

Banner Asset Management Property Income Fund & Low LVR Income Fund

Fund Summary

Fund Name	Property Income Fund & Low LVR Income Fund
Fund Manager	Banner Asset Management Pty Limited
Asset Class	Private Debt
Sub-asset Class	Property
Strategy Description	Deliver investor returns through investments in mortgages against Australian real estate. The types of financial instruments in which the Funds may invest include loans for the development or acquisition of Australian residential, office, retail, industrial or commercial property secured by first mortgages, where they meet Banner's strict selection and due diligence criteria.
Target Net Return*	<ul style="list-style-type: none"> • Banner Property Income Fund: Targeting BBSW +6.5% • Banner Property (Low LVR) Income Fund: Targeting BBSW +4%
Leverage	<ul style="list-style-type: none"> • Banner Property Income Fund: Loan to value ratio (LVR) will not exceed 75% of the assessed value of the property at the time of the investment. • Banner Property (Low LVR) Income Fund: Loan to value ratio will not exceed 50% of the assessed value of the property at the time of the investment.
Distributions Frequency	Quarterly within 30 days of the end of a quarter (or within 90 days of the Quarter ending on 30 June each year)
Fund Structure	Open-ended Unit Trust
Terms of the investment	<ul style="list-style-type: none"> • Monthly Applications • A minimum holding period of 12 months applies to Units issued by the Fund (otherwise 5% fee may be charged). Unit Holders may request a redemption of Units any time after 12 months, with 90 days' notice to the Manager, subject to the Trustee's discretion.
Fees (exclusive of GST)	<ul style="list-style-type: none"> • Management Fee: 1.75% • Loan Facility or Line Fees paid by borrower: The Trustee may elect to share such fee with the Fund at its sole discretion. • Margin on interest payments: The Trustee may earn a margin on interest payments by the borrower and does not form part of the Fund.
Drawdown Profile	Full Drawdown
Minimum Investment	\$50,000
Key Dates	Refer to: https://www.partnersprivate.com.au/investments/banner-asset-management/
Offer Documents	Information Memorandum

*Target returns are not guaranteed, and total returns may be above or below target range. This summary has been provided for illustrative purposes only. All terms and conditions contained herein are subject to and will be superseded by the final documentation. Please refer to the Fund's Information Memorandum for further details. This summary is not an offer or solicitation to purchase interests in the Fund. Such interests are only offered pursuant to the terms of the Information Memorandum, which should be reviewed carefully prior to investing. Past performance and/or forward-looking statements are not a reliable indicator of future performance.

Banner Asset Management

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Investment Strategy

Two investment options are available:

a) The Banner Property Income Fund

The Manager seeks to enhance investor returns by acquiring investments in Australian property mortgages to a maximum of 75% of the property value as assessed by an independent valuer.

The enhanced rate is achieved by allowing priority for part of the mortgage debt at lower rates, the benefit of which flows to the investors in this Fund. Typically, the investment will be subordinated to monies owing under a low LVR Banner Fund loan which is limited to 50% LVR (plus interests and costs).

b) The Banner Property (Low LVR) Income Fund

The Manager seeks to enhance Investor returns and security by acquiring lower-risk investment in Australian property mortgages – limited to 50% of the property value as assessed by an independent valuer.

This is achieved through:

- Direct investments in property mortgages to a maximum of the LVR Limit for the Fund (50%) secured by first registered mortgage;
- Investment in Banner Sub-Schemes, to the extent that the underlying loan asset (the loan principal advanced) is to a maximum of the LVR Limit for the Fund and secured by first registered mortgage;
- Interests in mortgages obtained through the assignment of interests in other Banner Funds; and
- Securing a priority position (to a maximum LVR Limit for the Fund) in higher LVR loans where the repayment of the Fund is prioritised over the other lender's debt.

Please note both returns are net to investors and the BBSW rate is reset every quarter. The target returns are targets only, and the Funds may not meet their objective.

The Fund Manager

The Fund manager is Banner Asset Management Pty Limited (ABN 92 158 842 810). The Manager has experience and expertise in fixed income mortgage securities.

The Manager's key full-time principals have more than 50 years of cumulative experience in the commercial mortgage sector. As at Oct 2024, the Manager manages FUM of \$745m.

The Manager will employ both a macro-economic view and an individual loan focused asset selection process and seeks where possible, to take advantage of dislocations within the Australian property credit market.

The Fund

The Fund is an unregistered managed investment scheme structured as a unit trust and is governed by Australian law.

The Fund has been established to provide Wholesale Clients with an opportunity to invest in a pooled managed investment and to receive income from investments where the underlying security is registered mortgages over real property.

The Fund adopts a credit strategy which aims to realise value for investors by acquiring investment positions in Australian property debt instruments, typically mortgages. The Trustee invests the assets of the Fund in accordance with the investment strategy and policies set out in the IM.

The Banner Property (Low LVR) Fund limits the capital exposure of the Fund and investors to an agreed LVR Limit (being the principal lent as a percentage of the assessed value of the Security Property). The LVR is generally considered a measure of risk which, all being equal, reduces the risk to the investor of any capital loss from any decrease in property values.

The Banner Property Income Fund has a higher LVR Limit with a commensurate increase in the Target Return for the investor.

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Partners Private View

The Partners Private view is that this investment should provide robust risk-adjusted returns to investors at various levels of risk tolerance (differentiated by loan to value ratio).

The investments are backed by real property and are generally secured under a first mortgage which can be diversified across the different sub-sectors.

The Manager is a well-known counterparty to Partners Private, having provided a strong track record of successful investment performance over the years to our investors. As a result, we are privy to greater access to information and are provided a regular in-depth look through of the portfolio on a quarterly basis.

Although the number of fund positions are relatively concentrated at its current size, diversification should grow as the fund scales.

This fund could be considered by investors looking to:

- Complement existing traditional equity and fixed income exposures.
- Capitalise on major long-term secular trends in property, dislocations and cyclical opportunities in the credit sector.
- Create a relatively uncorrelated return profile of this property sector versus other private markets exposure.
- Diversify property sub-sector and geographic exposure.
- Receive a quarterly servicing source of income with an ability to redeem after 12 months.

