PEAK EQUITIES

PEAK CHILDCARE TRUST NO. 2

June 2022

Two Premium Childcare Assets
20 Year Secure Leases
6.5% Income Paid Monthly

WHY PEOPLE CHOOSE PEAK EQUITIES

Opportunity and Returns	Monthly Tax-Effective Income Distributions	Expert Property Selection and Management	Diversification and Liquidity	Peace of Mind	Communication and Information

Contents

Introduction

In March 2021, Peak Equities Pty Ltd (AFSL 458013) launched the Peak Childcare Trust, inviting investors to participate in the dynamic Childcare sector of the Australian economy. In addition to receiving monthly income, Peak's Childcare Trust investors have enjoyed a substantial growth in the capital value of their investment during the first year of the Syndicate.

We are now pleased to offer participation in the Peak Childcare Trust No 2. (the Trust), which will be the ultimate holding trust for two new Childcare Centres – one in the suburb of Prospect, Adelaide SA and the second at Harris Crossing, Townsville, QLD.

The importance of the Australian Childcare sector is now well established, with bipartisan support at all levels of Government, with the incoming Labor Government promising subsidies of up to 90%. In our view, the case has never been stronger for investment in core social infrastructure assets with government-supported income and long-term lease security.

Our acquisitions strategy is focused on new assets, reflecting "state of the art" advances in facilities design and curriculum content. Following our extensive due diligence investigations, we consider that both of the properties acquired satisfy three core criteria:

- Strategic location, supported by independent demographic analysis;
- Long-term market-rate leases – 20 years with fixed annual rent increases; and
- Proven operators with an established record of success.

Paisley Park Early Learning Centre is a reputed operator and the tenant of the Prospect Childcare Centre. The Harris Crossing Centre will be acquired as vacant land, with all licences, approvals, and contracts in place to construct a 130-place Childcare Centre. Prominent Childcare operator, Eden Academy, has signed a 20-year lease over the Harris Crossing Centre, with rental commencing upon completion of the project around June 2023.

The construction of the Harris Crossing Centre will be financed under a "fund through" arrangement with Developer, Griffith Group Pty Ltd. Under the fund through arrangement, we will receive monthly interest income from the Developer enabling the Trust to pay distributions to investors at the nominated rate of 6.5% from commencement of the Syndicate. A detailed explanation of the fund through structure is set out on page 14 of this Information Memorandum.

The Trustee is seeking to raise $9 million from investors with monthly income distributions commencing in July 2022, at the rate of 6.5% p.a. Our forecasts have allowed for progressive increases in our cost of debt up to 3.9% p.a, while maintaining sufficient cash reserves for contingencies and capital expenditure.

We commend this investment for your consideration. Applications for investment to be made on the application form at the back page of this IM. Please approach any of our directors with any questions or requests for further information.

David Borsky
Managing Director

Offer Details

1. **The Trust -** Investors are invited to apply for Ordinary Units in the PEAK CHILDCARE TRUST NO.2 (Trustee, Peak Equities Pty Ltd). The total value of the Ordinary Units to be allotted pursuant to this Offering is $9 million (nine million dollars in 9,000 Units of $1,000 each).

   The Peak Childcare Trust No. 2 ("the Trust") owns 100% of the unit capital in the PEAK CHILDCARE PROPERTY TRUST NO. 2 ("Trust No. 2"). Trust No. 2 will be the purchaser of the two properties and the principal activity will be the derivation of rental income from these Childcare centres:

   - 218 Main North Road, Prospect, Adelaide SA
   - Lot 5000 Hogarth Drive, Harris Crossing Estate, Townsville

2. **Due Diligence -** Peak Childcare Holdings Pty Ltd, trustee of Trust No. 2 has undertaken and completed detailed Due Diligence investigations in relation to each of the two Childcare Centres.

3. **Application of Proceeds -** The Trust will apply the proceeds of the capital raising to the purchase of Ordinary Units in the Peak Childcare Property Trust No 2.

4. **Purchase Price -** The aggregate purchase price of the two properties is $18,171,750 (see details of each property in the 'Property & Tenant Details' section)

5. **Funding -** Peak Childcare Holdings Pty Ltd has negotiated interest-only first mortgage funding from Bank SA at a 52.5% LVR, on a non-recourse basis to investors. The forecast variable interest rate will commence between 2.75% and 2.9% p.a. (based on 90 day Swap rates at the date of preparing this IM).

