
Unit Pricing Discretion Policy

Instreet Investment Limited

Table of contents

1. Adoption	1
2. Introduction and Purpose of Policy	1
3. Policy Scope	1
4. Outsourcing Arrangements	1
5. Unit Pricing Methodology	1
6. Our Discretions – The Policy	2
7. Errors	5

1. Adoption

Adoption

This document contains a general outline of the unit pricing discretion policy (Policy) adopted by Instreet Investment Limited (Responsible Entity) in its capacity as responsible entity for the *Raiz Property Fund* (Fund). This Policy was first adopted by the board on 25 October 2022.

2. Introduction and Purpose of Policy

Instreet Investment Limited is the Responsible Entity of the Raiz Property Fund. This document provides guidance on how the Responsible Entity will exercise the discretions permitted under the Constitution of the Fund to determine the application price and redemption price (the policy).

3. Policy Scope

This policy sets out the circumstances in which the Responsible Entity's discretion is exercised and aims to ensure that:

- unit prices are calculated fairly and equitably;
- the process of calculating unit prices is transparent and consistently applied; and
- the methodologies adopted are reviewed at appropriate intervals and revised as necessary to meet commercial and regulatory requirements.

The exercise of any discretion is subject to the general duties of a Responsible Entity under section 601FC of the Corporations Act, to exercise its powers and carry on its duties in the best interests of unitholders and to exercise the discretions with a reasonable degree of care and diligence.

The Responsible Entity is allowed to decide matters that affects the method or formula used to calculate the unit price of the Fund where permitted under the Constitution. This includes the documentation of the Responsible Entity's policy on the discretions permitted under the Constitution of the Fund.

4. Outsourcing Arrangements

The discretions permitted under the constitution of the Fund are exercised by the Responsible Entity.

The administrator of the Fund is responsible for the functional elements of the unit pricing process and it is currently outsourced.

Although the functional elements of the unit pricing process may be carried out by a third party, the Responsible Entity does not outsource its responsibility to unitholders regarding the calculation of unit prices. The ultimate responsibility for ensuring that unit prices are determined appropriately lies with the Responsible Entity.

5. Unit Pricing Methodology

The following table details key unit pricing principles:

Product Group	Frequency	Basis (historical v forward)	Rounding principles
Raiz Property Fund	Every business day	Forward	4 decimal places for reporting purposes.

The Fund's constitution sets out the method that the Responsible Entity uses to calculate the issue price and withdrawal price of the Fund. This is generally expressed as follows:

Issue price = (Net Asset Value + Transaction Costs) / Number of units on issue

Withdrawal price = (Net Asset Value - Transaction Costs) / Number of units on issue

What records will we keep?

The Responsible Entity will retain this policy and records for seven years after this policy ceases to be current. The Responsible Entity will also retain documentation of circumstances where the exercise of discretions are not covered by this policy or involve a departure from this policy.

What if a discretion is not in this policy?

If the Responsible Entity exercises a discretion for which there is no documented policy current at the time or in a way that involves a departure from this policy, the Responsible Entity will prepare a document that sets out the following:

- The date on which the discretion was exercised
- If the discretion was exercised by a person/entity nominated by the Responsible Entity, the identity of the nominee
- How the discretion was exercised
- An explanation as to why it was reasonable to exercise the discretion the way it was exercised
- If the discretion was not exercised in accordance with ordinary commercial practice, an explanation as to why it was not practical to do so.

Will this policy be regularly updated?

This policy may be updated from time to time, reviewed annually. The most current policy and any additional document that sets out the discretions not covered in the policy are available from our website at www.raizinvest.com.au.

6. Our Discretions – The Policy

Rounding unit prices

All unit prices are rounded to a minimum of four (4) decimal places. A "4" or less in the next decimal place is rounded down, a "5" or greater in the next decimal place is rounded up.

The Responsible Entity reserves the right to round down the Redemption Price to the nearest whole cent.

Provision for transaction costs

The Fund may incur transaction costs as a result of the Fund needing to acquire or sell assets due to the application or redemption of a particular investor. This is known as the buy-sell spread.

The Constitution allows the Responsible Entity to make a provision for transaction costs in the calculation of the net asset value of the Fund. The amount of the spread is determined based on the

Responsible Entity's experience of the costs involved in investing in the assets and an assessment of the actual costs that Fund has incurred. The Fund constitution outlines and has set a buy-sell spread of the Fund at 0.25%.

When assets are being acquired or sold provision will be made for transaction costs in order that other members do not pay the transaction costs associated with a particular investor buying or selling units in the Fund.

The following factors have been taken into account in determining the provision for transaction costs:

- agents costs;
- government charges (such as stamp duty); and
- other costs directly associated with the acquisition or disposal of assets of the kind held within each Fund, such as valuation, legal or agents fees.

In some circumstances, the Responsible Entity may make no provision for transaction costs associated with the purchase or sale of assets. Some examples of circumstances where the Responsible Entity may make no provision include:

- transfer of Fund interests between Fund unitholders;
- in species transfer of assets into and out of the Fund;
- re-investment of distributions by unitholders into the Fund; and
- investing into unlisted securities or unit trusts which do not charge a buy/sell spread.

Selecting a valuation method

Under the Fund's constitution, the total net asset value is calculated as the value of the assets less the liabilities. The Responsible Entity has discretion to determine how the assets are valued including the valuation methodology and the timing of the valuation. Investments within the Fund are generally valued at their market value consistent with Financial Services Council standards. The assets of a Fund include all investment assets, capital, income, property and rights of the Fund.

