s 22 [redacted]

From: s 22 [redacted]
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To: s 22 [redacted]
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Attachments: EXHIBIT 3.pdf; Frequently Asked Questions EXHIBIT 4.pdf

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Email 2

Kind regards

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The SMART way to retire

Free up cash and have more to spend in retirement

sterlingnewLife
The Smart Housing Solution

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www.sterlingnewlife.com.au

Q&A

Can we stay in our own home?
Yes, the Sterling New Life co-ownership structure can help free up cash from your home whilst you still live where you are most comfortable.

Can we move near the beach?
Yes, if you want the 'sea-change' you have been dreaming of, Sterling New Life co-ownership can help you.

Are there any ongoing charges?
No, unlike a retirement village there are no ongoing charges, other than your own utility costs.

What if we want to move in the future?
You can move at any time, we can even help you to find somewhere new if you choose to move.

Can we bring our pet?
We recognise that your pets are very important and you are very welcome to bring them along if you move home.

Is our property investment secure?
Yes, all our properties are owned freehold.

Where will we keep our boat / caravan?
All of our properties are different. We can help you find a suitable home with space for your boat or caravan.

The team behind Sterling New Life has been constructing, managing, owning and selling large scale residential property projects all round Australia since the late 1960's and we have witnessed first hand the deterioration in the affordability of housing for seniors.

Over the last 20 years we have also been involved in the development and management of retirement villages and again recognised that, whilst retirement and lifestyle villages are an attractive option for some, the market lacks an affordable solution allowing people to stay in the areas they have lived in all their lives.

With recent changes in planning regulations in many parts of Australia allowing for in-fill housing and the rental of multiple units on single residential sites, we recognised the potential for providing affordable, independent retirement housing in regular residential areas. This effectively creates a dispersed community, where you get the benefits and services you want and the freedom of living in the general community.

What's really exciting is that one of the most affordable New Life options may well be refurbishing your existing home so you can stay there if you want.

So come and talk to us about what we may be able to do for you.

IMPORTANT NOTICE: Information provided in this brochure is of a general nature. It is not intended as personal financial advice and, as individual circumstances do vary, you should consult your financial adviser.

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Sterling New Life Lease

Frequently Asked Questions

Sterling New Life Lease

What is a Sterling New Life Lease?

A Sterling New Life Lease, is for a total of 40 years, made up of an initial 5 year lease with 7 x 5 year options on the property of your choosing. It has several advantages over a standard property lease including:

1. Security of tenure – up to 40 years.
2. Quiet enjoyment of the premises, with just annual consultations with our property managers to cover off on any maintenance requirements.
3. Pets allowed.

What does it cost?

To secure a Sterling New Life Lease, lessees will be required to pay an initial amount to Sterling, which will be used to pay an initial application fee and the first month's rent, with the balance being invested in a Sterling Fund (currently the Sterling Income Trust). The income from the investment in the Sterling Income Trust is used to pay your rent. At no time can you be asked to make any further cash contributions to your rental payments.

What are the fees?

Upfront Fees - Out of your initial payment, an application fee equal to 8.8% inc. GST of the Investment Amount and one month's rent is deducted.

Ongoing Fees – There are **NO** ongoing administration fees payable.

Exit Fees – there are **NO** exit fees payable.

Other Fees and Costs – NONE - there are no other fees and costs, and absolutely no requirement for the Sterling New Life lessee to make any regular direct payments themselves. Once the initial investment is made, no further payments will be required.

Selling my existing home

How do I go about selling my existing home?

Sterling New Life is a real estate agent and can arrange the sale of your home so that you are ready to move into your new home at the right time.

The Sterling Fund

What is the Sterling Fund?

Sterling manages a number of managed investment funds, into which Sterling New Life Lessees' funds will be invested. Presently funds are being invested into the Sterling Income Trust (SIT) ARSN 158 828 105 – which comprises four unit classes including:

- Income Units, which is an income fund connected to property management agreements;
- First Mortgage Units, which is a mortgage fund; and
- Development Units, which is a subordinated mortgage fund.

The precise mix of the unit classes of the Investment Amount, will be discussed with the applicant at the time.

The Sterling Income Trust is an ASIC registered managed investment fund with an independent responsible entity, Theta Asset Management Limited ACN 071 807 684 AFSL 230920 and an independent custodian Australian Executor Trustees limited ACN 007 869 794 AFSL 240023. A copy of the SIT Product Disclosure Statement is available upon request.

Property Ownership

Who owns the house that I will live in?

The property may be owned by an investor or by Sterling.

Each property is managed by Rental Management Australia, a member of the Sterling group, for the life of the Sterling New Life Lease. Under the agreement Sterling has with the owner, the owner cannot change the property manager whilst the Sterling New Life Lease is in place. If the owner sells the property, the Sterling New Life Lease and the Managing Agent's Agreement are assigned to the new owner. A change in ownership will have NO effect on the Sterling New Life Lease arrangements. Sterling also has a first right of refusal to buy the property from the owner, to provide security of tenure for the lessee.

What happens if the property is repossessed?

If the property is ever repossessed by a lender, that will have NO effect on your Sterling New Life Lease. The Sterling New Life Lease stays with the property and is assigned to a new owner as the ownership passes.

Annual cash flow

What ongoing property expenses will I have?

There is minimal out of pocket outlay required from you for property maintenance expenses. The landlord pays for all rates, land tax, property insurance, repairs and most ongoing maintenance.

What ongoing rent payments will I have?

There is NO out of pocket outlay required from you to pay for rent. Distributions from the Sterling Fund are paid to Sterling on your behalf. These funds are used to pay your rent. Surplus income is then re-invested into your Sterling Fund account.

If for some reason there is a rent shortfall, this is carried forward and paid from future income distributions, or capital invested. The landlord cannot unreasonably evict a Sterling New Life Lessee, and at no time will a Sterling New Life Lessee be asked to make a cash contribution to pay any rent shortfall.

Is it possible that cumulated rent arrears may exceed the value of your investment?

The landlord has agreed that any rent that is not paid from the Sterling Fund income distributions be paid either from future income distributions or from the redemption of your investment funds. If the accrued rent exceeds the capital value of your investment, then the payment is capped at the value of the investment at that time. At no time after initial investment can the Sterling New Life Lessee be asked to make any further cash contribution.

What sort of reporting do I receive?

You will be provided with quarterly reporting on your income distributions, quarterly reporting on your rent payments and an annual taxation statement.

Will my old age pension be affected by taking out a Sterling New Life Lease?

It is possible that your old age pension may be reduced if you sell your home and invest the proceeds. For further advice on these issues, you should consult a licensed financial adviser.

The Sterling Fund Investment

Why do I need to invest into the Sterling Fund?

A condition of the Sterling New Life Lease is that the lessee invests an agreed amount into a Sterling Fund – currently the Sterling Income Trust. The income distributions are then used to pay for the Sterling New Life Lease rent, with any surplus funds re-invested in the designated Sterling Fund.

How do I invest?

When entering into the Sterling New Life Lease, a suite of documents will be provided to you including a current Product Disclosure Statement for the relevant Sterling Fund.

When completing the Sterling New Life Lease documents, an application form attached to the Product Disclosure Statement will also need to be completed.

The Sterling New Life sales consultant will assist you to complete the required application form. You should seek advice from a licensed financial adviser if you have any queries on investing in the Sterling Income Trust.

How much of my initial Sterling New Life Lease outlay will I get back when the lease is terminated?

When you elect to move out and terminate your Sterling New Life Lease, you are entitled to redeem your investment in the Sterling Fund. At that time you will receive the full value of your Investment Amount in the Sterling Fund plus any amounts of distributions that have been re-invested plus capital growth (if any), less rent arrears (if any). Ongoing distributions received on the Investment Amount firstly go towards paying the rent. If there is a surplus of distributions over and above the rent, this is re-invested in your Sterling Fund account.

THERE ARE NO EXIT FEES WITH A STERLING NEW LIFE LEASE.

How is my Sterling Fund income taxed?

Generally income distributions from the Sterling Fund will be taxable at the unit holder's tax rate.

What are the risks of investing my Sterling New Life Lease outlay into a Sterling Fund?

Details of the risks associated with a particular Sterling Fund are set out in detail in the relevant Product Disclosure Statement.

What happens if the Sterling Fund is wound up?

If the particular Sterling Fund, that you are a unit holder in, is wound up, the proceeds returned to unit holders will be re-invested in an alternative Sterling Fund on behalf of the Sterling New Life Lessee. Any such change will have no effect on the Sterling New Life Lessee's occupation rights of the premises.

Retirement village comparison

What are the main benefits of the Sterling New Life Lease compared to traditional retirement villages?

You do not have any ongoing out of pocket outlays for rent, common facility charges and only minimal property maintenance expenses. When you end your Sterling New Life Lease, you do not have any reselling fees or exit fees such as deferred rental fees like in most retirement villages.

How to exit the Sterling New Life lease

What is the term of the lease?

The term of the Sterling New Life Lease is initially 5 years with another seven 5 year options. The lease can be extended on the same terms and conditions, with no further application fee. The Sterling New Life Lease is intended to be for as long as the Sterling New Life lessee requires to occupy the residence. The Sterling New Life lessee can vacate the residential unit at anytime with just 180 days notice. The lessee may choose to move to another Sterling New Life residence and enter into a new Sterling New Life Lease without any additional application fee.

If a Sterling New Life lessee passes away, the 180 days notice period will commence from when the Estate's Trustees give notice and apply to redeem the Investment Amount.

Rent will continue to be paid from the Sterling Income Trust distributions during this period until either; a new tenant occupies the premises, or 180 Days, whichever is sooner.

The redemption amount will be paid to the Estate upon a new tenant occupying the premises, or 180 days whichever is sooner.

Are there any other expenses at the end of the lease?

NO – there are NO Exit Fees

NO – there are NO Refurbishment costs

If there are any property damages, repairs or other amounts that are traditionally paid from bond retention, this will be deducted from the redemption amount of the Investment Amount when the Sterling New Life Lease has been terminated.

Housing features

What are the standard features in a Sterling New Life new home?

Most of the new homes are designed to provide wider doorways, hobless showers and energy efficiency.

Property Management

Who is the property manager?

Rental Management Australia, a part of the Sterling group, has been engaged to handle all property management matters.

How often do property inspections happen?

Property inspections will be limited to a maximum of two per annum.

Am I allowed to have pets?

You are allowed to have pets in your Sterling New Life home.

Sterling New Life Lease agreement

How do I register for a Sterling New Life Lease?

To register your interest, you need to sign a reservation form, which outlines your intentions with the potential Sterling New Life Lease.

What documents need to be signed to enter into a Sterling New Life Lease?

The other documentation that you need to sign includes a:

1. Sterling New Life Lease agreement, which is a standard residential tenancy agreement with some special conditions.
2. Payment Directions Deed, which links the Sterling New Life Lease to your investment in the Sterling Fund.
3. Sterling Fund application form, which is attached to the relevant Product Disclosure Statement.

In addition, if you need to sell your existing home, you may choose to sign a listing authority with Sterling New Life to sell the property for you.

The above summary sets out some key provisions in an abbreviated form only. For full details you should refer to a copy of the Sterling New Life Lease Agreement and the Pre Contractual Disclosure Booklet, which is provided before you enter into a commitment to purchase. The information in this summary is believed to be correct at the time of printing and is subject to change without notice.

FOR FURTHER INFORMATION PLEASE CALL 1300 665 890

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