6. **Term of the Syndicate -** It is expected that the properties will be held for a period of 6-8 years. The Trustee of Trust No. 2 has discretion to sell one or more of that trust's properties at any time, if it considers that it is in the interest of Unitholders to do so. After satisfying any required bank debt reduction and selling costs, the net proceeds of the sale of the properties will be applied as a Return of Capital to Investors in the Trust.

7. **Liquidity -** The Trustee undertakes that Investors in the Trust will be entitled to exit their investment at market value at any time after the 6th anniversary of the establishment of the Trust.

8. **Forecast Distribution Rate -** The Trustee proposes to make monthly cash income distributions to investors commencing at the rate of 6.5% per annum.

9. **Applications for Units -** Each Investor may apply for between 100 and 750 Ordinary Units of $1,000 each in the capital of the Trust (Investment Value $100,000 to $750,000). Applications may only be made on the Application Form attached to this Information Memorandum.

10. **Offer Period -** The offer will remain open until the full subscription has been received. The Trustee has complete discretion as to the number of Units (if any) to be allocated to each Applicant.

11. **Management Agreement -** The Trust has entered into a Management Agreement with Peak Childcare Management Pty Ltd (the Manager).

Offer Details - Cont

12. **Transfer of Investment Balance -** Once the Trustee has confirmed the allocation of Units to an applicant, the full subscription amount will be payable no later than Tuesday, June 28th, 2022. Unit Certificates will be issued by the Trustee following settlement of the purchase.

13. **Offer Limited to Wholesale Investors -** The Offer is available exclusively to Wholesale or Sophisticated Investors as defined in the Corporations Act.

14. **Trust Documents -** Prior to confirming their investment, intending Unitholders may request a copy of the Trust Deed of the Peak Childcare Trust No. 2 or the Peak Childcare Property Trust No. 2, on a strictly confidential basis.

Peak Childcare Trust No.2 - Corporate Structure

INVESTORS

Subscribe for Ordinary Unit in

PEAK CHILDCARE TRUST NO. 2
Trustee - Peak Equities Pty Ltd

Owns 100% of Units in

PEAK CHILDCARE PROPERTY TRUST NO. 2
Trustee - Peak Childcare Holdings Pty Ltd

Owner of Childcare Centres

PAISLEY PARK CHILDCARE PROSPECT SA

EDEN ACADEMY CHILDCARE HARRIS CROSSING QLD

Benefits of Investment in Childcare

- Childcare in Australia is now widely recognised as a vital element of our Social Infrastructure.
- The Childcare Sector is supported by record levels of Government funding, set to increase further from July 2023.
- Stability of income over the longer-term, contrasting the volatility of equities markets and uncertainty of fixed interest returns.
- Long lease terms to proven tenants – commonly 20 years, plus options. Tenants pay all outgoings.
- Leases generally include fixed annual rent increases - typically 3% per annum, with the tenant also responsible for the payment of all operating expenses.
- Tenants are subject to intensive government regulation and oversight, ensuring the premises are maintained in a sound and safe condition.
- Unlike most commercial real estate, Childcare property owners are not exposed to the payment of large incentives to attract new tenants or extend existing leases.
- Tenants make a substantial capital investment in the fit-out of the property and are responsible for maintenance and upkeep.
- Minimal capital expenditure obligations fall upon property owners.
- Substantial depreciation allowances, particularly with new or near-new developments, flowing through as tax-advantaged income to Investors

Current Market Trends – June 2022

The Australian Childcare market has sustained a strong compression of yields over recent years. As recently as two years ago, quality metropolitan assets were selling at yields around 6.5%, with regional and rural properties selling at yields above 7%.

The popular method of sale for individual assets has been by public auction. Leading agencies within the Childcare sector, Burgess Rawson, Cushman & Wakefield, CBRE and JLL, conduct regular auctions throughout the year. The format is attractive to high-net-worth individual investors, attracted by the long leases and values in the $5 to $10 million range, which has resulted in a highly competitive and often over-heated market.

Peak Equities does not participate in auction bids, as they are not suited to our patient and comprehensive due diligence investigations. As such, we review opportunities arising from our network of developers and estate agents specialising in the Childcare space. We look at off-the-plan purchases on a take-out basis upon completion, such as the Prospect, Adelaide acquisition, or fund-through opportunities, as is the case with Eden Academy Centre in Townsville.

