



OLIVINE



Batemans Bay

Supplemental Information Memorandum 10 June 2024

Augustion Property Fund
Olivine Class Units

Trustee
Quay Wholesale Fund Services Pty Ltd
ABN 55 647 044 602
AFSL No 528526

Investment Manager
Augustion Pty Ltd
ABN 36 673 455 457
CAR No. 001309540

Important Notices

This Supplemental Information Memorandum

This Supplemental Information Memorandum ("**Supplemental IM**") accompanies the information memorandum dated 10 June 2024 ("**Master IM**") for the offer of interests in the Augustion Property Fund ("**Trust**"). Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602, AFSL No 528526) ("**Trustee**") is the trustee of the Trust and the issuer of this Supplemental IM.

The Trust is an unregistered managed investment scheme for the purposes of the Corporations Act (Cth) ("**Corporations Act**").

The investment manager of the Trust is Augustion Pty Ltd (ABN 36 673 455 457) ("**Investment Manager**").

The Supplemental IM is dated 7 February 2025 and is issued by the Trustee. Prospective investors in the Trust should ensure they have read and understood this Supplemental IM and the Master IM prior to investing in the Trust.

We do not guarantee any specific rate of return or that you will make a positive return on your investment or retain your capital.

Investment Offered under this IM

This Supplemental IM relates to interests in the Olivine Class Units of the Trust.

The specific investments offered under this Supplemental IM are described on the following pages. These options are subject to change as determined by the Trustee and the Investment Manager.

Additional Supplemental IMs will be issued from time to time in respect of any new investment options the Trustee intends to make available.

Your Decision to Invest

This Supplemental IM and the Master IM are important documents which you should read before making a decision to acquire an interest in the Olivine Class Units of the Trust.

A document of this kind cannot however take into account your investment objectives, financial situation or particular needs, and nothing in this Supplemental IM or the Master IM should be regarded as a recommendation by the Trustee, Investment Manager or by any other person concerning an investment in the Trust. Having considered the information in this Supplemental IM and the Master IM, you should obtain independent financial and taxation advice as to the suitability of an investment in the Trust for you, having regard to your investment objectives, financial situation and particular needs.

Applications

This Supplemental IM and the Master IM are available in paper and electronic form. If you wish to invest, you must complete the Application Form accompanying the Master IM and submit it as set out in accordance with the instructions set out in the Application Form. Investment confirmations will only be issued to you upon receipt and acceptance of a completed Application Form.

Please refer to the master IM and the 'project specific risks' section of this supplemental IM for a description of some of the risks that may be applicable to this investment.

Restrictions on Distribution of this IM

The offer to which this Supplemental IM relates is only available to persons:

- receiving the IM in Australia; and
- who qualify as Wholesale Clients (as defined in the Corporations Act 2001(Cth))

The Supplemental IM does not constitute an offer of the Trust in any place in which, or to any person to whom, it would not be lawful to make an offer of the Trust.

The distribution of the Supplemental IM in jurisdictions outside Australia may be restricted by law, and any person who resides outside of Australia and who comes into possession of the Supplemental IM should seek advice about it and observe any restrictions.

No Liability

The Trustee has prepared this Supplemental IM based on information available to it at the time of preparation and from sources believed to be reliable. No person makes any representation that it has verified the information. No representation or warranty is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this Supplemental IM or any other information the Investment Manager or the Trustee otherwise provide to you.

To the maximum extent permitted by law, the Investment Manager, the Trustee and their respective bodies corporate, officers, employees and advisors are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this IM or otherwise in connection with it.

Definitions

Defined terms and expressions used in the Master IM, whether capitalized or otherwise, have the same meanings when used in this Supplemental IM, unless otherwise defined by this Supplemental IM.

Please refer to the master IM and the 'project specific risks' section of this supplemental IM for a description of some of the risks that may be applicable to this investment.