The Responsible Entity maintains a written Real Property Valuation Policy for the Fund, which is reviewed at least annually or as market circumstances dictate. The Fund's Real property Valuation Policy is available on our website (www.raizinvest.com.au). The following information summarises the valuation policy currently used by the Fund:

- All properties acquired by the Fund will be independently valued prior to acquisition by an independent valuer currently licensed and registered in the state where the property is located and will be initially included in the Fund's asset register at the purchase price.
- Each completed property will also be independently valued by a registered valuer annually and at any other times that the Responsible Entity or other relevant parties may deem necessary or as required by the Act and/or Regulations from time to time.
- The liabilities of a Fund, are valued in good faith in accordance with industry standards and best practices. These include, but not limited to, all borrowings, contingent liabilities, accrued fees payable, provisions and any other relevant liabilities of a Fund.

The Responsible Entity will be responsible for ensuring that all asset valuations are determined in accordance with the Constitution, PDS and legislative requirements.

The liabilities of a Fund include but are not limited too:

- Fees and rebates will be accrued on a monthly basis.
- Expenses will be accrued monthly using a reasonable estimate of annual expenses, with reconciliations and wash-ups against actual expenses occurring at least annually.

- A calculation of the management and performance fees will be determined and accrued on a monthly basis. The Fund's management and performance fee methodology is outlined in the Fund's PDS and Constitution.
- Tax liabilities of assets are calculated in accordance with relevant taxation laws. As tax is paid in the hands of the member, a tax provision is not included in the unit price for the Fund.
- The unit price of a Fund does not take into account tax credits collected by the Funds.

Tax credits, if any, will be distributed to members at each distribution period.

Determining a time at which assets and liabilities are valued

The Responsible Entity has discretion under the Fund's constitution to determine when the Fund's assets and liabilities are valued. The Responsible Entity has exercised its discretion to determine that the assets and liabilities will generally be valued on the first business day of each month.

Determining a time at which unit prices are calculated

The Responsible Entity has discretion under the Fund's constitution to determine when unit prices are calculated. The Responsible Entity has exercised its discretion to determine that the unit price of each Fund will generally be calculated on each business day.

Unit pricing can be carried out using forward pricing or historic pricing.

- Forward pricing is when applications to buy and sell units are processed using a price based on asset data effective after the applications have been received.
- Historic pricing is when applications to buy and sell units are processed using a price calculated prior to the receipt of applications.

The Responsible Entity calculates unit prices by using forward pricing. When using a forward pricing methodology, a cut-off time must be applied to determine which transactions will receive a particular unit price. The cut-off time is specified in the PDS. Applications or redemption requests received before the cut-off time on a business day will receive the relevant price for that day. Transaction requests received after the pricing cut-off time are processed using the unit price calculated on the next pricing day following the day of receipt of the transaction request.

The Responsible Entity may suspend the calculation of unit prices in certain circumstances, including:

- it is desirable for the protection of the Fund or in the interest of unitholders as a whole including if any relevant financial, stock, bond, note, derivative or foreign exchange market is closed or trading on any such market is restricted;
- any state of affairs exists as a result of which the Responsible Entity considers or determines that it is not or may not be reasonably practicable for the Fund to acquire or dispose of assets or determine fairly the amount of the redemption price of a unit (including any moratorium declared by a government of any country), the state of affairs will or may affect to a significant degree the ability of the Responsible Entity to acquire or dispose of assets or the prices at which the Responsible Entity may acquire or dispose of assets;
- the realisation of assets cannot be effected at prices or on terms which would be obtainable if assets were realised in an orderly fashion over a reasonable period in a stable market; or
- it is in the interest of unitholders.

Unit prices may also be delayed during interim and year end distribution periods.

Frequency of distributions

The frequency with which the Fund distributes income and realised capital gains in most circumstances is set out in the PDS. However, the Responsible Entity may exercise its discretion to

vary this frequency, based on the amount and timing of taxable income and capital gains within the Fund and other factors such as expected cash flows.

The Responsible Entity calculates interim distributions based on estimated income in accordance with the Fund's constitution. The Responsible Entity may also exercise its discretion as to whether the Fund should distribute in a particular period and the amount of the interim distribution. In exercising this discretion, the Fund will have regard to anticipated cash flows in the Fund and any anticipated large deposits into or withdrawals from the Fund, in order to ensure as far as possible that all unitholders are treated fairly.

The Responsible Entity believes that exercising its discretion in this way is reasonable because it ensures that the income of the Fund is distributed fairly to unitholders and that the income and capital gains of the Fund can be distributed in a way which does not impose an unfair tax burden on particular unitholders.

Special distributions

Where a large deposit is made into, or a large withdrawal is made from a Fund, the Responsible Entity may assess the tax position of a Fund to decide if a special distribution is required. A special distribution will be made if a Fund considers that it is appropriate to distribute a Fund's income before the deposit or withdrawal, to ensure that all unitholders in a Fund are treated fairly for tax purposes, and that no group of unitholders/investors bears a disproportionate share of the tax on a Fund's income or realised gains.

7. Errors

Any errors in the pricing of Units will be dealt with and managed in accordance with the relevant principles set out in the Joint ASIC and APRA guide, 'Unit Pricing Guide to Good Practice' and will be reviewed from time to time to make sure current for any changes.

Policy Review History

The following Table sets out the history of modifications to this *Unit Pricing Discretion Policy* as from 25 October 2022.

Version No.	Issue / Review Date	Reviewed by	Synopsis of Review	Board Adoption Date
1.00	25 October 2022	N/A	Original version adopted by the Board of Directors of the Responsible Entity.	25 October 2022