



30 SACKVILLE TERRACE
SCARBOROUGH WA

Information Memorandum

GRIFFIN 



CONTENTS

Important Information	4
01 Executive Summary	5
02 Offer Overview	6
03 The Offer	9
04 The Project	12
05 Financial Information	15
06 Fees and Costs	20
07 Founder & CEO, Greg Devine	23
08 Investment Team Members	24
09 Key Risks	25
10 Common Terms	28
11 Additional Information	31

IMPORTANT INFORMATION

This Information Memorandum (**IM**) has been prepared and issued by Griffin Projects Group Pty Ltd (ACN 117 384 835) (**Griffin**), in its capacity as Authorised Representative (001288784) of SMATS Consortium Pty Ltd (ABN 80 122 629 243) (**SMATS Consortium**), holder of Australian Financial Services Licence No. 480476 (**AFSL**). SMATS Consortium is a company jointly owned by Griffin and SMATS Services (Australia) Pty Ltd (**SMATS**).

The Offer is to issue \$950,000 in loans (**SPL Offer**) and to issue \$750,000 in Preferred Units (**PU Offer**).

This Offer refers to the issue of:

1. Loans by becoming a Secured Private Lender (**SPL**) to the GPG No 16 Holdings Pty Ltd (ACN 654 893 455) (**Borrower**)
2. Units a Preferred Unit Holder (**PUH**) in the GPG No 16 Unit Trust (ABN 18 345 712 971).

The funds raised under this SPL issue by the Borrower will be lent to GPG No 16 Pty Ltd (ACN 654 893 446) as trustee for the GPG No 16 Unit Trust (ABN 18 345 712 971) (**Project**).

Griffin as the issuer of the Loans and Preferred Units is not obliged to proceed with the Offer should it not deem it appropriate. This Offer is only available to investors who are regarded as Sophisticated or Wholesale Investors for the purposes of the Corporations Act in Australia.

This is not an Offer to any person who is not a Wholesale Investor, nor is it an Offer in any place in which, or to any person to whom it, would not be lawful to make such an Offer. This IM is not a regulated disclosure document or product disclosure statement under the Corporations Act and will not be lodged with the ASIC.

Recipients of this IM should not rely solely on the contents of this IM and should not consider it as advice or a recommendation to become a lender or investor to the project. It is recommended that recipients conduct their own enquiries and seek advice from their financial or other professional advisers before applying to become a lender or PUH to the project. To the maximum extent permitted by law, the Trustee, the Borrower, the Development Manager, Griffin, SMATS Consortium or any of their directors, officers, employees, advisers, consultants or their associated businesses, partners, directors, officers or employees do not accept any liability or responsibility for any loss or damage (however caused including without limitation for negligence) arising from reliance placed on the information contained in this IM.

The information in this IM has not been independently verified or audited. This IM includes statements based on current expectations of the Trustee, Borrower and Development Manager as at the date of this IM. Statements of intent or expectation should not be taken to be a prediction or warranty that those events will occur.

Whilst all due care has been taken in the preparation of this IM, no representation is made to the accuracy, completeness or likelihood of fulfilment of any event or results expected or implied by such statement within this IM. The Trustee, Borrower and

the Development Manager have no responsibility to update or supplement this IM.

Each investor and lender is responsible for all costs incurred by it, or on its behalf in relation to its participation in the Offer. Under no circumstances will an applicant be entitled to receive any indemnification, refund or compensation from the Trustee, Borrower, the Development Manager, Griffin or SMATS Consortium and/or its advisers in respect of costs incurred by it, or on its behalf in relation to its participation in the Offer, even if it is cancelled, varied, supplemented, superseded or replaced by the Trustee, Borrower or Griffin. To the maximum extent permitted by law, each recipient expressly waives any right which it may have to rely upon the contents of this IM and will not rely upon the IM to sue or to hold the Trustee, Borrower, the Development Manager, Griffin or SMATS Consortium and/or their advisers liable in any respect.

The information contained in this IM has been prepared as at **17 October 2022**. Neither the delivery of this IM, nor any issue/ offer of Units or Loans implies or should be relied upon as a representation or warranty that there has been or will be no change since that date in the affairs or financial condition of the Trustee, Borrower, or that the information contained in this IM remains correct at, or at any time after, that date.

Important Disclosures

1. The loans are likely to be illiquid as there is no active secondary market for the sale of your loan. The loan is for a fixed term that may be extended for up to 12 months at the discretion of the Borrower.
2. Preferred Units are likely to be illiquid and there is no active secondary market for the sale of your units or requirement for the Trustee to redeem your Units early.
3. The Trustee, Borrower, the Development Manager, Griffin and the respective officers and employees have no obligation to redeem your Units/Loans.
4. The Trustee, Borrower, the Development Manager, Griffin, the Directors of SMATS Consortium Pty Ltd and the respective officers, employees and associates may acquire Preferred Units in the Trust or make a loan to the Project on the same or similar terms as outlined under this Offer.
5. Griffin will hold Ordinary Units in the Project SPV and be entitled to any distributions of potential profit at the conclusion of the Project and after repayment of all Preferred Units and Loans.
6. Griffin and SMATS are entitled to a performance fee payment prior to any distributions to Ordinary Units or Investor Units from the Project SPV. This is paid after the interest and loan capital is returned to Secured Private Lenders and after any distributions to Preferred Unit Holders and as such will not impact your potential return.

01 EXECUTIVE SUMMARY

Dear Investor

On behalf of GPG No 16 Holdings Pty Ltd (ACN 654 893 455) and GPG No 16 Pty Ltd (ACN 654 893 446) ATF The GPG No 16 Unit Trust (ABN 18 345 712 971), Griffin Projects Group Pty Ltd is pleased to present you with this investment opportunity into another exciting Griffin project.

The 30 Sackville Terrace project in Scarborough is a short to medium term property investment opportunity with the funds raised under this offer used to develop the land lot located at 30 Sackville Terrace into a multi-dwelling residential development.

