by HDN Trust (and the custodians or trustees of such entities acting in their capacity as such); and2 in relation to HomeCo each entity, from time to time, Controlled by HomeCo (excluding HDN Trustee and its Related Entities).

15. Annexure C: Members' Scheme



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Schedule 1 Definitions and interpretation

Term	Meaning
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Aventus Company and HomeCo.
Scheme Booklet	the scheme booklet to be published by Aventus Company in respect of this Scheme and to be despatched to Scheme Securityholders.
Scheme Consideration	for each Scheme Share held by a Scheme Securityholder as at the Scheme Record Date, an amount of: <ol style="list-style-type: none">1 the Cash Consideration; or2 the Scrip Consideration.
Scheme Meeting	the meeting of the Aventus Securityholders (other than Excluded Securityholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date after the Effective Date as may be agreed to in writing by HomeCo and Aventus.
Scheme Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register as at the Scheme Record Date (other than an Excluded Securityholder who is a member of the HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person).
Scheme Share	an Aventus Share as at the Scheme Record Date (which as at the Scheme Record Date is stapled to an Aventus Unit to form an Aventus Security).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of HomeCo as transferee, which may be a master transfer of all or part of the Scheme Shares.
Scrip Consideration	except as agreed by the parties, 0.038 New HomeCo Securities for each Scheme Share held by a Scheme Securityholder electing to receive Scrip Consideration in accordance with clause 6.2.



Term	Meaning
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Trust Scheme	as defined in the Implementation Deed.
Unstapling	the termination of stapling of Aventus Units and Aventus Shares in accordance with the Aventus Trust Constitution and Aventus Company Constitution.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;

15. Annexure C: Members' Scheme



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Schedule 1 Definitions and interpretation

- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party...

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



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SMITH
FREEHILLS


Attachment 1

Deed Poll

Attached

Section Sixteen


**Annexure D:
Trust
Constitution
Amendments**



tuggerah
SuperCentre



welcome



tuggerah
SuperCentre

16. Annexure D: Trust Constitution Amendments

Deed

Aventus Retail Property Fund Constitution Amending Deed

Aventus Capital Limited

16. Annexure D: Trust Constitution Amendments

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16. Annexure D: Trust Constitution Amendments

Aventus Retail Property Fund Constitution Amending Deed

Date ►

Responsible Entity **Aventus Capital Limited** ACN 606 555 480 of Level 33,
Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW
2000

Recitals

- A Aventus Retail Property Fund ARSN 608 000 764 (**Trust**) is constituted by a trust constitution dated 26 August 2015 as amended from time to time (**Trust Deed**) and lodged with the Australian Securities and Investments Commission.
- B The Trust is registered as a managed investment scheme under Chapter 5C of the Corporations Act. The constitution of the Trust is contained in the Trust Deed.
- C As at 17 October 2021, there were 570,729,306 Units on issue. Each Unit is stapled to one fully paid ordinary share (**Aventus Share**) in Aventus Holdings Limited (**Aventus Company**), and they trade together as an Aventus Security on ASX.
- D The Responsible Entity, Aventus Company, HDN Trustee and HomeCo have agreed that:
- The Responsible Entity and Aventus Company must unstaple the Units and Aventus Shares;
 - the HDN Trustee will acquire all of the Units by means of the Trust Scheme; and
 - HomeCo will acquire all of the Aventus Shares by means of the Members' Scheme.
- E The Responsible Entity, Aventus Company, HDN Trustee and HomeCo have agreed, by executing the Implementation Deed, to implement the Unstapling, the Trust Scheme and Members' Scheme.
- F The Trust Deed must be amended in the manner set out in this amending deed to facilitate the Trust Scheme.
- G Section 601GC(1)(a) of the Corporations Act provides that the Trust Deed may be modified by special resolution of the Aventus Securityholders.
- H At a meeting of Aventus Securityholders (in their capacity as Unitholders) held on or about 25 January 2022, Aventus Securityholders approved the Trust Scheme Resolutions,

including a special resolution to make the amendments to the Trust Deed contained in this deed.

This deed witnesses as follows:

16. Annexure D: Trust Constitution Amendments

1 Definitions and interpretation

1.1 Definitions

- (a) A word or phrase (except as otherwise provided in this deed) defined in the Trust Deed has the same meaning when used in this deed.
- (b) The meanings of the terms used in this deed are set out below.

Term	Meaning
Aventus Company	Aventus Holdings Limited ACN 627 640 180.
Aventus Company Constitution	the constitution of the Aventus Company as amended from time to time.
Aventus Security	an Aventus Share stapled to a Unit.
Aventus Security Register	the register of Aventus Securityholders maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of the Trust and register of shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by HDN Trustee and the Responsible Entity.
Effective	<ol style="list-style-type: none">1 when used in relation to the Trust Scheme, the amendments to the Trust Deed in this deed taking effect pursuant to section 601GC(2) of the Corporations Act; and2 when used in relation to the Members' Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to the Members' Scheme.

Term	Meaning
Effective Date	the date on which the Members' Scheme and the Trust Scheme have both become Effective.
HDN Trust	HomeCo Daily Needs REIT ARSN 645 086 620
HDN Trustee	HMC Funds Management Limited ACN 105 078 635 as responsible entity of HDN Trust
HomeCo	Home Consortium (a stapled group comprising Home Consortium Limited ACN 138 990 593 and Home Consortium Developments Limited ACN 635 859 700).
Implementation Deed	the scheme implementation deed dated 18 October 2021 between Aventus Company, the Responsible Entity, HDN Trustee and HomeCo relating to, among other things, the implementation of the Members' Scheme and the Trust Scheme.
Members' Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders (as holders of Aventus Shares) subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by HomeCo and Aventus Company.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other Business Day after the Effective Date as may be agreed to in writing by HDN Trustee and the Responsible Entity.
Trust Scheme	an arrangement under which, among other transactions, HDN Trustee acquires from all Scheme Securityholders all of the Units as at the Scheme Record Date facilitated by amendments to the Trust Deed made by this deed (as may be amended from time to time in accordance with clause 6.6(c) of Schedule 5 of the Trust Deed (as inserted by this deed)), subject to the requisite approvals of Scheme Securityholders.
Trust Scheme Resolutions	the resolutions to approve the Trust Scheme including: <ol style="list-style-type: none"> 1 a resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the Trust Deed as set out in this deed; and 2 a resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by the HDN Trustee of all the Units as at the Scheme Record Date.

16. Annexure D: Trust Constitution Amendments

Term	Meaning
Unstapling	the termination of stapling of Units and Aventus Shares in accordance with the Trust Deed and the Aventus Company Constitution.

1.2 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is a reference to that time in Sydney, New South Wales;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (n) a reference to a body, other than a party to this deed (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2 Operation of this deed

Clause 4 of this deed shall take effect on and from the Effective Date.

3 Conditions

This deed is conditional upon, and will have no force or effect until, the satisfaction of each condition precedent stipulated in clause 3.1 of the Members' Scheme other than the coming into effect of the amendments made by this deed.

4 Amendment of the Trust Deed

4.1 Amendment

- (a) The Trust Deed as it applies to the Trust is amended (except for clause 2.1 and clause 2.3, which are not replaced, amended, reproduced, repeated, restated or otherwise by this deed in any way) by inserting as a new Schedule 5 the text contained in Schedule 1.
- (b) The Responsible Entity confirms that clauses 2.1 and 2.3 of the Trust Deed are not replaced, amended, reproduced, repeated, restated or otherwise affected in any way by this deed.
- (c) The Trust Deed as it applies to the Trust and as amended by this deed is the constitution of the Trust.
- (d) The Responsible Entity declares that it is not, by this deed, re-declaring the Trust or causing the transfer, vesting or accruing of property in any person.

4.2 Binding conditions

This deed is binding on the Responsible Entity, each Aventus Securityholder and any other person claiming through any of them as if each was a party to this deed.

5 Governing law and jurisdiction

- (a) This deed is governed by the laws in force in New South Wales, Australia.

16. Annexure D: Trust Constitution Amendments

5 Governing law and jurisdiction

- (b) Each person bound by this deed irrevocably:
- (1) submits to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed; and
 - (2) waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

Schedule 1

New Schedule 5 of the Trust Deed

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed

Schedule 5

Trust Scheme

1 Background

- (a) Each Scheme Securityholder and the Responsible Entity must do all things and execute all deeds, instruments, transfer or other documents as the Responsible Entity considers are necessary or desirable to give effect to the terms of the Trust Scheme and the transactions contemplated by it.
- (b) Without limiting the Responsible Entity's powers under this Schedule 5, the Responsible Entity has power to do all things that it considers necessary or desirable to give effect to the Trust Scheme and the Implementation Deed.
- (c) The Trust Scheme is intended, in a manner consistent with the Members' Scheme, to result in the transfer of the Scheme Units to HDN Trustee in return for the Scheme Consideration being received by the Scheme Securityholders. If there is any inconsistency between the Trust Scheme and the Members' Scheme, the Responsible Entity is authorised to take, and must take any steps required to implement the Trust Scheme in a manner which is consistent with the Members' Scheme.

2 Transfer of Scheme Units

On the Implementation Date:

- (a) subject to the Unstapling having been implemented and the provision of the Scheme Consideration in the manner contemplated by clause 3.1 of this Schedule 5 and HDN Trustee having provided the Responsible Entity with written confirmation of the provision of the Scheme Consideration, the Scheme Units, together with all rights and entitlements attaching to the Scheme Units as at the Implementation Date, must be transferred to HDN Trustee, without the need for any further act by any Scheme Securityholder (other than acts performed by the Responsible Entity as attorney and agent for Scheme Securityholder under clause 6.4 of this Schedule 5), by:
 - (1) the Responsible Entity delivering to HDN Trustee a duly completed Scheme Transfer, executed on behalf of the Scheme Securityholders by the Responsible Entity; and
 - (2) HDN Trustee duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to the Responsible Entity for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 2(a)(2) of this Schedule 5, but subject to the stamping of the Scheme Transfer (if required), the Responsible Entity must enter, or procure the entry of, the name of HDN Trustee in the Aventus Security Register in respect of all the Scheme Units transferred to HDN Trustee in accordance with the Trust Scheme, at the same time as Aventus Company enters, or procures the entry

of, the name of HomeCo in the Aventus Security Register in respect of all the Aventus Shares transferred to HomeCo in accordance with the Members' Scheme.

3 Scheme Consideration

3.1 Provision of Scheme Consideration

HDN Trustee must, subject to clauses 3.2, 3.3, 3.4, 3.6 and 3.7 of this Schedule 5 and subject to the Unstapling having been implemented:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Securityholders and procure that the name and address of each Scheme Securityholder is entered in the HDN Trust Register in respect of those New HDN Units; and
- (b) procure that on or before the Implementation Date, a unit certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Securityholder representing the number of New HDN Units issued to the Scheme Securityholder pursuant to the Trust Scheme.

3.2 Joint holders

In the case of Scheme Units held in joint names:

- (a) the New HDN Units to be issued under the Trust Scheme must be issued to and registered in the names of the joint holders and entry in the HDN Trust Register must take place in the same order as the holders' names appear in the Aventus Security Register;
- (b) any cheque required to be sent under the Trust Scheme will be made payable to the joint holders and sent to either, at the sole discretion of the Responsible Entity, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under the Trust Scheme, will be forwarded to either, at the sole discretion of the Responsible Entity, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders.

3.3 Ineligible Foreign Securityholders

- (a) HDN Trustee will be under no obligation to issue any New HDN Units under the Trust Scheme to any Ineligible Foreign Securityholder and instead:
 - (1) subject to clauses 3.4 and 3.6 of this Schedule 5, HDN Trustee must, on or before the Implementation Date, issue the New HDN Units which would otherwise be required to be issued to the Ineligible Foreign Securityholders under the Trust Scheme to the Sale Agent;
 - (2) HDN Trustee must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with HDN Trustee sells or procures the sale of all the New HDN Units issued to the Sale Agent and remits to the Responsible Entity the proceeds of the sale (after deduction of any applicable brokerage and other costs, taxes and charges) (**Proceeds**); and

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed

- (3) promptly after receiving the Proceeds in respect of the sale of all of the New HDN Units referred to in clause 3.3(a)(1) of this Schedule 5, the Responsible Entity must pay, or procure the payment, to each Ineligible Foreign Securityholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest whole number of cents:

$$A = (B \div C) \times D$$

where:

B is the number of New HDN Units that would otherwise have been issued to that Ineligible Foreign Securityholder had it not been an Ineligible Foreign Securityholder and which were issued to the Sale Agent;

C is the total number of New HDN Units which would otherwise have been issued to all Ineligible Foreign Securityholders and which were issued to the Sale Agent; and

D is the Proceeds (as defined in clause 3.3(a)(2) of this Schedule 5).

- (b) The Ineligible Foreign Securityholders acknowledge that none of HDN Trustee, the Responsible Entity or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New HDN Units described in clause 3.3(a) of this Schedule 5.
- (c) The Responsible Entity must make, or procure the making of, payments to Ineligible Foreign Securityholders under clause 3.3(a) of this Schedule 5 by either (in the absolute discretion of the Responsible Entity, and despite any election referred to in clause 3.3(c)(1) of this Schedule 5 or authority referred to in clause 3.3(c)(2) of this Schedule 5 made or given by the Scheme Securityholder):
- (1) if an Ineligible Foreign Securityholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Aventus Registry to receive dividend payments from the Responsible Entity by electronic funds transfer to a bank account nominated by the Ineligible Foreign Securityholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Securityholder by an appropriate authority from the Ineligible Foreign Securityholder to the Responsible Entity; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Securityholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Securityholder (or in the case of joint holders, in accordance with the procedures set out in clause 3.2 of this Schedule 5).
- (d) If the Responsible Entity receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Securityholder, the Responsible Entity is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Securityholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of the Trust Scheme, including clause 3.3(a)(3) of this Schedule 5. The Responsible Entity must pay any amount so withheld to the relevant taxation authorities within the

time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Securityholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Securityholder.

- (e) Each Ineligible Foreign Securityholder appoints the Responsible Entity as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Securityholders under the Corporations Act or any other applicable law.
- (f) Payment of the amount calculated in accordance with clause 3.3(a) of this Schedule 5 to an Ineligible Foreign Securityholder in accordance with this clause 3.3 of this Schedule 5 satisfies in full the Ineligible Foreign Securityholder's right to Scheme Consideration.

3.4 Fractional entitlements and splitting

- (a) Where the calculation of the number of New HDN Units to be issued to a particular Scheme Securityholder would result in the Scheme Securityholder becoming entitled to a fraction of a New HDN Unit, then the fractional entitlement will be rounded to the nearest whole number of New HDN Unit, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New HDN Units, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New HDN Units.
- (b) Where the calculation of the share of Proceeds to be provided to a particular Ineligible Foreign Securityholder would result in the Ineligible Foreign Securityholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest cent.
- (c) If HDN Trustee is of the opinion, formed reasonably, that several Scheme Securityholders, each of which holds a holding of Aventus Securities which results in a fractional entitlement to New HDN Units have, before the Scheme Record Date, been party to a securityholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Securityholder's entitlement to the Scheme Consideration, HDN Trustee may direct the Responsible Entity to give notice to those Scheme Securityholders:
 - (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Aventus Securities held by all of them,

and, after the notice has been so given, the Scheme Securityholder specifically identified in the notice shall, for the purposes of the Trust Scheme, be taken to hold all those Aventus Securities and each of the other Scheme Securityholders whose names are set out in the notice shall, for the purposes of the Trust Scheme, be taken to hold no Aventus Securities.

3.5 Unclaimed monies

- (a) The Responsible Entity may cancel a cheque issued under this clause 3 of this Schedule 5 if the cheque:
 - (1) is returned to the Responsible Entity; or

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed □

- (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Securityholder to the Responsible Entity (or the Aventus Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), the Responsible Entity must reissue a cheque that was previously cancelled under this clause 3.5 of this Schedule 5.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

3.6 Orders of a court or Government Agency

If written notice is given to the Responsible Entity (or the Aventus Registry), HDN Trustee (or its registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Units held by a particular Scheme Securityholder, which would otherwise be payable or required to be issued to that Scheme Securityholder by the Responsible Entity in accordance with this clause 3 of this Schedule 5, then the Responsible Entity shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents the Responsible Entity from providing consideration to any particular Scheme Securityholder in accordance with this clause 3 of this Schedule 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, the Responsible Entity shall be entitled to (as applicable):
 - (1) retain an amount, in Australian dollars, equal to the number of Scheme Units held by that Scheme Securityholder multiplied by the Scheme Consideration; or
 - (2) direct HDN Trustee not to issue, or to issue to a trustee or nominee, such number of New HDN Units as that Scheme Securityholder would otherwise be entitled to under clause 3.1 of this Schedule 5,

until such time as provision of the Scheme Consideration in accordance with this clause 3 of this Schedule 5 is permitted by that (or another) order or direction or otherwise by law and the payment, retention or issue (as applicable) in accordance with this clause 3.6 of this Schedule 5 will constitute full discharge of HDN Trustee's obligations under clause 3.1 of this Schedule 5 with respect to such payment, retention or issue (as applicable) until, in the case of clause 3.6(b)(1) of this Schedule 5, it is no longer required to be retained.