Market yields vary according to location, principally reflecting the underlying land value. It is also evident that investors will pay a premium for Centres operated by the larger, well-established operators. Investors have been prepared to purchase at extremely tight yields in the suburban Sydney market, with Melbourne following close behind. The trend of sharp yield contraction continued throughout 2021, and by year's end, quality Childcare properties in suburban Sydney and Melbourne were regularly selling at yields below 4%.

In anticipation of interest rate increases, we expected the market to soften in the new year, however the tight yields held firm during the March and May 2022 auction series, notwithstanding that the May sales took place, after the first increase in official interest rates.

The newly elected Labor Government campaigned on a platform including multi-billion increases in Childcare subsidies. The maximum subsidy rate will increase to 90% for families for the first child in care, commencing in July 2023. Even families with household income of $150,000 p.a. will receive subsidies of 76%.

Demand for additional Childcare facilities is expected to continue, encouraged by the increased subsidies and supported by record levels of female participation in the workforce.

The range and quality of activities at Early Learning Centres has advanced markedly over recent years. Empirical evidence indicates a clear preference by families for newly built Centres, with the most progressive curriculum and advanced physical facilities.

Property & Tenant Details

A. Paisley Park Childcare - Prospect, Adelaide SA

This unique Childcare Centre has been constructed around a State Heritage horse tram barn, dating back to 1883. The single-story childcare centre comprises 6 main playrooms as well as reception, office, kitchen and staff amenities within a gross building area of 891sqm, with a substantial outdoor play area. The Centre is licensed to accommodate a maximum of 124 childcare places.

The building incorporates heritage features of the former tram barn with modern design to produce an architecturally pleasing structure which meets all current early learning regulations.

Address:	218 Main North Road, Prospect, Adelaide SA Paisley Park
Operator:	Early Learning Centre
Land Size:	2,994 sqm
Building Area:	891 sqm
Licensed Childcare Places:	124
Purchase Price:	$9,550,000
Commencing Rental:	$477,400 p.a. plus GST with fixed 3% annual increases
Rental per Childcare Place:	$3,850
Lease term:	20 years plus a 10-year option
Outgoings:	Tenant pays all outgoings including land tax

Property & Tenant Details - Cont

The Operator

Paisley Park Early Learning Centres are a well-established and reputable childcare operator, with 19 centres including Prospect under operation in NSW, Victoria and South Australia.

The principals of Paisley Park are Peter Raue and Katarzyna Wieczorek-Ghisso. Both have more than 15 years' successful experience in the Childcare industry and are highly regarded within their profession.

Paisley Park has developed proprietary programs reflective of the now mandatory national Early Childhood Curriculum (Early Years Learning Framework), focused on the building of a child's wellbeing and supporting the development of key educational milestones. Further information on the operator can be obtained via their website, www.paisleypark.com.au