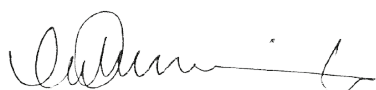
It's forecast that the project will require \$6.7 million to complete the entire development over the projected 30 months. It is anticipated that this will be comprised of \$4.4 million from Institutional Lenders, \$950,000 through Secured Private Lenders, \$750,000 through Preferred Unit Holdings and \$600,000 from Equity Partners into the GPG No 16 Unit Trust.

Secured Private Lender's hold a grouped second mortgage over the development property. Dependent on the amount you invest, you will accrue interest over the term of your loan at a rate of up to 16% per annum paid at the conclusion of the project. Secured Private Lenders are expected to receive the return of their loan capital and accrued interest at the completion of the project and prior to any distributions being made to the Equity Partners and the holder of Preferred Units in the GPG No 16 Unit Trust.

As a Preferred Unit Holder, you will be entitled to a preferred distribution from the Trust prior to any distribution to the Equity Partners. Dependent on the amount you invest, you will accrue an annual return over the term of your investment at a rate of up to 18% per annum, paid at the conclusion of the project. Preferred Unit Holders are expected to receive the return of their capital and accrued return at the completion of the project and prior to any distributions being made to the Equity Partners in the GPG No 16 Unit Trust.

We look forward to welcoming your interest as a participant in the project and sharing in an outstanding opportunity for an above average return.

Yours Faithfully,



Greg Devine - on behalf of GPG No 16 Pty Ltd
Director

02 OFFER OVERVIEW

The key features of the Offer and benefits set out in this section are a summary only. This Information Memorandum should be read in its entirety. For detailed information refer to the listed Sections.

FEATURE	SUMMARY	SECTION
Project SPV	GPG No 16 Pty Ltd as trustee for the GPG No 16 Unit Trust	03
Development Site	30 Sackville Terrace, Scarborough Western Australia	04
Development Project	The funds raised will be used to acquire land and build six townhouses with 3 bedrooms and 3 bathrooms connected by a common driveway and direct lift access to each dwelling.	04
Project Timelines	The anticipated timing of the key milestones: <ul style="list-style-type: none"> • Settlement of the Land: March 2022 (completed) • Development Application: August 2022 (submitted) • Development Approval: November 2022 (expected) • Construction Commencement: May 2023 • Construction Period: 24 months • Completion: May 2025 	04
Development Manager	Griffin Projects Group has been appointed by the development entity as the Development Manager and will also provide consultation services including project and development management, marketing and sales.	03
Builder	A quality independent builder will be appointed after final development approval is received.	03
Minimum Investment	The minimum application for Secured Private Lending loans is \$50,000. The minimum investment amount for Preferred Units is \$100,000.	03
Investor Type	Participation in the development is restricted to Investors and Lenders who qualify as “Wholesale Clients” as defined by the Australian Corporations Act.	03
Investment Term	Estimated to be approximately 30 months as at the date of this IM or as otherwise outlined in your individual loan or unit holder agreement. As capital is required at different stages of the project, the term of any units or loan may vary and will be defined by the individual loan or unit holder agreement.	03

02 OFFER OVERVIEW

Preferred Unit Holder Return	The rate of return is fixed up to a maximum of 18% p.a.	
Secured Private Lender Return	The loan interest rate is fixed up to a maximum of 16% p.a.	
Preferred Unit Returns and Capital Repayment	Returns are accrued and paid at the completion of the project and after the repayment of all project loans including the loans of Secured Private Lenders. Your capital and potential accrued returns will be paid before any distributions to the Equity Partners. Preferred Unit Holders will not hold any form of Security.	
Loan Interest & Principal Repayment	Interest is accrued and paid with loan principal at the loan maturity date as defined in the individual loan agreement. The term of your loan may be extended at the discretion of the borrower as outlined in the loan agreement.	
Security	Secured Private Lenders will hold a grouped 2nd mortgage which will be registered over the project land. The mortgage will be in the name of an independent Security Trustee who acts on behalf and to the benefit of all Secured Private Lenders.	
Risks	There are a number of factors that may lead to returns not being achieved as outlined in section 7.	
Liquidity of Investment	There is no established secondary market or other redemption facility for your preferred units/loans.	
Cooling off period	No cooling off period will apply to applications as the Offer is only available to Wholesale Investors.	
Investor reporting	Investors will be provided with periodic updates during the term of the project.	



03 THE OFFER

Overview of the Trust

The Trust has been established to enable investors to gain exposure to the returns that can be achieved through the development of the project by becoming an investor or lender to the project.

Griffin in its capacity as a corporate authorised representative of SMATS Consortium is the issuer of this Information Memorandum and invites you to invest by applying for Loans issued by the Borrower or Preferred Units issued by the Trustee.

The offer in this Information Memorandum only relates to the issue of preferred units or secured private loans to wholesale investors who meet the requirements under section 761 of the Corporations Act.

Project SPV

GPG No 16 Pty Ltd as trustee for the GPG No 16 Unit Trust is a special purpose vehicle (**SPV**) trust established to complete the Development Project. The project land is owned by the Project SPV.

Griffin Group's CEO Greg Devine is the sole Director and Trustee of the Unit Trust. As Director of the corporate trustee, Greg is likely to be required to provide personal guarantees to secure the 1st mortgage debt facilities.

Griffin Project Group Pty Ltd will hold units in the project SPV and therefore be entitled to receive a proportionate share of the net profit of the project after repayment of all project costs.

Development Manager

Griffin Projects Group has been appointed by the development entity as the asset's Development Manager. Griffin will also provide consultation services including project management, marketing and sales.

A quality independent builder will be appointed after final development approval is received. Griffin and SMATS Consortium will receive a fee for project management and licensing which will be paid for by the trust.

Target amount to be raised - Secured Private Lending

This offer is to raise \$950,000 to GPG No 16 Holdings Pty Ltd (**Borrower**) which will lend the money to GPG No 16 Pty Ltd (**Project SPV**) that is responsible for developing the land at 30 Sackville Terrace.