Project Overview

- This offer represents the opportunity to invest in the “Olivine” real estate development at 61 – 63 Golf Links Drive, Batemans Bay (The Project) by way of debt funding. The total capital to be raised is \$2,000,000 at a target rate of return of 15% p.a, with an expected term of investment of 24 months.
- The Project involves developing a five-story apartment building at 61-63 Golf Links Drive, Batemans Bay, which will yield 17 homes.
- The site is zoned R3, per the town plan, allowing medium-density development of up to 15 meters. Final approval of the Development Application (DA0088/24) expected in February 2025. The DA can be viewed on the Eurobodalla Shire Council website [here](#).
- The area is desirable to buyers seeking to downsize while maintaining links to the local area, as well as first-home buyers and investors. There is also a significant buyer market located in the ACT that considers the area an attractive base for a second home for holidaying or working remotely.
- The site has already been acquired, and the two dwellings are currently rented on periodic tenancies.
- The Trust is an unsecured creditor, is subordinate to the secured senior lender and senior to the Development Owner.
- If the Project timeline exceeds the forecast completion date, Investors are entitled to continue to earn a target return of 15% per annum on their Class until the outstanding balance is repaid to the Trust. Should the sales targets not be met, an alternative exit strategy will be agreed with the Trustee possibly through refinancing the remaining residential units via a separate residential investment loan.
- The funds raised by the Class will be used for costs to take the project from DA through to completion, including BA, financing, marketing and development management.

Total Capital to be raised by Olivine Class Units

\$2,000,000 at a target rate of return of 15% p.a.

Term of Investment

Approximately 24 months from the Final Closing Date

Project Snapshot	
Gross Realisation	\$14,608,800
Land Value	\$1,430,000
Total Development Cost (TDC)	\$10,204,608
Projected Profit	\$1,882,057
Profit on Cost	18.44%
Total Dwellings	17 across four floors, with ground level parking
NSA	1452m²
Site Area	1395m²
DA Approval Date	February 2025

Please refer to the master IM and the ‘project specific risks’ section of this supplemental IM for a description of some of the risks that may be applicable to this investment.

