Bedford Street, Gillman, SA

Trilogy Industrial Property Trust

Product Disclosure Statement

1 July 2021

ARSN 623 096 944
APIR code TGY1928AU
Issuer: Trilogy Funds Management Limited
ABN 59 080 383 679
AFSL 261425

Trilogy Funds

Dear Investor,

Given significant investor interest and the continued growth of the industrial sector in Australia, we are pleased to reopen the Trilogy Industrial Property Trust (Trust) for investment.

The Trust aims to build a diverse portfolio of industrial assets that deliver competitive income and the opportunity for long-term capital growth. It currently holds seven assets across South Australia and Queensland has recently settled the acquisition of its eighth asset, and its first in Victoria in June 2021.

The Victorian property provides the Trust with an additional level of diversification in terms of income, tenant type and geographical location.

Due to investor demand, and the focus of the Trilogy property team on identifying additional acquisitions, we expect the Trust's portfolio will continue to expand. We are therefore currently accepting investment in the Trust under this PDS.

Investors should note that while it is our intention to offer Units on an ongoing basis, Trilogy may determine from time to time that it will cease accepting applications, which it may do at any time, either for a period of time, or until such time as we notify that we will be again accepting applications.

We believe that the Trust is a compelling investment opportunity for investors seeking income from an asset class with the potential to provide strong returns in a low interest rate investment environment.

We look forward to welcoming you as an investor in the Trust and to existing investors subscribing for further units.

Before deciding whether to invest, please read this PDS and the information provided on the website in full and seek professional financial advice regarding your personal circumstances.

Should you have any questions, please contact our Investor Relations Team on 1800 230 099 or email investorrelations@trilogyfunds.com.au.

Yours faithfully

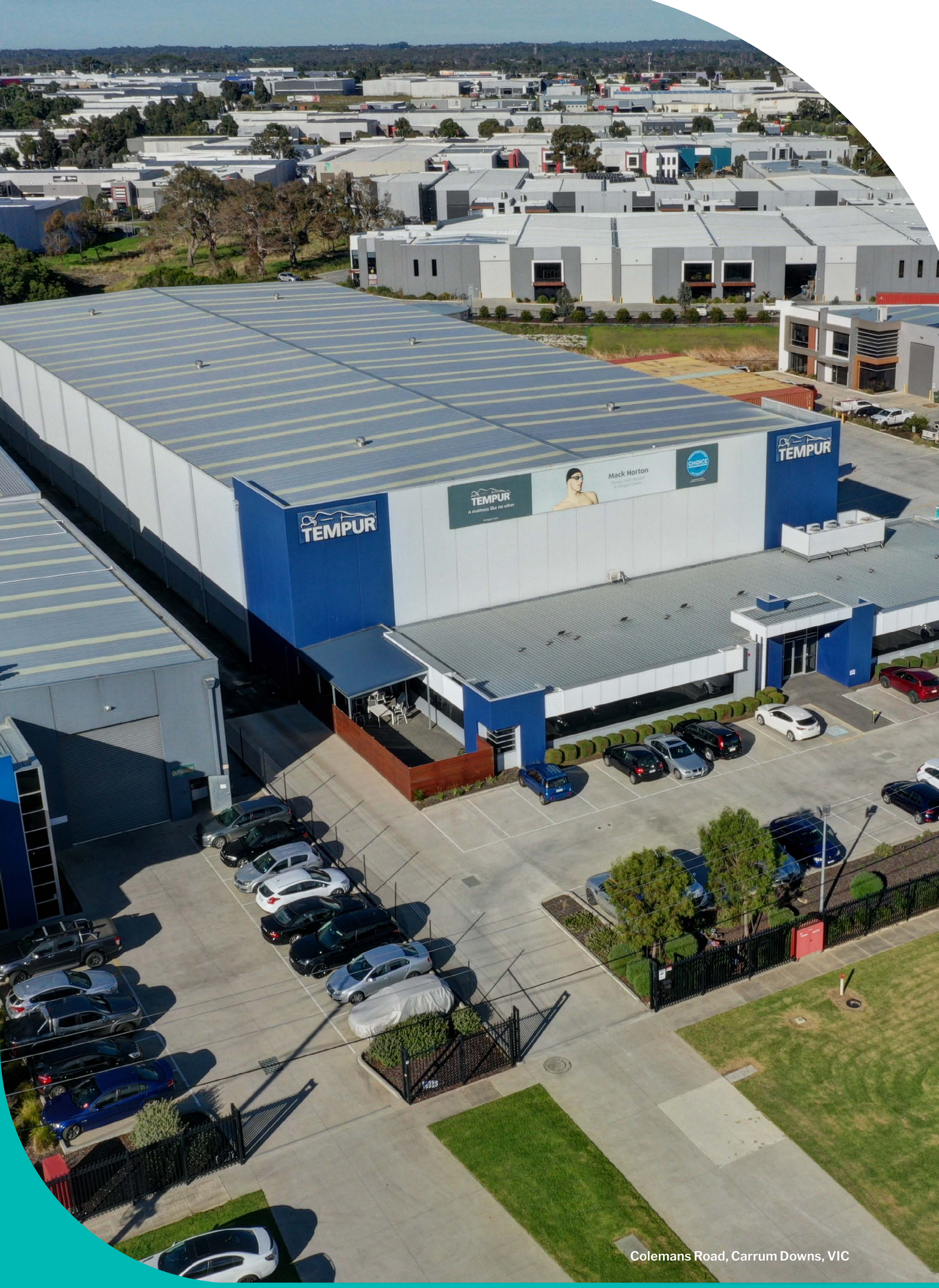
Rodger Bacon
Executive Deputy Chairman
Trilogy Funds Management Limited

Contents

Important information The trust offered under this Product Disclosure Statement (PDS) is the Trilogy Industrial Property Trust ARSN 623 096 944 (Trust). This PDS is dated 1 July 2021. Trilogy Funds Management Limited ABN 59 080 383 679 (Trilogy or the Responsible Entity or we or us), Australian Financial Services Licence (AFSL) number 261425, is the issuer of this PDS and the seller of the Units offered under this PDS. Trilogy takes responsibility for this PDS. This PDS contains only general investment advice. It does not take into account your individual objectives, financial situation, or needs. You should take these and your personal circumstances into account when considering whether the information contained in this PDS is appropriate for you. You should also seek your own financial advice from a licensed financial adviser. No investment in the Trust offered under this PDS, its performance or return is guaranteed by Trilogy, the Property Manager, their related parties, or any of their directors or officers, or any other party associated with the preparation of this PDS. You should consider this when assessing the suitability of the investment and the risks of investing. This document is only intended for Investors receiving it (electronically or otherwise) in Australia. This PDS is available in electronic format and can be accessed via website trilogyfunds.com.au If you receive it electronically, then please ensure that you have received the entire PDS and the Application Form. If you are unsure whether the electronic document you have received is complete, please contact us on 1800 230 099. A printed copy is also available free of charge. All dollar amounts referred to in this PDS are in Australian dollars. In Section 10 we have included a glossary of terms that are used in this PDS. No investments will be accepted on the basis of this document once it is replaced by a later PDS.

Visit trilogyfunds.com.au regularly for further information about the Trust, including:

- **continuous disclosure notices;**
- **updates of ASIC Regulatory Guide (RG) 46 Benchmarks and Disclosure Principles (see Sections 1.2 and 1.3); and**
- **other Trust updates.**



Colemans Road, Carrum Downs, VIC

Section 1.
Investment overview

The Trust is designed to build a diverse portfolio of industrial properties located in key Australian regional and metropolitan precincts. The Trust targets industrial properties that have the potential to provide long-term cashflows to investors and could offer the opportunity of value-add.

Its aim is to provide investors with stable and regular income, the opportunity for capital growth over the long term, and withdrawal offers intended every four years.

Returns and demand for industrial assets are usually driven by the logistics, manufacturing, resources, and agricultural sectors. Investors are attracted to this style of property as returns are often correlated with economic growth and the provision of infrastructure. Further, industrial property often features long leases with fixed rental increases providing a level of income certainty over the investment term.

1.1 Investment overview

THE OFFER		SECTIONS/S
Offer	The Offer is for Investors to subscribe for Units. The Offer will remain open unless the Responsible Entity determines from time to time that it will cease accepting applications for Units, which it may do at any time, either for a period of time, or until such time as the Responsible Entity notifies that it will be again accepting applications.	4.2
Purpose of the Offer	Funds raised, combined with existing funds in the Trust, will be used to acquire Property, with the remaining funds raised utilised at a later point in time to acquire further Properties that meet the Trust's investment criteria.	4.4
Minimum investment amount	$50,000	4.6
Withdrawals	Like many unlisted property schemes, the Trust is an illiquid scheme and Investors may only exit upon a Withdrawal Offer from the Responsible Entity. The Responsible Entity intends to make Withdrawal Offers once every four years from settlement of the purchase of the Initial Property Portfolio which occurred on 12 April 2018.	4.10

THE INVESTMENT OPPORTUNITY		SECTIONS/S
Trust type	Unlisted unit trust registered with ASIC as a managed investment scheme.	4.1
Investment objective	To provide stable and regular monthly income and the opportunity for capital growth over the long term.	3; 4.8; 4.11
Investment strategy	To build a portfolio of properties located in key Australian regional and metropolitan industrial precincts, by seeking to target industrial properties that have the potential to provide long-term cashflows to investors or could offer the opportunity of value-add.	3
Distributions	Paid monthly in arrears, normally on the eighth Business Day following the end of each calendar month.	4.8

FINANCE FACILITY		SECTIONS/S
Target gearing	Target gearing is a Loan-to-Valuation Ratio (LVR) of 50% or below. However, the Trust may borrow over 50% LVR from time to time in order to make further acquisitions.	4.14
Duration of the Trust	Open ended, meaning that it has no fixed duration or end date.	
Transfer of Units	Investors may transfer their Units to a third party at any time, subject to the transfer provisions in the Constitution and the consent of the Responsible Entity.	4.9
Fees and other costs	Fees and other costs are deducted from the Trust and you should read Section 6 for full details. The Responsible Entity is entitled to be paid ongoing management fees as well as certain one-off transactional and performance fees and may also be reimbursed for expenses it incurs in operating the Trust.	6

1.1 Investment overview (continued)

FINANCE FACILITY		SECTIONS/S
Other Investments	At the date of this PDS, the strategy is to invest excess cash held by the Trust in other income earning investments. Any investment in registered management schemes operated by Trilogy, including an investment in one or both the Trilogy Monthly Income Trust ARSN 121 846 722 and Trilogy Enhanced Income Fund ARSN 614 682 469 is permitted up to a maximum 20% of the Gross Asset Value (GAV) at the relevant time. Excess cash above 20% of the GAV may be invested in other income earning investments such as other unlisted managed funds, index funds, income securities and fixed or floating rate debt securities that may be held directly or indirectly. It is important to note that at any time the Trust's investments in any class of investment is approximate only and that there is no obligation on the Responsible Entity to rebalance the portfolio of assets at or within a particular time.	3.1
Issue Price	Units are issued at the prevailing Unit Price plus any applicable buy spread on the date the Units are issued. The Unit Price is the prevailing Net Asset Value (NAV) of the Trust plus the amortised value of acquisition costs divided by the number of Units on issue. The Responsible Entity has a Unit Pricing Policy in place in relation to the Trust. Investors may obtain a copy of this policy by contacting the Responsible Entity.	

PROPERTY PORTFOLIO		SECTIONS/S
Current Property Portfolio	The current Property portfolio is comprised of assets located in South Australia, Queensland and Victoria. Please refer to the website **trilogyfunds.com.au** for the current Property portfolio and specific information on each Property.	
Expansion opportunities	It is also part of the Trust's investment strategy to seek Property assets with the potential for value-add such as expansion of lettable area, refurbishment and improvement works. This may either be led by Trilogy or the respective tenant(s).	3.1

1.2 ASIC Benchmarks

Disclosure against the ASIC RG 46 benchmarks is as at the date of this PDS, unless otherwise stated, and may change during the currency of this PDS. These benchmarks will be updated at least twice annually and if there is a significant adverse change. Updated disclosures on the benchmarks will be available on our website, trilogyfunds.com.au

ASIC BENCHMARK	DOES THE TRUST MEET THE ASIC BENCHMARK?	SECTIONS/S
Benchmark 1: Gearing	Yes. Trilogy maintains and complies with a written policy that governs the level of gearing at a Trust credit facility level.	4.14
Benchmark 2: Interest Cover Policy	Yes. Trilogy maintains and complies with a written policy that governs the level of interest cover at a Trust credit facility level.	4.15
Benchmark 3: Interest Capitalisation	Yes. The interest expense of the scheme is not capitalised.	4.13
Benchmark 4: Valuation Policy	Yes. Trilogy maintains and complies with a written valuation policy.	8.11
Benchmark 5: Related Party Transactions	Yes. Trilogy maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions, and arrangements to manage conflicts of interest.	8.9 and 8.11
Benchmark 6: Distribution Practices	Yes. Trilogy intends to pay distributions to Investors in the Trust only from cash balances from the Trust's operations (excluding borrowings).	4.8

1.3 ASIC Disclosure Principles

Disclosure against the ASIC RG 46 disclosure principles is as at the date of this PDS, unless otherwise stated, and may change during the currency of this PDS. These disclosures will be updated at least twice annually, and if there is a significant adverse change. Updates on these disclosure principles will be available on our website www.trilogyfunds.com.au.

ASIC DISCLOSURE PRINCIPLES	DISCLOSURE	SECTIONS/S
Disclosure Principle 1: Gearing Ratio	The gearing ratio calculated in accordance with the ASIC Disclosure Principle (RG 46.62) is 0.33. Trilogy will meet the gearing level outlined in its gearing policy.	4.14
Disclosure Principle 2: Interest Cover Ratio	The interest cover ratio as at 31 May 2021, being the date of the Trust's latest board-reviewed management financial statements is 5.00 times. This is calculated on the basis of the ASIC Disclosure Principle definition of EBITDA (earnings before interest, tax, depreciation and amortisation). Based on the definition of interest cover ratio adopted by the financier for the Finance Facility, the interest cover ratio as at 31 May 2021 is 7.93 times. The Finance Facility requires an interest cover ratio of no less than 2.50 times. As a result, there will not be a breach of the finance facility's interest cover ratio.	4.15
Disclosure Principle 3: Scheme Borrowing	At the date of this PDS, the Trust's total drawn borrowings was $25,470,000. The Finance Facility limit is $25,470,000. The facility is comprised of two fixed rate loans.	4.12 and 4.15
Disclosure Principle 4: Portfolio Diversification	As at the date of this PDS, the Trust's current portfolio is comprised of eight property assets, an investment in the Trilogy Enhanced Income Fund as well as cash holdings.	3
Disclosure principle 5: Related Party Transactions	Yes. The interest expense of the scheme is not capitalised.	4.13
Disclosure Principle 6: Distribution Practices	Trilogy intends to pay distributions from cash balances generated out of operations during the life of the Trust or by waiving or deferring various fees to which the Responsible Entity is entitled.	4.8
Disclosure Principle 7: Withdrawal Arrangements	Like many other unlisted property schemes, the Trust is illiquid and the withdrawalrights are limited. However, the Responsible Entity intends to make pro rata. Withdrawal Offers under the Corporations Act provisions once every four years.	4.10
Disclosure Principle 8: Net Tangible Assets	As at the date of this PDS, the Net Tangible Assets (NTA) of the Trust is $1.0719 per Unit.	4.16

Dacmar Road, Coolum Beach, QLD

Section 2.
About Trilogy (Responsible Entity)

Trilogy is the Responsible Entity of the Trilogy Industrial Property Trust.