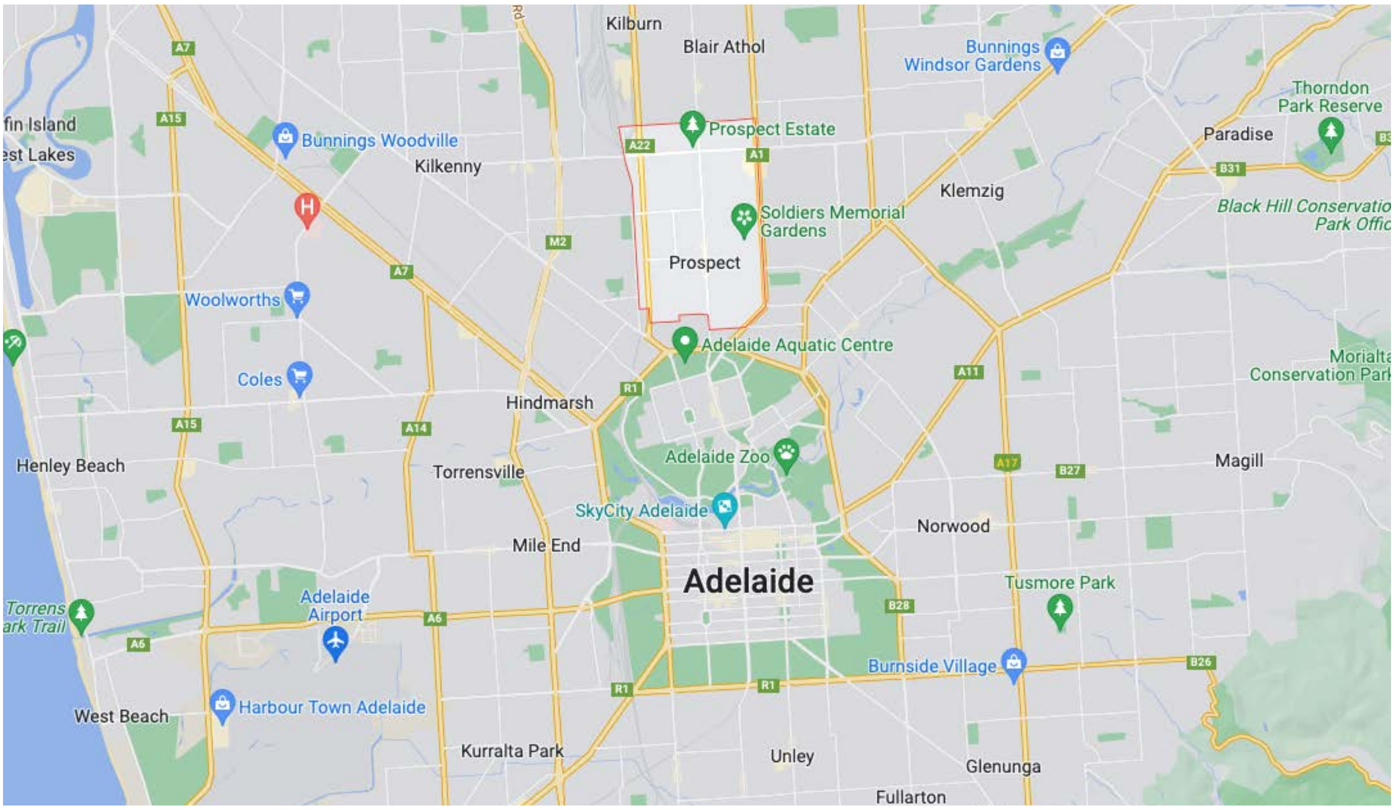
Property & Tenant Details - Cont

Location and Demographics

The Prospect Paisley Park Early Learning Centre is located at 218 Main North Road, Prospect. The site benefits from three street frontages including 78m of exposure to Main North Road, one of Adelaide's most prominent roads with 47,000 daily passing vehicles connecting the CBD to the northern suburbs.

The suburb of Prospect, north of the Adelaide CBD, has a population of approximately 22,000 people (as at May 2021) over an area of nearly 8 sq km. The population of children aged 0-4 years old make up approximately 6% of the population. The Childcare demand ratio in Prospect is 2.3 0-5 year old's per current long day care place.

The site's highway positioning means it captures children from higher demand catchments further north of the property as their parents drive past the site to/from work in the CBD. The site also benefits from right turn in/out access which is rare along Main North Road. Demographics of the immediate catchment show Prospect has a SEIFA (Socio-Economic) Index rating of 9/10 with 26% of population in the 18-34 age bracket.



Within the 1km radius from Paisley Park Prospect there are 2 public primary schools, being Prospect North Primary (407 students) and Nailsworth Primary (624 students). There are two LDC Centres located on the periphery of the 1km catchment and only one Centre in immediate proximity (1st Impressions Early Learning). The competitor is an independently operated (single site) long day care, with an older, modest standard build over two levels. The Paisley Park Prospect Centre is a modern single level design with a high level of specification and design.

Property & Tenant Details

B. Eden Academy - Harris Crossing, Townsville QLD

Artist impression

Harris Crossing is a new master-planned community approx.12km from the Townsville CBD, home to more than 800 families (approx. 2,000 residents).