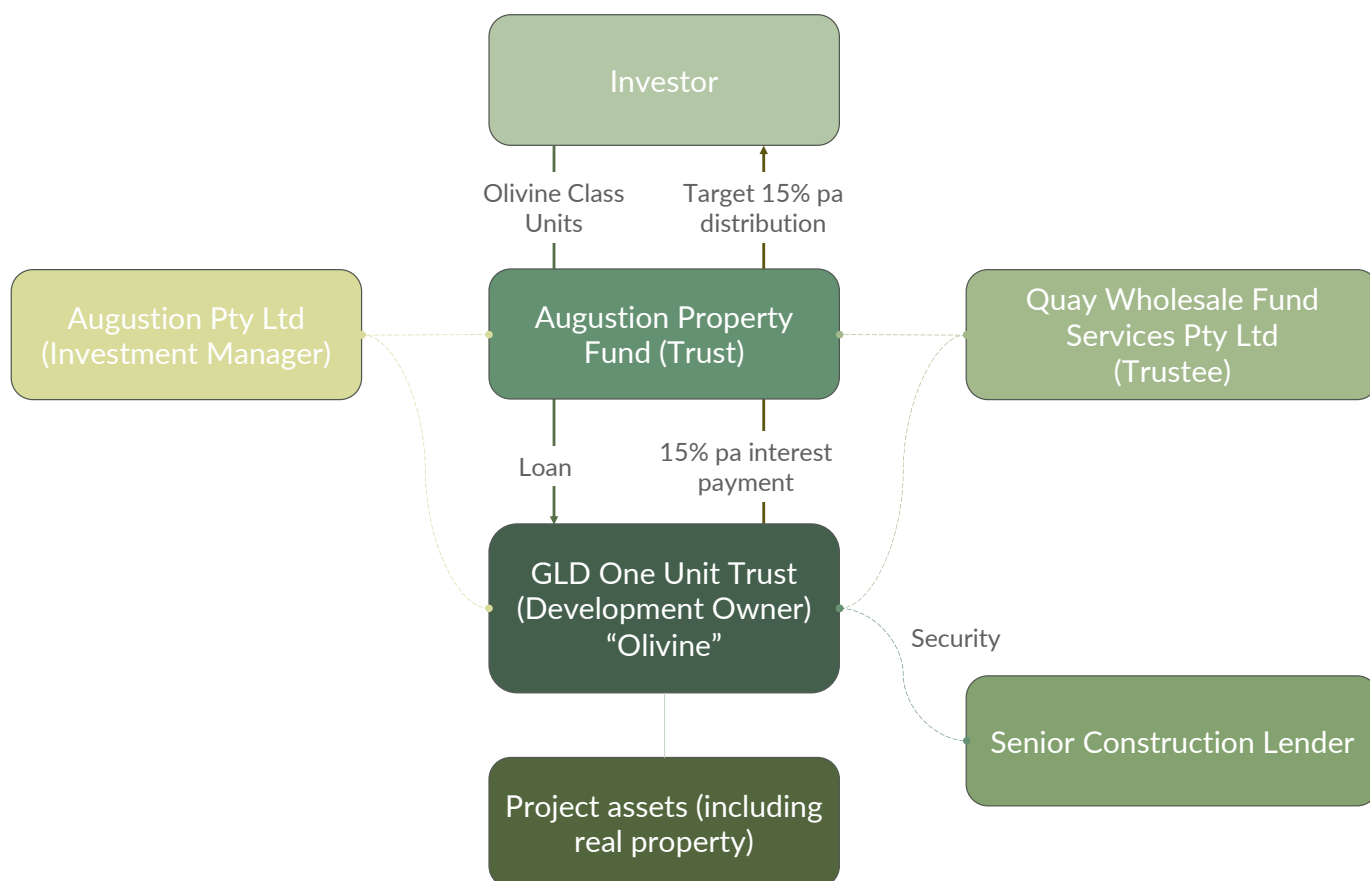
Term	Description
Name of Series or Class	Augustion Property Fund – Olivine Class Units
Investment Manager	Augustion Pty Ltd (ABN 36 673 455 457)
Trustee	Quay Wholesale Fund Services Pty Ltd (ABN 55 647 044 602 / AFSL 528526)
Development Owner	Quay Wholesale Fund Services Pty Ltd ATF GLD One Unit Trust
Investor	Holders of Olivine Class Units
Project	Development of the 'Olivine' residential development located 61-63 Golf Links Drive, Batemans Bay
Underlying Investment	The underlying investment is an unsecured debt facility or loan between the Trustee of the Trust and the Development Owner. Loan funds will be used by the Development Owner for the financing of the Project.
Investment Term	Expected to be 24 months from the Final Closing Date, unless shortened or extended by the Trustee in its discretion.
Investment Period	The period commencing on the Final Closing Date and ending at the end of the Investment Term.
Unit Price	\$1 per Unit during the Initial Offer Period, and otherwise as specified in the in the Master IM.
Final Closing Date	30 June 2025 or such other date as is specified by the Trustee from time to time.
Initial Offer Period	The period during which units are offered at \$1 per Unit, ending the Final Closing Date.
Minimum Investment	\$100,000.00
Distribution Policy	Targeted returns will be distributed the end of the Project along with Investor's capital.
Investment Fee	Nil to the Investor (investment fees are borne at the underlying Project level instead).
Expenses	All other expenses will be charged as disclosed in the Master IM.
Performance Fee	Nil.
Forecast/ Target Return	15% per annum

Please refer to the master IM and the 'project specific risks' section of this supplemental IM for a description of some of the risks that may be applicable to this investment.

Investment Structure

The Trust itself will not have any ownership interest in the underlying real property being developed under the Project. Rather, the Trust will aim to generate returns by way of interest payments on the unsecured debt financing provided to the Development Owner to fund the Project.

The diagram illustrates the investment's structure.



Please refer to the master IM and the 'project specific risks' section of this supplemental IM for a description of some of the risks that may be applicable to this investment.

