

# MA Redcape Hotel Fund

## Continuous Disclosure notice

2 April 2024

### Product Disclosure Statement update, Fund name change, update on progress of strategic initiatives

MA Redcape Hotel Fund RE Limited (formerly Redcape Hotel Group Management Limited) (Responsible Entity or RE) of the MA Redcape Hotel Fund (formerly Redcape Hotel Fund) (Redcape Fund) is writing to notify investors the Fund's Product Disclosure Statement (PDS) has been revised to facilitate the reinstatement of the Fund's Liquidity Facility.

The reinstatement of the Fund's Liquidity Facility and the Manager's successful realisation of over \$150 million in Fund assets (see details below) provides the working capital to enable withdrawals to be processed. To facilitate this outcome, the RE has revised the terms of the Fund's PDS to accommodate the reinstatement of the Liquidity Facility and the processing of withdrawals in an orderly and sustainable manner to balance investor liquidity with the ongoing working capital requirements of the Fund.

The key changes to the PDS are summarised below:

- The RE has varied the terms of the Fund's Liquidity Facility as follows:
  - The amount of available liquidity in each quarter will be capped at up to \$10 million during the 2025 financial year
  - Redemptions received prior to the notification closing date of 16 May 2023 for the quarter ending 30 June 2023 will be prioritised<sup>1</sup> (Priority Requests)
  - No new redemption requests will be accepted until the Priority Requests have been paid out in full.<sup>2</sup> Refer to the redemption section of the PDS for further details on this priority arrangement
- The Fund name has changed to MA Redcape Hotel Fund<sup>3</sup>
- The RE name has changed to MA Redcape Hotel Fund RE Limited
- The Manager's name has changed to Redcape Hospitality Pty Ltd
- The minimum initial investment amount has increased to \$20,000 (from \$10,000). The subsequent minimum investment amount is \$1,000
- The PDS was updated to include the provisions of the Fund's Distribution Reinvestment Plan<sup>4</sup>
- Various definitional and general house-keeping updates were undertaken to ensure the PDS remains current

1 Consistent with the Fund's Liquidity Facility terms, a 2.5% discount to the Fund's Portfolio NAV per Unit will apply in calculating the Withdrawal Price for units redeemed as part of the priority redemption process.

2 While the Manager expects to redeem the Priority Requests over the next four quarters, it will review progress towards the end of FY25 and provide a further update to investors regarding the satisfaction of the Priority Requests and timing for accepting new withdrawal requests.

3 The MA Redcape Hotel Fund is comprised of the MA Redcape Hotel Trust I (formerly Redcape Hotel Trust I), ARSN 629 354 614 and the MA Redcape Hotel Trust II (formerly Redcape Hotel Trust II) ARSN 629 354 696.

4 The terms of the Fund's Distribution Reinvestment Plan have not changed, however are now incorporated within the PDS as opposed to a separate booklet.

## Strategic initiatives – progress update

As previously advised, the Manager implemented a range of strategic initiatives to offset the impact of challenging economic conditions over the last 12 months. These initiatives are well-progressed and targeted strengthening the Fund's balance sheet, reinstating investor liquidity, improving operating performance and providing a pathway to sustainable long-term earnings and value growth.

Asset sales	Over \$150 million in contracted sales	Complete
Debt extension	Extended and amortised a \$250 million debt facility	Complete
Fee concession <sup>5</sup>	Fee concession of up to 1.0 cents per unit from 1 January 2024	Complete
Growth capital reinstated	\$20 million to be invested in venues over calendar 2024 targeting +15% return on capital	Ongoing
Operating performance	Improved venue performance supported by venue-level cost reductions	Ongoing

For the March quarter the Fund has declared a distribution of 2c per unit and on the back of the above initiatives the RE and the Manager are pleased with the progress made on its strategies to restore distributions to 10c per unit per annum.

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### More information

If you have any questions regarding your investment, please speak to your financial adviser or contact Client Services via [clientservices@mafinancial.com](mailto:clientservices@mafinancial.com) or +61 2 8288 5594.

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This statement has been issued by MA Redcape Hotel Fund RE Ltd (ACN 610 990 004) (AFSL 505932), the issuer and responsible entity of the MA Redcape Hotel Fund (which comprises the MA Redcape Hotel Trust I, ARSN 629 354 614 and the MA Redcape Hotel Trust II, ARSN 629 354 696) (Fund). Redcape Hospitality Pty Ltd (ACN 619 297 228) is the appointed Manager of the Fund. This is provided for informational purposes only.

<sup>5</sup> For further information regarding the fee concession refer to the Fund's 22 December 2023 Continuous Disclosure Notice: <https://mafinancial.com/invest/real-estate-and-hospitality/redcape-hotel-group/strategic-review-liquidity-facility-and-asset-sales-update>