Trilogy can trace its origins back to 1998 when a law firm, of which Philip Ryan was a partner, commenced an investment company managing income and property funds on behalf ofo investors. That company grew to become Trilogy Funds Management Limited when merged with interests associated with Rodger Bacon, John Barry and David Hogan, after their successes leading Challenger Financial Services Limited in 2004. All four founders still play active roles within Trilogy.

Today, Trilogy continues to grow robustly across a portfolio of investment products, property developments, funds management, financing and loan administration and registry services.

Seeking income and managing risk for its investors and borrowers remains at the core of the way Trilogy operates.

The role of Trilogy in acting as the Responsible Entity is to ensure that Trust assets are managed and dealt with in accordance with the Constitution, the *Corporations Act* and this PDS.

2.1 Trilogy Board of Directors

Robert Willcocks
BA, LLB, LLM

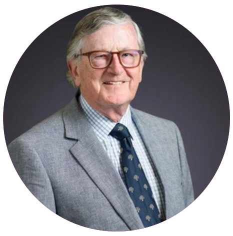
Independent Non-executive Chairman

Robert was appointed as the non-executive chairman for Trilogy in 2009. He is a corporate adviser with more than 30 years' experience as a professional listed company director and chairman. Robert is currently a director of the publicly listed company Living Cell Technologies Limited.

He is a former senior partner of the law firm Mallesons Stephen Jaques (now King & Wood Mallesons). Since 1994 he has been a corporate adviser in a range of industry sectors.

Rodger Bacon
BCom (Merit), AAICD, SF Fin

Executive Deputy Chairman



Rodger is an experienced financial services executive with a successful career establishing and growing high-performing businesses spanning more than 40 years. A founder of Trilogy and a member of the Board's Audit Committee, Property Investment, Lending and Treasury Committees, Rodger uses his extensive experience to add value to the Board and the executive team in all aspects of Trilogy's investment, financing, property development, marketing andcustomer focused initiatives.

Prior to establishing Trilogy, Rodger was an Executive Director at Challenger, where he helped establish multiple ASX listed financial services companies, developed a property portfolio worth more than $2.7 billion, and was instrumental in establishing and growing Challenger Annuities to capture 30% of annuities sales in Australia. He was also Chairman of the Credit Committee at Challenger. Prior to joining Challenger, Rodger worked at the Schroder Merchant Banking Group for 15 years where he was involved in all aspects of fund management including domestic and foreign fixed interest, direct property portfolios, management of equities, research and analysis and corporate finance. Rodger is a Senior Fellow and Member of FINSIA and an Associate of the Australian Institute of Company Directors.

Philip Ryan
LLB, Grad Dip Leg Prac, F Fin

Managing Director

As co-founder and Managing Director of Trilogy, Philip is responsible for leading a cohesive and high-performing team across Trilogy's three offices, overseeing business compliance, and developing product offerings. He sits on the Board's Audit Committee, Compliance, Property Investment, Lending and Treasury Committees. He also acts asGeneral Counsel for Trilogy.

Philip has over 30 years of experience in the financial services industry, across financial planning and funds management. He was previously a partner in a Brisbane law firm, having been a solicitor admitted to the Supreme Court of Queensland and High Court of Australia for over 35 years. He is a Fellow of FINSIA, with qualifications at a post graduate level in mortgage lending and financial services.

John Barry
BA FCA

Executive Director

As a founder of Trilogy and member of the Board's Audit Committee, the Property Investment Committee, and Chairman of the Treasury Committee, John is a strategic thinker whose focus on identifying opportunities to add value for consumers and the business has seen him champion transformational change at Trilogy.

Previously, John was involved in the establishment and ultimate growth of Challenger into a broadly based financial services company which included a $2.7 billion international property portfolio. John was an Executive Director at Challenger, Head of Property and responsible for the development of the Endowment Warrants to Instalment Receipts and the structure and establishment of Challenger's long-term annuities. Prior to Challenger John worked in corporate finance at Morgan Grenfell Australia and Rothschilds Australia and was an Executive Director of Rothschilds Australia.

Prior to Trilogy John established ABN AMRO's reverse mortgage product and headed up its PPP social infrastructure division. John has also been the Independent Non-Executive Chairman of Westpac RE Limited, a wholly owned subsidiary of Westpac Banking Corporation.

Rohan Butcher
BSc Quantity Surveying, Lic Real Estate, Reg Builder

Non-executive Director

Rohan is a Non-Executive Director of Trilogy and a member of the Lending Committee. With more than 30 years' experience in construction and property development, Rohan brings to Trilogy his experience working in quantity surveying, estimating, project administration, development management, planning and project management. At Trilogy, Rohan's key area of focus is the management of risk in the delivery of projects.

Rohan has been involved in several major projects within the residential, retail and commercial property sectors while undertaking a variety of senior appointments with major public and private companies. He is also a member of the Urban Development Institute of Australia.

2.1 Senior executives

Justin Smart BA Com, CPA

Chief Operating Officer & Chief Financial Officer

Justin Smart has been the Chief Operating Officer and Chief Financial Officer for Trilogy and a Director of RELM since 2007. He is also a Certified Practising Accountant. Prior to joining Trilogy, Justin held various senior management roles within the financial services sector.

He worked with Aussie Home Loans and QBE Insurance. He also acted as the Financial Controller for the Australian

Commonwealth Government's HIH Insurance Relief Scheme and was the Financial Controller for Charles Taylor Consulting's (UK listed Mutual Insurance Manager) Australian operations. Justin commenced his career with a multinational Chartered Accounting firm, specialising in audit. He was seconded across various Australian offices as well as their New York office. Justin's expertise encompasses technology, strategic planning and program delivery, and reviewing existing systems and processes to improve operational efficiencies. This combined with his experience across audit, insurance, home loans and funds management, gives him an in-depth understanding of driving efficiencies within the industry.

Clinton Arentz MBA

Head of Lending and Property Developments

Clinton has over 25 years' experience in asset and facilities management, property development, and projectdelivery. He is responsible for Trilogy's team of portfolio managers, overseeing the growth and management of the diverse construction loan portfolio, client and broker liaison and coordination, and new business development. Clinton also oversees the management of Trilogy's property assets, applying his experience in risk management, capital structuring, acquisitions and property syndications.

Prior to joining Trilogy, Clinton provided project structuring and development delivery services on commercial, industrial and residential projects in multiple locations. Several of his projects have achieved industry recognition among organisations such as Master Builders Association, Urban Development Institute of Australia, and the Property Council of Australia.

Clinton has been instrumental in the vast growth of Trilogy's construction loan portfolio as well as coordinating and expanding Trilogy's national lending focus since joining the business in 2017. He completed his MBA in 2019 and is passionate about providing exceptional service to our developer clients.

2.3 Property Manager

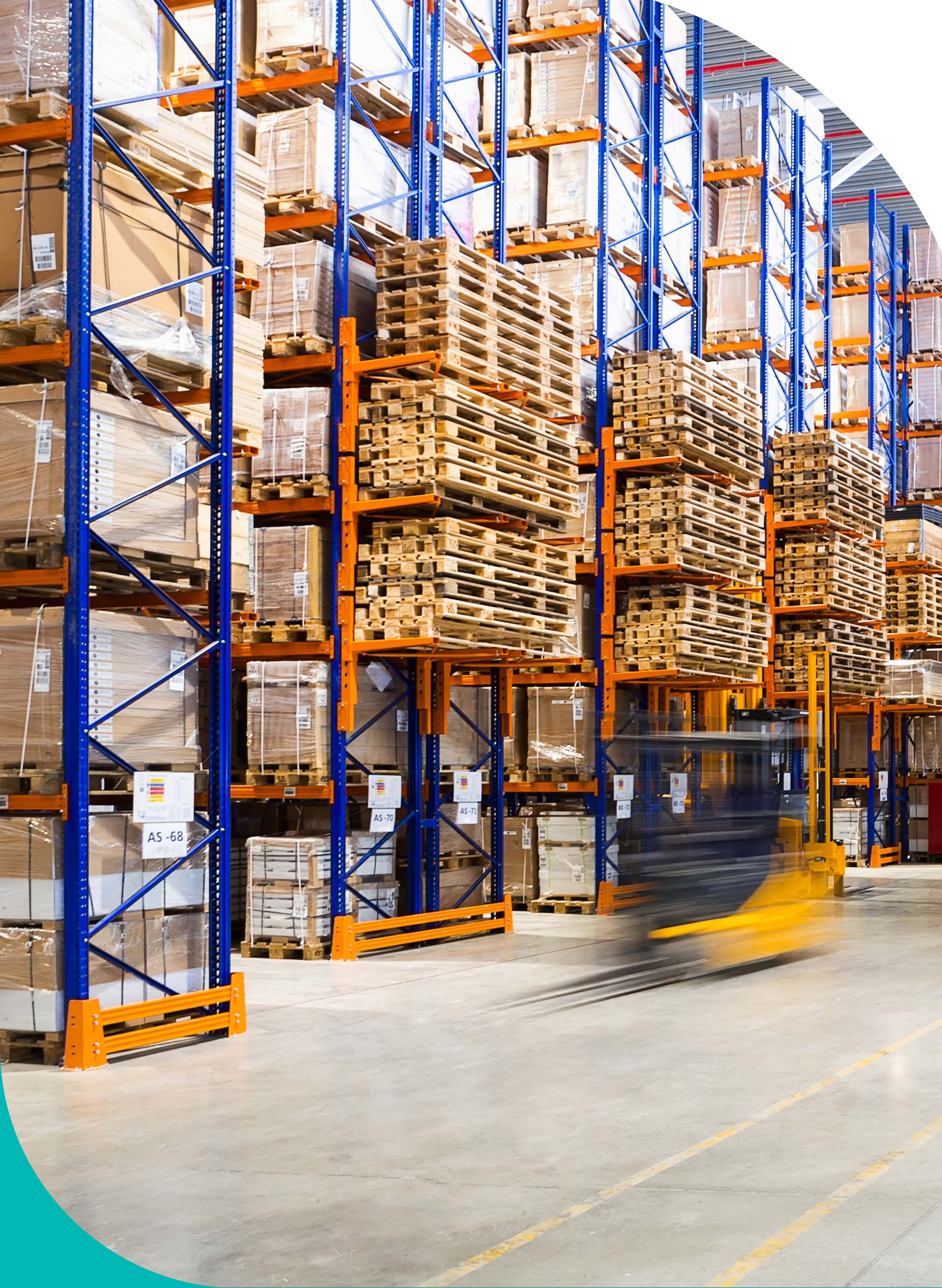
(SPFM No. 2 Pty Ltd (SPFM))

SPFM No 2 Pty Ltd (SPFM), a related party of Trilogy, is the property manager for the Trust. Its role is to seek property investment opportunities and oversee the day-to-day management of the industrial property assets. This role includes tenant management, maintenance, capital expenditure, development/expansion opportunity assessment and implementation, and leasing.

SPFM's fees for these services are paid by Trilogy from the Trust. In addition, SPFM may be retained to carry out further functions in respect of the Properties, such as lease negotiations, project management, and sales and marketing services, for which it will be remunerated from the Trust assets.

2.4 RELM Australia Pty Ltd (RELM)

RELM provides Trilogy's proprietary software that delivers Investor registry and other operational functionality to the Trust. RELM leverages the combined expertise and acumen of a number of industry experts to streamline back office processes and is a related party of Trilogy. RELM's fees are paid by Trilogy from the Trust.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Section 3.
Investment criteria and market outlook

The Trust aims to provide Investors with stable and regular income and the opportunity for capital growth.

To achieve these goals the Responsible Entity has purchased and expects to continue to purchase a variety of industrial properties diversified by industry type and their location in Australian regional and metropolitan industrial precincts. Additionally, the Responsible Entity seeks to target properties that have the potential to provide long-term cashflows to Investors or could offer the opportunity of value-add. This may include tenant-led expansion of lettable space, refurbishment and improvement works.

3.1 Trust investment criteria

The Responsible Entity aims to make investments that meet the following investment criteria.

Investment objectives	The primary objective is to maximise the potential investor returns diversified by both geographical location and the industries in which the tenants operate.
Property type	Industrial assets such as warehouses and manufacturing, logistics and distribution centres that provide consistent income and the potential for capital growth over the medium to long term.
Location	Established Australian industrial precincts in regional cities and metropolitan areas of capital cities.
Leases	Leases expected to provide a stable income stream from tenants of good covenant.
Value-add tenant-led expansion opportunities	To minimise risks associated with property construction and development while complying with this investment criteria, potential property construction and expansion will generally be undertaken only where it is 'tenant-led'.
Management	An active management style encompassing renegotiation of the current lease terms and facilitating potential tenant-led, value-add opportunities.
Portfolio review	Regular portfolio reviews to identify potential assets for sale that may provide significant returns in order to redeploy the capital elsewhere.

The Responsible Entity may vary these investment criteria from time to time, having regard to what it considers to be in the best interests of Investors. The Responsible Entity may give effect to these investment criteria by taking an interest in other investment vehicles (such as other funds) that may or may not invest in similar assets. Changes to these investment criteria will be communicated to Investors via the Trilogy website or in writing.

As at the date of this PDS, it is envisaged by the Responsible Entity that it may consider investing up to a target of 20% of the Gross Asset Value (GAV) of the Trust into registered managed investment schemes operated by the Responsible Entity.

The intended Trilogy schemes are:

- The Trilogy Enhanced Income Fund (TEIF) which invests directly and indirectly in a portfolio of cash, cash-style investments and other financial assets such as a range of short to medium bank term deposits, bills of exchange, promissory notes, bonds, fixed or floating rate debt securities as well as income securities and to enhance returns via exposure to the pooled mortgage portfolio of the Trilogy Monthly Income Trust. Withdrawals from TEIF require a 30 days' notice period but while the fund is liquid, they may be processed and paid in a shorter time at the discretion of Trilogy as the Responsible Entity of TEIF.
- The Trilogy Monthly Income Trust (TMIT), the investment strategy of which is to invest in loans secured by registered first mortgages held over property geographically spread across Australia's eastern seaboard states and territories. Loans for which the Trust provides finance may include residential, commercial, retail, development sites and industrial properties.

Excess cash above 20% of the GAV may be invested in other income earning investments such as other unlisted managed funds, index funds, income securities and fixed or floating rate debt securities that may be held directly or indirectly. The amounts invested will typically be any excess funds in the Trust at any one time that will be used to acquire future Property. This is not intended to be a long term, permanent strategy of the Trust. There are a number of benefits of having additional capital held within the Trust ready to be deployed. These include limiting the cost to existing investors of raising additional equity in the future and holding a potential competitive advantage when bidding for a potential new property for the Trust with capital ready to deploy. It is important to note that at any time the Trust's target investment percentage in other income earning investments is approximate only. There is no obligation on the Responsible Entity to rebalance the portfolio of assets at or within a particular time.