3.7 Withholding

If HDN Trustee is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay amounts to the Australian Taxation Office in respect of the acquisition of Units from certain Scheme Securityholders, HDN Trustee is permitted to retain and sell HDN Units with a market value equal to the relevant amounts required to be deducted from the Scheme Consideration that is to be provided to those Scheme Securityholders, and remit the sale proceeds of such retained securities to the ATO. The aggregate Scheme Consideration to be provided to Scheme Securityholders shall not be increased to reflect the value of

the HDN Units so retained and the balance of the HDN Units provided to those Scheme Securityholders shall be taken to be in full and final satisfaction of the Scheme Consideration owing to those Scheme Securityholders.

3.8 Status of New HDN Units

Subject to the Trust Scheme becoming Effective, HDN Trustee must:

- (a) issue the New HDN Units required to be issued by it under the Trust Scheme on terms such that each such New HDN Unit will rank equally in all respects with each existing HDN Unit;
- (b) ensure that each such New HDN Unit is duly and validly issued in accordance with all applicable laws and HDN Trust's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the HDN Trust's constitution); and
- (c) use all reasonable endeavours to ensure that such New HDN Units are, from the Business Day following the date the Trust Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

4 Dealings in Aventus Securities

4.1 Determination of Scheme Securityholders

To establish the identity and addresses of the Scheme Securityholders, dealings in Aventus Securities and other alterations to the Aventus Security Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Aventus Security Register as the holder of the relevant Aventus Securities on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of those alterations, are received on or before the Scheme Record Date at the place where the Aventus Security Register is kept,

and the Responsible Entity must not accept for registration, nor recognise for any purpose (except a transfer to HDN Trustee pursuant to the Trust Scheme and any subsequent transfer by HDN Trustee or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

4.2 Register

- (a) The Responsible Entity must register or cause to be registered registrable transmission applications or transfers of the Scheme Units in accordance with clause 4.2(b) of this Schedule 5 by, or as soon as practicable after, the Scheme Record Date; provided that, for the avoidance of doubt, nothing in this clause 4.2(a) of this Schedule 5 requires the registration of a transfer that would result in a Scheme Securityholder holding a parcel of Aventus Securities that is less than a 'marketable parcel' (as defined in the official operating rules of ASX).

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed

- (b) If the Trust Scheme becomes Effective, a holder of Aventus Securities (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Aventus Securities or any interest in them on or after the Scheme Record Date otherwise than pursuant to the Trust Scheme, and any attempt to do so will have no effect and the Responsible Entity shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, the Responsible Entity must maintain, or cause to be maintained, the Aventus Security Register in accordance with the provisions of this clause 4.2 of this Schedule 5 until the Scheme Consideration has been paid to the Scheme Securityholders and HDN Trustee has been entered in the Aventus Security Register as holder of all the Scheme Units. The Aventus Security Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for the Aventus Securities (other than statements of holding in respect of Scheme Units in favour of HDN Trustee, its successors in title or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those securities and, as from that date, each entry current at that date on the Aventus Security Register (other than entries on the Aventus Security Register in respect of HDN Trustee, its successors in title or any Excluded Securityholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Units relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, the Responsible Entity will ensure that details of the names, Registered Addresses and holdings of Aventus Securities for each Scheme Securityholder as shown in the Aventus Security Register at the Scheme Record Date are available to HDN Trustee in the form HDN Trustee reasonably requires.

5 Quotation of Aventus Securities

- (a) The Responsible Entity must apply to ASX to suspend trading of the Aventus Securities on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by HDN Trustee, the Responsible Entity must apply:
 - (1) for termination of the official quotation of the Aventus Securities on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

6 General Trust Scheme provisions

6.1 Scheme Securityholders' agreements and warranties

- (a) Each Scheme Securityholder irrevocably:
 - (1) agrees that, following Unstapling of Aventus Shares and Units, certificates in respect of the Scheme Securityholder's Scheme Units may be issued to, held by and delivered to HDN Trustee together with the duly completed Scheme Transfer by, the Responsible Entity;

- (2) agrees to the transfer of their Scheme Units together with all rights and entitlements attaching to those Scheme Units in accordance with the Trust Scheme;
 - (3) agrees to become a unitholder of HDN Trust, to have their name entered in the HDN Trust Register, accepts the New HDN Units issued to them and agrees to be bound by HDN Trust's constitution;
 - (4) agrees and acknowledges that the issue of New HDN Units in accordance with the Trust Scheme constitutes satisfaction of their entitlements under the Trust Scheme;
 - (5) agrees to the variation, cancellation or modification of the rights attached to their Scheme Units constituted by or resulting from the Trust Scheme;
 - (6) who holds their Scheme Units in a CHESS Holding agrees to the conversion of those Scheme Units to an Issuer Sponsored Holding and irrevocably authorises the Responsible Entity to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (7) acknowledges and agrees that the Trust Scheme binds the Responsible Entity and all Scheme Securityholders (including those who do not attend the Trust Scheme Meeting and those who do not vote, or vote against the Trust Scheme, at the Trust Scheme Meeting).
- (b) Each Scheme Securityholder is taken to have warranted to the Responsible Entity and HDN Trustee on the Implementation Date, and appointed and authorised the Responsible Entity as its attorney and agent to warrant to HDN Trustee on the Implementation Date, that all their Scheme Units (including any rights and entitlements attaching to those units) which are transferred under the Trust Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Units to HDN Trustee together with any rights and entitlements attaching to those Scheme Units. The Responsible Entity undertakes that it will provide such warranty to HDN Trustee as agent and attorney of each Scheme Securityholder.

6.2 Title to and rights in Scheme Units

- (a) To the extent permitted by law, the Scheme Units (including all rights and entitlements attaching to the Scheme Units) transferred under the Trust Scheme to HDN Trustee will, at the time of transfer of them to HDN Trustee vest in HDN Trustee free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 3.1(a) and 3.3(a) of this Schedule 5, HDN Trustee will be beneficially entitled to the Scheme Units to be transferred to it under the Trust Scheme pending registration by the Responsible Entity of HDN Trustee in the Aventus Security Register as the holder of the Scheme Units.

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed

6.3 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 3.1(a) and 3.3(a) of this Schedule 5, and until HDN Trustee is registered as the holder of all Scheme Units in the Aventus Security Register, each Scheme Securityholder:

- (a) is deemed to have appointed HDN Trustee as attorney and agent (and directed HDN Trustee in each such capacity) to appoint any director, officer, secretary or agent nominated by HDN Trustee as its sole proxy and, where applicable or appropriate, corporate representative to attend securityholders' meetings, exercise the votes attaching to the Scheme Units registered in their name and sign any securityholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 6.3(a) of this Schedule 5);
- (c) must take all other actions in the capacity of a registered holder of Scheme Units as HDN Trustee reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 6.3(a) of this Schedule 5, HDN Trustee and any director, officer, secretary or agent nominated by HDN Trustee under clause 6.3(a) of this Schedule 5 may act in the best interests of HDN Trustee as the intended registered holder of the Scheme Units.

6.4 Authority given to the Responsible Entity

Each Scheme Securityholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints the Responsible Entity and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against HDN Trustee and the Responsible Entity undertakes in favour of each Scheme Securityholder that it will enforce the Deed Poll against HDN Trustee on behalf of and as agent and attorney for each Scheme Securityholder; and
- (b) on the Implementation Date, irrevocably appoints the Responsible Entity and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Trust Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer and delivering unit certificates for the Scheme Units,

and the Responsible Entity accepts each such appointment. The Responsible Entity as attorney and agent of each Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 6.4 of this Schedule 5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

6.5 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Securityholder to the Responsible Entity that are binding or deemed binding between the Scheme Securityholder and the Responsible Entity relating to the Responsible Entity, the Trust or the Aventus Securities, including instructions, notifications or elections relating to:

- (a) whether distributions are to be paid by cheque or into a specific bank account;
- (b) payments of distributions on the Aventus Securities; and
- (c) notices or other communications from the Responsible Entity (including by email),

will be deemed from the Implementation Date, by reason of the Trust Scheme (except to the extent determined otherwise by HDN Trustee in its sole discretion), to be made by the Scheme Securityholder to HDN Trustee and to be a binding instruction, notification or election to, and accepted by, HDN Trustee in respect of the New HDN Units issued to that Scheme Securityholder until that instruction, notification or election is revoked or amended in writing addressed to HDN Trustee.

6.6 Binding effect of this Schedule 5

From the Effective Date:

- (a) this Schedule 5 binds the Responsible Entity and all of the present and future Scheme Securityholders (including those who did not attend the Trust Scheme Meeting, did not vote at that meeting, or voted against the Trust Scheme Resolutions) and, to the extent of any inconsistency, overrides any other part of this deed;
- (b) the Responsible Entity and, so far as is relevant, the Scheme Securityholders, must give effect to the Trust Scheme in accordance with its terms; and
- (c) the Responsible Entity may amend the terms of the Trust Scheme if such amendment is not inconsistent with the approval given by the Scheme Securityholders under the Trust Scheme Resolutions and this Schedule 5 shall apply to the Trust Scheme as amended.

6.7 Consent

Each of the Scheme Securityholders consents to the Responsible Entity doing all things necessary or incidental to the implementation of the Unstapling, Trust Scheme and Members' Scheme.

6.8 Further action

The Responsible Entity must do all things and execute all documents necessary to give full effect to the Unstapling, Trust Scheme and Members' Scheme and the transactions contemplated by them.

6.9 Cessation of operation

This Schedule 5 ceases to have any force or operation if the Implementation Deed or Deed Poll is terminated in accordance with its terms.

7 Definitions

In this Schedule 5, unless the context requires otherwise:

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed

Term	Meaning
Aventus Company	Aventus Holdings Limited ACN 627 640 180.
Aventus Company Constitution	the constitution of the Aventus Company as amended from time to time.
Aventus Registry	Link Market Services Limited.
Aventus Security	an Aventus Share stapled to a Unit.
Aventus Security Register	the register of Aventus Securityholders maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of the Trust and register of shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Business Day	a business day as defined in the Listing Rules and which is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Control	<p>has the meaning given in section 50AA of the Corporations Act.</p> <p>Also, for these purposes:</p> <ol style="list-style-type: none"> 1 a trust will Control another entity if its trustee Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as trustee of the trust; 2 a partnership will Control another entity if a partner (including a general partner) Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as partner; and

Term	Meaning
	3 a fund or investment vehicle will Control another entity if the responsible entity or manager of the fund or investment vehicle Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as responsible entity or manager of the fund or investment vehicle.
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by HDN Trustee and the Responsible Entity.
Deed Poll	the deed poll under which HomeCo and HDN Trustee each covenants in favour of the Scheme Securityholders to perform the obligations attributed to HomeCo and HDN Trustee under the Members' Scheme and Trust Scheme respectively.
Effective	<p>1 when used in relation to the Trust Scheme, the insertion of this Schedule 5 into this deed taking effect pursuant to section 601GC(2) of the Corporations Act; and</p> <p>2 when used in relation to the Members' Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to the Members' Scheme.</p>
Effective Date	the date on which the Members' Scheme and the Trust Scheme have both become Effective.
Excluded Securityholder	any Aventus Securityholder who is a member of the HDN Group or HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group or HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
HDN Group	HDN Trustee, HDN Trust and each of HDN Trustee's Related Entities, and a reference to an HDN Group Member is to a member of the HDN Group. To avoid doubt, a HomeCo Group Member is not a HDN Group Member.

16. Annexure D: Trust Constitution Amendments

Schedule 1 New Schedule 5 of the Trust Deed

Term	Meaning
HDN Trust	HomeCo Daily Needs REIT ARSN 645 086 620
HDN Trustee	HMC Funds Management Limited ACN 105 078 635 as responsible entity of HDN Trust
HDN Trust Register	the register of unitholders maintained by HDN Trustee or its agent.
HDN Unit	a fully paid unit in the HDN Trust.
HomeCo	Home Consortium (a stapled group comprising Home Consortium Limited ACN 138 990 593 and Home Consortium Developments Limited ACN 635 859 700).
HomeCo Group	HomeCo and each of HomeCo's Related Entities, and a reference to an HomeCo Group Member is to a member of the HomeCo Group. For the avoidance of doubt, assets held by HDN Trustee as assets of HDN Group do not form part of the assets of HomeCo Group and HDN Group is not part of the HomeCo Group.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by the Responsible Entity and HDN Trustee.
Implementation Deed	the implementation deed dated 18 October 2021 between the Responsible Entity, Aventus Company, HDN Trustee and HomeCo relating to the implementation of the Trust Scheme and Members' Scheme.
Ineligible Foreign Securityholder	a Scheme Securityholder whose address in the Aventus Security Register as at the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or Singapore, unless HDN Trustee and the Responsible Entity agree in writing that it is lawful and not unduly onerous or impractical to issue New HDN Units to that Scheme Securityholder.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Members' Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders (as holders of Aventus Shares) subject to any alterations or conditions made or required by the Court under subsection 411(6) of the

Term	Meaning
	Corporations Act and agreed to in writing by HomeCo and Aventus Company.
New HDN Unit	a HDN Unit to be issued to Scheme Securityholders under the Trust Scheme.
Registered Address	in relation to a Aventus Securityholder, the address shown in the Aventus Security Register as at the Scheme Record Date.
Related Entity	<ol style="list-style-type: none"> 1 in relation to HDN Trustee, HDN Trust and each entity, from time to time, Controlled by HDN Trust (and the custodians or trustees of such entities acting in their capacity as such); and 2 in relation to HomeCo each entity, from time to time, Controlled by HomeCo (excluding HDN Trustee and its Related Entities).
Sale Agent	an entity appointed to sell the New HDN Units that are to be issued under clause 3.3(a)(1) of this Schedule 5.
Scheme Consideration	for each Scheme Unit held by a Scheme Securityholder as at the Scheme Record Date, 2.20 New HDN Units.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date after the Effective Date as may be agreed to in writing by HDN Trustee and the Responsible Entity.
Scheme Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register as at the Scheme Record Date (other than an Excluded Securityholder who is a member of the HDN Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Units for the purposes of section 1071B of the Corporations Act, in favour of HDN Trustee as transferee, which may be a master transfer of all or part of the Scheme Units.
Scheme Unit	a Unit as at the Scheme Record Date (which as at the Scheme Record Date is stapled to an Aventus Share to form an Aventus Security).

16. Annexure D: Trust Constitution Amendments

Schedule 1 □

Term	Meaning
Settlement Rules	ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Trust Scheme	an arrangement under which, among other transactions, HDN Trustee acquires from all Scheme Securityholders all of the Units as at the Scheme Record Date facilitated by this Schedule 5 (as may be amended from time to time in accordance with clause 6.6(c) of this Schedule 5), subject to the requisite approvals of Scheme Securityholders.
Trust Scheme Meeting	meeting of the Aventus Securityholders convened by the Responsible Entity to consider the Trust Scheme Resolutions, and includes any meeting convened following any adjournment or postponement of that meeting.
Trust Scheme Resolutions	the resolutions to approve the Trust Scheme including: <ol style="list-style-type: none">1 a resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the Trust Deed as set out in this deed; and2 a resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by the HDN Trustee of all the Units as at the Scheme Record Date.
Unstapling	the termination of stapling of Units and Aventus Shares in accordance with this deed and the Aventus Company Constitution.

Unless otherwise specifically defined in this clause 7, terms defined in clause 1.1 of this deed have the same meaning in this Schedule 5.

Signing page

Executed as a deed

Signed sealed and delivered for
Aventus Capital Limited

sign here ► _____
Director


print name _____

sign here ► _____
Director/Secretary

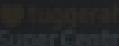
print name _____

Section Seventeen

**Annexure E:
Scheme Deed
Poll**



tuggerah
SuperCentre



tuggerah
SuperCentre



welcome

17. Annexure E: Scheme Deed Poll



HERBERT
SMITH
FREEHILLS

Deed

Scheme deed poll

Home Consortium (a stapled group comprising Home Consortium Limited and Home Consortium Developments Limited)

HMC Funds Management Limited as responsible entity of HomeCo Daily Needs REIT

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000
herbertsmithfreehills.com DX 361 Sydney

17. Annexure E: Scheme Deed Poll



HERBERT
SMITH
FREEHILLS

Scheme deed poll

Date ► 4 December 2021

This deed poll is made by

Home Consortium (a stapled group comprising Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700) of 19 Bay Street, Double Bay NSW 2028 (**HomeCo**); and HMC Funds Management Limited (ACN 105 078 635) (**HDN Trustee**) as responsible entity of HomeCo Daily Needs REIT (ARSN 645 086 620) (**HDN Trust**)

in favour of each Aventus Securityholder as at the Scheme Record Date (other than the Excluded Securityholders).

Recitals

- 1 Aventus Trustee, Aventus Company, HDN Trustee and HomeCo entered into the Implementation Deed.
- 2 In the Implementation Deed, each of HDN Trustee and HomeCo agreed to make this deed poll.
- 3 Each of HDN Trustee and HomeCo is making this deed poll for the purpose of covenanting in favour of the Scheme Securityholders to perform their obligations under the Implementation Deed and the Schemes.

