

# RESIFUND

ResiFund

ACN 154 921 730

---

*Unit Pricing Policy*

Adopted : 10 December 2018

---

## CONTENTS

<b>1.</b>	<b>Background</b>	<b>1</b>
<b>2.</b>	<b>Purpose and scope</b>	<b>1</b>
<b>3.</b>	<b>Good practice principles</b>	<b>2</b>
<b>4.</b>	<b>Pricing method—Application Price</b>	<b>2</b>
<b>4.1</b>	General	2
<b>4.2</b>	Application Price	2
<b>5.</b>	<b>Pricing method—Withdrawal Price</b>	<b>3</b>
<b>5.1</b>	General	3
<b>5.2</b>	Withdrawal Price	3
<b>6.</b>	<b>Specific Discretions</b>	<b>4</b>
<b>6.1</b>	Calculation of Application Price	4
<b>6.2</b>	Calculation of Withdrawal Price	4
<b>7.</b>	<b>Policies for exercise of Discretions</b>	<b>5</b>
<b>7.1</b>	Determining Net Asset Value	5
<b>7.2</b>	Determining Transaction Costs—Application Price	6
<b>7.3</b>	Determining Transaction Costs—Withdrawal Price	6
<b>7.4</b>	Timing for pricing of Units	6
<b>8.</b>	<b>Exercise of Discretion</b>	<b>7</b>
<b>9.</b>	<b>Departures from this Policy</b>	<b>7</b>
<b>10.</b>	<b>Record keeping</b>	<b>7</b>
<b>11.</b>	<b>Review</b>	<b>8</b>
<b>12.</b>	<b>Contact</b>	<b>8</b>
	<b>Schedule 1—Dictionary</b>	<b>9</b>
	<b>Schedule 2—Departure report</b>	<b>10</b>

## 1. Background

---

- (a) Section 601GA of the *Corporations Act (2001)* requires the constitution of a registered managed investment scheme to—
- make adequate provision for the consideration that is to be paid to acquire an interest in the scheme, and
  - where members have a right to withdraw from the scheme, set out adequate procedures for making and dealing with withdrawal requests.
- (b) ASIC considers that “adequate provision” has been made if it is possible to objectively test the determination of the issue price and withdrawal amount from the terms of the constitution. ASIC considers that if a provision of a scheme’s constitution allows the responsible entity to influence any aspect of the issue price or the withdrawal amount, then the constitution may not comply with section 601GA of the *Act*.
- (c) However, ASIC has issued the class order relief in the form of the ASIC Class Orders to allow a formula or method set out in the constitution to permit a responsible entity to exercise discretion to influence an aspect of the issue price or the withdrawal amount. This relief is conditional on, amongst other things, the responsible entity exercising its discretion in accordance with a documented policy.
- (d) This Policy contains references to clauses in the Constitution. A copy of the Constitution is available from ResiFund for no charge upon request. ResiFund’s contact details are contained in clause 12.

## 2. Purpose and scope

---

- (a) This Policy applies to the following registered managed investment scheme, of which ResiFund is the responsible entity—
- (i) Australian Residential Property Fund
- referred to in this Policy as a "Fund", and references to a “Constitution” mean the relevant Fund’s Constitution.
- (b) The purpose of this Policy is to set out how ResiFund will exercise its discretion to ensure that—
- (i) Application Price and Withdrawal Price are calculated and applied consistently and equitably, and
- (ii) the formula or method used is reviewed at appropriate periods.
- (c) This Policy must—
- (i) not involve the creation of another Discretion, and

- (ii) be the only policy applicable to the exercise of a Discretion at any one time.

### **3. Good practice principles**

---

In the joint ASIC and APRA guide *Unit pricing—Guide to good practice (updated August 2008)*, the following good practice principles for unit pricing were identified and have been adopted by ResiFund in respect of the Fund:

- (a) In relation to a scheme, the responsible entity's unit pricing policies and practice must be consistent with the scheme's constitution, compliance plan and disclosure documents (i.e. product disclosure statement).
- (b) The pricing policies must be implemented consistently and kept up-to-date.
- (c) Adjustments to unit prices, if based on sound policy, are not errors.
- (d) The responsible entity may exercise its own judgement to develop estimates where actual values are not available.
- (e) Information for unitholders must be accessible, timely and useful.