Investors should be aware of the risks to the Trust associated with these investments, as referred to in Section 5.

Should a new opportunity present itself in the form of one or more new properties, it is intended this excess equity may be combined with debt to purchase these additional assets. Any acquisition of this nature will be communicated to investors via the Trilogy website or in writing.

3.2 Industrial property market outlook

The Australian Industrial market is a high-growth sector for investment, benefiting from strong tailwinds in the logistics and e-commerce industries. The sector's exposure to consumer staples and their reliance on raw materials, storage, and distribution continues to provide solid grounding for the sector, whilst ever-growing demand for online retail and supply chain efficiencies has allowed the industrial sector to emerge from the COVID-19 pandemic as an appealing asset class for investors.

Demand for industrial property in Australia continues to rise – particularly as institutional investors gear their strategies toward greater exposure in the industrial sector and build their investment portfolios. According to Knight Frank, investment volumes in industrial property reached $8.8 billion, a decade high. Whilst Q1 of 2021 was a relatively slow start to investment in the sector, according to Real Capital Analytics this was significantly impacted by a large pipeline of significant transactions slipping into the second quarter of the year.

Further signs of growth of the industrial sector are encouraging – industrial job advertisements have been steadily increasing since May 2020, and new industrial development reached a 13-year high in 2020.

Increased investment in the sector continues to create investment competition and in turn compression of capitalisation rates. The strategy of the Responsible Entity is to pursue properties with strong tenant covenants across a diverse range of regional and metropolitan centres.

Queensland continues to provide good opportunity for breadth of investment, including higher-yielding assets in Central Queensland with exposure to the resource industry, as well as warehouse and logistics assets in South-East Queensland. Strong economic growth is forecast as Brisbane continues a gradual transformation ahead of its likely hosting of the 2032 Olympics, including the second airport runway, Queens Wharf Casino and entertainment quarter, and Cross River Rail Project.

In New South Wales, while yields in Sydney remain tight compared to the national average, opportunity still exists in the regional centres, including Newcastle and Wollongong.

Melbourne received just under 1 million sqm of new industrial supply in 2020 (more than double that of 2019) and is tipped to receive another 1 million sqm in 2021 according to Knight Frank, providing strong opportunity for growth in Victoria.

Western Australia and South Australia also have similar tailwinds in the local industrial market, with the Western Australian economy recording significant growth on the back of ongoing performance of the mining industry.

Section 4.
The Offer and the Trust

This section provides information on the Offer and the Trust and should be read in conjunction with the information contained elsewhere in this PDS.

4.1 Structure of the Trust

The Trust is a managed investment scheme registered under the provisions of the Corporations Act, operated by the Responsible Entity. The rights and obligations of Investors are set out in the Constitution (see Section 8.11 for further details).

4.2 Summary of the Offer

The offer of Units in the Trust is made by Trilogy, the issuer and seller of the Units. Trilogy is seeking to raise equity through this Offer which will be applied, combined with debt funding, to purchase future Property. The Offer will remain open until such time that the Responsible Entity determines from time to time that it will cease accepting applications for Units , which it may do at any time, either for a period of time, or until such time as the Responsible Entity notifies that it will be again accepting applications.

4.3 Unit issue price

The Responsible Entity's Unit Pricing Policy is available by contacting the Responsible Entity. The Unit price will be calculated monthly. The current unit price can be found on the Trust's page of the Trilogy website.

4.4 Purpose of the Offer

The equity raised from the Offer will be used both to facilitate the acquisition of further properties by the Trust at a later point in time. Further details are set out in Section 7.2.

The Responsible Entity may subscribe for and issue Units to itself in its personal capacity or to a related entity to facilitate equity funding for the Trust (see Section 4.5 below).

4.5 Sale Units

In order to facilitate the provision of equity funding for the Trust, the Responsible Entity, may on one or more occasions during the currency of the Offer, subscribe for and issue Units to itself in its personal capacity or to a related entity.

The Units so issued (Sale Units) will be held by Trilogy in its personal capacity or the related entity, and therefore that Unit holder will be personally subject to the risks and entitled to the benefits of beneficial ownership of the Sale Units.

Trilogy may, at its discretion, treat any one or more applications to acquire Units under this PDS as an application for Trilogy to sell Sale Units held by Trilogy (in its personal capacity) or its related entity to that applicant. If Trilogy elects to sell Sale Units to an applicant, that applicant will not be subject to any additional costs. It is Trilogy's intention to sell all Sale Units issued to it or its related entity during the currency of this PDS, but it may elect not to do so.

4.6 Minimum investment amount

The minimum investment is $50,000, and thereafter in multiples of $5,000. However, Trilogy has the discretion to accept applications for lesser amounts either generally or on a case-by-case basis.

4.7 Issue of Units

Units in the Trust will be issued upon the acceptance of applications, which includes a correctly completed Application Form, any other documentation required for identification and Application Money in cleared funds. Trilogy reserves the right to reject any application and/or to allocate a lesser number of Units.

Applications will be accepted on the first Business Day of each month. Applications received on or before 4pm on the last Business Day of the prior month will be processed using the Unit Price applicable on the first calendar day of the following month, if a Business Day, and if not, on the next Business Day.

The Responsible Entity's Unit Pricing Policy is available by contacting the Responsible Entity.

As an Investor, you have a beneficial interest in the assets of the Trust and your returns are dependent on the performance of the Trust. The number of Units issued to each Investor determines their proportional entitlement to participate in distributions from the Trust.

4.8 Distributions

It is intended that the Trust will pay distributions on a monthly basis. Distributions will be paid monthly in arrears by electronic funds transfer to Investors' nominated accounts approximately eight Business Days following the end of the month. The distribution per Unit will be determined by dividing the total amount available for distribution (as determined by Trilogy) for any given period by the total number of Units on issue at that time.

As at the date of this PDS, the majority of distributions are from cash from operations (excluding borrowings). However, the Responsible Entity has the ability to support distributions by waiving and/or deferring some or all of its management fees from time to time to achieve higher returns to Investors than may otherwise be available from the Trust.

Investors should note that this approach is at the discretion of the Responsible Entity.

The Responsible Entity anticipates a portion of the distributions to be non-assessable. A non-assessable distribution will reduce an Investor's cost base for capital gains tax purposes. The Responsible Entity will disclose the amount of an Investor's nonassessable distribution in the annual tax statement.

There is no plan to allow distribution reinvestment in the Trust at the date of this PDS. However, the Responsible Entity reserves the right to introduce a reinvestment plan in the future and will notify Investors accordingly.

4.9 Transfers

Investors are able to transfer their Units to a third party at any time, subject to the transfer provisions in the Constitution. For a transfer to occur an Investor must identify a willing purchaser of their Units and the Responsible Entity must consent to the transfer. Please contact Investor Relations to assist with the relevant documentation or go to www.trilogyfunds.com.au.

4.10 Withdrawals

As the Trust invests in real property, it is not a 'liquid' scheme, as defined in the Corporations Act. This means that Investors will have no right to withdraw their investment unless the Responsible Entity makes a Withdrawal Offer to Investors pursuant to the Corporations Act.

The Responsible Entity intends, subject to its obligations at law (which includes an obligation to act in the best interests of Investors), to use its best endeavours to make the first Withdrawal Offer approximately four years from the settlement of the purchase of the Initial Property Portfolio (which was 12 April 2018) and once every four years thereafter. Each such fouryear period is referred to in this PDS as a 'Term'.

Other Withdrawal Offers may be made during the life of the Trust, for instance, if a Property is sold midway through a Term.

When making a Withdrawal Offer, the Responsible Entity will communicate with Investors, providing an outline of the terms of the Withdrawal Offer proposed (such as the amounts available for withdrawals as well as the price that Investors will receive if they redeem Units). Investors will be provided with a Withdrawal Form prior to each Withdrawal Offer.

To source funds required for a Withdrawal Offer, the Responsible Entity may:

- sell one or more Properties;
- raise new equity for the Trust;
- make further borrowings on behalf of the Trust; or
- undertake a combination of these measures.

Ultimately, it depends on the future property market conditions and other factors which may be outside of Trilogy's control to fund Investors' withdrawal requests. It is important to note that, while the Responsible Entity intends to make Withdrawal Offers at the end of each Term, there may be circumstances in which it is not possible to offer withdrawals at all, or to only offer limited funds for Withdrawal Offers resulting in pro-rata redemptions. In addition, withdrawals may be deferred in some circumstances (if allowed under the Constitution and the Corporations Act), for example, if it is impracticable or not in the best interest of Investors for a Withdrawal Offer to be made at particular times.

4.11 Investment term

There is no minimum term during which Investors must retain their Units in the Trust, nor any maximum term. Therefore, Investors should consider this Offer as a medium to long-term investment. See also Section 4.10 regarding withdrawals and Section 5 as to relevant risks.

4.12 Debt

The Trust's current Finance Facility is with Westpac Banking Corporation. It is mortgage secured by the Properties in the current property portfolio for a period of four years from the settlement date of the purchase of the initial property portfolio on 12 April 2018. There is security held under a general security agreement over the Trust's assets. As at the date of this PDS, it has been negotiated that the Finance Facility will have two fixed rate loans. The interest rates on these two facilities are 2.77% p.a. 2.88% p.a., respectively.

The Trust's LVR will differ from time to time based on the acquisitions made by the Trust and whether any one of the new properties or existing Properties in the Portfolio are used as security for the Finance Facility or for any other borrowings by the Trust.

To acquire further Properties or fund tenant-led expansion, Trilogy anticipates that the Trust will seek additional finance which may be on different terms. In the long term, it is intended that the Trust's gearing ratio or LVR will be below 50%. However, it may borrow to an LVR of 50% or more from time to time, for example, if an acquisition opportunity arises, or if tenant-led expansion or development is proposed. Further information about gearing and the forecast interest cover ratio is set out in Sections 4.14 and 4.15.

4.13 Interest capitalisation

Interest is not capitalised for the Trust.

4.14 Gearing ratio

The liabilities and assets used to calculate the gearing ratio are based on the Trust's latest board-reviewed management financial statements as at 31 May 2021. The latest audited financial statements have not been used as there have been material changes since the date at which those statements were prepared. The gearing ratio is calculated using the following formula:

Gearing ratio = total interest-bearing liabilities

total assets

It gives an indication of the potential risks a scheme faces in terms of its level of debt. The ratio measures the extent to which he acquisition of assets has been financed by creditors. If the ratio is less than 0.50, then the majority of a Trust's assets are financed using investors' equity. If the ratio is greater than 0.50, the majority of a Trust's assets are financed using debt. The gearing ratio calculated in accordance with the ASIC Disclosure Principle is 0.33.

Investors should note that the gearing ratio calculation under RG 46 does not represent the 'LVR' or the Loan-to-Valuation Ratio of the Trust's Finance Facility, which is calculated as the total value of interest-bearing liabilities divided by the independent valuation of the properties comprising the entire Property portfolio. On this basis, as at the date of this PDS the LVR is 38.55%.

4.15 Interest cover

The interest cover ratio for RG 46 purposes is calculated using the following formula:

Interest cover = EBITDA ± unrealised gains/losses

interest expense

If the amount of earnings available over a relevant period to meet interest payments falls below the covenant specified in the finance facility, the lender may treat this as a breach of an obligation under the finance facility and possibly an event of default. If this breach is not rectified the lender may require the outstanding amount under the finance facility to be repaid, which in turn may require the sale of one or more of the Properties if the finance facility cannot be refinanced with an alternative lender on satisfactory terms.

The interest cover ratio under the Finance Facility is calculated using the following formula:

Interest cover =
net passing rent + recoverable outgoings

gross interest expense

Interest cover gives a measurement of the number of times a scheme could make its interest payments with its earnings before interest, tax, depreciation and amortisation. A high interest cover ratio means that a scheme is more easily able to meet its interest obligations from profits. Conversely, a low value for the interest cover ratio means that a scheme is potentially in danger of not being able to meet its interest payments from its earnings.

The interest cover ratio as at 31 May 2021, being the date of the Trust's latest board-reviewed management financial statements is 5.00 times. This is calculated on the basis of the ASIC Disclosure Principle definition of EBITDA (earnings before interest, tax, depreciation and amortisation).

Based on the definition of interest cover ratio adopted by the financier for the Finance Facility, the interest cover ratio as at 31 May 2021 is 7.93 times. The Finance Facility requires an interest cover ratio of no less than

2.50 times. As a result, there will not be a breach of the finance facility's interest cover ratio.

4.16 Net Tangible Assets

Net Tangible Assets (NTA) represents the value per Unit of a Trust's assets after deducting its liabilities (and other adjustments) calculated at a point in time. The NTA of the Trust can be calculated on a per Unit basis. This amount can be used as an estimated (not guaranteed) measure of what an Investor could expect to receive per Unit if the assets of the Trust were sold at that particular point in time but excluding any allowance for the costs of selling the Properties, performance and disposal fees, and costs associated with winding up the Trust. Therefore, to the extent that the NTA at any time is less than the price paid for a Unit, it is also a reflection of the risk of a possible capital loss as at the relevant point of time.

NTA is calculated in accordance with the following formula:

$$\textbf{NTA} = \frac{\textbf{Net assets – intangible assets +/- any other adjustments}}{\textbf{Number of Units in the scheme on issue}}$$

The NTA for the Trust as at the date of this PDS is 98 cents per Unit.

4.17 Other assets of the Trust

The Trust may also invest in other related registered management investment schemes and/ or receive investments from other managed investment schemes. It may also invest in other income earning investments such as other unlisted managed funds, index funds, income securities and fixed or floating rate debt securities that may be held directly or indirectly. The Trust currently holds investments in the Trilogy Enhanced Income Fund but may also hold an investment in the Trilogy Monthly Income Trust from time to time, both of which are funds that are operated by Trilogy in its capacity as Responsible Entity.

Diesel Drive, Mackay, QLD

Section 5.
Investment Risks

As with all investments, an investment in the Trilogy Industrial Property Trust is subject to risks. This section identifies some of the key risks associated with an investment in the Trust, and in property investments.

These comments are intended as a guide only and are not exhaustive. Investors should read the whole of this PDS to understand more fully the risks of investing in the Trust.

5.1 General investment risks

The following risks are general in nature and relevant to most investments:

Legal and regulatory risk
Changes to the regulatory environment relating to financial services, taxation and other regimes affecting the Trust's operations may affect the portfolio and the Trust's performance.

Economic and market conditions
Changes in the economy and market conditions may affect asset returns and values which, in turn, may result in a decrease in the portfolio's value or the Trust's returns. These changes may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of the economy. Industrial property tenants can be susceptible to such economic and market risks and therefore the Trust may also be more sensitive to these economic conditions.

At this time, it is difficult to ascertain what the impact, if any, COVID-19 may have on the performance of the Trust as it continues to change over time. There can be no guarantee that investor confidence in property, cash-style or mortgage investments will not change in a manner adverse to investors in the Trust. The general economic, health, social and political climates in which the Trust operates or other like events are outside the control of Trilogy.

Counterparties
The Trust may enter into legal agreements regarding aspects of the Trust's operations. For example, a counterparty may be responsible for property management, property development or tenancy arrangements, but may fail to perform adequately.