Project Feasibility & Budget

Project Feasibility/Budget	\$AUD
Gross Revenue (incl. GST)	14,608,800
Selling Expenses	
GST on Sales	1,198,073
Sales Commissions	321,394
Conveyancing	22,100
Total Selling Expenses	1,541,566
Development Costs	
Land	1,430,000
Stamp Duty	49,080
Government Charges	100,000
Marketing	50,000
Development Management	292,176
Consultants and Legal Fees	605,000
Holding Costs	200,000
Construction	7,122,240
Construction Contingency	356,112
Total Development Costs (TDC)	10,204,608
Costs of Funds	
Senior Debt Interest & Fees	837,979
Senior Debt Line Fees	
Senior Debt Establishment Fees	142,589
Total Development Costs (COF)	980,568
Total Development Costs after (COF)	11,185,176
TOTAL PROFIT	1,882,057
Profit/Gross Revenue	12.9%
Profit/TDC before COF	18.4%
Profit/TDC after COF	16.8%

Priority and Distribution of Returns	\$AUD
Total Distribution Available (GR Less:GST & Selling Cost)	13,067,234
Less:	
Senior Debt, Investor & owner Capital	11,185,176
	1,882,057
Less:	
Investor Return	645,000
Owner Return	1,237,057
Ending Balance	-

Disclaimer: All figures are preliminary and subject to change. All investments are subject to risk. Past performance is not a reliable indicator of future performance. Any performance described above may be subject to change between now and when you invest.

Please refer to the master IM and the 'project specific risks' section of this supplemental IM for a description of some of the risks that may be applicable to this investment.

Project Specific Risks

In addition to the risks set out in the Master IM, further risks specific to the Project are as follows:

- **DA Approval risk:** DA Approval has not yet been secured to undertake the Project. There is a risk that DA Approval may not be obtained, significantly delayed, or conditions of the DA Approval not being met. If DA Approval is not obtained, the Project will not be able to commence and this may significantly impact Investor returns.
- **Development delay risk:** There is a risk that development may be delayed which may lead increased interest costs. This may further reduce the returns to Investors as well as delay such returns.
- **Development costs risk:** Budgeted development costs may be materially different to actual costs incurred by the Project. Cost overruns or changes to anticipated costs may result in additional equity or debt funds being required, which may dilute or extinguish returns.
- **Market risk:** The Project is exposed to changes in the supply and demand for residential dwellings and the values of residential dwellings.
- **Sales risk:** The price achieved for the sale of the residential developments under the Project may be insufficient to deliver the interest payable and the repayment of the principal and/or interest under the Trust loan and/or the senior debt loan.
- **Settlement risk:** Once residential units are sold, there is a risk that buyers do not settle on their purchase. There are risks associated with the validity and enforceability of the sales contracts and satisfying foreign investment laws and regulations. The sale and marketing to foreign buyers is considered a higher settlement risk than to domestic owner occupiers due to the lending criteria applied to different categories of buyers.
- **Refinancing risk:** In the event the Project requires additional financing or refinancing, there is no certainty that such debt funding can be obtained. In that event, the properties and any other asset may have to be sold at short notice which could ultimately impact the returns on such properties.
- **Related party risk:** The Investment Manager and the beneficial owners of the Development Owner are related parties. There is a risk that the interests of related parties may influence the decision-making of one another. The Investment Manager will ensure any transactions with the Development Owner are conducted on an arms-length basis.
- **Conflicts of interest risk:** The Trustee also acts as trustee of the Development Owner. As such, there is a risk that a conflict of interests between the Trust and GLD One Unit Trust may arise. The Trustee will at all times have regard to its trustee obligations to the Trust and will endeavour to resolve such conflicts fairly.
- **Diversification risk:** Through the Underlying Investment, the Trust only has exposure to a single unsecured debt asset only and as such there is no diversification in investments.

Please refer to the master IM and the 'project specific risks' section of this supplemental IM for a description of some of the risks that may be applicable to this investment.