This deed poll provides as follows:



1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed are set out below.

Term	Meaning
Destapling	the restructure described in the Destapling Scheme Booklet under which HCL will acquire all the shares in HCDL and become the single head entity of Home Consortium.
Destapling Implementation Date	the 'Proposal Implementation Date' for the Destapling as set out in the Destapling Scheme Booklet.
Destapling Scheme Booklet	the scheme booklet issued by HCL and HCDL dated 5 November 2021.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Members' Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
HCDL	Home Consortium Developments Limited ACN 635 859 700.
HCL	Home Consortium Limited ACN 138 990 593.
HomeCo	<ol style="list-style-type: none">1 if the Destapling Implementation Date does not occur before the Effective Date, Home Consortium, a stapled group comprising HCL and HCDL; and2 if the Destapling Implementation Date occurs before the Effective Date, HCL.
HomeCo Security	<ol style="list-style-type: none">1 if the Destapling Implementation Date does not occur before the Effective Date, a stapled security comprising a fully paid ordinary share in HCL and a fully paid ordinary share in HCDL; and2 if the Destapling Implementation Date occurs before the Effective Date, a fully paid ordinary share in HCL.

17. Annexure E: Scheme Deed Poll



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1 Definitions and interpretation

Term	Meaning
Implementation Deed	the scheme implementation deed entered into between Aventus Trustee, Aventus Company, HDN Trustee and HomeCo dated 18 October 2021.
Ineligible Foreign Securityholder	a Scheme Securityholder whose address in the Aventus Security Register as at the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or Singapore unless HDN Trustee, HomeCo, Aventus Trustee and Aventus Company agree in writing that it is lawful and not unduly onerous or impractical to issue HDN Units and HomeCo Securities to that Scheme Securityholder.
Members' Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders (as holders of Aventus Shares), the form of which is attached in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by HomeCo and Aventus Company.
Trust Scheme	an arrangement under which HDN Trustee acquires all of the Scheme Units from Scheme Securityholders, the form of which is attached in Attachment 1, facilitated by amendments to the Aventus Trust Constitution as set out in the Aventus Trust Supplemental Deed, subject to the requisite approvals of the Aventus Securityholders.

- (b) Unless the context otherwise requires, terms not defined in clause 1.1(a) which are defined in the Implementation Deed have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Members' Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Each of HDN Trustee and HomeCo acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Securityholder in accordance with its terms even though the Scheme Securityholders are not party to it; and
- (b) under each of the Schemes, each Scheme Securityholder irrevocably appoints Aventus Trustee and Aventus Company and each of their respective directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against each of HDN Trustee and HomeCo.



2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of HDN Trustee and HomeCo under this deed poll are subject to the Schemes becoming Effective.

2.2 Termination

The obligations of HDN Trustee and HomeCo under this deed poll to the Scheme Securityholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms;
 - (b) the Schemes are not Effective on or before the End Date,
- unless HDN Trustee, HomeCo, Aventus Trustee and Aventus Company otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to Scheme Securityholders:

- (a) each of HDN Trustee and HomeCo is released from their obligations to further perform this deed poll except those obligations under clause 5.1; and
- (b) each Scheme Securityholder retains the rights they have against HDN Trustee and HomeCo in respect of any breach of this deed poll which occurred before it was terminated.

3 Schemes obligations

3.1 Undertaking to provide Scheme Consideration

Subject to clause 2 and the terms of the Schemes each of HDN Trustee and HomeCo undertakes in favour of each Scheme Securityholder to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Securityholder in accordance with the terms of the Schemes;
- (b) do all things that it is required to do under each of the Schemes; and
- (c) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Schemes,

subject to and in accordance with the provisions of the Schemes.

3.2 Scrip Consideration under the Members' Scheme to rank equally

HomeCo covenants in favour of each Scheme Securityholder that the HomeCo Securities which are issued to each Scheme Securityholder (or to a nominee appointed in respect of Ineligible Foreign Securityholders) in accordance with the Members' Scheme will:

- (a) rank equally with all existing HomeCo Securities on issue as at the Implementation Date; and

17. Annexure E: Scheme Deed Poll



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4 Continuing obligations

- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

3.3 Scheme Consideration under the Trust Scheme to rank equally

HDN Trustee covenants in favour of each Scheme Securityholder that the HDN Units which are issued to each Scheme Securityholder (or to a nominee appointed in respect of Ineligible Foreign Securityholders) in accordance with the Trust Scheme will:

- (a) rank equally with all existing HDN Units on issue as at the Implementation Date; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

3.4 General warranties

Each of HDN Trustee and HomeCo represents and warrants in favour of each Scheme Securityholder, in respect of itself, that:

- (a) it is validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

4 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) each of HDN Trustee and HomeCo has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

5 General

5.1 Stamp duty

- (a) HDN Trustee:
 - (1) will pay all stamp duty and any related fines and penalties in respect of the Trust Scheme and this deed poll, the performance of this deed



poll and each transaction effected by or made under or in connection with the Trust Scheme and this deed poll; and

- (2) indemnifies each Scheme Securityholder against any liability arising from failure to comply with clause 5.1(a)(1).

(b) HomeCo:

- (1) will pay all stamp duty and any related fines and penalties in respect of the Members' Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under or in connection with the Members' Scheme and this deed poll; and

- (2) indemnifies each Scheme Securityholder against any liability arising from failure to comply with clause 5.1(b)(1).

5.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales.
- (b) Each of HDN Trustee and HomeCo irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Each of HDN Trustee and HomeCo irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

5.3 Waiver

- (a) Each of HDN Trustee and HomeCo may not rely on the words or conduct of any Scheme Securityholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Securityholder granting the waiver.
- (b) No Scheme Securityholder may rely on words or conduct of HDN Trustee and HomeCo as a waiver of any right unless the waiver is in writing and signed by HDN Trustee and HomeCo, as appropriate.
- (c) The meanings of the terms used in this clause 5.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

5.4 Variation

A provision of this deed poll may not be varied unless:

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- (a) if before the First Court Date, the variation is agreed to by both Aventus Trustee and Aventus Company; or
- (b) if on or after the First Court Date, the variation is agreed to by both Aventus Trustee and Aventus Company and the Court indicates that the variation would not of itself preclude approval of the Schemes,

in which event each of HDN Trustee and HomeCo will enter into a further deed poll in favour of the Scheme Securityholders giving effect to the variation.

5.5 Cumulative rights

The rights, powers and remedies of HDN Trustee and HomeCo and the Scheme Securityholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

5.6 Assignment

- (a) The rights created by this deed poll are personal to each of HDN Trustee and HomeCo and each Scheme Securityholder and must not be dealt with at law or in equity without the prior written consent of HDN Trustee and HomeCo.
- (b) Any purported dealing in contravention of clause 5.6(a) is invalid.

5.7 Further action

Each of HDN Trustee and HomeCo must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

5.8 Obligations and rights of multiple parties

- (a) Subject to clause 5.9, references to HomeCo in this deed poll are to HCL and HCDL acting together. Liabilities and obligations expressed in this deed poll to be owed by HomeCo are owed by HCL and HCDL jointly and severally.
- (b) Subject to clause 5.8(a) in relation to HCL and HCDL, liabilities and obligations expressed in this deed poll to be owed by HDN Trustee and HomeCo are owed by each of them severally from one another.

5.9 Destapling

If the Destapling Implementation Date occurs before of the Effective Date, from the Destapling Implementation Date:

- (a) all references in this deed poll, to HomeCo will mean HCL; and
- (b) liabilities and obligations expressed in this deed poll to be owed by HomeCo will be owed by HCL alone.



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Attachment 1

Schemes

17. Annexure E: Scheme Deed Poll



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Scheme of arrangement - Aventus

Aventus Holdings Limited
Scheme Securityholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia T +61 2 9225 5000 F +61 2 9322 4000
GPO Box 4227 Sydney NSW 2001 Australia herbertsmithfreehills.com DX 361 Sydney



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Scheme of arrangement

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Aventus Company **Aventus Holdings Limited**
ACN 627 640 180 of Level 33, Governor Macquarie Tower, 1 Farrer
Place, Sydney, NSW 2000

and the Scheme Securityholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme. Each term that is undefined in this Scheme is as defined in the Implementation Deed.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Aventus Company is a public company limited by shares, registered in New South Wales, Australia, and has been admitted to the official list of the ASX.
- (b) As at the date of the Implementation Deed, 570,729,306 Aventus Securities were on issue. Each Aventus Security comprises one Aventus Share stapled to one Aventus Unit, and they trade together as a stapled security on ASX.
- (c) Aventus Trust is a registered managed investment scheme. Aventus Trustee is the responsible entity of the Aventus Trust.
- (d) HomeCo is a public company limited by shares registered in New South Wales, Australia, and has been admitted to the official list of the ASX.
- (e) If this Scheme becomes Effective:

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3 Conditions

- (1) Aventus Company and Aventus Trustee must Unstaple the Aventus Shares and Aventus Units;
 - (2) HomeCo must provide or procure the provision of the Scheme Consideration to the Scheme Securityholders in accordance with its obligations under the terms of this Scheme and the Deed Poll;
 - (3) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to HomeCo; and
 - (4) Aventus Company will enter the name of HomeCo in the Aventus Security Register in respect of the Scheme Shares.
- (f) Aventus Company, Aventus Trustee, HomeCo and HDN Trustee have agreed, by executing the Implementation Deed, to implement, among other matters, the Unstapling and this Scheme.
- (g) This Scheme attributes certain actions to HomeCo but does not itself impose an obligation on it to perform those actions. HomeCo has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Securityholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by HomeCo and Aventus Company;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by HomeCo and Aventus Company having been satisfied or waived; and
- (e) both:
 - (1) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Aventus Company and HomeCo agree in writing); and
 - (2) the Aventus Property Retail Fund Supplemental Deed Poll (Trust Scheme) taking effect pursuant to section 601GC(2) of the Corporations Act.



3.2 Certificate

- (a) Aventus Company and HomeCo will each provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived as at 8.00am on the Second Court Date.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Aventus Company and HomeCo otherwise agree in writing.

4 Lodgement of Court orders with ASIC

Aventus Company must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act an office copy of the Court order approving this Scheme (the **Court Orders**), as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as HomeCo and Aventus Company agree in writing.

5 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the Unstapling having been implemented and the provision of the Scheme Consideration in the manner contemplated by clause 6.1 and HomeCo having provided Aventus Company with written confirmation of the provision of the Scheme Consideration, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to HomeCo, without the need for any further act by any Scheme Securityholder (other than acts performed by Aventus Company as attorney and agent for Scheme Securityholders under clause 9.5), by:
 - (1) Aventus Company delivering to HomeCo a duly completed Scheme Transfer, executed on behalf of the Scheme Securityholders by Aventus Company; and
 - (2) HomeCo duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Aventus Company for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 5(a)(2), but subject to the stamping of the Scheme Transfer (if required), Aventus Company must enter, or procure the entry of, the name of HomeCo in the Aventus Security Register in respect of all the Scheme Shares transferred

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to HomeCo in accordance with this Scheme, at the same time as Aventus Trustee enters, or procures the entry of, the name of HDN Trustee in the Aventus Security Register in respect of all the Aventus Units transferred to HDN Trustee in accordance with the Trust Scheme.

6 Scheme Consideration

6.1 Provision of Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:
 - (1) the Cash Consideration; or
 - (2) the Scrip Consideration.
- (b) Each Scheme Securityholder is entitled to receive either Cash Consideration or Scrip Consideration in respect of each Scheme Share held by that Scheme Securityholder, subject to the terms of this Scheme.

6.2 Election

- (a) A Scheme Securityholder, other than an Ineligible Foreign Securityholder, may make an election (**Election**) to receive either Cash Consideration or Scrip Consideration for all of their Scheme Shares by completing the Election Form, such Election being subject to the terms of this Scheme including without limitation clauses 6.5, 6.6, 6.7 and 6.9.
- (b) Subject to clause 6.2(g), for an Election to be valid:
 - (1) the Scheme Securityholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and on the Election Form; and
 - (2) the Election Form must be received by the Aventus Registry before the Election Time at the address specified by Aventus Company in the Scheme Booklet and on the Election Form.
- (c) An Election made by a Scheme Securityholder pursuant to clause 6.2(a), whether valid or not, will be irrevocable unless HomeCo in its absolute discretion agrees to the revocation of the Election.
- (d) If:
 - (1) a valid Election is not made by a Scheme Securityholder;
 - (2) the Scheme Securityholder is an Ineligible Foreign Securityholder; or
 - (3) no Election is made by a Scheme Securityholder,then that Scheme Securityholder will be deemed to have elected to receive Cash Consideration in respect of all of their Scheme Shares.
- (e) Subject to clause 6.2(g), if a Scheme Securityholder makes a valid Election to receive Scrip Consideration in respect of only some of its Scheme Shares, and makes no Election or an invalid Election in respect of the remainder of its Scheme Shares, the Scheme Securityholder will be deemed to have elected to receive Scrip Consideration in respect of all of its Scheme Shares and not only those Scheme Shares for which the Scheme Securityholder made a valid Election to receive Scrip Consideration.



- (f) Subject to clause 6.2(g), if a Scheme Securityholder makes a valid Election to receive Cash Consideration in respect of only some of its Scheme Shares, and makes no Election or an invalid Election in respect of the remainder of its Scheme Shares, the Scheme Securityholder will be deemed to have elected to receive Cash Consideration in respect of all of its Scheme Shares and not only those Scheme Shares for which the Scheme Securityholder made a valid Election to receive Cash Consideration.
- (g) In the manner considered appropriate by Aventus Company and HomeCo (acting reasonably including after consultation with the Aventus Registry), a Scheme Securityholder who holds one or more parcels of Aventus Company Shares as trustee or nominee for, or otherwise on account of, another person, may make separate elections to receive either Cash Consideration or Scrip Consideration for all of their Scheme Shares in relation to each of those parcels of Scheme Shares.
- (h) Subject to clauses 6.5, 6.6, 6.7 and 6.9 if a Scheme Securityholder makes a valid Election to receive Scrip Consideration, it will receive:
 - (1) Scrip Consideration in respect of the number of Scheme Shares held by it at the Scheme Record Date only if the total Scrip Consideration in respect of that Scheme Securityholder's Scheme Shares, determined in accordance with the terms of this Scheme, comprises a number of New HomeCo Securities that is a Marketable Parcel; and
 - (2) Cash Consideration in respect of the number of Scheme Shares held by it at the Scheme Record Date, if the total Scrip Consideration in respect of that Scheme Securityholder's Scheme Shares, determined in accordance with the terms of this Scheme, would comprise a number of New HomeCo Securities that is not a Marketable Parcel.
- (i) Subject to clauses 6.2(j) and 6.2(k), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 6.2(b).
- (j) HomeCo will determine, in its sole discretion, all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. HomeCo is not required to communicate with any Scheme Securityholder prior to making this determination. The determination of HomeCo will be final and binding on the Scheme Securityholder.
- (k) Notwithstanding clause 6.2(b), HomeCo may, in its sole discretion, at any time and without further communication to Scheme Securityholder, deem any Election Form it receives from a Scheme Securityholder to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

6.3 Provision of Cash Consideration

- (a) HomeCo must, and Aventus Company must use its best endeavours to procure that HomeCo does, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Cash Consideration payable to all Scheme Securityholders into an Australian dollar denominated trust account with an ADI operated by Aventus Company as trustee for the Scheme Securityholders, (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to HomeCo's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 6.3(a), Aventus Company must pay or procure the

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6 Scheme Consideration

payment of the Cash Consideration from the trust account referred to in clause 6.3(a), to each Scheme Securityholder who:

- (1) does not make an Election;
- (2) does not make a valid Election to receive Scrip Consideration;
- (3) makes or is deemed to make a valid Election (or otherwise validly elects or is deemed to validly elect pursuant to clause 6.2(f)) to receive Cash Consideration in respect of all (or if permitted pursuant to clause 6.2(g), some) of that Scheme Securityholders' Scheme Shares (including Ineligible Foreign Securityholders in accordance with clause 6.2(d)(2)); or
- (4) makes a valid Election to receive Scrip Consideration, but where the total Scrip Consideration in respect of that Scheme Securityholder's Scheme Shares, determined in accordance with the terms of this Scheme, would comprise a number of New HomeCo Securities that is not a Marketable Parcel,

such amount of cash as is due to that Scheme Securityholder as Cash Consideration in respect of all that Scheme Securityholder's Scheme Shares.

- (c) The obligations of Aventus Company under clause 6.3(b) will be satisfied by Aventus Company (in its absolute discretion, and despite any election referred to in clause 6.3(c)(1) or authority referred to in clause 6.3(c)(2) made or given by the Scheme Securityholder):
 - (1) if a Scheme Securityholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Aventus Registry to receive dividend payments from Aventus Company by electronic funds transfer to a bank account nominated by the Scheme Securityholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Securityholder by an appropriate authority from the Scheme Securityholder to Aventus Company; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Securityholder by prepaid post to their Registered Address, such cheque being drawn in the name of the Scheme Securityholder (or in the case of joint holders, in accordance with the procedures set out in clause 6.5).
- (d) To the extent that, following satisfaction of Aventus Company's obligations under clause 6.3(b), there is a surplus in the amount held by Aventus Company as trustee for the Scheme Securityholders in the trust account referred to in that clause, that surplus may be paid by Aventus Company to HomeCo.