Secured Private Lenders' principal and interest will be paid following settlement of the completed development and after the 1st Mortgage Lender has been repaid in full.

The company may accept applications for loans exceeding this amount.

03 THE OFFER

Target Amount to be raised - Preferred Unit Holders

This offer is to raise \$750,000 to GPG No 16 Unit Trust which is responsible for developing the land at 30 Sackville Terrace.

Preferred Unit Holders' capital and return will be paid following settlement of the completed development, after the 1st Mortgage Lender has been repaid in full and after the repayment of all Secured Private Lenders.

The company may accept applications for units exceeding this amount.

Secured Private Lender Returns

The loan interest rate is fixed for both Private (10%p.a.) and Premier Lenders (up to 16%p.a.). Interest accrues annually, on a straight-line interest calculation method and is not compounding. The accrued interest is paid with loan principal at the loan maturity date.

The term of your loan may be extended at the discretion of the borrower which will result in bonus rate interest being applied to the existing interest rate for the extension period. The loan agreement gives the borrower the ability to make a voluntary repayment to repay partially, or in full, your loan and accrued interest.

We recommend you read the Loan Agreement in its entirety and seek professional advice if required.

There is no guarantee that the forecast return or any return will be achieved at the conclusion of your loan. See section 05 for an outline of the feasibility and financial aspects of the project and section 09 for an outline of project and investment risks to assist you in understanding the risks and merits of the investment.

Preferred Unit Holder Returns

The return on your Units will be fixed for the term of the Project at up to 18%p.a. The return accrues annually, on a straight-line method and is not compounding. The accrued return is paid with your investment capital at the conclusion of the project assuming sufficient sales have occurred to repay each class of Preferred Unit Holders and prior to any distribution being made to Equity Partners.

The term of your Unit Holder Agreement is not fixed and the project may run longer than estimated in this IM.

We recommend you read the Unit Holder Agreement in its entirety and seek professional advice if required.

There is no guarantee that the forecast return or any return will be achieved at the conclusion of your investment. See section 05 for an outline of the feasibility and financial aspects of the project and section 09 for an outline of project and investment risks to assist you in understanding the risks and merits of the investment.

03 THE OFFER

Term of the Project

The Development Manager anticipates the term of the project will be approximately 30 months as at the date of this IM or as otherwise outlined in your unit holder agreement or individual loan agreement. Refer to Section 04 for the anticipated timeframes for the Development Project.

The Director of the Project SPV intends to sell dwellings both off the plan and on completion of the Development Project. However, the success of the sales program will be dependent on several factors including prevailing market conditions.

Following completion of the construction of the dwellings, the Director of the Project SPV will arrange for the repayment of all project expenses and project debt (including the loans of Secured Private Lenders), prior to making any distributions to the Preferred Unit Holders and to the owners of the project.

Should the Company determine it is not in the best interests of Investors or Secured Private Lenders to proceed, it will return all application money to the investors and lenders within 14 days of a notification being made to Preferred Unit Holders and Secured Private Lenders.

Minimum investment amount

Minimum Investment per SPL application is AUD \$50,000 and \$100,000 for Preferred Unit Holders.

Secured Private Lender Security

In signing the Private Lender Loan Agreement, each Secured Private Lender automatically become a Beneficiary under the Security Trust Deed.

The Security Trust Deed establishes a trust under which the Security Trustee holds for the benefit of each lender, a charge given by both the Trust and the Debt Company over the project's assets, and a registered security granted by the Project SPV over the project land. This arrangement ensures that each lender ranks equally with one another in the case of any enforcement of any of those securities. For example, the proceeds from the sale of property that are received by the Security Trustee is shared equally amongst all Beneficiaries.

The securities in favour of the lenders rank below the securities given in favour of the institutional financiers (banks or other financial institutions). Generally, if the securities are enforced and the proceeds from the sale of the land and assets are insufficient to satisfy the debt of the institutional financiers, there would not be proceeds available to share between the lenders.

The Security Trust Deed contains detailed provisions regarding what the Security Trustee is empowered to do and how proceeds received by the Security Trustee are shared.

The Security Trustee can only act with the instructions of the majority of the Beneficiaries (lenders that together have greater than 75% exposure of the aggregate amount owing to all lenders) and has very limited powers to act in its own discretion.

04 THE PROJECT

Project Information

The development, located at 30 Sackville Terrace in Scarborough WA, is expected to produce six, 3 bedroom and 3 bathroom townhouses, connected by a common driveway, direct lift access to each dwelling and 2 allocated parking bays located in the undercroft parking area.

The development's design on the long block maximises the site's potential with the six townhouses to be set in pairs over three levels, following the contour of the land and stepping up the sloping site. The townhouses span two levels and offer functional and spacious living layouts, landscaped private open space and balcony views over the neighbouring parklands.

The proposed development will provide an architecturally designed and landscaped outcome consistent with the existing streetscape of Sackville Terrace and in keeping with the desired future character of the area.

The project is expected to be completed within a 30 month timeframe from the date of this IM.

Development Layout

- Six two (2) storey, three (3) bed and three (3) bath dwellings.
- One undercroft parking area with twelve (12) resident car parking spaces and two (2) visitor parking spaces.

The current configuration is part of the concept plans and may be adjusted due to the development approval process, market conditions and discretion of the investment committee.

Key Milestone Timelines

The anticipated timing of the key milestones are outlined below:

- Settlement of the Land: March 2022 (completed)
- Development Application: August 2022 (submitted)
- Development Approval: November 2022 (expected)
- Construction Commencement: May 2023
- Construction Period: 24 months
- Completion: May 2025

The above timetable is an estimate only and is subject to change. The ultimate term of the Investment will be subject to a range of variables including construction timing and delays, off the plan sales program and general market conditions.

04 THE PROJECT



Architect's impression of the proposed exterior renders



04 THE PROJECT

Development Location

Located in the Western Australian coastal suburb of Scarborough, Sackville Terrace represents an outstanding opportunity for investors to participate in a boutique Griffin development.