Litigation
The Trust may be involved in disputes or possible litigation. It is possible that a material dispute could affect the value of the assets or expected income of the Trust.

5.2 Property investment risks

Settlement Risk
While the Responsible Entity aims to raise sufficient capital to purchase Property, there is a risk that the Property will not be purchased for that or some other reason. Hence, the Trust may not benefit from increased diversification by tenant-type or industry. Trilogy will inform Investors if the acquisition of the Property is not completed via either its website or by some other means.

Property market risk
The nature of this investment is similar to a direct investment in industrial property. Accordingly, risks commonly associated with investing directly in industrial property apply equally to an investment in the Trust and Investors should be aware these risks are different to those of investing in other types of property such as residential property. For example, property market factors that may affect the returns generated from an industrial property include:

- lack of demand for the type of property including the area in which it is located, which may affect the ability to sell a property, but also may limit the ability to lease a property quickly;
- competition from new developments and refurbishments to other properties that potentially reduce the demand for the property and thus its value;
- tenant vacancy arising on the expiry of a lease or where a tenant fails to perform its obligations under the lease; and
- matters impacting the relevant industry, such as environmental, health and safety, and industrial disputes.

Valuation risk
The value of real property assets can be volatile, for some of the reasons stated above, and there is a risk that values from time to time may fluctuate. Should the lender under the Finance Facility require an updated valuation during the term of the loan, a lower valuation may be ascribed to the value of one or more of the Properties. A significant fall in valuation will mean an increase in gearing ratio and may trigger a breach of loan covenants and may impact the net asset backing of Units and the Unit price. The Responsible Entity mitigates this risk by seeking independent valuations of Properties in accordance with its valuation policy and disclosing to Investors if it believes there is a material adverse change in the values relied upon.

Leasing risk
While leases impose legally-enforceable obligations on tenants, it is possible for tenants to default on their obligations and for associated costs to be incurred in enforcement proceedings and, if necessary, the re-leasing of the tenancy. With a vacancy arising, the Trust could incur costs in re-leasing the premises, such as incentives to an incoming tenant, rent-free periods, or other incentive payments and agents' leasing commissions. These leasing costs could diminish the income available to the Trust.

Capital expenditure risk
While the tenant may pay for outgoings associated with the Property as per the lease agreement, the Trust, as the landlord, may be required to pay for any structural repairs or maintenance work required. If structural

maintenance work is greater than the amount available stated in this PDS, it may affect the returns of the Trust. Alternatively, if structural repairs and maintenance work is less than the amount available that has been set aside, surplus funds may be retained in the Trust.

Refinance risk
When interest rates are variable there is a risk that rates may fluctuate and if rates increase, there is a risk that distributions to investors may decrease. There is a risk that when the stipulated term of the Finance Facility expires, finance may not be available on similar terms or as favourable terms (including as to the terms as may be renegotiated). This may result in an impact on the returns from the Trust. Additionally, if Trilogy is unable to refinance a loan from any source, then one or more Properties may need to be sold.

Borrowings and interest rate risk
As noted in Section 4.12, the Finance Facility comprises of two fixed rate loans. These two fixed rate loans have interest rates of 2.77% p.a. and 2.88% p.a., respectively.

If interest rates have increased by the time one or both of the loans expire, then there is a risk that distributions paid to Investors may be reduced.

Gearing risk
The Trust has utilised a Finance Facility to partly fund the purchase of the Properties, together with equity raised from Investors. For further information see Section 4.12.

Gearing has the effect of amplifying potential gains and losses. Where there is a fall in the value of any one individual Property, the net asset value of the Trust may fall. Alternatively, where there is a rise in the value of any one individual Property, the net asset value of the Trust may increase. As the Trust has utilised a borrowing facility provided by a financier, is subject to the terms and conditions, otherwise known as 'covenants', of the borrowing facility. When these terms and conditions are breached, the financier may have the ability to take action against the Trust. For example, if there are not sufficient funds to meet interest payments on any borrowing facility, the lender may want to enforce its security over the Property in the portfolio.

However, the lender will not require Investors to contribute any more cash than their original total investment.

Because the lender does not participate in capital gains, the effect of this is to increase the potential of capital gain for Investors. However, this also increases any capital loss for Investors if the value of any one of the Trust's Properties falls in value, as the financier must be repaid the principal amount outstanding on the loan and outstanding interest or costs before distributions are made to the Investors. Any rise or fall in the value of a Property has a corresponding disproportionate effect on equity held by Investors.

Tenancy risk
Should any tenant within a Property become insolvent, make a late payment of rent or cause damage to the Property, there is a risk this could adversely impact the return of the Trust and result in a lower distribution to Investors. Tenancy risk generally is attempted to be mitigated by performing limited financial due diligence on each tenant and each tenant providing a bank guarantee or security deposit for a specified period, or some other form of guarantee. However, industrial property is often unique in nature and in some cases finding a replacement tenant may take some time.

Building and construction risk
Any expansion of current Properties or development of new facilities could lead to adverse effects on the returns of the Trust, or the project costs could be more than the forecast project costs. This expansion risk could impact on the net asset value and the returns of the Trust. Investors should be aware that during the term of their investment in the Trust, there is a risk that unexpected capital expenditure may be incurred and this may impact returns and further debt or equity may be sought to assist with such costs.

Property insurance risk
Damage to any one of the Properties as a result of fire, storm, flood, cyclone, malicious damage, earthquake etc. will be covered by insurance, where applicable. The full extent of the insurance coverage available is subject to the specific terms and conditions of the applicable insurance policy. In unusual circumstances, insurance may not cover some or all of a particular loss, thus resulting in a loss to Investors. The Trust holds insurance for events that may impact the value of any Property in the Trust. There may be events for which there is no insurance cover available, the Trust has not taken out insurance cover for this particular event or additional costs apply because of the location or nature of the property. Should an event occur for which the Trust has no cover, Investors may incur a capital loss that could impact the net asset value of the Trust. Events that are unaccounted for may be natural disasters, social upheaval, events of terrorism or war involving Australia, or events causing global disruption, or failure of the insurer itself.

5.3 Specific fund risks

Structure of underlying managed investment scheme, mandate of investment manager or other income earning investments
At any time up to approximately 20% of the GAV of the Trust may be invested in the Trilogy Enhanced Income

Fund (TEIF). Excess cash above 20% of the GAV may be invested in other income earning investments such as other unlisted managed funds, index funds, income securities and fixed or floating rate debt securities that may be held directly or indirectly.

While TEIF invests indirectly in mortgages, through the Trilogy Monthly Income Trust, it also invests in cash, cash style and other financial assets. Where TEIF invests in another managed investment scheme, it carries the risk that there could be a change of that fund's responsible entity, or investment manager, loss of key personnel, the responsible entity, or investment manager may not meet their obligations or perform as expected, assets may be lost, inaccurately recorded or misappropriated, fees and charges may change, systems may fail and insurance may be inadequate or insurers not pay at all.

Where TEIF engages a service provider in relation to specific investment management activities, such as to manage a portfolio of fixed income securities or other agreed cash style investments under an investment mandate, this arrangement carries the same types of investment risk as outlined above. Any changes in the economic or regulatory environment that impacts upon the performance of the scheme's responsible entity or trustee, or the investment manager engaged by Trilogy may have an effect upon the returns obtained from TEIF.

Credit risk – individual investments
This is the risk that the value of an individual investment made by TEIF directly may change or become more volatile, potentially causing a reduction in the value of TEIF and increasing its volatility. This may be because, amongst other things, there are changes in the Government's policies, Trilogy or the Investment manager's operations or management, or business environment, or a change in perceptions of the risk of any investment.

Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which TEIF has an exposure. A reduction in the value of an investment may be from a political, social, economic, or a health event such as COVID-19 during which credit markets experienced and may continue to experience a degree of dislocation.

Operations and investment mandate risk
A managed investment scheme that TEIF invests in will carry the operational risks inherent in that particular scheme. For example, the assets in which the scheme invests in could be assigned credit ratings by independent ratings agencies and in the case where they are downgraded this could significantly reduce the value of an asset in the scheme.

Additionally, it is possible that the investment manager of a scheme that TEIF invests in uses derivatives from time to time to manage risks of that scheme as considered appropriate by the relevant investment manager. These carry risks as well, including that the value of a derivative fails to move in line with the underlying assets, the potential liquidity of an asset, potential leverage resulting from the position and counterparty risk.

A further example concerns borrowing risk. A scheme in which TEIF invests has an ability to borrow indirectly in the short term to manage withdrawals and distributions. The risk with borrowing is that it magnifies both good and bad returns. Further, where the scheme invests in income securities, these will carry the risk of volatility that arises from investment in the share market (including any capital gains or losses that may eventuate), which may have an impact on the returns obtained from TEIF.

Risk of capital loss and compulsory redemption of your units
If the net asset value of a unit in TEIF is less than $1.00 at the end of the month, then the Constitution of TEIF allows, and in certain circumstances requires, Trilogy to implement a pro rata compulsory redemption and cancellation mechanism to return the net value of each unit on issue to $1.00. This means that some of the units held by the Trust in TEIF may be redeemed for nil value and cancelled to bring the net value of each of TEIF's remaining units on issue to $1.00.

Market risk
Markets can go up and down. Market conditions are influenced by a variety of factors including economic, technological, social, political, taxation, legal or regulatory factors, as well as general changes in market sentiment. These may have a negative impact on returns.

Investment environment risks
Changes to the regulatory environment relating to financial services, taxation and other regimes may adversely affect investors in the Fund. Government policies can affect the Fund in a number of ways that could be detrimental or beneficial to investors in the Fund. Similarly, changes in the health or social environment can impact the Trust and cause short term or long term market disruption to investments made by the Fund that would be detrimental to investors in the Fund.

5.4 Specific mortgage investment risks

Credit risk – Mortgage fund investment
At any time up to approximately 20% of the GAV of the Trust may be invested in the Trilogy Monthly Income Trust (TMIT). Excess cash above 20% of the GAV may

be invested in other income earning investments such as other unlisted managed funds, index funds, income securities and fixed or floating rate debt securities that may be held directly or indirectly. TMIT invests primarily in mortgages. Therefore, credit risk is relevant in that the Trust could suffer a loss because of the operations of TMIT. Specifically, a TMIT borrower may default under a loan and the full loan amount may not be recoverable (e.g., if the proceeds of sale of secured property are not sufficient to cover the amount of the loan). Trilogy, in its capacity as the responsible entity of TMIT, minimises mortgage credit risk by applying strict lending criteria, commissioning an independent valuation of the secured assets (TMIT is limited to lending on a loan to a maximum loan to valuation ratio of 70% on an 'as if complete' basis), as well as assessing the borrower's capacity to repay. TMIT also takes a registered first mortgage as security over all loans.

Decrease in value of property
Risks associated with a decrease in the value of a property offered as security in the TMIT, may include:

- investors, including the Trust, may be charged negative income and may suffer a capital loss;
- a valuation that does not accurately reflect the real value of the property at the time it was valued. If the borrower subsequently defaults on the loan then the capital repaid to investors may be diminished;
- a fall in the value of the property during the term of the loan which may diminish capital repaid to investors in the event that a borrower defaults; and
- a movement in the property market either nationally or locally which results in a decrease in demand for a proposed development, making it difficult for the borrower to achieve the expected sale value of the property.

All the above may lead to an increase in the LVR, which would then exceed the prudent LVR limits adopted by TMIT.

Diversification risk
Property market risk may also arise where size of loan, number of borrowers, class of borrower activity or geographical region diversification is not high. The more diversified a loan portfolio is, the lower the risk generally that an adverse event affecting one borrower or one type of loan will simultaneously affect the majority of borrowers, and therefore put the overall portfolio at risk. The diversity of the portfolio of the TMIT may change from time to time.

Construction risks
In a construction and development loan, the appointed contractors and trades may fail to complete the project for various reasons including that they may have become insolvent.

In this case the borrower will have to source other contractors or trades to complete works which may result in an increase in costs of the project. Delays incurred by the building contractors and trades or increases in materials and/or labour costs or abnormal weather events, can increase costs beyond the contingency amount normally allowed to meet these factors in a construction agreement. In this case, the borrower may not have adequate funds to complete the project works.

'As if complete' valuation risk
In some construction and development loans, the TMIT may lend on a loan to an LVR of up to 70% of the value of the development as if it is completed. In these circumstances, the TMIT will make progress payments to enable the development to be completed.

- Risks in this type of lending include the risk that:
- the property will decline in value during the development period;
- the cost of the development will be greater than budgeted;
- delays in the development may add to interest and other costs;
- there may be insufficient materials or expertise available to complete the development; or
- there may be insufficient funds to complete the development.

Interest capitalisation risk
Loans from the TMIT may require the interest to be paid periodically during the term of the loan or in the case of a construction and development loan a provision for interest may be built into the facility within the approved LVR. As a risk management measure, this provision for interest is generally built into the loan facility along with the contingency. This enables Trilogy to control the interest payments and assists to ensure that they are within the approved LVR limit.

Borrower default risk

Defaults by a borrower may occur for a wide range of reasons including changes in:

- a borrower's circumstances;
- the general state of the economy in Australia or other places in which the borrower does business;

- conditions of the particular market in which the borrower's primary business operates; or
- property market conditions.

Default may result in the delay/non-repayment of the loan amount by the borrower and its failure to meet interest (where it is not capitalised) and fees from its own resources.

Illiquid nature of underlying asset
As the underlying asset is predominantly real property, which is relatively illiquid, delays could occur between a loan going into default and sale of the property. These delays could affect interest accruing, but not paid. In these circumstances, interest accruing would not be available for distribution to Investors and the amount owing plus accrued interest and costs may exceed the amount realised from the sale of the property.

Repayment delays
Repayment of loans may be delayed beyond the agreed maturity date. This can occur for a wide variety of reasons including the risk that construction or development does not proceed on schedule.

Litigation risk
This is the risk that any lender faces when it takes legal action to enforce the mortgage by the sale of the security property.

Borrowers may defend the enforcement proceedings successfully in whole or in part, in light of judicial interpretation of the borrowing and enforcement arrangements, which may vary over time. In addition, courts are vested with wide discretionary powers, and these may be exercised in favour of the borrower. It should be noted that Trilogy is under no obligation to pursue further recovery action after the security is sold.

National Consumer Credit Protection Act (NCCP Act) – Regulated loans
Trilogy is not, and has no present intention to be in the future, licensed to make loans that are regulated under the NCCP Act. Nevertheless, a court may for some reason hold that a loan is so regulated. In general terms, there are limits on the amount of default interest that may be charged and the actions that Trilogy may have to take in enforcing a mortgage regulated by the NCCP Act are more demanding and may take longer to implement. In addition, the terms of the loan may be changed if the borrower is having or will have trouble making payments by reason of financial hardship caused by illness, unemployment or other reasonable cause.

External dispute resolution risk
Trilogy is a member of an external dispute resolution scheme (EDR scheme), in accordance with its obligations in respect of the Investors. Such an EDR scheme, in addition to considering complaints by Investors, may also be entitled to consider any complaint that is lodged by a borrower from the TMIT, even if the borrower does not have a NCCP Act regulated loan.

There is a risk that either during the course of a loan, or more typically when Trilogy seeks to enforce the loan, the borrower lodges a complaint with the EDR scheme that has the effect of 'freezing' any enforcement action that is being taken or delaying any enforcement action that may be taken, or excusing a borrower from compliance with its contractual obligations without recompense to the Trust, while the EDR scheme considers the complaint.

Documentation risk
There is a risk of deficiency in the accuracy of documentation, including the mortgage documentation entered into for the TMIT that could, in certain circumstances, adversely affect the recoverability of monies invested by the TMIT and reduce the value of the investment.

Insurance risk
There is a risk that a borrower from the TMIT may fail to effect property insurance over a secured property, or indeed may cancel such a policy once obtained, without prior notification to Trilogy. Additionally, property insurance obtained may be inadequate or could be denied due to a number of circumstances, including the failure of the borrower to make proper disclosure to its insurer. There is also a risk that the insurer may not be able to meet its financial obligations under the insurance policy.

Risk of capital loss and compulsory redemption of your units
If the net asset value of a unit in TMIT is less than $1.00 at the end of the month, then the Constitution of TMIT allows, and in certain circumstances requires, Trilogy to implement a pro-rata compulsory redemption and cancellation mechanism to return the net value of each unit on issue to $1.00. This means that some of the units held by the Trust in TMIT may be redeemed for nil value and cancelled to bring the net value of each of TMIT's remaining units on issue to $1.00.

5.5 Specific fund risks

There are also other risks that are specific to the Trust and its structure. For example, investments in the Trust are not capital guaranteed. Investors may not receive any return on their investment and may lose some or all of the capital invested.

Liquidity and withdrawals
The Trust is an illiquid investment, and the Trust's life is ongoing. While the initial period in which no withdrawals are available is four years from the date on which the purchase of the initial Property portfolio was settled, it is intended there will be a Withdrawal Offer at the first and at each subsequent four-year mark. Ultimately, it depends on the future property market conditions and other factors which may be outside of Trilogy's control to provide liquidity to meet Investors' withdrawal requests. It is important to note that, while the Responsible Entity intends to make Withdrawal Offers at the end of each Term, there may be circumstances in which it is not possible to offer withdrawals at all or to only offer limited funds for Withdrawal Offers resulting in pro-rata redemptions.

There is no established external secondary market for the sale of Units in the Trust outside of the Withdrawal Offers the Responsible Entity intends to make. An Investor may arrange for a private sale with the approval of Trilogy at any time, including when there is no current Withdrawal Offer. There is no right for an Investor to require their Units to be purchased either by Trilogy or by any other person or to have their Units redeemed.

Unit pricing
As at the date of the Offer, there is no intention to apply a buy or sell spread but Trilogy may apply a spread to the Unit price if it considers it is in the best interests of Investors to do so at the time it makes a Withdrawal Offer or a further new investment. A variation between the net asset value and the Unit price may appear due to transaction costs that could be incurred when investing newly acquired equity or realising an investment to meet a withdrawal request. As such there is a risk that Investors will not be able to redeem their Units at the Trust's NAV per Unit.

Consultancy services
Trilogy, as responsible entity of Trust and other registered managed investment schemes which the Trust may invest in such as TMIT or TEIF, is dependent upon its consultants (e.g., an independent qualified valuer, technical due diligence, and a technical legal review) to provide quality and timely consultancy services. The ability of the consultants to do this and the accuracy of their advice cannot be guaranteed by Trilogy and may be affected by factors completely outside its control.

Operational risk
Operational risk relevant to the Trust and Trilogy includes system failures, the risk of errors, fraud or other criminal activity, and events that might disrupt the normal course of operating the Trust. These events may lead to delays, or at worst, failures in respect of functions on which Investors rely. This includes any such failures by Trilogy in its capacity as the responsible entity, its related service providers and third parties. Operational risk extends to the risk associated with Trilogy's reliance on the effective operation and security of some computing and systems processes. It manages these risks by having appropriate systems and controls in place and by utilising experienced external service providers.

Responsible Entity and related party risk
Trilogy is the Responsible Entity of the Trust. In this capacity, there is the risk that Trilogy may be removed as the Responsible Entity of the Trust or that a change of key personnel or key service providers, such as the Property Manager, may adversely affect the way in which the Trust is managed. Related parties and conflicts of interest risk are addressed by Trilogy in accordance with its conflicts of interest policy and related party policies.

Diversification risk
While the Trust is still in its relatively early growth stage the Property Manager expects the Trust to continue to be exposed to diversification risk in the short term as there will be fewer asset holdings than when the Trust achieves greater scale. Diversification risk can lead to exposure to geographical risk, losses or lower returns because of an investment portfolio lacking diversity. Additionally, there is uncertainty around further acquisitions and capital inflows. The investment objective of the Trust is to provide Investors with a stable income stream with the potential for capital growth through building an investment in a diverse industrial property portfolio which has the opportunity to value-add. The Property Manager will continue to actively seek opportunities to further diversify and grow the Trust however this is also dependent on raising additional equity and/ or borrowings to fund such acquisitions.

5.6 Conclusion

The preceding list of risk factors is not to be taken as being comprehensive or inclusive of all the risks that may be attributable to an investment in the Trust. These risks, as well as other risks which have not been specifically identified, may in the future affect the financial performance of the Trust.

Investors should note that, while the general economic and political climate in which the Trust operates or other like events are outside the control of Trilogy, it will use best endeavours to mitigate risk wherever possible.

Section 6.
Fees and other costs

Consumer advisory warning

Did you know

Small differences in both investment performance and fees and costs can have a substantial impact on your long- term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 -year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services, justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

For more information

If you would like to find out more or see the impact of the fees based on your own circumstances, visit the Australian Securities and Investments Commission (ASIC) website at www.moneysmart.asic.gov.au, where they have a managed funds fee calculator to help you work out different fee options.

The warning above aims to alert Investors to the importance of value for money and the compounding value of fees and costs, as well as their impact over time, on end benefits.

The example given is not intended to represent an investment in the Trust.
For an additional description of the fees and costs charged by the Trust, please read this section in full.

6.1 Fee and Other Costs

The following table shows fees and other costs that may be charged in respect of an investment in the Trust. These fees and costs may be charged to the Investor or deducted from the returns on their investment in the Trust or from the Trust's assets as a whole. Taxes are set out in Section 7.5 of this PDS.

Investors should read all of the information about fees and costs, as it is important to understand their impact on the investment. All fees and costs set out in this section are inclusive of GST, less any applicable RITCs and ITCs, unless otherwise stated.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE TRUST		
Establishment Fee The fee to open your investment	Nil	Not applicable
Contribution Fee The fee on each amount contribute to your investment	Nil	Not applicable
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit Fee The fee to close your investment	Nil	Not applicable

MANAGEMENT COSTS (NOTE 1):	AMOUNT	HOW AND WHEN PAID
FEES AND COSTS FOR MANAGING YOUR INVESTMENT OF THE TRUST		
Ongoing Management Fee	Management fee of up to 0.50% p.a. **(Note 2)** of the Trust's gross asset value (GAV)	Payable to Trilogy monthly in arrears from the assets of the Trust
Estimated Expenses	Estimated at 0.40% p.a. of the Trust's GAV **(Note 3)**	Payable as and when incurred, from the assets of the Trust
Asset Origination Fee	2.00% of the Property purchase price when acquired **(Note 4)**	Payable to Trilogy upon completion of the purchase of the Property from the assets of the Trust
Disposal and Administration Fee	A fee equal to either 1.25% of the Disposal Price, or the Surplus Funds, whichever is the lesser	Payable to Trilogy from the assets of the Trust as soon as possible after the receipt of the proceeds of the sale of the Property
Performance Fee	A fee equal to 15.00% of the portion of the outperformance of the Trust over an Internal Rate of Return (IRR) of 9.00% p.a.	Payable to Trilogy from the assets of the Trust at the earliest possible time after the occurrence of a performance fee calculation date (as set out in the Constitution).

SERVICE FEES		
Switching fee The fee for changing investment options.	Nil	Not applicable

Note 1: The components of the ongoing management costs are discussed in more detail in Section 6.4 entitled 'Additional explanation of fees and costs'.
Note 2: This management fee may be waived or deferred in part or in full.
Note 3: Estimated expenses are comprised of upfront costs (such as Property Acquisition Costs including valuation fees) of 0.38% p.a. and ongoing expense recoveries of 0.02% p.a. calculated as a percentage of the Trust's GAV. Expenses will vary from time to time in both their frequency and amount.
Note 4: This figure is exclusive of GST.

6.2 Example of annual fees and costs

This section provides an example of how the fees and costs of the Trust can affect an investment during a period of one year.

These figures are derived from audited financial accounts for the financial year ending 30 June 2020. Investors should use this table to compare an investment in the Trust with other managed investment products.

TRILOGY INDUSTRIAL PROPERTY TRUST		BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR (NOTE 1)
Contribution fee	Nil	You will not be charged a contribution fee.
PLUS Management Costs comprising • **Management Fee** • **Expenses** • **Upfront Costs** • **Asset Origination Fee**	3.95%	For every $50,000 you have put in you will be charged approximately $1,975 (Note 2)
EQUALS total cost of fund	3.95%	If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 on the last day of the year you would be charged fees of approximately $1,975 (Note 3)

Note 1: This example is based on an investment of $50,000 and assumes a further contribution of $5,000 was put in on the last day of the year.
Note 2: This amount does not include any Disposal and Administration Fee or Performance Fee. Refer to Section 6.4 for further explanation of these fees.
Note 3: The total cost of the Trust in the financial year ending 30 June 2020 was 3.95% on a $50,000 investment. This amount reflects the cost of the Trust and Investors should note that the fees and costs in other years may differ. Upfront costs consist of any costs incurred in the due diligence and acquisition of actual or potential new Properties along with the costs relating to both any capital raise and the negotiation of a finance facility.

6.3 Additional explanation of fees and costs

Management fees

a) Ongoing management costs

Trilogy is entitled to a base management fee of 0.50% per annum of the Trust's GAV, accrued daily and paid monthly in arrears from the assets of the Trust.

If Trilogy defers payment of all or part of its base management fee for any period, the fees will accrue until paid. If Trilogy waives all or part of its base management fee for any period, it will not seek payment of the waived fee at a later date.

b) Asset origination fee

This fee is payable to Trilogy for its efforts involved in locating a Property, negotiating its purchase, undertaking the due diligence and raising the required equity in respect of the Property and is calculated as 2.00% of the Property's purchase price. This fee is payable upon completion of the purchase of the Property from the assets of the Trust.

c) Project management fee

The Responsible Entity is entitled to a project management fee if it arranges works to be carried out on a Property. The fee is payable from the assets of the Trust at the time each progress payment for the refurbishment, building and construction works is made and can be up to 10.00% of the value of each progress payment for the refurbishment, building and construction work.

d) Leasing up fee

The Responsible Entity is entitled to be paid a leasing up fee, for its work in arranging for a Property to be leased. This fee is payable to the Responsible Entity within three Business Days after the entering into of the lease or licence for the relevant tenancy and can be up to 15.00% of the first year's rental income payable by the tenant or occupier of a Property.

e) Disposal and administration fee

This fee is payable to Trilogy as an incentive to maximise the sale proceeds of the Property and is equal to either 1.25% of the Disposal Price (Note 1), or the Surplus Funds (being the amount, if any, by which the Disposal Price exceeds the Acquisition Cost (Note 2)), whichever is the lesser. This fee will be applied, or waived, at the discretion of the Responsible Entity from time to time.

Note 1: Disposal Price means the net proceeds of the sale of the Property asset (being the gross proceeds of sale less the costs and disbursements incurred in the sale, including agent's commission, legal fees, advertising and auction expenses).

Note 2: Acquisition Cost means the total cost of the Property asset to the Trust, including purchase price, commission, stamp duties and borrowing and financial costs in relation to the acquisition, and other costs and disbursements and expenses incurred or to be paid by the Responsible Entity in connection with the acquisition of that asset for the Trust.

Example of calculation of Disposal and Administration Fee

The following example set out below is provided for information purposes only to illustrate the calculation of the Disposal and Administration Fee. Actual results may vary significantly from those in this example.

For example:

- Trilogy sold a Property for $15,000,000. After deducting $330,000 of selling and legal fees, the net sales proceeds figure of $14,670,000 represents the Disposal Price.
- The Acquisition Cost of the Property was $11,930,000, comprised as follows: Purchase Price $11,250,000 ,Stamp duty $627,400, Titles office transfer fee $37,750, legal fees $14,850, Acquisition Cost $11,930,000
- The Disposal Price ($14,670,000) exceeds the Acquisition Cost ($11,930,000) by $2,740,000 (Surplus Funds).
- Surplus Funds expressed as a percentage of the Acquisition Cost = $2,740,000 / $11,930,000 = 22.97% (Disposal Margin).
- The Disposal and Administration Fee is calculated as the lower of 1.25% of the Disposal Price ($14,670,000 * 1.25% = $183,375) or the Surplus Funds ($2,740,000). Based on the example above, the Disposal and Administration Fee would be $183,375.

f) Performance fee

This fee is payable to Trilogy in certain circumstances including disposal of a Property, revaluation of a Property, and on every fourth anniversary of the Settlement Date, provided certain benchmarks are met, as an incentive for Trilogy to maximise returns on behalf of Investors in the Trust. If payable, this fee is in addition to the Disposal and Administration Fee described above. Trilogy will be entitled to a performance fee of 15.00% of the portion of the outperformance of the Trust over an IRR of 9.00% p.a.

The performance fee will be payable based on the Unit Price at the performance fee calculation date and will be calculated based on the assumption that an amount equal to the NAV was paid to Investors. The IRR calculation period will be from the end of the previous calculation period.

The performance fee will also be calculated, payable and reset in certain circumstances including if: Trilogy is removed as the Responsible Entity of the Trust; the Trust is admitted to the ASX or the Units of the Trust are quoted on the ASX; the Trust is stapled to or merged with another entity; a scheme or other arrangement affects the Trust whereby Investors holding greater than 60.00% of the Units on issue dispose of those Units; or the performance fee provisions in the Constitution are amended without the consent of the Responsible Entity.

Example of calculation of Performance Fee
This example is provided for information purposes only to illustrate the calculation of the performance fee over a four-year calculation period. Actual results may vary significantly from those in this example.

For example, if the Trust:

- Raised $11.555 million at $1.00 per Unit at the beginning of the calculation period;
- Paid a distribution of 8.50 cents p.a. per Unit for the performance fee period (representing total distributions to Investors of $982,175 p.a.);
- Returned $1.20 per Unit at the end of the performance fee period (representing $13.866 million);
- then the Trust equity IRR based on this series of cash flows is calculated to be 12.65% p.a. The outperformance amount above the hurdle IRR of 9.00% p.a. would be $2.047 million, being the amount that, if included in the Trust IRR cash flows as an outflow at the wind-up of the Trust, reduces the Trust IRR to 9.00% p.a.

Therefore, the Performance Fee payable would be $307,050 (being 15% of $2.047 million for the Trust, or $0.0266 per Unit).