6.4 Provision of Scrip Consideration

HomeCo must, subject to clauses 6.5, 6.6, 6.7 and 6.9:

- (a) on or before the Implementation Date, issue the Scrip Consideration to the Scheme Securityholders and procure that the name and address of each Scheme Securityholder is entered in the HomeCo Register in respect of those New HomeCo Securities; and



- (b) procure that on or before the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Securityholder representing the number of New HomeCo Securities issued to the Scheme Securityholder pursuant to this Scheme.

6.5 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 6.3(c), any Cash Consideration payable in respect of those Scheme Shares is payable to the joint holders;
- (b) the New HomeCo Securities to be issued under this Scheme must be issued to and registered in the names of the joint holders and entry in the HomeCo Register must take place in the same order as the holders' names appear in the Aventus Security Register;
- (c) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Aventus Company, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders; and
- (d) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Aventus Company, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders.

6.6 Ineligible Foreign Securityholders

- (a) HomeCo will be under no obligation to issue any New HomeCo Securities under this Scheme to any Ineligible Foreign Securityholder and Ineligible Foreign Securityholders will instead receive the Cash Consideration.
- (b) If Aventus Company receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Securityholder, Aventus Company is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Securityholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme). Aventus Company must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Securityholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Securityholder.
- (c) Payment of the Cash Consideration in accordance with clause 6.6(a) to an Ineligible Foreign Securityholder in accordance with this clause 6.6 satisfies in full the Ineligible Foreign Securityholder's right to Scheme Consideration.

6.7 Fractional entitlements and splitting

- (a) Where the calculation of the number of New HomeCo Securities to be issued, or the amount of Cash Consideration to be paid, to a particular Scheme Securityholder would result in the Scheme Securityholder becoming entitled to a fraction of a New HomeCo Security or cent, then the fractional entitlement will be rounded to the nearest number of New HomeCo Security or cent (as applicable), with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New HomeCo Securities or cents (as

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applicable), and any such fractional entitlement of 0.5 or more rounded up to the nearest whole number of New HomeCo Securities or cents (as applicable).

- (b) If HomeCo is of the opinion, formed reasonably, that several Scheme Securityholders, each of which holds a holding of Aventus Securities which results in a fractional entitlement to New HomeCo Securities have, before the Scheme Record Date, been party to a securityholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Securityholder's entitlement to the Scheme Consideration, HomeCo may direct Aventus Company to give notice to those Scheme Securityholders:
- (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Aventus Securities held by all of them,

and, after the notice has been so given, the Scheme Securityholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Aventus Securities and each of the other Scheme Securityholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Aventus Securities.

6.8 Unclaimed monies

- (a) Aventus Company may cancel a cheque issued under this clause 6 if the cheque:
- (1) is returned to Aventus Company; or
 - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Securityholder to Aventus Company (or the Aventus Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Aventus Company must reissue a cheque that was previously cancelled under this clause 6.8.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

6.9 Orders of a court or Government Agency

If written notice is given to Aventus Company (or the Aventus Registry), HomeCo (or its registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Securityholder, which would otherwise be payable or required to be issued to that Scheme Securityholder by Aventus Company in accordance with this clause 6, then Aventus Company shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Aventus Company from providing consideration to any particular Scheme Securityholder in accordance with this clause 6, or the payment or



issuance of such consideration is otherwise prohibited by applicable law, Aventus Company shall be entitled to (as applicable):

- (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Securityholder multiplied by the Scheme Consideration; or
- (2) direct HomeCo not to issue, or to issue to a trustee or nominee, such number of New HomeCo Securities as that Scheme Securityholder would otherwise be entitled to under clause 6.1,

until such time as provision of the Scheme Consideration in accordance with this clause 6 is permitted by that (or another) order or direction or otherwise by law and the payment, retention or issue (as applicable) in accordance with this clause 6.6 will constitute full discharge of HomeCo's obligations under clause 6.1 with respect to such payment, retention or issue (as applicable) until, in the case of clause 6.6(b)(1), it is no longer required to be retained.

6.10 Status of New HomeCo Securities

Subject to this Scheme becoming Effective, HomeCo must:

- (a) issue the New HomeCo Securities required to be issued by it under this Scheme on terms such that each such New HomeCo Security will rank equally in all respects with each existing HomeCo Security;
- (b) ensure that each such New HomeCo Security is duly and validly issued in accordance with all applicable laws and HomeCo's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under HomeCo's constitution); and
- (c) use all reasonable endeavours to ensure that such New HomeCo Securities are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

7 Dealings in Aventus Securities

7.1 Determination of Scheme Securityholders

To establish the identity of the Scheme Securityholders, dealings in Aventus Securities or other alterations to the Aventus Security Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Aventus Security Register as the holder of the relevant Aventus Securities on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Aventus Security Register is kept,

and Aventus Company must not accept for registration, nor recognise for any purpose (except a transfer to HomeCo pursuant to this Scheme and any subsequent transfer by HomeCo or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

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8 Quotation of Aventus Securities

7.2 Register

- (a) Aventus Company must register, or cause to be registered registrable transmission applications or transfers of the Aventus Securities that are received in accordance with clause 7.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2(a) requires Aventus Company to register a transfer that would result in an Aventus Securityholder holding a parcel of Aventus Securities that is less than a 'marketable parcel' (as defined in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Aventus Securities (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Aventus Securities or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Aventus Company shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Aventus Company must maintain, or cause to be maintained, the Aventus Security Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Securityholders and HomeCo has been entered in the Aventus Security Register as holder of all the Scheme Shares. The Aventus Security Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for the Aventus Securities (other than statements of holding in respect of Scheme Shares in favour of HomeCo, its successors in title or any Excluded Securityholder) will cease to have effect after the Scheme Record Date as documents of title in respect of those securities and, as from that date, each entry current at that date on the Aventus Security Register (other than entries on the Aventus Security Register in respect of HomeCo, its successors in title or any Excluded Securityholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Aventus Company will ensure that details of the names, Registered Addresses and holdings of Aventus Securities for each Scheme Securityholder as shown in the Aventus Security Register at the Scheme Record Date are available to HomeCo in the form HomeCo reasonably requires.

8 Quotation of Aventus Securities

- (a) Aventus Company must apply to ASX to suspend trading of the Aventus Securities on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by HomeCo, Aventus Company must apply:
 - (1) for termination of the official quotation of the Aventus Securities on the ASX; and
 - (2) to have itself removed from the official list of the ASX.



9 General Scheme provisions

9.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Aventus Company may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which HomeCo has consented; and
- (b) each Scheme Securityholder agrees to any such alterations or conditions which Aventus Company has consented to.

9.2 Scheme Securityholders' agreements and warranties

- (a) Each Scheme Securityholder irrevocably:
 - (1) agrees that, following Unstapling of Aventus Shares and Aventus Units, certificates in respect of the Scheme Securityholder's Scheme Shares may be issued to, held by and delivered to HomeCo together with the duly completed Scheme Transfer by, Aventus Company;
 - (2) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
 - (3) agrees to become a member of HomeCo, to have their name entered in the HomeCo Register, accepts the New HomeCo Securities issued to them and agrees to be bound by HomeCo's constitution;
 - (4) agrees and acknowledges that the issue of New HomeCo Securities in accordance with this Scheme constitutes satisfaction of their entitlements under this Scheme;
 - (5) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
 - (6) who holds their Aventus Securities in a CHES Holding agrees to the conversion of those Aventus Securities to an Issuer Sponsored Holding and irrevocably authorises Aventus Company to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (7) acknowledges and agrees that this Scheme binds Aventus Company and all Scheme Securityholders (including those who do not attend the Members' Scheme Meeting and those who do not vote, or vote against this Scheme, at the Members' Scheme Meeting).
- (b) Each Scheme Securityholder is taken to have warranted to Aventus Company and HomeCo on the Implementation Date, and appointed and authorised Aventus Company as its attorney and agent to warrant to HomeCo on the Implementation Date, that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Shares to HomeCo together

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9 General Scheme provisions

with any rights and entitlements attaching to those shares. Aventus Company undertakes that it will provide such warranty to HomeCo as agent and attorney of each Scheme Securityholder.

9.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to HomeCo will, at the time of transfer of them to HomeCo vest in HomeCo free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 6.4(a) and 6.6(a), HomeCo will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Aventus Company of HomeCo in the Aventus Security Register as the holder of the Scheme Shares.

9.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 6.4(a) and 6.6(a), and until Aventus Company registers HomeCo as the holder of all Scheme Shares in the Aventus Security Register, each Scheme Securityholder:

- (a) is deemed to have appointed HomeCo as attorney and agent (and directed HomeCo in each such capacity) to appoint any director, officer, secretary or agent nominated by HomeCo as its sole proxy and, where applicable or appropriate, corporate representative to attend securityholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any securityholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as HomeCo reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), HomeCo and any director, officer, secretary or agent nominated by HomeCo under clause 9.4(a) may act in the best interests of HomeCo as the intended registered holder of the Scheme Shares.

9.5 Authority given to Aventus Company

Each Scheme Securityholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Aventus Company and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against HomeCo, and Aventus Company undertakes in favour of each Scheme Securityholder that it will enforce the Deed Poll against HomeCo on behalf of and as agent and attorney for each Scheme Securityholder; and



- (b) on the Implementation Date, irrevocably appoints Aventus Company and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer and delivering share certificates for Scheme Shares,

and Aventus Company accepts each such appointment. Aventus Company as attorney and agent of each Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

9.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Securityholder to Aventus Company that are binding or deemed binding between the Scheme Securityholder and Aventus Company relating to Aventus Company or the Aventus Securities, including instructions, notifications or elections relating to:

- (a) whether distributions are to be paid by cheque or into a specific bank account;
(b) payments of distributions on the Aventus Securities; and
(c) notices or other communications from Aventus Company (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by HomeCo in its sole discretion), by reason of this Scheme, to be made by the Scheme Securityholder to HomeCo and to be a binding instruction, notification or election to, and accepted by, HomeCo in respect of the New HomeCo Securities issued to that Scheme Securityholder until that instruction, notification or election is revoked or amended in writing addressed to HomeCo.

9.7 Binding effect of Scheme

This Scheme binds Aventus Company and all of the Scheme Securityholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Aventus Company.

10 General

10.1 Stamp duty

HomeCo will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with the Scheme and the Deed Poll; and
(b) indemnify each Scheme Securityholder against any liability arising from failure to comply with clause 10.1(a).

17. Annexure E: Scheme Deed Poll



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10 General

10.2 Consent

Each of the Scheme Securityholders consents to Aventus Company doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Securityholders, Aventus Company or otherwise.

10.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Aventus Company, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Aventus Company's registered office or at the office of the Aventus Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by an Aventus Securityholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

10.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

10.5 Further action

Aventus Company must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

10.6 No liability when acting in good faith

Each Scheme Securityholder agrees that neither Aventus Company nor HomeCo, nor any of their respective directors, officers, secretaries or employees shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

10.7 Obligations and rights of multiple parties

Subject to clause 10.8, references to HomeCo in this Scheme are to HCL and HCDL acting together. Liabilities and obligations expressed in this Scheme to be owed by HomeCo are owed by HCL and HCDL jointly and severally.

10.8 Destapling

If the Destapling Implementation Date occurs before the Effective Date:

- (a) all references in this Scheme, to HomeCo will mean HCL; and
- (b) liabilities and obligations expressed in this Scheme to be owed by HomeCo will be owed by HCL alone.



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10 General

17. Annexure E: Scheme Deed Poll



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Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ADI	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Aventus Company	Aventus Holdings Limited ACN 627 640 180.
Aventus Company Constitution	the constitution of the Aventus Company as amended from time to time.
Aventus Registry	the corporate registry maintained by Aventus.
Aventus Security	an Aventus Share stapled to an Aventus Unit.
Aventus Security Register	the register of Aventus Securityholders maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of Aventus Trust and the register of shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Aventus Trust	Aventus Retail Property Fund ARSN 608 000 764.



Term	Meaning
Aventus Trust Constitution	the trust deed constituting the Aventus Trust as amended from time to time.
Aventus Trust Supplemental Deed	a deed poll under which Aventus Trustee will amend the Aventus Trust Constitution to effect the Trust Scheme.
Aventus Trustee	Aventus Capital Limited ACN 606 555 480 as the responsible entity of the Aventus Trust.
Aventus Unit	a fully paid unit in the Aventus Trust.
Business Day	a business day as defined in the Listing Rules and which is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
Cash Consideration	A\$0.285 cash for each Scheme Share held by a Scheme Securityholder.
CHES	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHES Holding	has the meaning given in the Settlement Rules.
Control	has the meaning given in section 50AA of the Corporations Act. Also, for these purposes: <ol style="list-style-type: none">1 a trust will Control another entity if its trustee Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as trustee of the trust;2 a partnership will Control another entity if a partner (including a general partner) Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as partner; and3 a fund or investment vehicle will Control another entity if the responsible entity or manager of the fund or investment vehicle Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as responsible entity or manager of the fund or investment vehicle.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).

17. Annexure E: Scheme Deed Poll



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Schedule 1 Definitions and interpretation

Term	Meaning
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by HomeCo and Aventus.
Deed Poll	the deed poll under which each of HomeCo and HDN Trustee covenants in favour of the Scheme Securityholders to perform the obligations attributed to HomeCo and HDN Trustee under this Scheme and the Trust Scheme respectively.
Destapling	the restructure described in the Destapling Scheme Booklet under which HCL will acquire all the shares in HCDL and become the single head entity of Home Consortium.
Destapling Implementation Date	the 'Proposal Implementation Date' for the Destapling as set out in the Destapling Scheme Booklet.
Destapling Scheme Booklet	the scheme booklet issued by HCL and HCDL dated 5 November 2021.
Effective	<ol style="list-style-type: none">1 when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme; and2 when used in relation to the Trust Scheme, the Aventus Trust Supplemental Deed taking effect pursuant to section 601GC(2) of the Corporations Act.
Effective Date	the date on which this Scheme and the Trust Scheme have both become Effective.
Election	has the meaning in clause 6.2(a)
Election Form	the election form separately provided or made available to Aventus Securityholders (through an electronic election facility), on or about the date of the Scheme Booklet under which each Aventus Securityholder (other than any Excluded Securityholder) is requested to elect to receive either the Scrip Consideration or the Cash Consideration in respect of all of their Aventus Securities.
Election Time	7:00pm on the date that is three Business Days before the Scheme Meeting, or such other time and date as agreed in writing by HomeCo and Aventus Company.
End Date	



Term	Meaning
	15 May 2022, or such other date as agreed in writing by HomeCo and Aventus.
Excluded Securityholder	any Aventus Securityholder who is a member of the HDN Group or HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group or HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
HC DL	Home Consortium Developments Limited ACN 635 859 700.
HCL	Home Consortium Limited ACN 138 990 593.
HDN Group	HDN Trustee, HDN Trust and each of HDN Trustee's Related Entities, and a reference to an HDN Group Member is to a member of the HDN Group. To avoid doubt, a HomeCo Group Member is not a HDN Group Member.
HDN Trust	HomeCo Daily Needs REIT ARSN 645 086 620.
HDN Trustee	HMC Funds Management Limited ACN 105 078 635 as responsible entity of HDN Trust.
HomeCo	<ol style="list-style-type: none">1 if the Destapling Implementation Date does not occur before the Effective Date, Home Consortium, a stapled group comprising HCL and HC DL; and2 if the Destapling Implementation Date occurs before the Effective Date, HCL.
HomeCo Group	HomeCo and each of its Related Entities and a reference to a HomeCo Group Member is to a member of the HomeCo Group. For the avoidance of doubt, assets held by HDN Trustee as assets of HDN Group do not form part of the assets of HomeCo Group and HDN Group is not part of the HomeCo Group.
HomeCo Register	the register of members maintained by HomeCo or its agent.

17. Annexure E: Scheme Deed Poll



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Schedule 1 Definitions and interpretation

Term	Meaning
HomeCo Security	<ol style="list-style-type: none">1 if the Destapling Implementation Date does not occur before the Effective Date, a stapled security comprising a fully paid ordinary share in HCL and a fully paid ordinary share in HCDL; and2 if the Destapling Implementation Date occurs before the Effective Date, a fully paid ordinary share in HCL.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Aventus Company and HomeCo.
Implementation Deed	the scheme implementation deed dated 18 October 2021 between Aventus Company, Aventus Trustee, HomeCo and HDN Trustee relating to the implementation of this Scheme and the Trust Scheme.
Ineligible Foreign Securityholder	a Scheme Securityholder whose address in the Aventus Security Register as at the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or Singapore unless HomeCo and Aventus Company agree in writing that it is lawful and not unduly onerous or impractical to issue New HomeCo Securities to that Scheme Securityholder.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	is a parcel of New HomeCo Securities having a value of not less than \$500 based on the closing price of fully paid ordinary shares of HomeCo on the ASX as at the Scheme Record Date.
New HomeCo Security	a HomeCo Security to be issued to Scheme Securityholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to an Aventus Securityholder, the address shown in the Aventus Security Register as at the Scheme Record Date.
Related Entity	<ol style="list-style-type: none">1 in relation to HDN Trustee, HDN Trust and each entity, from time to time, Controlled by HDN Trust (and the custodians or trustees of such entities acting in their capacity as such); and2 in relation to HomeCo each entity, from time to time, Controlled by HomeCo (excluding HDN Trustee and its Related Entities).