The renowned beachside locale recently underwent a \$100 million revitalisation, with Scarborough now a hub of cafes, restaurants, bars, and stores selling local goods. The beach itself, famed as one of Perth's most popular for swimming and surfing, is just over a 1 km from the development site.

The Esplanade strip is home to numerous beach front bars, and families are also well catered for with a large pre-historic themed playground, rock-climbing walls, and long coastal paths. Summer and Spring see the outdoor amphitheatre feature weekly sunset markets, live bands, and many other performances. The newly built, heated outdoor pool also allows visitors to enjoy the water no matter the season.

The Perth CBD is a short 20-minute drive from the site, with a number of arterial roads in close proximity. The area is home to a great variety of schools, with both public (such as Deanmore Primary and Churchlands Senior High) and private (such as St Mary's Anglican Girls and St John's) options available to parents. Public transport options are plentiful with regular bus services along Scarborough Beach Road servicing the northern Joondalup train-line. Local shopping is also close at hand, with the newly remodelled Karrinyup Shopping Centre featuring over 290 stores, dining options, a cinema complex and even a rooftop mini-golf course.

Despite the many amenities, Scarborough is most famed for its relaxed, coastal culture and of course the Western Australian sunset over its pristine white sands.



05 FINANCIAL INFORMATION



Introduction

The information contained in this section should be read in its entirety including in relation to the assumptions used and the risk factors referred to in Section 09.

Although the Development Manager has taken all reasonable care in preparing the forecasts, any forecasted returns are not promised or guaranteed. Many factors which are outside the control of the Development Manager can affect the performance of the Project and this means the returns cannot be accurately predicted or forecast. Therefore actual returns may differ from those forecasted.

Taxation

The Trustee and Borrower are not providing potential investors with any advice about the taxation treatment or implications of becoming an investor or lender to the project.

Australian tax laws are constantly changing and taxation reform proposals may affect participants. It is recommended that all investors and lenders obtain independent taxation advice about taxation effects and their participation in Griffin's funding model.

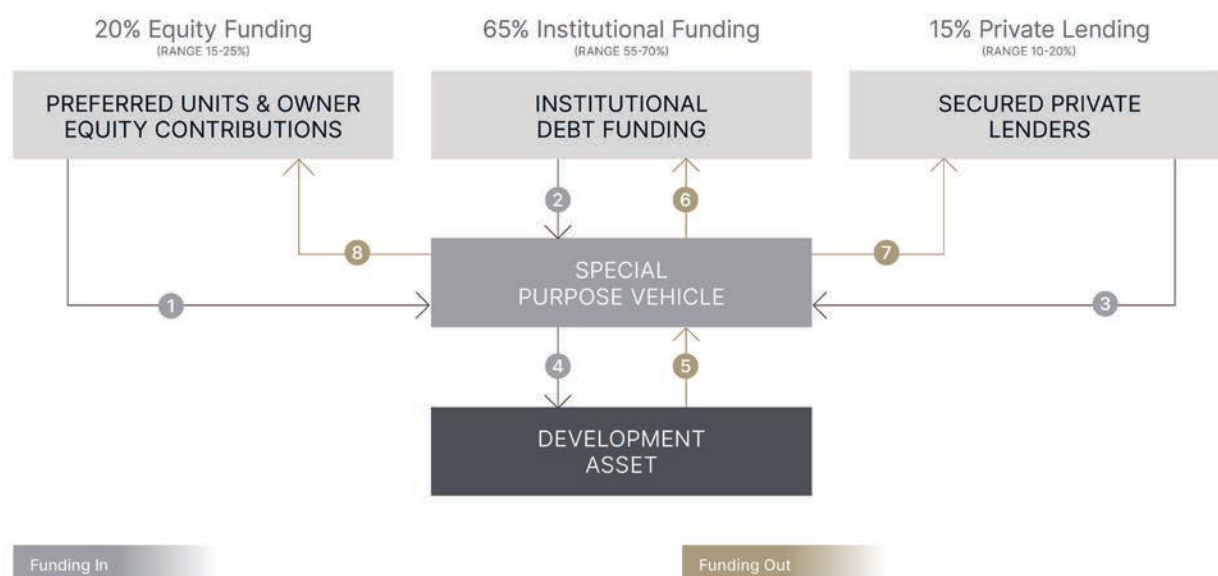
For non-resident investors, the Trustee or Borrower is likely to have an obligation to withhold tax at a rate of 10% from interest payments.

05 FINANCIAL INFORMATION

Source of Funds

FUNDING	NOTES	AMOUNT
Institutional Lender	1	\$4,400,000
Secured Private Lending	2	\$950,000
Preferred Unit Holding	3	\$750,000
Developer Equity	4	\$600,000
Total funds required to undertake development project		\$6,700,000
Loan to Cost Ratio (LCR)	5	65.7%
Loan to Value Ratio (LVR)	6	48.0%
SPL Interest Cover	7	4.58

Funding Structure



05 FINANCIAL INFORMATION

Financial Feasibility

REVENUE	NOTES	AMOUNT
Gross Realisable Value / Revenue	8	\$9,169,547
Less GST on Sales	9	(\$833,595)
Less Selling & Conveyancing Fees	10	(\$229,239)
NET SALES REVENUE		\$8,106,713
COSTS	NOTES	AMOUNT
Land Purchase	11	\$1,650,000
Stamp Duty & Conveyancing Fees	12	\$98,390
Construction Costs inc. Contingency	13	\$3,840,200
Professional Fees	14	\$498,941
Statutory Fees	15	\$109,839
Administration Costs	16	\$46,000
Marketing Costs	17	\$63,300
Land Holding Costs	18	\$94,945
Finance Charges inc. fees	19	\$264,311
Interest Expenses	20	\$380,308
Project Contingency	21	\$97,397
Less GST Reclaimed	22	(\$450,523)
TOTAL DEVELOPMENT COSTS		\$6,693,108
Net Development Profit	23	\$1,413,605
Accrued SPL Interest	24	(\$308,750)
Development Profit to the SPV	25	\$1,104,855
Less Preferential Unit Return	26	(\$318,750)
Residual Development Profit	27	\$786,105