Applying this example to an Investor with an initial $50,000 investment, they would have received aggregate distributions of $17,000 for the four years and a capital return of $58,670 after deducting $1,330 for their share of the Performance Fee.

g) Property management fee

Trilogy is entitled to a property management fee, should the management be undertaken by the Responsible Entity itself and not a person engaged by the responsible entity as the property manager, equal to the greater of 8.00% of the gross annual rental income received from the tenants of the Properties and 4.00% of the gross annual market rent of that Property if it were fully leased.

h) Termination fee

In certain circumstances, if Trilogy ceases to be responsible entity, then it may be entitled to a fee in accordance with the Constitution.

Expenses
These are the day-to-day operational expenses of the Trust and the out-of-pocket expenses and other costs that Trilogy is entitled to recover from the Trust, including but not limited to, expenses incurred in acquiring, valuing, holding or disposing of investments, issuing Units, convening and holding Investors' meetings, amending the Constitution of the Trust and establishing and maintaining registers and accounting records.

This also includes expenses incurred by Trilogy in respect of external service providers and advisers, including, compliance costs and audit, accounting and legal fees. Trilogy is entitled to be reimbursed from the assets of the Trust as and when Trilogy incurs the relevant expense.

Adviser service fees
Under the Corporations Act, certain commissions and other similar payments are prohibited in the Australian financial services industry. In particular, payments that could influence financial product advice to Retail clients may be prohibited. Certain payments remain permitted, including payments to or from financial services licensees and representatives under ongoing arrangements that were in place before the Future of Financial Advice reforms were made, commission payments that are fully rebated to clients, or payments made by a client to their financial adviser (or dealer group) for advice or the sale of a financial product. The Responsible Entity will not make payments to a financial adviser or dealer group where it is prohibited from doing so.

If your financial adviser charges you a fee in connection with the advice they may provide to you about an investment in the Trust, your financial adviser must tell you about this fee, including the amount as well as how and when it is payable in accordance with your financial adviser's fee disclosure obligations under the Corporations Act. In certain circumstances, Trilogy may arrange to pay amounts from your Application Money to your financial adviser as an adviser fee if you direct us to do so.

Professional services fees
Trilogy is entitled to pay or agree to pay to any person (including any third party or related parties) property management fees, facilities management fees, managing agent's fees, and leasing and selling fees relating to the Property. All such fees will be on normal

commercial rates.

In circumstances where property management fees form part of the outgoings of the Property, the fees may be recoverable, in full or in part, from tenants under the terms of their leases and to the extent this occurs there will be no net cost to the Trust.

Differential fees

Trilogy may negotiate special fee arrangements with Investors who are wholesale clients pursuant to the Corporations Act under which it reduces or rebates fees to those Investors. Such special fee arrangements will not adversely impact upon the fees that are paid by other Investors as set out in this section. See Section 8.5 as to what criteria an Investor must satisfy to be considered a wholesale client.

Transaction and operational costs

Transaction costs are costs incurred by the Trust in relation to the acquisition and sale of a Property. They include brokerage, stamp duty, legal and tax advice and property settlement costs.

Transactional costs are to be distinguished from 'operational' costs which relate to maintenance of the Property and include property management fees, rates, land tax, other statutory outgoings, maintenance expenses and other general outgoings. These operational costs are borne in full by the tenants of the Property and therefore have no impact on the assets of the Trust.

Change of fees and other costs

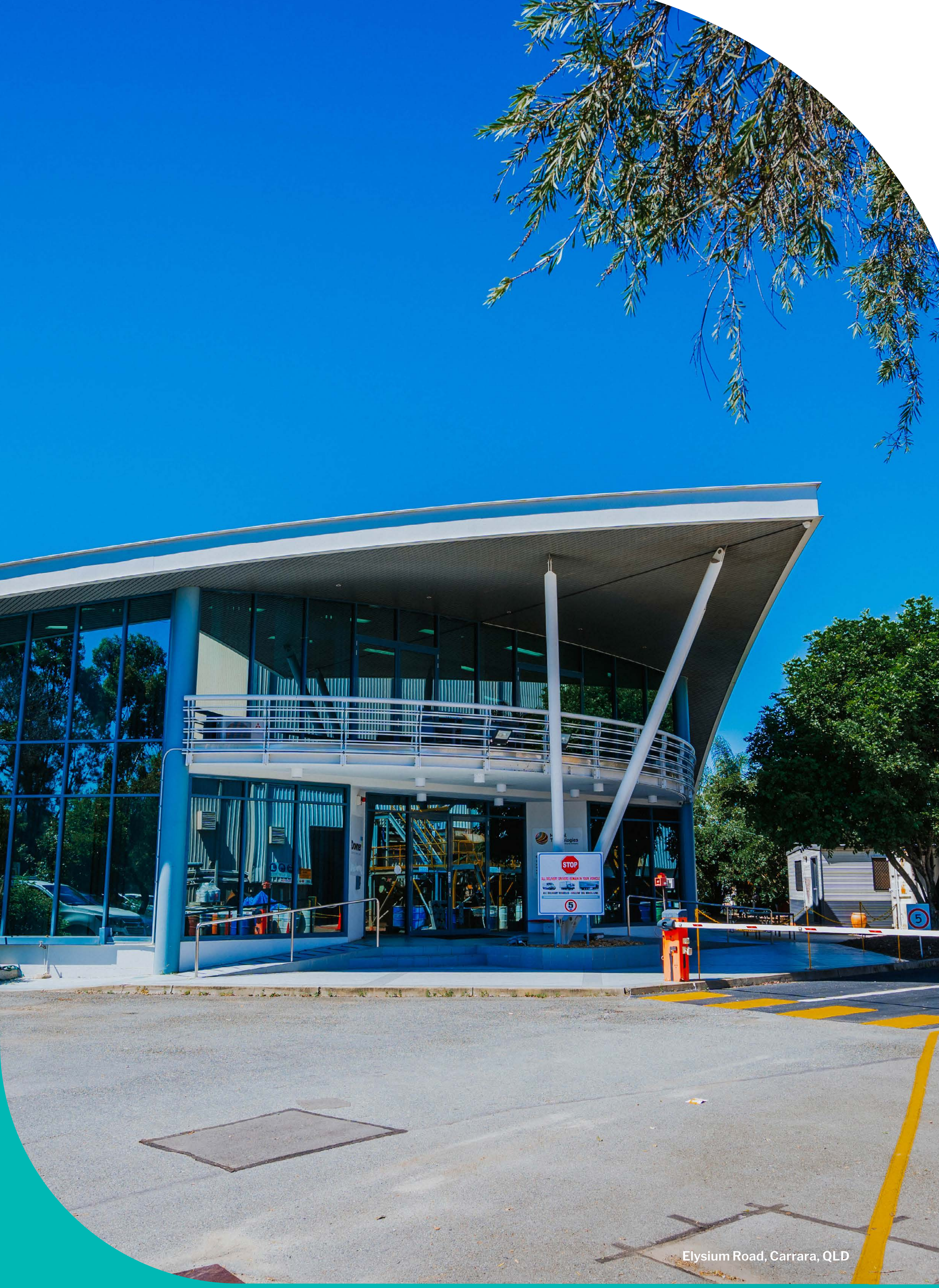
Fees can change for a variety of reasons, including changes in costs and changes in the economic, regulatory and competitive environment. The maximum fees which may be charged to the Trust are set out in the Constitution. You will be given at least 30 days' written notice if, within the limits imposed by the Constitution, the fees are to increase. Trilogy reserves the right to waive, reduce or defer any of the fees and expenses described in this PDS without notice.

Variation and waiver of fees

Trilogy may waive or defer payment of its fees and costs in whole or in part. If it waives any fees and costs payable from the Trust, the amount available for distribution to Investors will increase. Except as referred to below, Trilogy may cease its waiver or deferral of fees to which it is entitled at any time.

As at the date of this PDS Trilogy has waived the following fees (stated below exclusive of GST):

- A transfer fee of up to 5% of the value of the Units transferred,
- An application fee of up to 2.00% of the application amount in respect of any application,
- A redemption fee of up to 5.00% of the redemption price of the Unit unless Trilogy determines. The fee is deducted from the redemption price,
- A switching fee payable to the Trust by the Unit holder not exceeding 5.00% of the redemption price of the Unit unless Trilogy determines otherwise. The fee is deducted from the redemption price,
- A finance origination fee of up to 1.50% of the amount of any borrowing,
- An annual management fee of up to 1.50% of the GAV of the Trust (Trilogy will only charge a portion of this fee, as set out above),
- An asset origination fee of up to 2.50% of the purchase price (Trilogy will only charge 2.00% of the purchase price),
- An investment disposal fee equal to 1.00% of the Disposal Price, which in certain circumstances is waived in part by applying the methodology in Section 6.4e).



Elysium Road, Carrara, QLD

Section 7.
Financial information

7.1 Taxation

Investing in a managed fund such as the Trust is likely to have taxation consequences. Australian tax laws are complex and subject to change. The tax comments in this section are only relevant for Australian resident Investors that hold their Units in the Trust on capital account for Australian income tax purposes.

Further, the information may not be relevant for Investors that are subject to special tax rules such as banks, insurance companies, tax exempt organisations and dealers in securities.

The information in this section is in relation to the Australian income tax and capital gains tax implications of holding Units in the Trust. The stamp duty implications relevant to holding Units in the Trust are not outlined.

The information in this section of the PDS is based on the law and announcements current in Australia as at the date of this PDS. It does not account for any changes in the tax law or future judicial interpretations of the law after this time. Moreover, the following information does not consider the specific circumstances of any Investor. It is therefore important that Investors obtain independent professional advice as to the specific taxation requirements for their own circumstances.

Trilogy does not purport to offer any taxation advice.

The Trust
The Trust is an open-ended unlisted unit trust that invests directly in real property for the purposes of deriving rental income. The Trust or the trustee of the Trust should not be subject to tax on the net (tax) income of the Trust for the relevant year. Rather, the Investors should be assessed on their share of the net (tax) income of the Trust for the relevant year. The share is determined based on the attribution of the different income characters by the Trust to the Investors. This is the case even where cash distributions are reinvested into the Trust, where no cash distributions are made by the Trust to Investors, or where the cash distributions differ to the aggregate attribution of the different characters from the Trust.

Where the Trust makes a net tax loss or a net capital loss, such losses cannot be distributed to Investors. Rather, the net tax losses and net capital losses are carried forward and may be utilised by the Trust against its assessable income and/ or capital gains respectively in future income years, subject to satisfying any loss utilisation rules that may be applicable for the relevant period.

The Trust currently qualifies as a Managed Investment Trust **(MIT)** as defined in the income tax law and a choice has been made by the Trust to elect into the Attribution Managed Investment Trust **(AMIT)** taxation regime. The AMIT regime will apply to you as an Investor in the Trust for a particular income year if the Trust satisfies the requirements to qualify as an AMIT for that year. It is intended for the Trust to continue to qualify as a MIT and an AMIT each year.

If the AMIT regime applies to the Trust for an income year, then the tax outcomes for Investors should be as follows:

- The net (tax) income of the Trust for an income year will be attributed to the Investors in the Trust on a fair and reasonable basis each year and this attribution will be based on the Trust's Constitution and this PDS.
- The amounts attributed to Investors from the Trust each year will be disclosed in an AMIT Member Annual Statement (AMMA Statement). This statement will be provided to Investors no later than three months after the end of the relevant income year.
- The amounts attributed to Investors from the Trust as disclosed in the AMMA Statement should be taken into account in their taxable income calculation for the relevant year of income.
- The amounts attributed to Investors from the Trust should retain the character they had in the Trust for income tax purposes.
- Subject to certain limitations, the Investors and the Trust can rely on specific legislative provisions that allow for an adjustment in calculating the net (tax) income of the Trust for a previous income year to be carried forward and dealt with in the year that the adjustment is discovered.

- Investors will be subject to a tax cost base adjustment mechanism, which may result in increases or decreases to the tax cost base of their Units in the Trust, broadly where there is a difference between the cash amount distributed by the Trust and the taxable amounts attributed to Investors for an income year. Details of these tax cost base adjustments will be shown in the AMMA Statement.
- Taxable amounts may be attributed to Investors by the Trust at the time of any redemption or cancellation of Units in the Trust on a fair and reasonable basis.

If the AMIT regime is not applicable to the Trust for a particular income year (because the qualification requirements for that year were not satisfied) then Investors should be subject to tax on their proportionate share of the net (tax) income of the Trust for that year, based on their present entitlement to the income of the Trust for that year.

It is recommended that Investors obtain independent tax advice on the application of the AMIT regime to them in respect of their investment in the Trust.

Distributions

Distributions from the Trust may include assessable components (e.g., net rental income) and non-assessable components. Investors should be able to identify the assessable and non-assessable components of distributions from the AMMA Statement or annual tax statement, which will be issued by Trilogy each year to assist Investors in preparing their annual income tax returns.

Non-assessable distributions broadly arise where the aggregate of the assessable components of the Trust are lower than the cash distribution amount (e.g., due to tax timing differences or tax deductions for capital allowances on assets). Non- assessable distributions are not immediately assessable to Investors when received but are applied to reduce the tax cost base of each Unit on which the distribution is made. This should impact on the calculation of any capital gain or capital loss made on the disposal or redemption of the relevant Unit. Further, where the non-assessable distribution received on a Unit in the Trust is greater than the tax cost base of that Unit, the tax cost base of the Unit is reduced to nil and the amount by which the non- assessable distribution exceeds the tax cost base of the Unit should be regarded as a discountable capital gain made by the holder of that Unit.

Note, the non-assessable distributions referred to above do not include a distribution of an amount that relates to the CGT discount on a capital gain. Such CGT discount amounts should also not be assessable to Investors when received, and should not reduce the tax cost base of the Unit on which the distribution is made.

Taxation of Capital Gains

If the Trust disposes of the Property, it may make a capital gain or capital loss. This capital gain or capital loss should be taken into account when determining the net capital gain made by the Trust for the relevant income year.

In this respect, a distribution from the Trust may include capital gains and a CGT discount amount. Broadly, where the Trust disposes of an asset it has held for at least 12 months, it is currently eligible for the 50% capital gains tax discount, after the application of any capital losses. The net capital gain will form part of the net (tax) income of the Trust and the CGT discount amount is regarded as a separate non-assessable amount. The capital gains and CGT discount amounts will be identified in the AMMA statement or annual tax statement to assist Investors to calculate their net capital gain for the relevant income year.

It is noted that an announcement was made in the 2018 Federal Budget that a MIT or AMIT will no longer be eligible for the CGT concession from 1 July 2019. However, the CGT concession should still continue to be available to eligible investors in a MIT or AMIT. We note that the start date for this measure has been revised to be income years commencing on or after three months after the date of Royal Assent of the enabling legislation. This measure has not been legislated as at the date of this PDS.

Disposal/Redemption of Units

For an Australian resident Investor, the redemption, disposal or cancellation of any Unit in the Trust may give rise to a capital gain or capital loss that should be included in the Investor's net capital gain calculation for the relevant income year.

A capital gain is made where the capital proceeds from the redemption, disposal or cancellation exceed the cost base of the relevant Unit. A capital loss is made from the redemption, disposal or cancellation where the capital proceeds from the redemption, disposal or cancellation of the Unit are less than the reduced cost base of the Unit at the time of the redemption, disposal or cancellation. In order to determine their capital gain or capital loss position from the redemption, disposal or cancellation of any Unit, Investors will need to adjust the tax cost base of each Unit in the Trust for any non- assessable distributions or distribution shortfall amounts in respect of that Unit. Certain Investors, including individuals, trusts and superannuation funds, may be entitled to a discount on any capital gain (after the application of any capital losses) made on the Units where the Units in the Trust have been held for at least 12 months. In this regard, the discount is 50% for Australian resident individuals and trusts, and 33.33% for complying superannuation funds.