### **4. Pricing method—Application Price**

---

#### **4.1 General**

- (a) The Application Price for the issue of a Unit in the Fund is calculated in accordance with the Constitution. ResiFund will only issue a Unit at a price calculated in accordance with the provisions of the Constitution. The method for calculating the Application Price for the issue of a Unit in the Fund is described in clause 4.2.
- (b) The only circumstances in which ResiFund is permitted to calculate the Application Price other than in accordance with the method described in clause 4.2 are those, subject to the Constitution, which are set out in the ASIC Class Orders. These circumstances include unit pricing—
  - (i) for a rights issue
  - (ii) upon distribution reinvestment, and
  - (iii) for wholesale clients.

#### **4.2 Application Price**

- (a) The Application Price for a Unit issued prior to or pursuant to the first Disclosure Document is \$1.00.
- (b) the Responsible Entity may issue Units of different classes at the price and terms determined in accordance with the Constitution;
- (c) The Constitution sets out how the Application Price for Units issued after the offer under the Fund's first Disclosure Document (Subsequent Units)

will be priced. Any Subsequent Units will be issued at an Application Price calculated in accordance with the following formula:

$$\frac{\text{Net Asset Value} + \text{Transaction Costs} + \text{Aggregate Unpaid Amount}}{\text{Units in Issue}}$$

Units in Issue

- (d) All variables in the formula in clause 4.2(b) must be as at the date of the calculation.

## **5. Pricing method—Withdrawal Price**

### **5.1 General**

- (a) Unitholders cannot request a redemption of their Units unless ResiFund determines to make a withdrawal offer to all Unitholders.
- (b) In November 2023, we will provide an opportunity for Investors seeking to sell part or all of their investment through either listing the Fund on the ASX, where all Fund Units can be bought and sold on an open market exchange, or through a partial Redemption facility which would be funded by new investment inflows, borrowings, asset sales or a combination thereof.
- (c) When the Responsible Entity makes a Withdrawal Offer, if all redemption requests exceed the amount of money available to the Fund from the assets specified in the Withdrawal Offer in order to satisfy those requests within 21 days after the close of the relevant Withdrawal Offer (for example, because a property is under contract and settlement is pending), the redemption requests will be partially satisfied on a pro rata basis in accordance with section 601KD of the *Corporations Act*.
- (d) However, the Responsible Entity will seek to manage the Withdrawal Offer and redemption facility process in accordance with the *Corporations Act* in order to fully satisfy all redemption requests under the relevant Withdrawal Offer, subject to the available liquidity of the Fund.
- (e) In the unlikely event ResiFund makes a withdrawal offer to Unitholders, then the Withdrawal Price for a Unit must be calculated in accordance with the Constitution.

### **5.2 Withdrawal Price**

- (a) Under the Constitution, the Withdrawal Price for a Unit is calculated in accordance with the following formula:

$$\frac{\text{Net Asset Value} - \text{Transaction Costs}}{\text{Units in Issue}}$$

---

## 6. Specific Discretions

---

### 6.1 *Calculation of Application Price*

- (a) The Application Price for a Unit issued pursuant to the Fund's first Disclosure Document is fixed at \$1.00.
- (b) The calculation of the Application Price for any Subsequent Units involves the exercise of certain Discretions by ResiFund. Under the Constitution, ResiFund can decide matters which affect the values of variables which make up the Application Price formula.
- (c) The matters in relation to which ResiFund may exercise a Discretion when calculating the current Application Price are as follows:
  - (i) Calculation of the Net Asset Value of the Fund, which in turn involves ResiFund exercising Discretions (see clause 7.1).
  - (ii) In determining the Application Price, ResiFund may add an allowance for Transaction Costs incurred by the Fund in issuing Units. These costs are calculated by making an estimate of all the costs that would need to be incurred to acquire all of the Assets in the Fund (see clause 7.2).

The time at which the Application Price should be determined, in relation to a particular application to invest in the Fund (see clause 7.4).