05 FINANCIAL INFORMATION

Notes on feasibility:

1. The institutional lender provides 1st mortgage loan funding to acquire the project land and construction of the dwellings.
2. Secured Private Lender loan funding raised under this Offer. Funds raised from Secured Private Lenders can be used to acquire the project land. At the date of this IM \$350,000 has been raised from a Secured Private Lender and these funds have been used to assist in acquiring the project land.
3. Preferred Unit Holding raised under this Offer.
4. Developer Equity funding includes funds contributed by Griffin which rank last in terms of repayment. Equity funders will share in the net project profit after repayment of all project expenses and debt. Griffin equity funding can also include the underwriting of the project contingency cost outlined at Note 21.
5. The LCR is expressed as a percentage by dividing the 1st mortgage debt amount by the estimated Total Development Costs.
6. The LVR is expressed as a percentage by dividing the 1st mortgage debt amount by the projected Gross Realisable Value of the property (after the completion of the Development Project).
7. SPL Interest Cover is the Development Profit to the SPV divided by the interest to be paid to 2nd mortgage lenders over the anticipated project term and expressed as the number of times covered.
8. This is the forecast gross sales revenue for the development.
9. As the Development Project is a residential scheme, GST is payable on the residential apartments by the Project SPV. While the sale of the residential apartments does not attract GST for the purchasers, it does attract a liability for the Project SPV.
10. Sales commissions paid to parties who sell residential units. Selling costs include real estate agent commissions and conveyancing costs on the sale of each strata lot.

Whilst the selling costs assumed in this section affect the Development Project and returns, they are not included in the Total Costs because they are paid for only on the settlement of the Strata Lots and accordingly, are not incurred until the revenue from the sale of the Strata Lot is collected

11. This is the cost of the land that has been acquired by the Project SPV. Griffin has funded some of the early-stage acquisition and development costs such as the deposit for the land purchase as part of its equity contribution.
12. This includes transfer duty, conveyancing costs, legal fees associated with the acquisition of the project land. This amount also includes a 1% fee payable to Griffin for due diligence services to acquire the land.
13. This is the estimated cost of the external builder to construct the dwellings and a contingency amount of 5.5% of the construction cost.

05 FINANCIAL INFORMATION

Notes on feasibility continued:

14. This is the cost of various consultants in the planning stage of the development including architects, town planners and engineers. It includes a cost payable to Griffin as Development Manager of the Project for managing all facets of the Development and for arranging the funding of the Development. It also includes a project management fee payable to Griffin for managing and arranging the external consultants through to the commencement of construction and for overseeing the independent builder during the construction period.
15. These are the statutory local and state government fees, permit costs, application costs, development application fees, head works, and associated costs incurred in developing the Strata Lots.
16. These are the costs payable to Griffin as administrator of the Trust and the loans, licensing fees payable to SMATS Consortium, accounting, legal fees, and ASIC fees.
17. This includes all marketing costs (renders, marketing materials, website development and advertising etc.) associated with the sale of Strata Lots.
18. These are all the fees and taxes incurred as a landowner by the Trust.
19. These are the fees to secure the project finance including establishment fees, consultant commissions, capital raising costs, document preparation fees and legal fees.
20. This is the estimated interest paid for the 1st mortgage loan used to acquire the project land and for the 1st mortgage loan used to construct the Strata Lots. It is assumed an interest rate of 7.4% will apply as an average across the two 1st mortgage loans.
21. This is an additional contingency amount to cater for any unforeseen cost over runs and is being underwritten by Griffin as part of its equity contribution to the project. All other cost items have not been escalated for price rises over the project term.
22. The Project SPV is registered for GST and some costs in the feasibility include a GST component. This amount represents the estimated GST to be reclaimed throughout the life of the Project SPV. The feasibility assumes that GST is reclaimed monthly throughout the Development Project.
23. This is the net development profit of the project following the sale of all the Strata Lots and payment of all project expenses including repayment of the 1st mortgage loans.
24. This is an estimate of the total interest that will be paid to Secured Private Lenders at an average rate of interest of 13% p.a. and accruing over a 30-month period.
25. This is the development profit retained by the Project SPV after the sale of the Strata Lots and repayment of all 1st mortgages and all Secured Private Lenders.
26. This is an estimate of the total return that will be paid to Preferential Unit Holders over a 30-month period at an average rate of return of 17% p.a.
27. This is the residual development profit retained by the project PSV and to be distributed to the project Equity Partners.

06 FEES & COSTS

Summary of fees and costs

This section shows fees and costs that may be charged to the Project. These fees and costs are paid from the Project SPV assets and therefore affect the overall profitability of the Project.

You should read all information about fees and costs as it is important to understand their potential impact on your potential investment return or loan.

FEE	% / \$	NOTES
Loan Capital Raising Fee	Up to 4.0% (plus GST) of the value of the units or loans issued under this offer.	<p>Griffin, SMATS or the authorised representatives may be entitled to receive a capital raising fee for the introduction of Investors/Lenders to the project.</p> <p>Some or all of this fee may be paid to Griffin, SMATS and/or third-party introducers. A portion of this fee may be payable to Authorised Representatives of SMATS Consortium Pty Ltd.</p> <p>The fee is payable on completion of the loan capital raising from the assets of the Project SPV.</p>
Development Management Fee	2.0% (plus GST) of the Total Development Costs.	<p>In return for performing its duties and responsibilities under the development management agreement, the Development Manager is entitled to a percentage of the total development cost of the Project.</p> <p>This fee is payable to the Development Manager for the anticipated duration of the Development Project and is paid from the assets of the Project SPV.</p> <p>Griffin Projects Group Pty Ltd has been appointed Development Manager by the Project SPV.</p>
Licensing Fee	\$15,000 (plus GST)	<p>SMATS Consortium Pty Ltd is entitled to receive a licensing fee payable on issue of this Offer from the assets of the Project SPV. The fee is payable for the issuing and compliance review of the Information Memorandum.</p>