Term	Meaning
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Aventus Company and HomeCo.
Scheme Booklet	the scheme booklet to be published by Aventus Company in respect of this Scheme and to be despatched to Scheme Securityholders.
Scheme Consideration	for each Scheme Share held by a Scheme Securityholder as at the Scheme Record Date, an amount of: <ol style="list-style-type: none">1 the Cash Consideration; or2 the Scrip Consideration.
Scheme Meeting	the meeting of the Aventus Securityholders (other than Excluded Securityholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date after the Effective Date as may be agreed to in writing by HomeCo and Aventus.
Scheme Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register as at the Scheme Record Date (other than an Excluded Securityholder who is a member of the HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person).
Scheme Share	an Aventus Share as at the Scheme Record Date (which as at the Scheme Record Date is stapled to an Aventus Unit to form an Aventus Security).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of HomeCo as transferee, which may be a master transfer of all or part of the Scheme Shares.
Scrip Consideration	except as agreed by the parties, 0.038 New HomeCo Securities for each Scheme Share held by a Scheme Securityholder electing to receive Scrip Consideration in accordance with clause 6.2.

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Schedule 1 Definitions and interpretation

Term	Meaning
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Trust Scheme	as defined in the Implementation Deed.
Unstapling	the termination of stapling of Aventus Units and Aventus Shares in accordance with the Aventus Trust Constitution and Aventus Company Constitution.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;



- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party...

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

17. Annexure E: Scheme Deed Poll

Deed

Aventus Retail Property Fund Constitution Amending Deed

Aventus Capital Limited

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Aventus Retail Property Fund Constitution Amending Deed

Date ►

Responsible Entity **Aventus Capital Limited** ACN 606 555 480 of Level 33,
Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW
2000

Recitals

- A Aventus Retail Property Fund ARSN 608 000 764 (**Trust**) is constituted by a trust constitution dated 26 August 2015 as amended from time to time (**Trust Deed**) and lodged with the Australian Securities and Investments Commission.
- B The Trust is registered as a managed investment scheme under Chapter 5C of the Corporations Act. The constitution of the Trust is contained in the Trust Deed.
- C As at 17 October 2021, there were 570,729,306 Units on issue. Each Unit is stapled to one fully paid ordinary share (**Aventus Share**) in Aventus Holdings Limited (**Aventus Company**), and they trade together as an Aventus Security on ASX.
- D The Responsible Entity, Aventus Company, HDN Trustee and HomeCo have agreed that:
- The Responsible Entity and Aventus Company must unstaple the Units and Aventus Shares;
 - the HDN Trustee will acquire all of the Units by means of the Trust Scheme; and
 - HomeCo will acquire all of the Aventus Shares by means of the Members' Scheme.
- E The Responsible Entity, Aventus Company, HDN Trustee and HomeCo have agreed, by executing the Implementation Deed, to implement the Unstapling, the Trust Scheme and Members' Scheme.
- F The Trust Deed must be amended in the manner set out in this amending deed to facilitate the Trust Scheme.
- G Section 601GC(1)(a) of the Corporations Act provides that the Trust Deed may be modified by special resolution of the Aventus Securityholders.
- H At a meeting of Aventus Securityholders (in their capacity as Unitholders) held on or about 25 January 2022, Aventus Securityholders approved the Trust Scheme Resolutions,

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including a special resolution to make the amendments to the Trust Deed contained in this deed.

This deed witnesses as follows:

1 Definitions and interpretation

1.1 Definitions

- (a) A word or phrase (except as otherwise provided in this deed) defined in the Trust Deed has the same meaning when used in this deed.
- (b) The meanings of the terms used in this deed are set out below.

Term	Meaning
Aventus Company	Aventus Holdings Limited ACN 627 640 180.
Aventus Company Constitution	the constitution of the Aventus Company as amended from time to time.
Aventus Security	an Aventus Share stapled to a Unit.
Aventus Security Register	the register of Aventus Securityholders maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of the Trust and register of shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by HDN Trustee and the Responsible Entity.
Effective	<ol style="list-style-type: none">1 when used in relation to the Trust Scheme, the amendments to the Trust Deed in this deed taking effect pursuant to section 601GC(2) of the Corporations Act; and2 when used in relation to the Members' Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to the Members' Scheme.

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1 Definitions and interpretation

Term	Meaning
Effective Date	the date on which the Members' Scheme and the Trust Scheme have both become Effective.
HDN Trust	HomeCo Daily Needs REIT ARSN 645 086 620
HDN Trustee	HMC Funds Management Limited ACN 105 078 635 as responsible entity of HDN Trust
HomeCo	Home Consortium (a stapled group comprising Home Consortium Limited ACN 138 990 593 and Home Consortium Developments Limited ACN 635 859 700).
Implementation Deed	the scheme implementation deed dated 18 October 2021 between Aventus Company, the Responsible Entity, HDN Trustee and HomeCo relating to, among other things, the implementation of the Members' Scheme and the Trust Scheme.
Members' Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders (as holders of Aventus Shares) subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by HomeCo and Aventus Company.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other Business Day after the Effective Date as may be agreed to in writing by HDN Trustee and the Responsible Entity.
Trust Scheme	an arrangement under which, among other transactions, HDN Trustee acquires from all Scheme Securityholders all of the Units as at the Scheme Record Date facilitated by amendments to the Trust Deed made by this deed (as may be amended from time to time in accordance with clause 6.6(c) of Schedule 5 of the Trust Deed (as inserted by this deed)), subject to the requisite approvals of Scheme Securityholders.
Trust Scheme Resolutions	the resolutions to approve the Trust Scheme including: <ol style="list-style-type: none">a resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the Trust Deed as set out in this deed; anda resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by the HDN Trustee of all the Units as at the Scheme Record Date.

Term	Meaning
Unstapling	the termination of stapling of Units and Aventus Shares in accordance with the Trust Deed and the Aventus Company Constitution.

1.2 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is a reference to that time in Sydney, New South Wales;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this deed;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (n) a reference to a body, other than a party to this deed (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

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2 Operation of this deed

1.3 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2 Operation of this deed

Clause 4 of this deed shall take effect on and from the Effective Date.

3 Conditions

This deed is conditional upon, and will have no force or effect until, the satisfaction of each condition precedent stipulated in clause 3.1 of the Members' Scheme other than the coming into effect of the amendments made by this deed.

4 Amendment of the Trust Deed

4.1 Amendment

- (a) The Trust Deed as it applies to the Trust is amended (except for clause 2.1 and clause 2.3, which are not replaced, amended, reproduced, repeated, restated or otherwise by this deed in any way) by inserting as a new Schedule 5 the text contained in Schedule 1.
- (b) The Responsible Entity confirms that clauses 2.1 and 2.3 of the Trust Deed are not replaced, amended, reproduced, repeated, restated or otherwise affected in any way by this deed.
- (c) The Trust Deed as it applies to the Trust and as amended by this deed is the constitution of the Trust.
- (d) The Responsible Entity declares that it is not, by this deed, re-declaring the Trust or causing the transfer, vesting or accruing of property in any person.

4.2 Binding conditions

This deed is binding on the Responsible Entity, each Aventus Securityholder and any other person claiming through any of them as if each was a party to this deed.

5 Governing law and jurisdiction

- (a) This deed is governed by the laws in force in New South Wales, Australia.

- (b) Each person bound by this deed irrevocably:
- (1) submits to the exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed; and
 - (2) waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

17. Annexure E: Scheme Deed Poll

Schedule 1

New Schedule 5 of the Trust Deed

Schedule 5

Trust Scheme

1 Background

- (a) Each Scheme Securityholder and the Responsible Entity must do all things and execute all deeds, instruments, transfer or other documents as the Responsible Entity considers are necessary or desirable to give effect to the terms of the Trust Scheme and the transactions contemplated by it.
- (b) Without limiting the Responsible Entity's powers under this Schedule 5, the Responsible Entity has power to do all things that it considers necessary or desirable to give effect to the Trust Scheme and the Implementation Deed.
- (c) The Trust Scheme is intended, in a manner consistent with the Members' Scheme, to result in the transfer of the Scheme Units to HDN Trustee in return for the Scheme Consideration being received by the Scheme Securityholders. If there is any inconsistency between the Trust Scheme and the Members' Scheme, the Responsible Entity is authorised to take, and must take any steps required to implement the Trust Scheme in a manner which is consistent with the Members' Scheme.

2 Transfer of Scheme Units

On the Implementation Date:

- (a) subject to the Unstapling having been implemented and the provision of the Scheme Consideration in the manner contemplated by clause 3.1 of this Schedule 5 and HDN Trustee having provided the Responsible Entity with written confirmation of the provision of the Scheme Consideration, the Scheme Units, together with all rights and entitlements attaching to the Scheme Units as at the Implementation Date, must be transferred to HDN Trustee, without the need for any further act by any Scheme Securityholder (other than acts performed by the Responsible Entity as attorney and agent for Scheme Securityholder under clause 6.4 of this Schedule 5), by:
 - (1) the Responsible Entity delivering to HDN Trustee a duly completed Scheme Transfer, executed on behalf of the Scheme Securityholders by the Responsible Entity; and
 - (2) HDN Trustee duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to the Responsible Entity for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 2(a)(2) of this Schedule 5, but subject to the stamping of the Scheme Transfer (if required), the Responsible Entity must enter, or procure the entry of, the name of HDN Trustee in the Aventus Security Register in respect of all the Scheme Units transferred to HDN Trustee in accordance with the Trust Scheme, at the same time as Aventus Company enters, or procures the entry

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of, the name of HomeCo in the Aventus Security Register in respect of all the Aventus Shares transferred to HomeCo in accordance with the Members' Scheme.

3 Scheme Consideration

3.1 Provision of Scheme Consideration

HDN Trustee must, subject to clauses 3.2, 3.3, 3.4, 3.6 and 3.7 of this Schedule 5 and subject to the Unstapling having been implemented:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Securityholders and procure that the name and address of each Scheme Securityholder is entered in the HDN Trust Register in respect of those New HDN Units; and
- (b) procure that on or before the Implementation Date, a unit certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Securityholder representing the number of New HDN Units issued to the Scheme Securityholder pursuant to the Trust Scheme.

3.2 Joint holders

In the case of Scheme Units held in joint names:

- (a) the New HDN Units to be issued under the Trust Scheme must be issued to and registered in the names of the joint holders and entry in the HDN Trust Register must take place in the same order as the holders' names appear in the Aventus Security Register;
- (b) any cheque required to be sent under the Trust Scheme will be made payable to the joint holders and sent to either, at the sole discretion of the Responsible Entity, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under the Trust Scheme, will be forwarded to either, at the sole discretion of the Responsible Entity, the holder whose name appears first in the Aventus Security Register as at the Scheme Record Date or to the joint holders.

3.3 Ineligible Foreign Securityholders

- (a) HDN Trustee will be under no obligation to issue any New HDN Units under the Trust Scheme to any Ineligible Foreign Securityholder and instead:
 - (1) subject to clauses 3.4 and 3.6 of this Schedule 5, HDN Trustee must, on or before the Implementation Date, issue the New HDN Units which would otherwise be required to be issued to the Ineligible Foreign Securityholders under the Trust Scheme to the Sale Agent;
 - (2) HDN Trustee must procure that as soon as reasonably practicable on or after the Implementation Date, the Sale Agent, in consultation with HDN Trustee sells or procures the sale of all the New HDN Units issued to the Sale Agent and remits to the Responsible Entity the proceeds of the sale (after deduction of any applicable brokerage and other costs, taxes and charges) (**Proceeds**); and

- (3) promptly after receiving the Proceeds in respect of the sale of all of the New HDN Units referred to in clause 3.3(a)(1) of this Schedule 5, the Responsible Entity must pay, or procure the payment, to each Ineligible Foreign Securityholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest whole number of cents:

$$A = (B \div C) \times D$$

where:

B is the number of New HDN Units that would otherwise have been issued to that Ineligible Foreign Securityholder had it not been an Ineligible Foreign Securityholder and which were issued to the Sale Agent;

C is the total number of New HDN Units which would otherwise have been issued to all Ineligible Foreign Securityholders and which were issued to the Sale Agent; and

D is the Proceeds (as defined in clause 3.3(a)(2) of this Schedule 5).

- (b) The Ineligible Foreign Securityholders acknowledge that none of HDN Trustee, the Responsible Entity or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New HDN Units described in clause 3.3(a) of this Schedule 5.
- (c) The Responsible Entity must make, or procure the making of, payments to Ineligible Foreign Securityholders under clause 3.3(a) of this Schedule 5 by either (in the absolute discretion of the Responsible Entity, and despite any election referred to in clause 3.3(c)(1) of this Schedule 5 or authority referred to in clause 3.3(c)(2) of this Schedule 5 made or given by the Scheme Securityholder):
- (1) if an Ineligible Foreign Securityholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Aventus Registry to receive dividend payments from the Responsible Entity by electronic funds transfer to a bank account nominated by the Ineligible Foreign Securityholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Securityholder by an appropriate authority from the Ineligible Foreign Securityholder to the Responsible Entity; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Securityholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Securityholder (or in the case of joint holders, in accordance with the procedures set out in clause 3.2 of this Schedule 5).
- (d) If the Responsible Entity receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Securityholder, the Responsible Entity is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Securityholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of the Trust Scheme, including clause 3.3(a)(3) of this Schedule 5. The Responsible Entity must pay any amount so withheld to the relevant taxation authorities within the

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time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Securityholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Securityholder.

- (e) Each Ineligible Foreign Securityholder appoints the Responsible Entity as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Securityholders under the Corporations Act or any other applicable law.
- (f) Payment of the amount calculated in accordance with clause 3.3(a) of this Schedule 5 to an Ineligible Foreign Securityholder in accordance with this clause 3.3 of this Schedule 5 satisfies in full the Ineligible Foreign Securityholder's right to Scheme Consideration.

3.4 Fractional entitlements and splitting

- (a) Where the calculation of the number of New HDN Units to be issued to a particular Scheme Securityholder would result in the Scheme Securityholder becoming entitled to a fraction of a New HDN Unit, then the fractional entitlement will be rounded to the nearest whole number of New HDN Unit, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New HDN Units, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New HDN Units.
- (b) Where the calculation of the share of Proceeds to be provided to a particular Ineligible Foreign Securityholder would result in the Ineligible Foreign Securityholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest cent.
- (c) If HDN Trustee is of the opinion, formed reasonably, that several Scheme Securityholders, each of which holds a holding of Aventus Securities which results in a fractional entitlement to New HDN Units have, before the Scheme Record Date, been party to a securityholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Securityholder's entitlement to the Scheme Consideration, HDN Trustee may direct the Responsible Entity to give notice to those Scheme Securityholders:
 - (1) setting out the names and Registered Addresses of all of them;
 - (2) stating that opinion; and
 - (3) attributing to one of them specifically identified in the notice the Aventus Securities held by all of them,

and, after the notice has been so given, the Scheme Securityholder specifically identified in the notice shall, for the purposes of the Trust Scheme, be taken to hold all those Aventus Securities and each of the other Scheme Securityholders whose names are set out in the notice shall, for the purposes of the Trust Scheme, be taken to hold no Aventus Securities.

3.5 Unclaimed monies

- (a) The Responsible Entity may cancel a cheque issued under this clause 3 of this Schedule 5 if the cheque:
 - (1) is returned to the Responsible Entity; or

- (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Securityholder to the Responsible Entity (or the Aventus Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), the Responsible Entity must reissue a cheque that was previously cancelled under this clause 3.5 of this Schedule 5.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

3.6 Orders of a court or Government Agency

If written notice is given to the Responsible Entity (or the Aventus Registry), HDN Trustee (or its registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Units held by a particular Scheme Securityholder, which would otherwise be payable or required to be issued to that Scheme Securityholder by the Responsible Entity in accordance with this clause 3 of this Schedule 5, then the Responsible Entity shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents the Responsible Entity from providing consideration to any particular Scheme Securityholder in accordance with this clause 3 of this Schedule 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, the Responsible Entity shall be entitled to (as applicable):
 - (1) retain an amount, in Australian dollars, equal to the number of Scheme Units held by that Scheme Securityholder multiplied by the Scheme Consideration; or
 - (2) direct HDN Trustee not to issue, or to issue to a trustee or nominee, such number of New HDN Units as that Scheme Securityholder would otherwise be entitled to under clause 3.1 of this Schedule 5,

until such time as provision of the Scheme Consideration in accordance with this clause 3 of this Schedule 5 is permitted by that (or another) order or direction or otherwise by law and the payment, retention or issue (as applicable) in accordance with this clause 3.6 of this Schedule 5 will constitute full discharge of HDN Trustee's obligations under clause 3.1 of this Schedule 5 with respect to such payment, retention or issue (as applicable) until, in the case of clause 3.6(b)(1) of this Schedule 5, it is no longer required to be retained.

3.7 Withholding

If HDN Trustee is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay amounts to the Australian Taxation Office in respect of the acquisition of Units from certain Scheme Securityholders, HDN Trustee is permitted to retain and sell HDN Units with a market value equal to the relevant amounts required to be deducted from the Scheme Consideration that is to be provided to those Scheme Securityholders, and remit the sale proceeds of such retained securities to the ATO. The aggregate Scheme Consideration to be provided to Scheme Securityholders shall not be increased to reflect the value of

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the HDN Units so retained and the balance of the HDN Units provided to those Scheme Securityholders shall be taken to be in full and final satisfaction of the Scheme Consideration owing to those Scheme Securityholders.

3.8 Status of New HDN Units

Subject to the Trust Scheme becoming Effective, HDN Trustee must:

- (a) issue the New HDN Units required to be issued by it under the Trust Scheme on terms such that each such New HDN Unit will rank equally in all respects with each existing HDN Unit;
- (b) ensure that each such New HDN Unit is duly and validly issued in accordance with all applicable laws and HDN Trust's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the HDN Trust's constitution); and
- (c) use all reasonable endeavours to ensure that such New HDN Units are, from the Business Day following the date the Trust Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

4 Dealings in Aventus Securities

4.1 Determination of Scheme Securityholders

To establish the identity and addresses of the Scheme Securityholders, dealings in Aventus Securities and other alterations to the Aventus Security Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Aventus Security Register as the holder of the relevant Aventus Securities on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of those alterations, are received on or before the Scheme Record Date at the place where the Aventus Security Register is kept,

and the Responsible Entity must not accept for registration, nor recognise for any purpose (except a transfer to HDN Trustee pursuant to the Trust Scheme and any subsequent transfer by HDN Trustee or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

4.2 Register

- (a) The Responsible Entity must register or cause to be registered registrable transmission applications or transfers of the Scheme Units in accordance with clause 4.2(b) of this Schedule 5 by, or as soon as practicable after, the Scheme Record Date; provided that, for the avoidance of doubt, nothing in this clause 4.2(a) of this Schedule 5 requires the registration of a transfer that would result in a Scheme Securityholder holding a parcel of Aventus Securities that is less than a 'marketable parcel' (as defined in the official operating rules of ASX).

- (b) If the Trust Scheme becomes Effective, a holder of Aventus Securities (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Aventus Securities or any interest in them on or after the Scheme Record Date otherwise than pursuant to the Trust Scheme, and any attempt to do so will have no effect and the Responsible Entity shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, the Responsible Entity must maintain, or cause to be maintained, the Aventus Security Register in accordance with the provisions of this clause 4.2 of this Schedule 5 until the Scheme Consideration has been paid to the Scheme Securityholders and HDN Trustee has been entered in the Aventus Security Register as holder of all the Scheme Units. The Aventus Security Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for the Aventus Securities (other than statements of holding in respect of Scheme Units in favour of HDN Trustee, its successors in title or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those securities and, as from that date, each entry current at that date on the Aventus Security Register (other than entries on the Aventus Security Register in respect of HDN Trustee, its successors in title or any Excluded Securityholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Units relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, the Responsible Entity will ensure that details of the names, Registered Addresses and holdings of Aventus Securities for each Scheme Securityholder as shown in the Aventus Security Register at the Scheme Record Date are available to HDN Trustee in the form HDN Trustee reasonably requires.

5 Quotation of Aventus Securities

- (a) The Responsible Entity must apply to ASX to suspend trading of the Aventus Securities on the ASX with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by HDN Trustee, the Responsible Entity must apply:
 - (1) for termination of the official quotation of the Aventus Securities on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

6 General Trust Scheme provisions

6.1 Scheme Securityholders' agreements and warranties

- (a) Each Scheme Securityholder irrevocably:
 - (1) agrees that, following Unstapling of Aventus Shares and Units, certificates in respect of the Scheme Securityholder's Scheme Units may be issued to, held by and delivered to HDN Trustee together with the duly completed Scheme Transfer by, the Responsible Entity;

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- (2) agrees to the transfer of their Scheme Units together with all rights and entitlements attaching to those Scheme Units in accordance with the Trust Scheme;
 - (3) agrees to become a unitholder of HDN Trust, to have their name entered in the HDN Trust Register, accepts the New HDN Units issued to them and agrees to be bound by HDN Trust's constitution;
 - (4) agrees and acknowledges that the issue of New HDN Units in accordance with the Trust Scheme constitutes satisfaction of their entitlements under the Trust Scheme;
 - (5) agrees to the variation, cancellation or modification of the rights attached to their Scheme Units constituted by or resulting from the Trust Scheme;
 - (6) who holds their Scheme Units in a CHESS Holding agrees to the conversion of those Scheme Units to an Issuer Sponsored Holding and irrevocably authorises the Responsible Entity to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (7) acknowledges and agrees that the Trust Scheme binds the Responsible Entity and all Scheme Securityholders (including those who do not attend the Trust Scheme Meeting and those who do not vote, or vote against the Trust Scheme, at the Trust Scheme Meeting).
- (b) Each Scheme Securityholder is taken to have warranted to the Responsible Entity and HDN Trustee on the Implementation Date, and appointed and authorised the Responsible Entity as its attorney and agent to warrant to HDN Trustee on the Implementation Date, that all their Scheme Units (including any rights and entitlements attaching to those units) which are transferred under the Trust Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Units to HDN Trustee together with any rights and entitlements attaching to those Scheme Units. The Responsible Entity undertakes that it will provide such warranty to HDN Trustee as agent and attorney of each Scheme Securityholder.

6.2 Title to and rights in Scheme Units

- (a) To the extent permitted by law, the Scheme Units (including all rights and entitlements attaching to the Scheme Units) transferred under the Trust Scheme to HDN Trustee will, at the time of transfer of them to HDN Trustee vest in HDN Trustee free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 3.1(a) and 3.3(a) of this Schedule 5, HDN Trustee will be beneficially entitled to the Scheme Units to be transferred to it under the Trust Scheme pending registration by the Responsible Entity of HDN Trustee in the Aventus Security Register as the holder of the Scheme Units.

6.3 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Securityholder in the manner contemplated by clauses 3.1(a) and 3.3(a) of this Schedule 5, and until HDN Trustee is registered as the holder of all Scheme Units in the Aventus Security Register, each Scheme Securityholder:

- (a) is deemed to have appointed HDN Trustee as attorney and agent (and directed HDN Trustee in each such capacity) to appoint any director, officer, secretary or agent nominated by HDN Trustee as its sole proxy and, where applicable or appropriate, corporate representative to attend securityholders' meetings, exercise the votes attaching to the Scheme Units registered in their name and sign any securityholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 6.3(a) of this Schedule 5);
- (c) must take all other actions in the capacity of a registered holder of Scheme Units as HDN Trustee reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 6.3(a) of this Schedule 5, HDN Trustee and any director, officer, secretary or agent nominated by HDN Trustee under clause 6.3(a) of this Schedule 5 may act in the best interests of HDN Trustee as the intended registered holder of the Scheme Units.

6.4 Authority given to the Responsible Entity

Each Scheme Securityholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints the Responsible Entity and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against HDN Trustee and the Responsible Entity undertakes in favour of each Scheme Securityholder that it will enforce the Deed Poll against HDN Trustee on behalf of and as agent and attorney for each Scheme Securityholder; and
- (b) on the Implementation Date, irrevocably appoints the Responsible Entity and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Trust Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer and delivering unit certificates for the Scheme Units,

and the Responsible Entity accepts each such appointment. The Responsible Entity as attorney and agent of each Scheme Securityholder, may sub-delegate its functions, authorities or powers under this clause 6.4 of this Schedule 5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

6.5 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Securityholder to the Responsible Entity that are binding or deemed binding between the Scheme Securityholder and the Responsible Entity relating to the Responsible Entity, the Trust or the Aventus Securities, including instructions, notifications or elections relating to:

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- (a) whether distributions are to be paid by cheque or into a specific bank account;
- (b) payments of distributions on the Aventus Securities; and
- (c) notices or other communications from the Responsible Entity (including by email),

will be deemed from the Implementation Date, by reason of the Trust Scheme (except to the extent determined otherwise by HDN Trustee in its sole discretion), to be made by the Scheme Securityholder to HDN Trustee and to be a binding instruction, notification or election to, and accepted by, HDN Trustee in respect of the New HDN Units issued to that Scheme Securityholder until that instruction, notification or election is revoked or amended in writing addressed to HDN Trustee.

6.6 Binding effect of this Schedule 5

From the Effective Date:

- (a) this Schedule 5 binds the Responsible Entity and all of the present and future Scheme Securityholders (including those who did not attend the Trust Scheme Meeting, did not vote at that meeting, or voted against the Trust Scheme Resolutions) and, to the extent of any inconsistency, overrides any other part of this deed;
- (b) the Responsible Entity and, so far as is relevant, the Scheme Securityholders, must give effect to the Trust Scheme in accordance with its terms; and
- (c) the Responsible Entity may amend the terms of the Trust Scheme if such amendment is not inconsistent with the approval given by the Scheme Securityholders under the Trust Scheme Resolutions and this Schedule 5 shall apply to the Trust Scheme as amended.

6.7 Consent

Each of the Scheme Securityholders consents to the Responsible Entity doing all things necessary or incidental to the implementation of the Unstapling, Trust Scheme and Members' Scheme.

6.8 Further action

The Responsible Entity must do all things and execute all documents necessary to give full effect to the Unstapling, Trust Scheme and Members' Scheme and the transactions contemplated by them.

6.9 Cessation of operation

This Schedule 5 ceases to have any force or operation if the Implementation Deed or Deed Poll is terminated in accordance with its terms.

7 Definitions

In this Schedule 5, unless the context requires otherwise:

Term	Meaning
Aventus Company	Aventus Holdings Limited ACN 627 640 180.
Aventus Company Constitution	the constitution of the Aventus Company as amended from time to time.
Aventus Registry	Link Market Services Limited.
Aventus Security	an Aventus Share stapled to a Unit.
Aventus Security Register	the register of Aventus Securityholders maintained in accordance with the Corporations Act (and after Unstapling, the register of unitholders of the Trust and register of shareholders of Aventus Company).
Aventus Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register.
Aventus Share	a fully paid ordinary share in Aventus Company.
Business Day	a business day as defined in the Listing Rules and which is not a Saturday, Sunday or a public holiday or bank holiday in Sydney, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Control	has the meaning given in section 50AA of the Corporations Act. Also, for these purposes: <ol style="list-style-type: none"> 1 a trust will Control another entity if its trustee Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as trustee of the trust; 2 a partnership will Control another entity if a partner (including a general partner) Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as partner; and

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Term	Meaning
	<p>3 a fund or investment vehicle will Control another entity if the responsible entity or manager of the fund or investment vehicle Controls the entity (disregarding for these purposes the operation of section 50AA(4) of the Corporations Act) in its capacity as responsible entity or manager of the fund or investment vehicle.</p>
Court	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by HDN Trustee and the Responsible Entity.
Deed Poll	the deed poll under which HomeCo and HDN Trustee each covenants in favour of the Scheme Securityholders to perform the obligations attributed to HomeCo and HDN Trustee under the Members' Scheme and Trust Scheme respectively.
Effective	<p>1 when used in relation to the Trust Scheme, the insertion of this Schedule 5 into this deed taking effect pursuant to section 601GC(2) of the Corporations Act; and</p> <p>2 when used in relation to the Members' Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to the Members' Scheme.</p>
Effective Date	the date on which the Members' Scheme and the Trust Scheme have both become Effective.
Excluded Securityholder	any Aventus Securityholder who is a member of the HDN Group or HomeCo Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group or HomeCo Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
HDN Group	HDN Trustee, HDN Trust and each of HDN Trustee's Related Entities, and a reference to an HDN Group Member is to a member of the HDN Group. To avoid doubt, a HomeCo Group Member is not a HDN Group Member.

Term	Meaning
HDN Trust	HomeCo Daily Needs REIT ARSN 645 086 620
HDN Trustee	HMC Funds Management Limited ACN 105 078 635 as responsible entity of HDN Trust
HDN Trust Register	the register of unitholders maintained by HDN Trustee or its agent.
HDN Unit	a fully paid unit in the HDN Trust.
HomeCo	Home Consortium (a stapled group comprising Home Consortium Limited ACN 138 990 593 and Home Consortium Developments Limited ACN 635 859 700).
HomeCo Group	HomeCo and each of HomeCo's Related Entities, and a reference to an HomeCo Group Member is to a member of the HomeCo Group. For the avoidance of doubt, assets held by HDN Trustee as assets of HDN Group do not form part of the assets of HomeCo Group and HDN Group is not part of the HomeCo Group.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by the Responsible Entity and HDN Trustee.
Implementation Deed	the implementation deed dated 18 October 2021 between the Responsible Entity, Aventus Company, HDN Trustee and HomeCo relating to the implementation of the Trust Scheme and Members' Scheme.
Ineligible Foreign Securityholder	a Scheme Securityholder whose address in the Aventus Security Register as at the Scheme Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom or Singapore, unless HDN Trustee and the Responsible Entity agree in writing that it is lawful and not unduly onerous or impractical to issue New HDN Units to that Scheme Securityholder.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Members' Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Aventus Company and the Scheme Securityholders (as holders of Aventus Shares) subject to any alterations or conditions made or required by the Court under subsection 411(6) of the

17. Annexure E: Scheme Deed Poll

Schedule 1 New Schedule 5 of the Trust Deed

Term	Meaning
	Corporations Act and agreed to in writing by HomeCo and Aventus Company.
New HDN Unit	a HDN Unit to be issued to Scheme Securityholders under the Trust Scheme.
Registered Address	in relation to a Aventus Securityholder, the address shown in the Aventus Security Register as at the Scheme Record Date.
Related Entity	<ol style="list-style-type: none"> 1 in relation to HDN Trustee, HDN Trust and each entity, from time to time, Controlled by HDN Trust (and the custodians or trustees of such entities acting in their capacity as such); and 2 in relation to HomeCo each entity, from time to time, Controlled by HomeCo (excluding HDN Trustee and its Related Entities).
Sale Agent	an entity appointed to sell the New HDN Units that are to be issued under clause 3.3(a)(1) of this Schedule 5.
Scheme Consideration	for each Scheme Unit held by a Scheme Securityholder as at the Scheme Record Date, 2.20 New HDN Units.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date after the Effective Date as may be agreed to in writing by HDN Trustee and the Responsible Entity.
Scheme Securityholder	each person who is registered as the holder of an Aventus Security in the Aventus Security Register as at the Scheme Record Date (other than an Excluded Securityholder who is a member of the HDN Group or any Aventus Securityholder who holds any Aventus Securities on behalf of, or for the benefit of, any member of the HDN Group and does not hold Aventus Securities on behalf of, or for the benefit of, any other person).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Units for the purposes of section 1071B of the Corporations Act, in favour of HDN Trustee as transferee, which may be a master transfer of all or part of the Scheme Units.
Scheme Unit	a Unit as at the Scheme Record Date (which as at the Scheme Record Date is stapled to an Aventus Share to form an Aventus Security).

Term	Meaning
Settlement Rules	ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.
Trust Scheme	an arrangement under which, among other transactions, HDN Trustee acquires from all Scheme Securityholders all of the Units as at the Scheme Record Date facilitated by this Schedule 5 (as may be amended from time to time in accordance with clause 6.6(c) of this Schedule 5), subject to the requisite approvals of Scheme Securityholders.
Trust Scheme Meeting	meeting of the Aventus Securityholders convened by the Responsible Entity to consider the Trust Scheme Resolutions, and includes any meeting convened following any adjournment or postponement of that meeting.
Trust Scheme Resolutions	the resolutions to approve the Trust Scheme including: <ol style="list-style-type: none"> <li data-bbox="687 1135 1230 1196">1 a resolution for the purposes of section 601GC(1) of the Corporations Act to approve amendments to the Trust Deed as set out in this deed; and <li data-bbox="687 1211 1238 1272">2 a resolution for the purposes of item 7 of section 611 of the Corporations Act to approve the acquisition by the HDN Trustee of all the Units as at the Scheme Record Date.
Unstapling	the termination of stapling of Units and Aventus Shares in accordance with this deed and the Aventus Company Constitution.

Unless otherwise specifically defined in this clause 7, terms defined in clause 1.1 of this deed have the same meaning in this Schedule 5.

17. Annexure E: Scheme Deed Poll

Signing page

Signing page

Executed as a deed

Signed sealed and delivered for
Aventus Capital Limited

sign here ▶ _____
Director

print name _____

sign here ▶ _____
Director/Secretary

print name _____



HERBERT
SMITH
FREEHILLS

Signing page

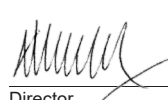
Executed as a deed

HomeCo

Signed sealed and delivered by
Home Consortium Limited
by

sign here ► 
Company Secretary/Director

print name Andrew Selim

sign here ► 
Director

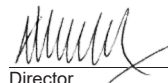
print name David Di Pilla

HomeCo

Signed sealed and delivered by
**Home Consortium
Developments Limited**
by

sign here ► 
Company Secretary/Director

print name Andrew Selim

sign here ► 
Director

print name David Di Pilla

HDN Trustee

Signed sealed and delivered by
**HMC Funds Management
Limited**
by

sign here ► 
Company Secretary/Director


print name Andrew Selim

sign here ► 
Director

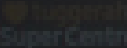
print name David Di Pilla

Section Eighteen

**Annexure F:
Notices of
Meetings**



tuggerah
SuperCentre



tuggerah
SuperCentre



welcome

18 Annexure F: Notices of Meetings

Notice of General Meeting of Aventus Unitholders

Aventus Capital Limited ACN 606 555 480 AFSL 478061 (**Aventus Trustee**) as responsible entity of the Aventus Retail Property Fund ARSN 608 000 764 (**Aventus Trust**).

