

# MA Redcape Hotel Fund

## Continuous Disclosure notice Operating Update, Updates to Priority Redemptions Timetable, Liquidity Facility

15 October 2024

As previously communicated to investors, the Manager continues to execute its strategy to return distributions to 10 cents per unit per annum and has declared a distribution of 2.3 cents per unit for the 30 September quarter end.

The Manager expects to confirm the extension of the Fund's debt tranches due to expire in December 2025 (being approximately \$381 million of facilities in total) in the coming weeks having received strong appetite and credit approved terms from major Australian banks.

The growth capex program which is targeting minimum returns of over 15% on expenditure after fees is underway with over \$30 million of works in progress for FY25.

The Manager believes that the Fund's valuations are well placed to benefit from continued earnings growth moving forward and a more stable interest rate environment. The weighted capitalisation rate of the Fund's venues has expanded from 6.6% to 7.6% since cyclical peaks in June 2022 (based on historical earnings) and earnings growth is evident.

The Fund's trading performance was strong across the September quarter continuing the pleasing results from the June quarter where venue earnings were +7% on the prior year, like for like.

The Responsible Entity anticipates that the processing and payment of Priority Requests<sup>1</sup> will be fully satisfied in the December 2024 quarter.

In addition to the processing and payment of remaining Priority Requests, the Responsible Entity has determined to also re-open the Fund's Liquidity Facility from 15 October 2024.

The December 2024 quarter Liquidity Facility will operate on the following terms:

- the December 2024 quarter Liquidity Facility is open to all investors who hold units in the Fund on the date of this notice;
- the amount of available liquidity will be capped at up to \$30 million for withdrawal requests received for the December 2024 quarter Liquidity Facility<sup>2</sup>; and

<sup>1</sup> Priority Requests are defined in the Fund's Product Disclosure Statement dated 2 April 2024 as those withdrawal requests submitted by investors prior to the quarter ending 30 June 2023 and in accordance with the 'closing date' for the notification of the withdrawal request being 16 May 2023, such that these requests will be redeemed in priority to investors who have not submitted a withdrawal request prior to that date. Refer to the Fund's Product Disclosure Statement for further details. ;

<sup>2</sup> This amount is in addition to the approximately \$11m of Priority Requests that the Responsible Entity intends to satisfy in the December 2024 quarter. An investor's application for liquidity may be scaled back pro-rata to the amount of liquidity requested. If a scale back applies, the scaled-back component of an investor's application for liquidity may be carried over to the last Business Day of the following quarter (if available) under a carry forward facility. Any withdrawal requests carried over to the next period (quarter) do not have priority, but form part of the pool of new withdrawal requests for that next quarter. Refer to Section 9.9 of the Fund's Product Disclosure Statement for further details regarding withdrawals from the Fund.

- the 'closing date' for notification of withdrawal requests to the Responsible Entity for the December 2024 quarter Liquidity Facility is 5.00pm Sydney time on 2 December 2024<sup>3</sup>.

All redemptions under the December 2024 quarter Liquidity Facility will otherwise be administered in a manner consistent with the Fund's Product Disclosure Statement dated 2 April 2024, including the application of a Withdrawal Price calculated by reference to the Fund's Portfolio NAV per Unit minus the Withdrawal Discount (equal to 2.5% of the Fund's Portfolio NAV per Unit).

The Responsible Entity will provide investors with a further update on details of the Liquidity Facility during the March 2025 quarter.

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#### More information

Please refer to the Product Disclosure Statement of the Fund for information relevant to the matters in this notice. The Product Disclosure Statement of the Fund is available at <https://mafinancial.com/invest/real-estate-operational-and-core/ma-redcape-hotel-fund/product-disclosure-statement.pdf> or you can request a copy by contacting us.

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 notice is 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>3</sup> This is 30 days prior to the end of the December 2024 quarter, being the last day of the relevant quarter, or the next Business Day if the last day of the relevant quarter is a non-Business Day.