06 FEES & COSTS

Summary of fees and costs continued

FEE	% / \$	NOTES
Compliance Fee	\$45,000 (plus GST) paid quarterly over the project term	SMATS Consortium Pty Ltd is entitled to receive a set fee for the provision of compliance services over the term of the project. This fee is payable quarterly from the assets of the Project SPV.
Selling Fee	2.27% (plus GST) of the sales value of each dwelling.	<p>This fee is payable to external real agents, entities related to the SMATS and to Griffin either partially or in full for successful sales of the dwellings and for sales management.</p> <p>Griffin and SMATS may be entitled to receive a percentage of the value of each dwelling sold where they are the selling agent of the dwelling.</p> <p>Griffin is entitled to a fee of 0.5% (plus GST) to provide sales management services and to oversee the external real estate agents appointed by the Project SPV to sell the dwellings.</p> <p>The gross fee at 2.27% is an average of the expected total selling fee applicable to the project sales of the Project. The fee is payable on settlement of each dwelling out of the gross proceeds received from the sale.</p>
Land Acquisition Fee	1.0% (plus GST) of the land purchase price.	Griffin and/or third parties are entitled to receive a fee for providing acquisition and due diligence services to secure the project land. This fee is paid from the assets of the Project SPV.
Project Management Fee	4.0% (plus GST) of the total cost of construction.	This fee is payable to the Project Manager for performing its duties and responsibilities for the anticipated duration of the construction period. This fee is payable from the assets of the Project SPV.



07 FOUNDER & CEO GREG DEVINE



“ We’ve built a strong investment model that delivers exceptional results to our clients ”

Greg Devine has played an integral role in the financial planning industry for over 35 years, with his career beginning in the banking industry before leading him into the property market.

With an unfaltering passion towards capital raising and business development, Greg comes from an impressive background in building and managing several financial service companies holding executive positions with Bain & Company, Growth Equities Mutual, Deutsche Bank Private Banking, NAB Private Banking, MLC, Macquarie Bank, and Godfrey Pembroke Financial Services.

Greg also set up the national H&R Block Financial Services, Portfolio Planning Services, Financial Partnership Group and Deutsche Bank Financial Services. This business managed over 600,000 retail clients. He established the Financial Planning Association (FPA), was its inaugural President, Chairman, Life Member and is inducted into the FPA Hall of Fame.

Since founding Griffin Group in 2011, he has established a strong foundation for Griffin both in Australia and the international markets. Greg is well-respected for his professional advice within the Financial Services and Capital Raising Markets, and he now empowers and supports his team to raise capital, whilst building successful projects and establishing valuable client relationships.

08 INVESTMENT TEAM



Greg Devine
Chief Executive Officer



Michael Devine
Chief Investment Officer



Christian Woodall
Head of Investment



Maegan Farrow
Investment Administrator



Brooke Devine
Chief Operations Officer



Brett Garrett
Chief Project Officer



Cameron Higbid
Chief Asset Officer



Caroline Bicknell
Head of Sales



Cassandra Emmerson
Head of Brand



Leanne Shadbolt
Head of Accounts



Cathy Rademeyer
Responsible Manager

09 KEY RISKS

As with any investment, there are several risk factors that could impact the performance of the investment should they occur. Furthermore, development projects, by their very nature, carry a higher degree of risk than investments in completed and tenanted properties. The performance of the Project, the repayment of your capital and any return is not guaranteed by the Trustee, Lender, Griffin, or any of their respective directors, members and associates.

The Trustee, Borrower and Development Manager have conducted a risk analysis and identified the following risk factors which Investors/Lenders should consider. While the Development Manager has endeavoured to disclose all material risks, it should be noted the following list is not exhaustive and should be treated as a general guide only. Investors/Lenders are advised to read this section carefully and obtain their own independent legal, financial and taxation advice.

Construction and Development Risks

Planning Risk

There is a risk the required Development Approval will be delayed or refused. This has the potential to delay commencement of construction and impact returns.

Building Permit Risk

There is a risk the Building Permit will be delayed or refused. This has the potential to delay the commencement of construction.

Construction Costs

There is a risk that construction costs for the Development Project will exceed projected estimates. Construction costs can be impacted by a range of factors, including increases in prices for materials, industrial disputes, project delays, variations etc. An increase

to construction costs may adversely impact returns to Investors. The financial feasibility for the Development Project includes a budgeted amount of contingency to cater for unexpected cost increases.

Project Duration Delays

Any delay in construction may have a negative impact on cash flows for the Development Project which can in turn affect the Borrower's and Project SPV's ability to satisfy its obligations under its financing arrangements and the timing of payment of returns. In addition, any additional holding costs (which include rates, taxes, interest, management fees and other costs) may also adversely impact the return to the Investors/Lenders.

Counterparty Default

There is a risk that contractual counterparties may default on their obligations to the Project SPV. This could result in an additional cost or loss for the Development Project. If the default is a result of an insolvency event, then this could lead to further issues, such as an inability to enforce performance or receive compensation for any loss or damage.

Sales Rates & Prices

There are several risks which can impact on the sales rates or sales prices achieved for the Development Project, such as general market conditions or competing developments. In addition, the forecast returns for the Project have been based on assumptions made about sales rates and prices. Any deviation from these assumed sales rates and prices may impact on the overall profit of the Project which may impact upon the ability to pay back any capital and interest or return to Preferred Unit Holders and Secured Private Lenders.

09 KEY RISKS

Investor and Lender Specific Risks

Returns to Preferred Unit Holders & Lenders

The Trustee, Borrower, Griffin and their respective directors, members and associates do not guarantee the return of your capital, your accrued interest or return. Lenders and investors are advised to review the financial information in Section 05 and determine their own view about the feasibility of the Development Project and the financial return prospects of becoming an investor/lender to the project .