Notice is hereby given by Aventus Trustee that a meeting of the holders of fully paid units in the Aventus Trust will be held on Tuesday, 25 January 2022 at 10.00am (Sydney time) (**General Meeting of Aventus Unitholders**) at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 Australia and online at <https://agmlive.link/Aventus22>.

The Explanatory Notes form part of this Notice of General Meeting of Aventus Unitholders.

Purpose of the General Meeting of Aventus Unitholders

The purpose of the General Meeting of Aventus Unitholders is for the holders of fully paid units in the Aventus Trust to consider and, if thought fit, to pass resolutions in relation to:

- the unstapling of the units in the Aventus Trust from the shares in Aventus Holdings Limited ACN 627 640 180 (**Aventus Company**);
- an amendment of constitution of the Aventus Trust (**Aventus Trust Constitution**) to enable Aventus Trustee to implement the Trust Scheme; and
- the acquisition of all units in the Aventus Trust from the Aventus Securityholders by HMC Funds Management Limited ACN 105 078 635 (**HDN Trustee**) as responsible entity of HomeCo Daily Needs REIT ARSN 645 086 620 (**HDN Trust**).

A copy of the Aventus Trust Supplemental Deed and a copy of the explanatory statement provided in respect of the Trust Scheme are contained in the Scheme Booklet, of which this notice forms part.

Unstapling Resolution (Aventus Trust)

Resolution 1 – Unstapling Resolution (Aventus Trust)

To consider and if thought fit, to pass the following resolution as a special resolution:

That, subject to and conditional on all other Resolutions set out in the notice convening this meeting, the Members' Scheme Resolution and the other Unstapling Resolution (as defined in the Scheme Booklet of which this notice forms part) being passed, for the purposes of clause 20.5 of the Aventus Trust Constitution:

- (a) the units in the Aventus Trust be unstapled from shares in Aventus Company;*
- (b) the date of the Unstapling (**Unstapling Date**) is to be the Implementation Date (as defined in the Scheme Booklet of which this notice forms part); and*
- (c) Aventus Trustee, as responsible entity of the Aventus Trust, be authorised to determine the particular time on the Unstapling Date when the Unstapling is to occur.*

Trust Scheme Resolutions

Resolution 2 – Trust Constitution Amendment Resolution

To consider and if thought fit, pass the following resolution as a special resolution in accordance with the provisions of section 601GC(1) of the Corporations Act 2001 (Cth) (Corporations Act):

That, subject to and conditional on all other Resolutions set out in the notice convening this meeting and the Members' Scheme Resolution (as defined in the Scheme Booklet of which this notice forms part) being passed:

- (a) the Aventus Trust Constitution be amended as set out in the Aventus Trust Supplemental Deed tabled at this meeting and initialled by the Chairman for the purposes of identification, with effect on and from the Effective Date, as set out in the Scheme Booklet of which the notice convening this General Meeting of Aventus Unitholders forms part, for the purpose of giving effect to the Trust Scheme; and*
- (b) Aventus Trustee be authorised to execute and lodge with ASIC a copy of the Aventus Trust Supplemental Deed.*

18. Annexure F: Notices of Meetings

Resolution 3 – Trust Acquisition Resolution

To consider and if thought fit, pass the following resolution as an ordinary resolution:

That, subject to and conditional on all other Resolutions set out in the notice convening this meeting and the Members' Scheme Resolution (as defined in the Scheme Booklet of which this notice forms part) being passed, for the purposes of item 7 of section 611 of the Corporations Act:

- (a) the acquisition of all units on issue in the Aventus Trust by the HDN Trustee as responsible entity of the HDN as at the Scheme Record Date, as described in this Scheme Booklet of which the notice convening this General Meeting of Aventus Unitholders forms part, be approved; and*
- (d) Aventus Trustee as the responsible entity for the Aventus Trust, be authorised to do all things which it considers necessary, desirable or reasonably incidental to give effect to this acquisition.*

General Meeting of Aventus Unitholders format

Aventus Unitholders and their authorised proxies, attorneys and corporate representatives may participate in the General Meeting of Aventus Unitholders in person or via the online platform at <https://agmlive.link/Aventus22>.

Further details on how to participate in the General Meeting of Aventus Unitholders are set out in the Explanatory Notes that accompany and form part of this Notice of General Meeting of Aventus Unitholders and in the online user guide which has been released to the ASX and will be available at www.ventusgroup.com.au/investors/news-events/.

Aventus Unitholders who are unable to, or do not wish to, participate in the General Meeting of Aventus Unitholders in person or online, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 10.00am (Sydney time) on Sunday, 23 January 2022 by completing and submitting the Proxy Form in accordance with the instructions on that form.

Chairman

Bruce Carter will act as chairman of the General Meeting of Aventus Unitholders (and, if Bruce Carter is unable or willing to attend, Kieran Pryke will act as chairman of the General Meeting of Aventus Unitholders).



Mary Weaver
Company Secretary

7 December 2021

Notice of General Meeting of Aventus Shareholders

Aventus Holdings Limited ACN 627 640 180 (**Aventus Company**).

Notice is hereby given by Aventus Company that a meeting of holders of the fully paid ordinary shares issued by Aventus Company will be held on Tuesday, 25 January 2022 at 10.00am (Sydney time) (**General Meeting of Aventus Shareholders**) at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 Australia and online at <https://agmlive.link/Aventus22>.

The Explanatory Notes form part of this Notice of General Meeting of Aventus Shareholders.

Purpose of the General Meeting of Aventus Shareholders

The purpose of the General Meeting of Aventus Shareholders is for the holders of fully paid ordinary shares in Aventus Company to consider and, if thought fit, to pass a resolution in relation to the unstapling of shares in Aventus Company from the units in the Aventus Retail Property Fund ARSN 608 000 764 (**Aventus Trust**).

Unstapling Resolution (Aventus Company)

To consider and if thought fit, to pass the following resolution as a special resolution:

That, subject to and conditional on the Trust Scheme Resolutions, Members' Scheme Resolution and the other Unstapling Resolutions (as defined in the Scheme Booklet of which this notice forms part) being passed, for the purposes of clause 16.5 of the constitution of Aventus Company:

- (a) *the shares in Aventus Company cease to be stapled to units in the Aventus Trust;*
- (b) *the date of the Unstapling (**Unstapling Date**) is to be the Implementation Date (as defined in the Scheme Booklet of which this notice forms part); and*
- (c) *Aventus Company be authorised to determine the particular time on the Unstapling Date when the Unstapling is to occur.*

General Meeting of Aventus Shareholders format

Aventus Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the General Meeting of Aventus Shareholders in person or via the online platform at <https://agmlive.link/Aventus22>.

Further details on how to participate in the General Meeting of Aventus Shareholders are set out in the Explanatory Notes that accompany and form part of this Notice of General Meeting of Aventus Shareholders and in the online user guide which has been released to the ASX and will be available at www.ventusgroup.com.au/investors/news-events/.

Aventus Shareholders who are unable to, or do not wish to, participate in the General Meeting of Aventus Shareholders in person or online, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 10.00am (Sydney time) on Sunday, 23 January 2022 by completing and submitting the Proxy Form in accordance with the instructions on that form.

Chairman

Bruce Carter will act as chairman of the General Meeting of Aventus Shareholders (and, if Bruce Carter is unable or willing to attend, Kieran Pryke will act as chairman of the General Meeting of Aventus Shareholders).



Mary Weaver
Company Secretary
7 December 2021

18. Annexure F: Notices of Meetings

EXPLANATORY NOTES

1. General

The General Meeting of Aventus Unitholders and General Meeting of Aventus Shareholders (together, the **General Meetings**) will be conducted concurrently with each other and the Members' Scheme Meeting.

The Notice of General Meeting of Aventus Unitholders relates to the Unstapling Resolution (Aventus Trust) and Trust Scheme Resolutions. The Notice of General Meeting of Aventus Shareholders relates to the Unstapling Resolution (Aventus Company).

The Notice of General Meeting of Aventus Unitholders and Notice of General Meeting of Aventus Shareholders (collectively, the **Notices of General Meetings**) should be read in conjunction with the scheme booklet dated on or about the date of these General Meetings (**Scheme Booklet**) of which the notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Trust Scheme Resolutions and Unstapling Resolutions.

These Explanatory Notes form part of, and should be read in conjunction with, the Notices of General Meetings. Capitalised terms used in this notice have the same meaning as set out in the glossary in section 12 of the Scheme Booklet, unless the context otherwise requires.

2. Conditionality of Resolutions

For the Notice of General Meeting of Aventus Unitholders, resolutions 1, 2 and 3 are inter-conditional and conditional on the Members' Scheme Resolution and the Unstapling Resolution (Aventus Company) being passed. This means that a resolution will not proceed and votes will not be considered unless an earlier conditional resolution has been passed. Furthermore, a resolution will be of no force or effect if a later conditional resolution has not been passed.

For the General Meeting of Aventus Shareholders, the Unstapling Resolution (Aventus Company) is conditional on the Trust Scheme Resolutions, Members' Scheme Resolution and the Unstapling Resolution (Aventus Trust) being passed. This means that a resolution will not proceed and votes will not be considered unless an earlier conditional resolution has been passed. Furthermore, a resolution will be of no force or effect if a later conditional resolution has not been passed.

If the Trust Scheme Resolutions and Unstapling Resolutions are approved at the General Meetings and the Members' Scheme Resolution is approved at the Members' Scheme Meeting by the requisite majorities, the implementation of the Merger will be subject to:

- the subsequent approval of the Members' Scheme by the Court and the Second Judicial Advice; and
- the satisfaction or waiver (if applicable) of all other Conditions Precedent to the Merger.

3. Requisite Majorities

For the Notice of General Meeting of Aventus Unitholders:

- Resolution 1 - Unstapling Resolution (Aventus Trust) is a special resolution that will only be passed if at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote, are in favour of the resolution;
- Resolution 2 – Trust Constitution Amendment Resolution is a special resolution that will only be passed if at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote, are in favour of the resolution; and
- Resolution 3 – Trust Acquisition Resolution is an ordinary resolution and will be passed if more than 50% of the votes cast by Aventus Securityholders entitled to vote, are in favour of the resolution.

For the Notice of General Meeting of Aventus Shareholders, the resolution is a special resolution that will only be passed if at least 75% of the total number of votes cast by Aventus Securityholders entitled to vote, are in favour of the resolution.

4. Eligibility to vote

Aventus Securityholders that are eligible to vote on the Trust Scheme Resolutions and Unstapling Resolutions will be taken to be those persons who are registered as holders of Aventus Securities on the Aventus Security Register at 7.00pm (Sydney time) on Sunday, 23 January 2022 and their entitlement to vote at the General Meetings will be

determined by their holdings of Aventus Securities at that time. Security transfers registered after that time will be disregarded in determining entitlements to vote at the General Meetings.

In accordance with section 253E of the Corporations Act, Aventus Trustee and its Associates are not entitled to vote any interests in the Aventus Trust that they may have, if they have an interest in the Unstapling Resolution (Aventus Trust) or the Trust Scheme Resolutions other than as a member of the Aventus Trust.

No votes may be cast in favour of the Trust Acquisition Resolution by HDN Trustee and its Associates (unless the Associate is a custodian, nominee, trustee, responsible entity or other fiduciary which has received a specific instruction from a third party beneficiary, who is not an Associate of HDN Trustee, directing the Associate how to vote).

The remaining comments in these Explanatory Notes are addressed to Aventus Securityholders entitled to attend and vote at the General Meetings.

5. Participating in the General Meetings online

Aventus Securityholders can watch and participate in the General Meetings online using a computer (desktop or laptop), smartphone, tablet or a smart device and by entering the following URL in the browser: <https://agmlive.link/Aventus22>.

You will be able to vote live during the General Meetings when invited by the chairman. Once voting is opened, you will be able to vote using the voting icon. You will be able to vote for, against or abstain on each item through the online platform. You will also be able to ask questions live during the General Meetings.

To participate and vote online, you will need to register online as an Aventus Securityholder. You will need your Securityholder Reference Number (**SRN**) or Holder Identifier Number (**HIN**) and postcode. Proxyholders will need their proxy number which will be provided by the Aventus Securities Registry no later than 24 hours prior to the General Meetings and following lodgement of the proxy appointment. Participants will be able to register online 30 minutes before the start of the General Meetings. It is recommended that Aventus Securityholders register at least 15 minutes before the start of the General Meetings.

Further information about how to participate can be found in the online user guide which will be available on the Aventus Group's website at www.ventusgroup.com.au/investors/news-events/. The online user guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site.

Please monitor the Aventus Group's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the General Meetings.

6. Technical difficulties when participating online

Technical difficulties may arise during the course of the meeting. The chairman has discretion as to whether and how the General Meetings should proceed in the event that a technical difficulty arises. In exercising the chairman's discretion, the chairman will have regard to the number of Aventus Securityholders impacted and the extent to which participation in the business of the General Meetings is affected. Where the chairman considers it appropriate, the chairman may continue to hold the General Meetings and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

7. Participating in the General Meetings in person

If you or your proxies, attorneys or representatives plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Aventus Security Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

For the health and safety of all attendees, Aventus will be observing social distancing and any other government requirements that apply at the time of the meeting. Aventus will be monitoring the COVID-19 situation closely and if it becomes necessary or appropriate to change the way the meeting will be held or conducted, information will be

18. Annexure F: Notices of Meetings

provided on Aventus' website and lodged with the ASX. The situation can change rapidly so even if you plan to attend the meeting, you are encouraged to lodge a proxy and any questions you have in advance of the meeting.

8. Written questions to Aventus

Aventus Securityholders who wish to ask Aventus a question are encouraged to submit a written question online at www.linkmarketservices.com.au. Written questions to Aventus must be received by Aventus by no later than 10.00am (Sydney time), Sunday, 23 January 2022. Only Aventus Securityholders or their representatives may ask questions during the General Meetings.

The chairman will endeavour to address as many of the frequently raised relevant questions as possible during the course of the General Meetings. However, there may not be sufficient time available at the General Meetings to address all of the questions asked. Please note that individual responses will not be sent to Aventus Securityholders.

9. Voting

9.1 Method of voting

On all Resolutions the vote will be taken by poll.

On a poll for a resolution at the General Meeting of Aventus Shareholders or the Members' Scheme Meeting, an Aventus Securityholder or their nominated proxy has one vote for each Aventus Share that they hold.

On a poll for a resolution at the General Meeting of Aventus Unitholders, an Aventus Securityholder or their nominated proxy has one vote for each dollar of the value of the total interests they have in Aventus Trust pursuant to section 253C(2) of the Corporations Act. In accordance with section 253F of the Corporations Act, the value of an Aventus Securityholder's total interest in the Aventus Trust will be calculated by reference to the last sale price of the Aventus Securities on the ASX on Monday, 24 January 2022.

If you are an Aventus Securityholder entitled to vote at the General Meetings, you may vote:

- **in person**, by attending the General Meetings at 10.00am (Sydney time) on Tuesday, 25 January 2022 at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 Australia;
- **online**, by participating and voting via the online platform at <https://agmlive.link/Aventus22>;
- **by proxy**, by completing and submitting the Proxy Form in accordance with the instructions on that form. To be effective, your proxy appointment must be received by the Aventus Securities Registry by 10.00am (Sydney time) on Sunday, 23 January 2022;
- **by attorney**, by appointing an attorney to participate in and vote at the General Meetings on your behalf and providing a duly executed power of attorney to the Aventus Securities Registry by 10.00am (Sydney time) on Sunday, 23 January 2022; or
- **by corporate representative**, in the case of a body corporate, appointing a body corporate representative to participate in and vote at the General Meetings on your behalf, and providing a duly executed certificate of appointment prior to the General Meetings in accordance with section 9.5 below.

If you hold Aventus Securities jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the General Meetings, only the vote of the holder whose name appears first on the Aventus Securities Register will be counted.

9.2 Voting by proxy

If you are entitled to participate and vote at the General Meetings, you have a right to appoint a proxy to participate in the meeting and vote on your behalf.

A proxy need not be an Aventus Securityholder and may be an individual or a body corporate. A Proxy Form is included with the Notices of General Meetings.

If you are entitled to cast two or more votes at the General Meetings, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise an equal portion of the votes.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Trust Scheme Resolutions and Unstapling Resolutions, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on the Trust Scheme Resolutions and Unstapling Resolutions, the proxy may vote, or abstain from voting, as he or she thinks fit. If you direct your proxy how to vote but your nominated proxy does not vote on a poll on a resolution, the chairman of the General Meetings will act in place of the nominated proxy and vote in accordance with any directions.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the General Meetings as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not participate in the General Meetings, the chairman of the General Meetings will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chairman of the General Meetings intends to vote all available undirected proxies in favour of the Trust Scheme Resolutions and Unstapling Resolutions.

To ensure that your vote is cast as you wish, it is recommended that, whomever you appoint as your proxy, you direct your proxy as to how to vote on the Trust Scheme Resolutions and Unstapling Resolutions.

9.3 Lodging your Proxy Form

You can lodge your completed Proxy Form by:

- lodging it online at www.linkmarketservices.com.au and following the instructions;
- hand delivering it to the Aventus Securities Registry at Level 12, 680 George Street, Sydney NSW 2000;
- lodging it on your mobile device by scanning the QR code on the Proxy Form and following the instructions;
- mailing it to the Aventus Securities Registry, Locked Bag A14 Sydney South NSW 1235 Australia; or
- faxing it to the Aventus Securities Registry on +61 2 9287 0309.

Your completed Proxy Form (and any necessary supporting documentation) must be received no later than 10.00am (Sydney time) on Sunday, 23 January 2022 (or, if the General Meetings are adjourned or postponed, no later than 48 hours before the resumption of the General Meetings in relation to the resumed part of the General Meetings).

If the Proxy Form is signed by an attorney, the original power of attorney under which the Proxy Form was signed (or a certified copy of the authority) must also be received by this deadline unless it has been previously provided to the Aventus Securities Registry.

18. Annexure F: Notices of Meetings

9.4 Voting by attorney

You may appoint an attorney to participate in and vote at the General Meetings on your behalf. Your attorney need not be another Aventus Securityholder. Each attorney will have the right to vote on the poll and also to speak at the General Meetings.

The power of attorney appointing your attorney to participate in and vote at the General Meetings must be duly executed by you and specify your name, the entity (that is, Aventus), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, must be received by the Aventus Securities Registry before 10.00am (Sydney time) on Sunday, 23 January 2022 (or, if the General Meetings is adjourned or postponed, no later than 48 hours before the resumption of the General Meetings in relation to the resumed part of the General Meetings) in any of the ways specified for Proxy Forms in section 9.3 above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to participate in and vote at the General Meetings via the online platform will require the appointing Aventus Securityholders' name, postcode and SRN or HIN in order to access the online platform.

9.5 Voting by corporate proxyholders or corporate holders of Aventus Securities

Corporate proxyholders or corporate holders of Aventus Securities who wish to appoint a representative to participate in the General Meetings on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. The "Appointment of Corporate Representative form" can be obtained from the Aventus Securities Registry for this purpose by visiting the forms menu of the Aventus Securities Registry's website www.linkmarketservices.com.au or calling the Aventus Securities Registry's investor response centre on **1300 554 474** (callers in Australia) or **+61 1300 554 474** (callers outside Australia). The authorisation may be effective either for the General Meetings only or for all meetings of Aventus Securityholders.

The Appointment of Corporate Representative form must be received the Aventus Securities Registry prior to the General Meetings. Aventus Securityholders must submit the form via email, by sending it to vote@linkmarketservices.com.au.

If an appointment of corporate representative form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the Aventus Securities Registry.

A validly appointed corporate representative wishing to participate in and vote at the General Meetings via the online platform will require the appointing Aventus Securityholder's name, postcode and SRN or HIN in order to access the online platform.

Notice of Members' Scheme Meeting

Aventus Holdings Limited ACN 627 640 180 (**Aventus Company**).

Notice is hereby given that, by an order of the New South Wales Supreme Court (**Court**) made on 7 December 2021, pursuant to subsection 411(1) of the *Corporations Act 2001 (Cth)* (**Corporations Act**), a meeting of holders of the fully paid ordinary shares issued by Aventus Company will be held on Tuesday, 25 January 2022 at 10.00am (Sydney time) (**Members' Scheme Meeting**) at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 Australia and online at <https://agmlive.link/Aventus22>.

The Explanatory Notes form part of this Notice of Members' Scheme Meeting.

Purpose of the Members' Scheme Meeting

The purpose of the Members' Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without modification as approved by the Court) proposed to be made between Aventus Company and the holders of its fully paid ordinary shares (**Members' Scheme**).

A copy of the Members' Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Members' Scheme are contained in the Scheme Booklet, of which this notice forms part.

Members' Scheme Resolution

To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

That, subject to and conditional on the Unstapling Resolutions and Trust Scheme Resolutions being passed, pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the scheme of arrangement proposed between Aventus Company and the holders of its fully paid ordinary shares, as contained in and more particularly described in the Scheme Booklet, of which the notice convening this meeting forms part, is approved (with or without modifications as approved by the Court).

Members' Scheme Meeting format

Aventus Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Members' Scheme Meeting in person or via the online platform at <https://agmlive.link/Aventus22>.

Further details on how to participate in the Members' Scheme Meeting are set out in the Explanatory Notes that accompany and form part of this Notice of Members' Scheme Meeting and in the online user guide which has been released to the ASX and will be available at www.ventusgroup.com.au/investors/news-events/.

Aventus Shareholders who are unable to, or do not wish to, participate in the Members' Scheme Meeting in person or online, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 10.00am (Sydney time) on Sunday, 23 January 2022 by completing and submitting the Proxy Form in accordance with the instructions on that form.

Chairman

The Court has directed that Bruce Carter is to act as chairman of the Members' Scheme Meeting (and, if Bruce Carter is unable or willing to attend, Kieran Pryke is to act as chairman of the Members' Scheme Meeting) and has directed the chairman to report the result of the meeting to the Court.



Mary Weaver
Company Secretary

7 December 2021

18. Annexure F: Notices of Meetings

EXPLANATORY NOTES

1. General

The Members' Scheme Meeting will be conducted concurrently with the General Meeting of Aventus Unitholders and General Meeting of Aventus Shareholders.

This Notice of Members' Scheme Meeting relates to the Members' Scheme and should be read in conjunction with the scheme booklet dated on or about the date of this Notice of Members' Scheme Meeting (**Scheme Booklet**) of which the notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Members' Scheme Resolution.

These Explanatory Notes form part of, and should be read in conjunction with, the Notice of Members' Scheme Meeting. Capitalised terms used in this notice have the same meaning as set out in the glossary in section 12 of the Scheme Booklet, unless the context otherwise requires.

2. Conditionality of Resolutions

The Members' Scheme Resolution is conditional on the Trust Scheme Resolutions being passed at the General Meeting of Aventus Unitholders and the Unstapling Resolutions being passed at the General Meeting of Aventus Unitholders and General Meeting of Aventus Shareholders. This means that the Members' Scheme Meeting will not proceed and votes will not be considered unless the Unstapling Resolutions and Trust Scheme Resolutions have been passed.

Furthermore, if the Trust Scheme Resolutions are approved at the General Meeting of Aventus Unitholders, the Unstapling Resolutions are approved at the General Meeting of Aventus Unitholders and the General Meeting of Aventus Shareholders and the Members' Scheme Resolution is approved at the Members' Scheme Meeting by the requisite majorities, the implementation of the Merger will be subject to:

- the subsequent approval of the Members' Scheme by the Court and the Second Judicial Advice; and
- the satisfaction or waiver (if applicable) of all other Conditions Precedent to the Merger.

3. Requisite majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Members' Scheme Resolution must be approved by:

- a majority in number (more than 50%) of the number of Aventus Securityholders (other than certain Excluded Securityholders) entitled to vote on the Members' Scheme Meeting (whether in person or by a proxy, attorney, or in the case of a body corporate, a duly appointed corporate representative); and
- at least 75% of the total number votes cast on the Members' Scheme Resolution by Aventus Securityholders (other than certain Excluded Securityholders) entitled to vote on Members' Scheme Resolution.

4. Eligibility to vote

Aventus Securityholders that are eligible to vote on the Members' Scheme Resolution will be taken to be those persons (other than certain Excluded Securityholders) who are registered as holders of Aventus Securities on the Aventus Security Register at 7.00pm (Sydney time) on Sunday, 23 January 2022 and their entitlement to vote at the Members' Scheme Meeting will be determined by their holdings of Aventus Securities at that time. Security transfers registered after that time will be disregarded in determining entitlements to vote at the Members' Scheme Meeting.

For these purposes, the Excluded Securityholders who are not entitled to vote are Excluded Securityholders who are members of the HomeCo Group or who hold Aventus Securities on behalf of, or for the benefit of, any member of the HomeCo Group and do not hold Aventus Securities on behalf of, or for the benefit of, any other person.

The remaining comments in these Explanatory Notes are addressed to Aventus Securityholders entitled to attend and vote at the Members' Scheme Meeting.

5. Participating in the Members' Scheme Meeting online

Aventus Securityholders can watch and participate in the Members' Scheme Meeting online using a computer (desktop or laptop), smartphone, tablet or a smart device and by entering the following URL in the browser: <https://agmlive.link/Aventus22>.

You will be able to vote live during the Members' Scheme Meeting when invited by the chairman. Once voting is opened you will be able to vote using the voting icon. You will be able to vote for, against or abstain on each item through the online platform. You will also be able to ask questions live during the Members' Scheme Meeting.

To participate and vote online you will need to register online as an Aventus Securityholder. You will need your Securityholder Reference Number (**SRN**) or Holder Identifier Number (**HIN**) and postcode. Proxyholders will need their proxy number which will be provided by the Aventus Securities Registry no later than 24 hours prior to the Members' Scheme Meeting and following lodgement of the proxy appointment. Participants will be able to register online 30 minutes before the start of the Members' Scheme Meeting. It is recommended that Aventus Securityholders register at least 15 minutes before the start of the Members' Scheme Meeting.

Further information about how to participate can be found in the online user guide which will be available on the Aventus Group's website at www.ventusgroup.com.au/investors/news-events/. The online user guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site.

Please monitor the Aventus Group's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Members' Scheme Meeting.

6. Technical difficulties when participating online

Technical difficulties may arise during the course of the meeting. The chairman has discretion as to whether and how the Members' Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising the chairman's discretion, the chairman will have regard to the number of Aventus Securityholders impacted and the extent to which participation in the business of the Members' Scheme Meeting is affected. Where the chairman considers it appropriate, the chairman may continue to hold the Members' Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

7. Participating in the Members' Scheme Meeting in person

If you or your proxies, attorneys or representatives plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Aventus Security Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

For the health and safety of all attendees, Aventus will be observing social distancing and any other government requirements that apply at the time of the meeting. Aventus will be monitoring the COVID-19 situation closely and if it becomes necessary or appropriate to change the way the meeting will be held or conducted, information will be provided on Aventus' website and lodged with the ASX. The situation can change rapidly so even if you plan to attend the meeting, you are encouraged to lodge a proxy and any questions you have in advance of the meeting.

8. Written questions to Aventus

Aventus Securityholders who wish to ask Aventus a question are encouraged to submit a written question online at www.linkmarketservices.com.au. Written questions to Aventus must be received by Aventus by no later than 10.00am (Sydney time), Sunday, 23 January 2022. Only Aventus Securityholders or their representatives may ask questions during the Members' Scheme Meeting.

The chairman will endeavour to address as many of the frequently raised relevant questions as possible during the course of the Members' Scheme Meeting. However, there may not be sufficient time available at the Members' Scheme Meeting to address all of the questions asked. Please note that individual responses will not be sent to Aventus Securityholders.

18. Annexure F: Notices of Meetings

9. Voting

9.1 Method of voting

On the resolution the vote will be taken by poll.

An Aventus Securityholder or their nominated proxy has one vote for each Aventus Share that they hold.

If you are an Aventus Securityholder entitled to vote at the Members' Scheme Meeting, you may vote:

- **in person**, by attending the Members' Scheme Meeting at 10.00am (Sydney time) on Tuesday, 25 January 2022 at ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000 Australia;
- **online**, by participating and voting via the online platform at <https://agmlive.link/Aventus22>;
- **by proxy**, by completing and submitting the Proxy Form in accordance with the instructions on that form. To be effective, your proxy appointment must be received by the Aventus Securities Registry by 10.00am (Sydney time) on Sunday, 23 January 2022;
- **by attorney**, by appointing an attorney to participate in and vote at the Members' Scheme Meeting on your behalf and providing a duly executed power of attorney to the Aventus Securities Registry by 10.00am (Sydney time) on Sunday, 23 January 2022; or
- **by corporate representative**, in the case of a body corporate, appointing a body corporate representative to participate in and vote at the Members' Scheme Meeting on your behalf, and providing a duly executed certificate of appointment prior to the Members' Scheme Meeting in accordance with section 9.5 below.

If you hold Aventus Securities jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the Members' Scheme Meeting, only the vote of the holder whose name appears first on the Aventus Securities Register will be counted.

9.2 Voting by proxy

If you are entitled to participate and vote at the Members' Scheme Meeting, you have a right to appoint a proxy to participate in the meeting and vote on your behalf.

A proxy need not be an Aventus Securityholder and may be an individual or a body corporate. A Proxy Form is included with this Notice of Members' Scheme Meeting.

If you are entitled to cast two or more votes at the Members' Scheme Meeting, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise an equal portion of the votes.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Members' Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on the Members' Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you direct your proxy how to vote but your nominated proxy does not vote on a poll on a resolution, the chairman of the Members' Scheme Meeting will act in place of the nominated proxy and vote in accordance with any directions.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chairman of the Members' Scheme Meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not participate in the Members' Scheme Meeting, the chairman of the Members' Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chairman of the Members' Scheme Meeting intends to vote all available undirected proxies in favour of the Members' Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Members' Scheme is in the best interests of Aventus Securityholders.

To ensure that your vote is cast as you wish, it is recommended that, whoever you appoint as your proxy, you direct your proxy as to how to vote on the Members' Scheme Resolution.

9.3 Lodging your Proxy Form

You can lodge your completed Proxy Form by:

- lodging it online at www.linkmarketservices.com.au and following the instructions
- hand delivering it to the Aventus Securities Registry at Level 12, 680 George Street, Sydney NSW 2000;
- lodging it on your mobile device by scanning the QR code on the Proxy Form and following the instructions;
- mailing it to the Aventus Securities Registry, Locked Bag A14 Sydney South NSW 1235 Australia; or
- faxing it to the Aventus Securities Registry on +61 2 9287 0309.

Your completed Proxy Form (and any necessary supporting documentation) must be received no later than 10.00am (Sydney time) on Sunday, 23 January 2022 (or, if the Members' Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Members' Scheme Meeting in relation to the resumed part of the Members' Scheme Meeting).

If the Proxy Form is signed by an attorney, the original power of attorney under which the Proxy Form was signed (or a certified copy of the authority) must also be received by this deadline unless it has been previously provided to the Aventus Securities Registry.

9.4 Voting by attorney

You may appoint an attorney to participate in and vote at the Members' Scheme Meeting on your behalf. Your attorney need not be another Aventus Securityholder. Each attorney will have the right to vote on the poll and also to speak at the Members' Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Members' Scheme Meeting must be duly executed by you and specify your name, the entity (that is, Aventus), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, must be received by the Aventus Securities Registry before 10.00am (Sydney time) on Sunday, 23 January 2022 (or, if the Members' Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Members' Scheme Meeting in relation to the resumed part of the Members' Scheme Meeting) in any of the ways specified for Proxy Forms in section 9.3 above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to participate in and vote at the Members' Scheme Meeting via the online platform will require the appointing Aventus Securityholder's name, postcode and SRN or HIN in order to access the online platform.

9.5 Voting by corporate proxyholders or corporate holders of Aventus Securities

Corporate proxyholders or corporate holders of Aventus Securities who wish to appoint a representative to participate in the Members' Scheme Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. The "Appointment of Corporate Representative form" can be obtained from the Aventus Securities Registry for this purpose by visiting the forms menu of the Aventus Securities Registry's website www.linkmarketservices.com.au or calling the Aventus Securities Registry's investor response centre on **1300 554 474** (callers within Australia) or **+61 1300 554 474** (callers outside Australia). The authorisation may be effective either for the Members' Scheme Meeting only or for all meetings of Aventus Securityholders.

18. Annexure F: Notices of Meetings

The Appointment of Corporate Representative form must be received the Aventus Securities Registry prior to the Members' Scheme Meeting. Aventus Securityholders must submit the form via email, by sending it to vote@linkmarketservices.com.au.

If an Appointment of Corporate Representative form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the Aventus Securities Registry.

A validly appointed corporate representative wishing to participate in and vote at the Members' Scheme Meeting via the online platform will require the appointing Aventus Securityholder's name, postcode and SRN or HIN in order to access the online platform.

Corporate Directory

Aventus Holdings Limited

ACN 627 640 180
Level 33, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000 Australia

Aventus Capital Limited

ACN 606 555 480
(responsible entity for the Aventus Retail Property Fund)
AFSL No. 478061
Level 33, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000 Australia

Aventus Securities Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000 Australia

Stock Exchange Listing

Aventus Securities are quoted by the Australian Securities Exchange (ASX: AVN)

Financial Adviser

UBS Securities Australia Limited
Level 16 Chifley Tower
2 Chifley Square
Sydney NSW 2000 Australia

Legal Adviser

Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000 Australia

Taxation Adviser

Greenwoods & Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000 Australia



aventus