### 6.2 *Calculation of Withdrawal Price*

- (a) For any one quarter, a Sell Spread is the amount by which the Exit Unit Price is lower than the NAV per Fund Unit (including any undistributed income).
- (b) There is no redemption facility for Fund Units. However, the Manager will provide a limited liquidity facility from 2023 that will provide Investors with the opportunity to apply to redeem some or all of their Fund Units in the Fund for an amount equal to the NAV per Fund Unit (including any undistributed income) less a Sell Spread of 1% payable to the Responsible Entity.
- (c) Each Fund Unit redeemed will be redeemed on a stapled basis, such that for each Unit in the Passive Fund that is redeemed, there will be a corresponding equivalent redemption of Unit in the Active Fund.
- (d) Prospective Investors can obtain the most recent Entry Unit Price and Exit Unit Price from [www.resifund.com.au](http://www.resifund.com.au). The differences between these prices will be the current Sell Spread.
- (e) Calculation of the Withdrawal Price for Units involves the exercise of certain Discretions by ResiFund. As with the determination of the Application Price under the Constitution, ResiFund can decide matters which affect the values of variables making up the Withdrawal Price.

- (f) The matters in relation to which ResiFund may exercise a Discretion when calculating the current Withdrawal Price are as follows:
- (i) Calculation of the Net Asset Value of the Fund, which in turn involves ResiFund exercising Discretions in relation to the matters (see clause 7.1(a)(ii)).
  - (ii) When calculating the Withdrawal Price, an allowance for Transaction Costs may be deducted to account for the cost of funding the withdrawal. Transaction Costs are generated where a withdrawal offer is funded through applications from further fundraisings, sale of Assets or borrowings.

## **7. Policies for exercise of Discretions**

---

### **7.1 Determining Net Asset Value**

(a) General

In calculating the Application Price for Units, ResiFund must determine the Net Asset Value. The Net Asset Value is the total value of all assets of the Fund, less all Liabilities of the Fund.

- (i) Under the Constitution, ResiFund may—
    - A. decide when to value any Asset
    - B. determine the valuation methods and policies for each category of Asset, from time to time, and
    - C. calculate the Net Asset Value at any time, in its discretion.
  - (ii) Therefore, in calculating the Net Asset Value at any point in time, ResiFund is entitled to exercise Discretions, in relation to—
    - A. when Assets of the Fund are to be valued
    - B. when the Net Asset Value is to be determined
    - C. the valuation methods and practices to be applied for different types of Assets, and
    - D. the provisions which should be taken into account in determining the Liabilities of the Fund.
- (b) Determining the Assets of the Fund—valuation methods and procedures

The Constitution states the value of an Asset for the purpose of calculating Net Asset Value will be its market value. ResiFund's current policies on the valuation methods to be adopted for the valuation of the different categories of Assets are as follows:

- (i) Real property—Properties will be independently valued at least annually.
- (ii) Other assets—Cash and debtors are recorded at their current face value.

It is considered that the above methods and procedures for valuing Assets are reasonable. All of these policies are consistent with ordinary commercial practice for the valuation of each Asset type.

- (c) Determining the Liabilities of the Fund
  - (i) In determining the Liabilities of the Fund, ResiFund may allow for any provisions it considers should be taken into account.
  - (ii) The provisions ResiFund takes into account in determining the Liabilities of the Fund are calculated in accordance with the definition of Liabilities contained in the Constitution.

## **7.2 Determining Transaction Costs—Application Price**

- (a) Transaction Costs have been factored into the Application Price for Units issued pursuant to the first Disclosure Document. For any Subsequent Units, Transaction Costs will be factored into the Application Price in accordance with the formula stated in clause 4.2.
- (b) The Transaction Costs applicable for the calculation of Application Prices are for example brokerage fees and property acquisition costs.

## **7.3 Determining Transaction Costs—Withdrawal Price**

- (a) When calculating the Withdrawal Price, Transaction Costs may be deducted as an allowance for the total cost of selling the Assets of the Fund.
- (b) There are not expected to be substantial Transaction Costs applicable for the calculation of a Withdrawal Price. These costs will be costs associated with selling a property investment.

## **7.4 Timing for pricing of Units**

- (a) General

As noted earlier in this Policy, under the Constitution, ResiFund may decide when to determine the Application Price, in relation to an application to invest in the Fund.