Social security

Investing in the Trust may affect an Investor's entitlement to social security benefits as their investment may be included in the income and assets tests of Centrelink and the Department of Veterans' Affairs. Investors should obtain professional advice concerning the particular social security implications for their circumstances.

GST

Neither applications to, nor withdrawals from the Trust should be subject to GST. Certain expenses incurred by the Trust may be subject to GST at the prevailing rate (currently 10%). The Trust may be able to claim a reduced input tax credit in relation to some or all of those expenses.

Tax File Numbers and Australian Business Numbers

Neither applications to, nor withdrawals from the Trust should be subject to GST. Certain expenses incurred by the Trust may be subject to GST at the prevailing rate (currently 10%). The Trust may be able to claim a reduced input tax credit in relation to some or all of those expenses.

Tax File Numbers and Australian Business Numbers Investors are not required to quote their tax file number (TFN) or, if they have one, an Australian Business Number (ABN) or claim an exemption from providing a TFN. However, for an Australian resident Investor, if a TFN or ABN is not provided or an exemption is not claimed, Trilogy is required by law to deduct tax from the taxable component of any distributions at the highest marginal tax rate plus the Medicare Levy (currently 47%). If an Investor is making this investment on behalf of a business or enterprise they carry on, they may quote their ABN instead of a TFN.

FATCA and CRS

The Trust should not be a Reporting Financial Institution under the Inter-Governmental Agreement between the Australian and US governments in relation to the *Foreign Account Tax Compliance Act* **(FATCA)**, a law which imposes certain due diligence and reporting obligations on non-US financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through the use of non-US domiciled investments or accounts.

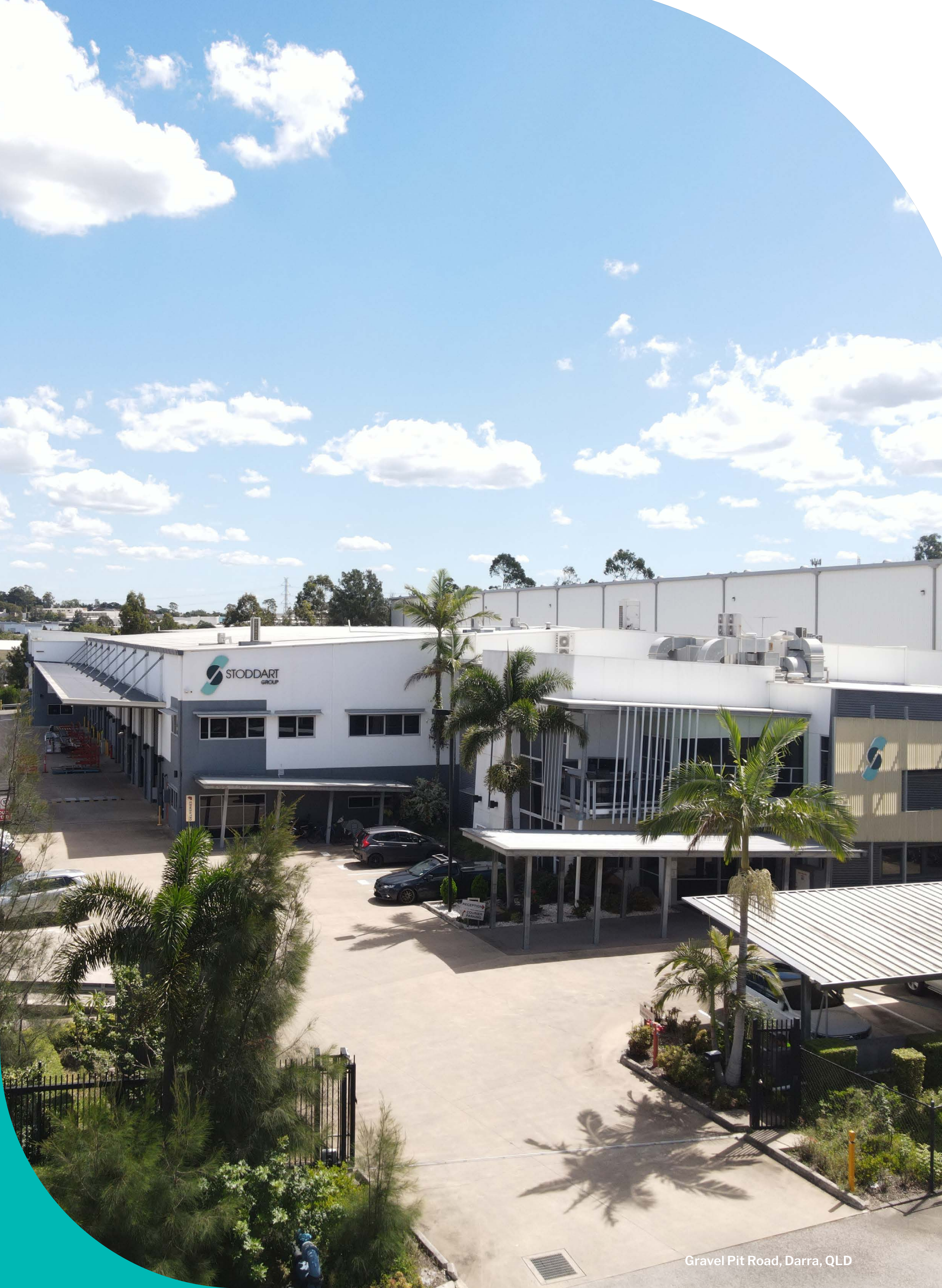
The Trust may be a Reporting Financial Institution under the *Tax Laws Amendment (Implementation of the Common Reporting Standard)* Act 2016 which implemented the OECD Common Reporting Standard (CRS) in Australia. This standard requires Reporting Financial Institutions in Australia to report to the Australian Taxation Office (ATO) details of their foreign investors from 1 July 2017. However, the Trust should not have any reportable accounts for CRS purposes.

Note, if the Trust is required to comply with either the FATCA or CRS requirements, Trilogy will conduct due diligence on prospective Investors in the Trust and will require certain information and documentation at the time of an Investor's application for Units. Where required, Trilogy will report information in respect of certain Investors and their Units in the Trust to the ATO. The ATO will share information reported to it by the Reporting Financial Institutions with the U.S. Internal Revenue Service for FATCA purposes, or with tax authorities of jurisdictions that have signed the CRS Competent Authority Agreement for CRS purposes.

If you are a new Investor and you do not provide us with the required information and/or documentation on request, we may not issue Units to you. Alternatively, we may report information in respect of you and your Units in the Trust to the ATO, or any distributions made to you on your Units in the Trust.

For further information in relation to how our due diligence and reporting obligations may affect you, please consult your tax adviser and see our website at www.trilogyfunds.com.au.

This section does not purport to be an exhaustive statement of additional information relating to the operation of the Trust, or all of the provisions contained in the documents described. Please contact the Trilogy Investor Relations team for further information.



Gravel Pit Road, Darra, QLD

Section 8.
Additional information

This section does not purport to be an exhaustive statement of additional information relating to the operation of the Trust, or all of the provisions contained in the documents described. Please contact the Trilogy Investor Relations team for further information.

8.1 Investor reporting

Details about the reporting and communications we provide you are set out at www.trilogyfunds.com.au. Upon becoming a member of the Trust, you will be provided with an acknowledgement letter confirming receipt of Application Money and the number of Units issued. Other reporting will generally be via the website and email and will include the following:

- monthly distribution statements;
- an annual statement of taxable income, providing a summary of distributions earned for inclusion in the Investor's income tax return (AMIT member annual statement);
- annual periodic statement, which details all transactions on each Investor's account, together with balances on the number of Units held in the Trust;
- annual financial report of the Trust in accordance with regulatory requirements, if requested; and
- bi-annual RG 46 updates on the website.

If you do not have an email address or access to the internet to receive this information, then please contact Investor Relations to update your communication preferences.

8.2 Continuous disclosure

The Trust is a disclosing entity. As such, Trilogy must lodge half- yearly as well as annual financial reports of the Trust with ASIC, and notices of material information and events as they happen. All of this information may be inspected at or obtained from ASIC or the registered office of Trilogy. If you wish to receive a copy of the latest audited accounts of the Trust, then please contact Trilogy on 1800 230 099.

Trilogy intends to meet its continuous disclosure obligations as a disclosing entity by posting continuous disclosure notices for Investors on its website at www.trilogyfunds.com.au. This information is likely to be:

- information that Investors and their professional advisers reasonably require to make an informed investment decision; and
- information that might reasonably be expected to have a material influence on the investment decision of a reasonable person, as a retail client.

8.3 Cooling off

There are no cooling off rights in relation to an investment in the Trust as the Trust is illiquid. By submitting an application, applicants will be deemed to have applied for the number of Units for which payment is made. Once an application has been lodged, it cannot be withdrawn.

8.4 Complaints

Trilogy's complaints handling process is based on the Australian Standard AS ISO 10002-2006 'Customer Satisfaction – Guideline for Complaints Handling in Organisations'. The Trust's Constitution and Compliance Plan also contain provisions governing how complaints must be dealt with.

Indirect Investors who are retail clients may lodge complaints in relation to the Trust or the complaints handling process by contacting Trilogy. Contact details are shown in the corporate directory.

On receipt of a complaint, Trilogy shall acknowledge the complaint immediately and investigate the complaint. Trilogy shall, within 30 Business Days of receipt of the complaint, finalise its investigation and report in writing to the complainant regarding the result of the investigation.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001.

8.5 Wholesale investors

Trilogy has the discretion to waive or reduce fees for wholesale investors. Any waiver or reduction is available only to persons who are 'wholesale' investors within the meaning of the *Corporations Act* on an individual basis, and only in accordance with the legislative requirements relating to differential fees.

Generally, Trilogy applies the following tests for applicants to qualify as wholesale investors:

Product value test – The initial amount paid at the time of investment in the Trust is at least $500,000 (note if the value of the investment subsequently falls below $500,000 the person may still be regarded a wholesale investor).

Individual wealth test – The person has provided a certificate by a qualified accountant stating that the person has net assets of at least $2.5 million or gross income for each of the last two years of at least $250,000. A company or trust will also be a wholesale investor if controlled by a person who is certified as meeting the wealth test. The certificate can be no more than two years old.

Professional Investor test – The financial product is provided to a 'professional Investor' which includes:

- an Australian financial services licensee
- a body regulated by APRA outside of superannuation
- a body registered under the *Financial Corporations Act 1974*
- trustees of superannuation funds, approved deposit funds, pooled superannuation trusts and public sector superannuation schemes under the *Superannuation Industry (Supervision) Act 1993* with net assets of at least $10 million, and
- a person who controls at least $10 million.

8.6 Investment via investment platforms

You may invest in the Trust indirectly, through an investment platform (also referred to as master trusts, wraps and investor directed portfolio services **(IDPS)**. Trilogy authorises the use of this PDS as disclosure to Indirect Investors. Indirect Investors who gain exposure to this Trust through platforms do not:

- become Investors in the Trust, nor do they acquire the rights of an Investor in the Trust. The operator of the platform has those rights and can exercise, or decline to exercise, them on behalf of the Indirect Investors; and
- receive interest distributions or reports directly from Trilogy, nor do they directly participate in Investor meetings or the winding up of the Trust.

Indirect Investors should consult their platform operator to obtain information on how their platform operator deals with applications, transfers, interest distributions and timing, fees and expenses and monitoring of their investments. Indirect Investors should also read the disclosure document of the relevant platform. Indirect Investors who are retail clients may access Trilogy's internal dispute resolution procedures in some cases.

8.7 Privacy

Trilogy is committed to protecting the privacy of its Investors. We are bound by the *Privacy Act 1988* as amended from time to time *(Privacy Act)* and the principles and procedures to be adopted under that legislation. The Privacy Act regulates, among other things, the collection, storage and security, quality, management, correction, use and disclosure of and access to personal information. By applying to invest in the Trust, applicants consent to personal information being used by us for the purposes for which it was provided and for other purposes permitted under the *Privacy Act*.

The Application Form accompanying this PDS requires personal information to be provided. Trilogy, and any service providers to Trilogy or to the Trust (including the Custodian) may collect, hold and use your personal information in order to assess your application, service your needs as an Investor, provide facilities and services to you, to the Responsible Entity and to the Trust and for other purposes permitted under the *Privacy Act* and other legislation, such as the Anti-Money Laundering and Counter Terrorism Financing **(AML/CTF)** laws.

Taxation, AML/CTF and other laws (such as CRS and FATCA) also require some of the information to be collected in connection with your application. If you do not provide the information requested or provide us with incomplete or inaccurate information, your application may not be able to be processed efficiently, or at all. Trilogy may disclose your information (or parts of it) as follows:

- to government agencies who may lawfully request it, but only when it is required by law to do so;
- to external parties on your behalf, such as your financial adviser (if the adviser's name appears on the Application Form), unless you have instructed Trilogy in writing to do otherwise;
- to our service providers (mailing houses, auditors etc) to enable the administration and operation of your investment and the Trust; and
- to assist you with any queries.

You are entitled to access, correct and update all personal information which Trilogy holds about you. The information held may be obtained by contacting

Trilogy. You should contact us if you have concerns about the completeness or accuracy of the information, we have about you or if you would like to access or amend your personal information held by us or our service providers. Please advise Trilogy of any changes to information you have provided to us using the Change of Details Form as provided on Trilogy's website www.trilogyfunds.com.au. Any complaint you have as to how we have handled your personal information will be dealt with in accordance with our Privacy Policy.

A copy of our current Privacy Policy is available on our website and a paper copy will be sent to you free of charge on request.

8.8 Anti-Money laundering

The Responsible Entity is required to comply with the *Anti- Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* **(AML/CTF Law)**. This means that the Responsible Entity will require you to provide personal information and documentation in relation to your identity and that of any beneficial owners when you invest in the Trust. The Responsible Entity may need to obtain additional information and documentation from you to process your application or subsequent transactions or at other times during your investment. The obtaining of information will be pursuant to the AML/CTF program that has been adopted. The Responsible Entity may need to identify:

- an Investor and each beneficial owner (including all investor types noted on the Application Form) prior to purchasing Units in the Trust. The Responsible Entity will not issue Units to you until all relevant information has been received and your identity and that of any beneficial owner has been satisfactorily verified;
- transferees of Units in the Trust. The Responsible Entity will not register a transfer until all relevant information has been received and you or your transferee's identity or that of its beneficial owners has been satisfactorily verified;
- your estate. If you die while you are the owner of a Unit in the Trust, the Responsible Entity may need to identify your legal personal representative prior to transferring ownership or making any payments; and
- anyone acting on your behalf, including under your power of attorney.

In some circumstances, the Responsible Entity may need to re-verify this information and may request additional information. By applying to invest in the Trust, you also acknowledge that the Responsible Entity may decide to delay or refuse any request or transaction, if it is concerned that the request or transaction may breach any obligation of, or cause the Responsible Entity to commit or participate in an offence under, any AML/CTF Law, and the Responsible Entity or any of its related bodies corporate, affiliates, associates or officers will incur no liability to you if it does so.