Borrowings

The Project SPV will utilise debt funding from a third-party institutional or private lender to assist in undertaking the Development Project. The use of debt funding brings with it several risks, including the following:

- The debt funding will be secured against the Property via a registered 1st mortgage. Any default of the loan facility may allow the lender to exercise its security and sell the Property. The Property could then be sold for a price lower than that which might have been achieved in normal circumstances.
- The Institutional lender may revalue the project at any time which may cause the project SPV to be in default of the gearing ratios required to be maintained under the loan facility. This could require the project to raise further capital, sell the Property or renegotiate/replace the loan facility.
- Adverse movements in interest rates could affect the profitability of the project.
- Loan facilities may need to be renegotiated from time to time, for a variety of reasons. If this occurs, then there is a risk the project may

not be able to renew its loan facility on the same or better terms or at all.

The occurrence of any of these risks may have a negative effect on the performance of the project and could potentially result in a loss of your loan capital and or the repayment of your accrued return or loan interest.

Liquidity - PUH

Preferred Units are not for a fixed term and may be repaid at the discretion of the Trustee following repayment of all project expenses and debt. You should consider your investment in Preferred Units to be illiquid for the term of the project. There is no established secondary market in which to sell your Units.

Liquidity- Lenders

Your loan is for a fixed term which may be extended at the Borrowers discretion. You should consider your loan illiquid for the term of the loan. There is also no established secondary market in which to sell your loan.

Asset

There is a risk the building (even if not completed) may be damaged or destroyed by fire or some other natural disaster during the term of the project. While the development manager or builder will insure the Property (including any improvements), the occurrence of such an event could result in a loss of capital or income for the project.

09 KEY RISKS

Credit Risk

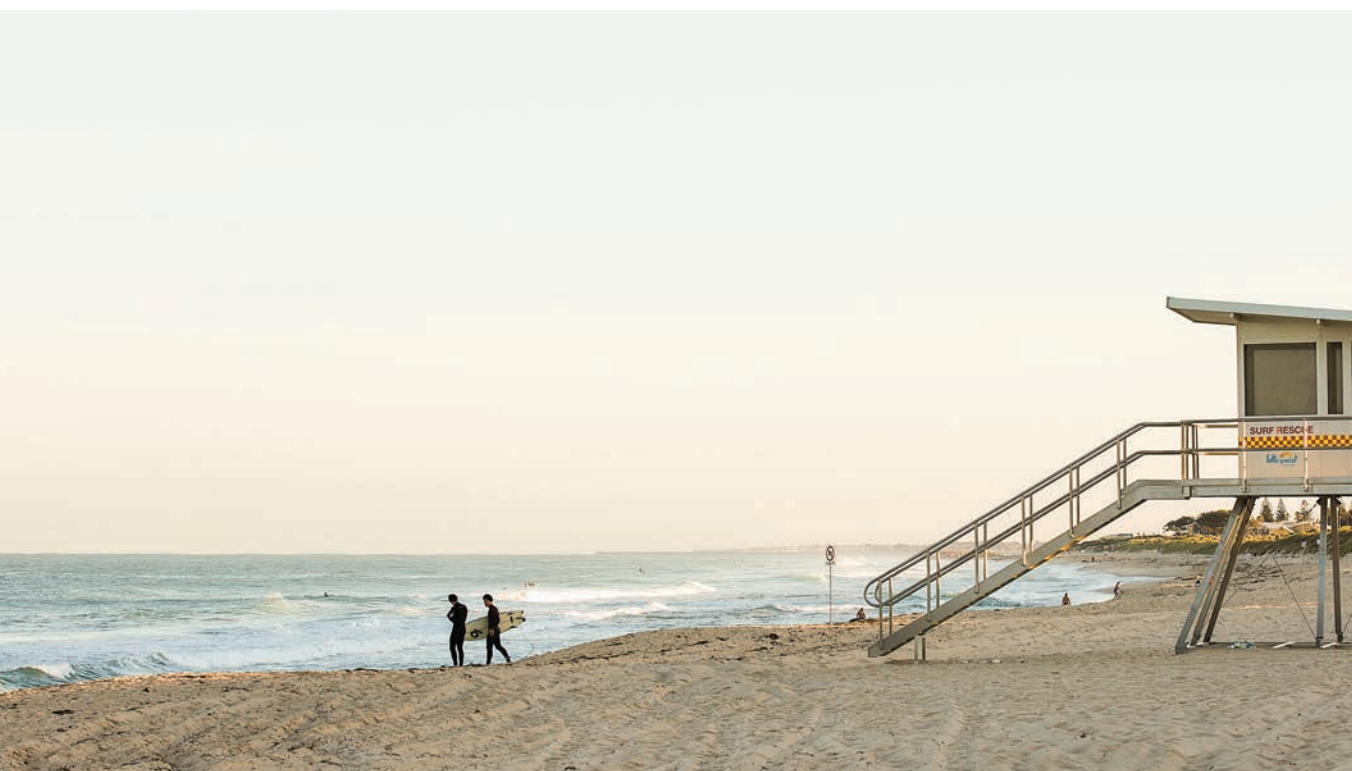
There is a risk that the project may, arising from the risks outlined in this section or otherwise, be unable to make payments when they fall due, including, for example, any payments that is required to be made under the Loan Agreement or to be able to make any payments to PUH.

General Risks

General risks affecting the performance or value of the Project include:

- The reduction in the realisable value of the property and any improvements as a result of economic, financial market or property industry specific factors.
- Changes in government, monetary policies, taxation and other laws.

- Movements in interest rates, inflation and foreign exchange rates.
- Changes in government, monetary policies, taxation and other laws.
- Natural or man-made disasters and acts of terrorism.
- A full environmental impact assessment if any may need to be conducted. If any remediation is required this must be incorporated into the design. Higher costs to develop could result and reduce the Development Project profitability or make it uneconomic to develop.
- Force majeure events including pandemics (including Covid-19), economic and political instability which are all events outside the control of the Development Manager.