- (b) Applications

Under the Constitution, the date upon which ResiFund must calculate the Application Price is, subject to an offer for Units being open for a specified period after which Units are then issued, on the later or—

- (i) the day ResiFund receives the application for Units, or
- (ii) the day ResiFund receives the Application Price or property against which Units are to be issued.

- (c) Withdrawals



Unitholders cannot request a redemption of their Units unless ResiFund determines to make a withdrawal offer to all Unitholders. Accordingly, ResiFund will only calculate the Withdrawal Price at the time the withdrawal offer closes.

## **8. Exercise of Discretion**

---

- (a) ResiFund (or its nominee) must act reasonably in exercising any Discretion.
- (b) Without limiting clause 8(a), where a Discretion relates to working out the value of the Assets, the manner in which a Discretion is exercised must as far as practicable be consistent with ordinary commercial practice for valuing property of the relevant kind.
- (c) Liabilities.
- (d) ResiFund has based this Policy on current ordinary commercial practice for unlisted managed investment schemes which invest directly in real property. Therefore ResiFund considers that it is reasonable to exercise the Discretions documented in this Policy in accordance with this Policy.

## **9. Departures from this Policy**

---

If ResiFund or its nominee exercises a Discretion in either of the following circumstances, then ResiFund or its nominee must complete a notice included as Schedule 2—Departure report:

- (a) ResiFund or its nominee exercises a Discretion which is not covered by this Policy or in relation to which there is no documented policy that is current at the time of exercise.
- (b) ResiFund or its nominee exercises a Discretion in a way that involves a departure from this Policy.

## **10. Record keeping**

---

- (a) ResiFund must ensure that the records which it keeps under section 988A of the Act are kept in such a way as will enable any of the following relating to the issue or redemption of a Unit to be identified:
  - (i) Any documented policy applied in the exercise of a Discretion.
  - (ii) Any exercise of a Discretion covered by clause 9.
- (b) ResiFund must do the following:
  - (i) Retain any documents concerning the exercise of a Discretion (including this Policy) for seven years after they cease to be current.

- (ii) Give a copy of the documents referred to in clause 10(b)(i) to the following persons on request at no charge:
  - A. A Unit Holder of the Fund.
  - B. A person who has been or should have been given, or who has obtained, the Disclosure Document for the Fund.

## **11. Review**

---

The Managing Director must review this Policy on an ongoing basis and suggest any modifications to this Policy considered necessary. ResiFund may amend or supplement this Policy from time to time.

## **12. Contact**

---

Any questions may be directed to Matthew Lewison as follows:

Phone: 1300 999 881

Postal address: ResiFund  
PO Box 5266  
BRANDON PARK VIC 3150

---

**Schedule 1—Dictionary**

---

Capitalised terms in this Policy have the meaning given to them in the relevant Fund's Constitution, except for the following terms:

ASIC Class Orders	Means— <ul style="list-style-type: none"><li>(a) ASIC class order 05/26 (for schemes registered before 1 October 2013), and</li><li>(b) ASIC class order 13/655 (for schemes registered on or after 1 October 2013).</li></ul>
Cash	Includes cheques, bank deposits, bank cheques, bank transfers, bank drafts and bills of exchange.
Discretion	A discretion to do either or both of the following: <ul style="list-style-type: none"><li>(a) Decide a matter that affects the value of a factor included in the Unit pricing formula included in clause 4 of this Policy.</li><li>(b) Decide a matter that is an aspect of the method of calculating an Application Price.</li></ul>
ResiFund	ResiFund ACN 154 921 730.  Open Corp Funds Management Ltd holding Australian Financial Services Licence 417371 and which acts as the responsible entity of the Fund
Policy	This policy including all of its annexures and schedules.

**Schedule 2—Departure report****DEPARTURE REPORT**

Date:

Fund:

Person responsible: Name:

Position:

Company:

Date discretion exercised	How was the discretion exercised?	Why was it reasonable to exercise the discretion the way it was exercised?	If the discretion was not exercised in a way which is consistent with scheme property being valued in accordance with ordinary commercial practice, why was it impracticable to do so?
---------------------------	-----------------------------------	--	--

This form must be completed and handed to the CEO as soon as practicable following the date the discretion was exercised.

Checked by CEO

Signed:

Date:

**Compliance Officer comments:**


---



---



---



---

Confirmed by Compliance Officer

Signed:

Date: