



Managed by
HMC Funds Management Limited
(ACN 105 078 635; AFSL 237257)
as responsible entity of the
HomeCo Daily Needs REIT (ARSN 645 086 620)

Aventus Merger Tax Guide

On 4 March 2022, Home Consortium (**HomeCo**) underwent a merger with Aventus Group (**Aventus**) by way of two schemes of arrangement (the **Merger**), whereby:

- Aventus stapled securities (**Aventus Securities**) were destapled;
- Aventus Holdings Limited (**AHL**) shareholders were offered shares in Home Consortium Limited (**HCL**), or cash consideration of \$0.285 per AHL share, in exchange for their AHL shares; and
- Aventus Retail Property Fund (**ARPF**) unitholders were offered units in HomeCo Daily Needs REIT (**HDN**) in exchange for their ARPF units.

A general guide to the Australian tax implications of the Merger is contained within Section 10 of the Scheme Booklet in relation to the Merger. The Scheme Booklet is available on the HMC Capital website at <https://www.hmccapital.com.au/>

The Australian Taxation Office (**ATO**) has provided a class ruling confirming the key income tax implications of the Restructure for ARPF unitholders. The class ruling is available on the ATO website at <https://www.ato.gov.au/law/view/document?LocID=%22CLR%2FCR202225%2FNAT%2FATO%22&PiT=99991231235958>

On implementation of the Merger, ARPF unitholders disposed of their ARPF units to HDN in exchange for 2.20 HDN units for each ARPF unit held on 25 February 2022 (the Record Date for the Merger).

The information provided below is to assist those ARPF unitholders who do not or cannot choose CGT roll-over relief for their ARPF units to determine the capital proceeds for their ARPF units, and the cost base in the replacement HDN units received in exchange for their ARPF units, for the purposes of ascertaining the CGT consequences of the Merger.

ARPF unitholders who choose CGT roll-over relief in respect of the disposal of their ARPF units can disregard the information provided below.

Capital proceeds received for ARPF units

The capital proceeds received by ARPF unitholders for the disposal of their ARPF units should be the market value of the HDN units received, determined as at 4 March 2022.

In this regard, the 1-day volume weighted average price of HDN units on 4 March 2022 was \$1.44.

Accordingly, HDN considers that the amount of the capital proceeds received by an ARPF unitholder for the disposal of their ARPF units should be \$3.17¹ per ARPF unit.

¹ Calculated as \$1.44 x 2.20



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ARPF unitholders' cost base for replacement HDN units

On 23 February 2022, Aventus Securities last traded on the ASX as stapled securities, i.e., as one share in AHL stapled to one unit in ARPF. Accordingly, the Aventus Security price on 23 February 2022 should be used to calculate the cost base for replacement HDN units and adjusted to apportion the market value between AHL shares and ARPF units.

In this regard:

- the 1-day volume weighted average price of Aventus Securities on 23 February 2022 was \$3.37; and
- the relative net assets of ARPF to AHL of approximately 96.9% should be regarded as a reasonable basis to apportion the Aventus Security price between ARPF units and AHL shares.

Accordingly, HDN considers that an ARPF unitholder's cost base for their replacement HDN units received for the disposal of their ARPF units should be \$3.27² per HDN unit.

² Calculated as \$3.37 x 96.9%