10 COMMON TERMS

1st mortgage 1st mortgage is given to the senior construction funder which is typically a bank or financial institution that provides up to 65% of the total development costs.

Gross Realisable Value (GRV) The total value of the completed development inclusive of any GST component.

Group 2nd mortgage Private and Premier Lenders hold security through a group 2nd mortgage over the development entity undertaken on a collective basis. The 2nd mortgage ranks behind the 1st mortgage security and usually makes up 10-20% of the Total Development Costs.

Institutional Debt Funding Debt used to assist in securing the project land or for construction purposes is provided by Australian banks and private or listed Australian companies that specialise in providing debt finance to the real estate industry. This form of borrowing will require the project land to be used as security against the loan via a first mortgage. The lenders may require other conditions to be met prior to the loan funds being advanced such as personal guarantees by the Directors of the SPV and a charge over the SPV. Australian banks will generally require a number of conforming pre-sales to be achieved prior to advancing loan funds. Non-bank lenders will generally not make this a requirement to lend.

Interest Rate - SPL The loan agreement outlines the interest rate applicable for the term of the loan. Interest is payable at the end of the loan term and is calculated on a straight line per annum basis.

Option to Extend - Lenders The Borrower may at any time, not later than the repayment date, issue written notice to the Private and Premier Lenders that the Borrower elects to extend the term of the loan for a further period not exceeding 12 months at the bonus rate which is equal to the interest rate plus 1% per annum.

Preferred Return A fixed per annum rate of return paid after the repayment of all project expenses and project debt and prior to any distributions to Project Owners. The return is calculated based on the period you have held the Units.

10 COMMON TERMS

Preferred Units Units issued in the Trust that entitle the unit holder to a fixed per annum rate of return. Please see the unit holder agreement for a full outline of rights.

Private and Premier Loans Private Loans are provided by investors to the specific development entity. The loan term is usually between 24 - 36 months, depending on the particular development.

The fixed interest rate is agreed upfront. Private and Premier Loans are secured by a group 2nd mortgage and have a minimum amount of A\$50,000 per project for Private Loans and A\$250,000 for Premier Loans. Referred to collectively in this IM as Secured Private Lenders.

Project Owners Project Owners/Equity Partners are issued units in the project SPV and may contribute equity or underwrite certain costs such as the project contingency. They are last to be paid in the development and hold the most risk in the project. They may also achieve the highest returns in a successful project.

Special Purpose Vehicle (SPV) A Special Purpose Vehicle is a company or trust established for a specific purpose only. It has no prior activities or liabilities and holds assets that relate solely to the purpose it was established. Once the development is complete and funds are returned to all parties, the SPV is wound up.

Total Development Costs (TDC) The total cost to complete the development and inclusive of any GST component.

Trust The GPG No 16 Unit Trust (ABN 18 345 712 971)

Trustee Greg Devine is the sole Director of the Trustee company being GPG No 16 Pty Ltd (ACN 654 893 446).

10 COMMON TERMS

Units	Units issued in a class of the GPG No 16 Unit Trust
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Withholding Tax (WHT)	The Australian Government requires a 10% Withholding Tax to be deducted from any return/interest paid to a recipient living outside of Australia. Upon deduction of the WHT, no further Australian tax applies, however you may need to declare the return/interest in your country of residence and claim a credit for the WHT paid in Australia.
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11 ADDITIONAL INFORMATION

Additional Documents that make up part of the overall investment decision include:

- Introducing Secured Private Lending Brochure
- Project Plans
- Private Lender Application Form & Loan Agreement
- Security Trust Deed
- Preferred Unit Holder Agreement
- Deed of Variation Unit Trust Deed - GPG No 16 Unit Trust
- Preferred Unit Holder Application Form

Privacy Policy

Griffin Group is committed to protecting your privacy. Investors will be required to provide personal information in order to make an application to become an investor. The Trust, the Trustee and service providers may collect, hold and use potential investors' personal information in order to assess applications, service the needs of prospective and actual investors and service the needs of the Directors and for other purposes permitted under the Privacy Act 1998 (Cth).

If you ask us to process an application for you to become an investor, we will be required to comply with the Anti-Money Laundering and Counter-Terrorism Act 2006 (Cth) that requires us to collect your personal information and to verify the source of your funds.

If you don't provide us with the full information requested, or provide us with incomplete or inaccurate information, your application to become an investor may not be able to be processed efficiently, or at all. Only upon the full information being provided will your application to become an investor be accepted by the Company.

We provide information such as your personal details, investment and distribution information and tax information to Australian government organisations and overseas government organisations when requested to do so, where it is required by law, where it is necessary in discharging obligations and where required to assist in law enforcement.

We do not trade, rent or sell your information. We may disclose your information to recipients in Singapore for the purpose of processing applications and providing you with investment and tax statements. We may store your information on servers located in Singapore and other countries. If a recipient is not regulated by laws which protect your information in a way that is similar to the Privacy Act, we will take reasonable steps to ensure that they protect your information in the same way we do or seek your consent before disclosing your information to them.

From time to time, we will use your contact details to send you offers, updates, articles, newsletters or other information about products and services that we believe will be of interest to you. We may also send you regular updates by email or by post. We will always give you the option of electing not to receive these communications and you can unsubscribe at any time by notifying us that you wish to do so.

Our Privacy Policy contains more information about how to access and correct the information we hold about you and how to make a privacy related complaint, including how we will deal with it. Ask us for a copy by contacting us on +61 8 9221 1144 or email the Privacy Officer at compliance@smatsconsortium.com.au.

Griffin Projects Group Pty Ltd
(ABN 39 151 840 041)

DISCLAIMER This Information Memorandum is not a Prospectus or a Product Disclosure Statement and has not been lodged with the Australian Securities and Investments Commission. As such, before making a decision, you are advised to consult and rely upon the advice of your own independent legal, financial and taxation advisers to determine whether this opportunity is suitable for you.



Griffin Group

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