8.9 Related party disclosure

Various related parties provide services to Trilogy including in respect of the Trust. Trilogy maintains a policy on related party transactions. The policy requires any transaction involving a related party to be on terms and conditions no more favourable to the related party than those that it is reasonably expected would be the case if the benefit directly or indirectly was paid to a third party dealing at arm's-length in the same circumstances and on commercial terms. Additionally, before any related party transaction is entered into, Trilogy will satisfy itself that the fees to be paid to the related party are approximately equivalent to what would be paid to a third party at arm's-length for the same goods or services; and Trilogy will also satisfy itself, and obtain legal advice if there is any doubt, that all the relevant factors in determining whether the proposed related party transaction falls within the 'arm's length' exception in the Corporations Act, have been taken into account.

8.10 Services provided by related parties

Certain entities in the Trilogy group provide services to the Responsible Entity for which those entities receive fees. For example, group entities provide in-house fund accounting, compliance, risk management, information technology, human resources, communications, marketing and distribution advice. Trilogy has engaged SPFM to provide property management services and RELM will provide registry and investor relations services to the Trust. SPFM's role is to seek property investment opportunities and oversee the day-to-day management of the industrial property assets. This role includes tenant management, maintenance, capital expenditure, development/expansion opportunity assessment and implementation, and leasing. In addition, SPFM may be retained to carry out further functions in respect of the Properties, such as lease negotiations, project management, and sales and marketing services, for which it will be remunerated from the Trust assets. There is no fixed term to these arrangements. Trilogy is satisfied that these fees are on normal commercial terms (i.e., arm's length).

The Directors and certain executives of entities in the Trilogy group may hold interests in the entities that earn fees directly or indirectly from the Trust and therefore may be said to benefit from any fees derived by it. Directors, employees and related parties of entities in the Trilogy group may hold Units in the Trust. These Units will be acquired and held on the same terms as any other Investor in the Trust.

8.11 Summaries of material documents

The Constitution for the Trust

The Constitution is the primary document that establishes the structure of the Trust and the rights of Investors. Some of the provisions of the Trust's Constitution are summarised below, with other provisions outlined elsewhere in the PDS. A copy of the Constitution is available for inspection at the office of Trilogy and may also be obtained from ASIC. Trilogy strongly recommends you read the Constitution and seek independent advice as necessary. The following is a summary of some key provisions:

- The Constitution provides that the beneficial interest in the Trust is divided into Units.
- The Responsible Entity may issue further Units, and Units in other classes including those with different rights.
- Subject to rights attached to a particular class of Unit, Investors have a right to participate in any withdrawal opportunity on a pro rata basis with all other Investors.
- Investors are not liable to Trilogy or any creditor of Trilogy in excess of the amounts subscribed. However, the question of the ultimate liability of a beneficiary for claims against a responsible entity or other trustee in an arrangement such as this has not been finally determined by a court.
- Trilogy is the Responsible Entity and is responsible for operating the Trust. It may only deal with the Trust assets in accordance with the Trust's Constitution, the PDS, and the *Corporations Act*. It may appoint agents or other parties to do anything that it is authorised to do in connection with the Trust.
- Trilogy may retire as Responsible Entity of the Trust by calling a meeting of Investors in the Trust explaining the reason it wants to retire, therefore enabling Investors to vote for a new Responsible Entity. Investors may remove Trilogy as Responsible Entity of the Trust at a meeting of Investors of the Trust where Investors holding more than 50% of the Units in the Trust vote for the removal. Trilogy is entitled to be reimbursed for all expenses relating to the termination of the Trust and the retirement or removal of the Responsible Entity and the appointment of a replacement. In certain circumstances, if Trilogy ceases to be responsible entity, then it may be entitled to a fee in accordance with the Constitution.
- Subject to the law, the Responsible Entity has a right of indemnity out of the Trust assets for all expenses and costs incurred in the proper performance of its duties under the Trust's Constitution, other than where expenses were not incurred in the proper performance of its duties.
- Trilogy is not liable for any loss to any person (including an Investor) arising out of any matter unless it failed to exercise due care and diligence.
- The Responsible Entity may exercise its right to terminate the Trust in accordance with the Constitution and the *Corporations Act* provided it gives the Investors adequate notice as required by the *Corporations Act*. This includes the right to terminate the Trust at any time on giving not less than 60 days' notice, or if it considers that the purpose of the Trust has been accomplished or cannot be accomplished, or if instructed via a court order at a date that the court so determines. Investors have the right to require the termination of the Trust by passing an extraordinary resolution (that is, one that is passed by the Investors holding more than 50.00% of the Units in the Trust).
- Trilogy may convene a meeting of Investors in the Trust at any time and when required to do so by the *Corporations Act*. Trilogy must convene a meeting of Investors in the Trust if requisitioned by the lesser of at least 100 Investors and those Investors who hold at least 5.00% of the Units in the Trust. Each Investor is entitled to attend and vote at meetings of Investors. Meetings must be conducted in accordance with the Trust's Constitution and Part 2G.4 of the *Corporations Act*.
- Trilogy must keep accounts of the Trust and report to Investors concerning its affairs according to the Australian equivalent of the International Financial Reporting Standards and the provisions of the *Corporations Act*. Trilogy must appoint an auditor to audit the accounts and the Compliance Plan for the Trust. The audits must be prepared in accordance with the provisions of the *Corporations Act.*
- The Constitution may be amended only by a special resolution of the Investors in the Trust or Trilogy, if it reasonably believes the change will not adversely affect Investors' rights.

Compliance Plan for the Trust

Trilogy has adopted a Compliance Plan for the Trust. The Compliance Plan addresses issues such as compliance with laws and Trilogy's ethical standards and comprises structural and operational maintenance elements. The Compliance Plan includes provisions that set out the procedures to be adopted for:

- appointment of agents;
- management of the Trust;
- custody of the Trust assets;
- valuations;

- methods for the handling of Application Money, income and payments;
- complaints handling and dispute resolution;
- audits;
- conflicts of interest;
- monitoring, resolving and reporting suspected breaches of the *Corporations Act*; and
- operation of the Compliance Committee.

Custody Deed
Trilogy and the Custodian have entered a Custody Deed. Under the Deed, the Custodian will hold the assets of the Trust acquired after the date of this PDS in compliance with the *Corporations Act*, regulatory requirements, and ASIC policy. The responsibilities of the Custodian include acquiring and disposing of assets of the Trust, and dispensing money on behalf of Trilogy. The liability of the Custodian is limited. The Custodian acts on instruction from Trilogy. The Deed may be terminated by either party giving not less than 90 days' written notice to the other.

Valuation Policy
Trilogy has adopted the following rules for valuations of a Property:

- all properties are initially valued at cost including Acquisition Costs amortised over five years;
- all external valuations must be performed by panel valuers, who must undergo an accreditation process before formal inclusion on the panel;
- the valuer must be registered in the state or territory in which the property is situated;
- the panel valuer must be independent of the vendor and Trilogy;
- the panel valuer must be instructed to prepare the valuation report in a format that sets out the primary methodology used and a secondary check valuation methodology, in accordance with the instructions;
- all valuations must state a replacement value to allow Trilogy to determine the amount of insurance required;
- the valuation report should include a statement that the valuation complies with all relevant industry standards and codes;
- valuations for development assets are on an 'as is' and an 'as if complete' basis, while all others are on an 'as is' basis; and
- any conflicts of interest will be dealt with in accordance with the Trilogy Conflicts of Interest Policy.

Trilogy must ensure that property assets are independently valued before they are purchased and at least once every two years, or more frequently, including within two months after the directors form a view that there may have been a material change in the value of a Property. To obtain a full copy of the Trilogy Valuation Policy, please contact Investor Relations at investorrelations@trilogyfunds.com.au.

Unit Pricing Policy
The Unit price will be determined monthly. As at the date of the Offer, there is no intention to apply a buy or sell spread but Trilogy may apply a spread to the Unit price if it considers it is in the best interests of Investors to do so at the time it makes a Withdrawal Offer or new investment. This will result in a variation between the entry price and the exit price due to transaction costs incurred from investing new equity or realising an investment to meet a withdrawal request. The value of your Units during the Offer under this PDS will be determined based on the Constitution and Unit Pricing Policy of Trilogy and will generally reflect the net asset backing per Unit.

8.12 Environmental and ethical considerations

While Trilogy intends to conduct its affairs in an ethical and sound manner, its investment criteria does not include giving weight to labour standards, environmental, social, or ethical considerations when making, retaining or realising an investment of the Trust.

8.13 Consents

The Trust Company Limited, named in this PDS as the Custodian, has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. No person other than the Responsible Entity has authorised or caused the issue of this PDS and takes no responsibility for any part of the PDS other than the references to its name. The Custodian has relied upon Trilogy and its advisers for the truth and accuracy of the contents, and is not to be taken to have authorised, or caused the issue, of this PDS. The Custodian does not guarantee the return of any investment, any tax deduction availability, or the performance of the Trust.

Section 9.
Glossary of terms

'Acquisition Cost' means in relation to a Property asset, the total cost of it to the Trust including the purchase price, commission, stamp duties, borrowing and financial accommodation costs in relation to the acquisition, and other costs and disbursements and expenses incurred or to be paid by the Responsible Entity in connection with the acquisition of that investment for the Trust.

'Admitted to the ASX' means the price of a product where the value of a product is directly dependent upon the performance of the issuer of the product.

'AMIT' means a trust that, for a given financial year, is an attribution managed investment scheme for the purpose of section 276-10 of the Income Tax Assessment Act 1997 (Cth).

'AMMA Statement' means AMIT Member Annual Statement to be provided to you no later than three months after the end of the relevant income year, disclosing the amounts attributed to you from the Trust each year.

'Application Form' means the application form included in or accompanying the PDS, to be used by persons wishing to acquire Units in, and become a member of, the Trust.

'Application Money' means the money paid by an Investor pursuant to the PDS.

'ASIC' means the Australian Securities and Investments Commission.

'ASX' means ASX Limited ACN 008 624 691.

'Business Day' means a day that is not a Saturday, a Sunday or a public holiday in Brisbane, Australia.

'CGT' means capital gains tax as determined under the Income Tax Assessment Act 1997 (Cth).

'Compliance Committee' means the compliance committee established by Trilogy Funds Management Limited under the Compliance Plan for the Trust.

'Compliance Plan' means the compliance plan for the Trust, as amended from time to time.

'Constitution' means the constitution of the Trust, as amended from time to time.

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

'Custodian' means The Trust Company Limited ACN 004 027 749.

'Disposal Price' means the net proceeds of the sale of the Property asset (being the gross proceeds of sale less the costs and disbursements incurred in the sale, including agent's commission, legal fees, advertising and auction expenses).

'Finance Facility' means the borrowing facilities currently with Westpac Banking Corporation.

'Gross asset value' (or **'GAV'**) means the total assets of the Trust as disclosed in the balance sheet of the Trust.

'GST' means Goods and Services Tax within the meaning of the GST Act.

'GST Act' means the New Tax System (Goods and Services Tax Act) 1999.

'Indirect Investor' means an Investor who subscribes for Units under the Offer via an investment platform or investor directed portfolio service (IDPS).

'Internal Rate of Return' or **'IRR'** means the return earned from the cash flows of a project over the period of investment.

'Investor' means the registered owner of Units in the Trust, and may include a proposed Investor in the Trust if the case requires.

'ITC' means input tax credit.

'LVR' means the Loan-to-valuation Ratio being the loan amount divided by the value of the Properties, as required by the Responsible Entity's valuation policy from time to time. Note that this differs from the gearing ratio required to be calculated in accordance with ASIC's RG 46; see Sections 5.13, 5.15, 6.1 and 6.2 for details.

'MIT' means Managed Investment Trust.

'Net Asset Value' or **'NAV'** of the Trust means the amount determined by the Responsible Entity from time to time as the value of the assets of the Trust (the GAV) less the liabilities, as adjusted in accordance with the Trust's constituent documents and policies from time to time.

'Net Tangible Assets' or **'NTA'** means the net assets of the Trust as calculated by the Responsible Entity.

'Offer' means the offer of Units through this PDS.

'PDS' means this Product Disclosure Statement.

'Property' or **'Properties'** means any one property or all property the Trust currently holds or may hold in the future.

'Property Manager' or **'SPFM'** means SPFM No 2 Pty Ltd ACN 612 360 933, a party related to the Responsible Entity.

'Quoted on the ASX' means the price of a product where the value of a product is dependent on the performance of the underlying assets held.

'Responsible Entity' means the party responsible for the management of a registered managed investment scheme in accordance with the Corporations Act and in the case of the Trust is Trilogy Funds Management Limited.

'Retail client' has the meaning given in the Corporations Act.

'RG' means a Regulatory Guide issued by ASIC.

'RITC' means reduced input tax credit.

'Settlement Date' means the date of settlement of the purchase of a new Property from time to time.

'TEIF' means the Trilogy Enhanced Income Fund ARSN 614 682 469.

'Term' means the four-year period from 12 April 2018 to the first Withdrawal Offer, then the period between each subsequent Withdrawal Offer thereafter.

'TMIT' means the Trilogy Monthly Income Trust ARSN 121 846 722

'Trilogy' or **'Responsible Entity'** or **'we'** or **'us'** means Trilogy Funds Management Limited ACN 080 383 679.

'Trust' means the Trilogy Industrial Property Trust ARSN 623 096 944.

'Trust assets' means the Properties and all other assets of the Trust.

'Units' means units in the Trust.

'Withdrawal Offer' means an offer that the Responsible Entity intends to make from time to time, at approximately four-year intervals from the date of settlement of the purchase of the initial Property portfolio, being 12 April 2018, in accordance with the Constitution and Corporations Act to provide an exit mechanism for Investors who wish to redeem Units, as set out in Section 5.11.

Find out more.

Start a conversation with us today.

Call 1800 230 099 or
email investorrelations@trilogyfunds.com.au

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Between 8:30am and
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(Australian Eastern
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AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY RESOLUTION SCHEME
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Melbourne VIC 3001
Free call 1800 931 678
Email info@afca.org.au

This PDS is issued by Trilogy Funds Management Limited ABN 59 080 383 679 AFSL 261425 (**Trilogy Funds**) as responsible entity for the Trilogy Industrial Property Trust ARSN 623 096 944. Application for investment can only be made on the application form accompanying the Product Disclosure Statement (**PDS**) dated 1 July 2021 and by considering the Target Market Determination (**TMD**) dated 1 October 2021 for the Trilogy Industrial Property Trust ARSN 623 096 944 available at www.trilogyfunds.com.au. The PDS and the TMD contain full details of the terms and conditions of investment and should be read in full, particularly the risk section, prior to lodging any application or making a further investment. All investments, including those with Trilogy Funds, involve risk which can lead to loss of part or all of your capital or diminished returns. Trilogy Funds is licensed to provide only general financial product advice about its products and therefore recommends you seek personal advice on the suitability of this investment to your objectives, financial situation and needs from a licensed financial adviser. Investments with Trilogy Funds are not bank deposits and are not government guaranteed.