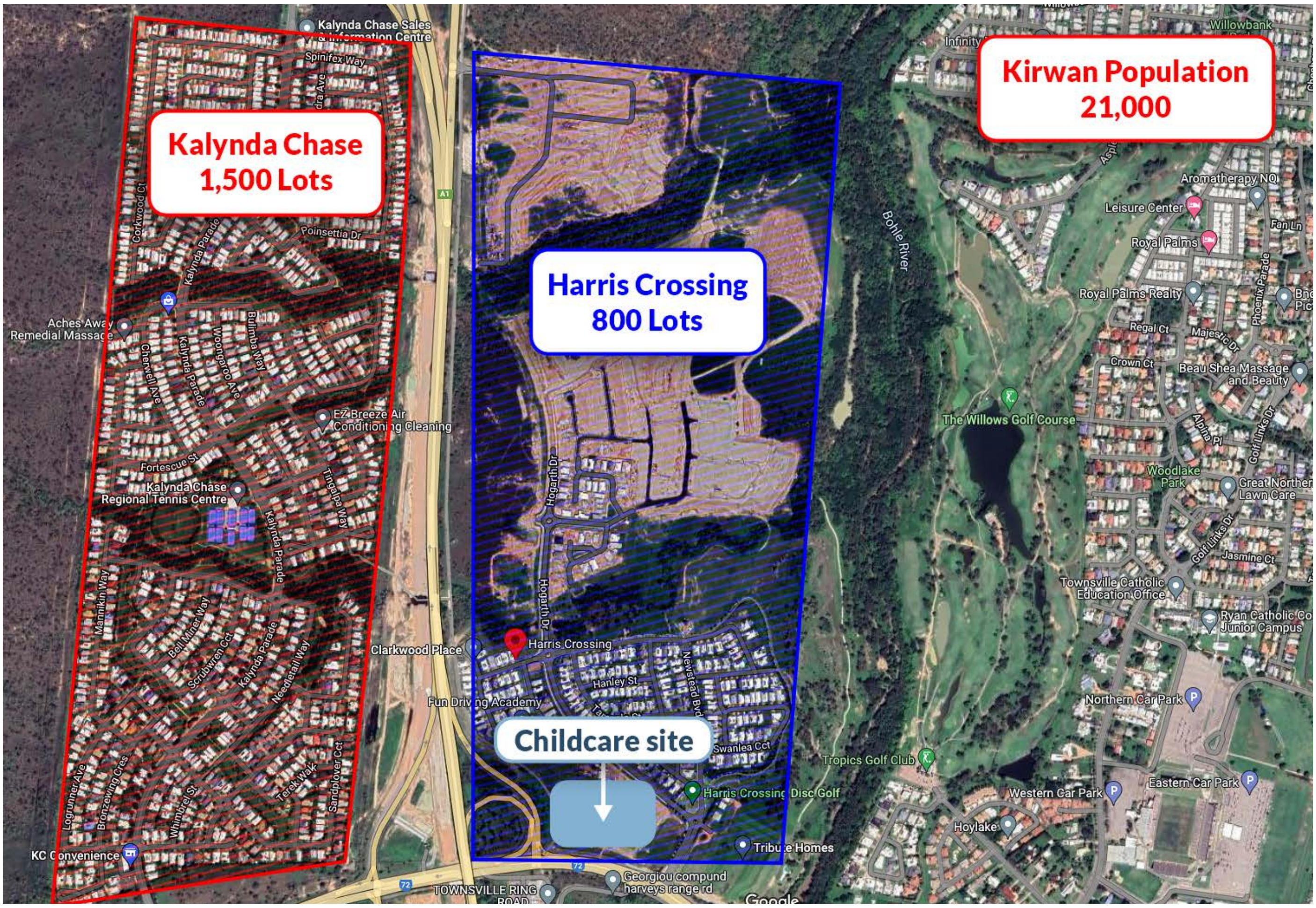
Harris Crossing adjoins the established Kalynda Chase estate which commenced construction in 2005 and is now fully developed. Kalynda Chase comprises approximately 1,500 allotments and is home to approximately 3,600 residents.

Artist impression

Address:	Lot 5000 Hogarth Drive, Harris Crossing Estate, Townsville.
Operator:	Eden Academy
Land Size:	2,756 sqm Approx
Building Area:	877 sq.m. building plus 910 sq.m. outdoor play area
Licensed Childcare Places:	130
Total Cost:	$7,920,000
Commencing Rental:	$416,000 p.a. plus GST with fixed 3% annual increases
Rental per Childcare Place:	$3,200
Lease term:	20 years plus 2 x 10-year options
Outgoings:	Tenant pays all outgoings including land tax

Property & Tenant Details - Cont

Artist impression



Property & Tenant Details - Cont

Terms of Acquisition

The Harris Crossing Childcare Centre will be developed over a period of approximately 12 months, with construction having commenced in June 2022.
Peak Childcare Holdings Pty Ltd, as trustee for the Peak Childcare Property Trust No.2, has exercised an option to purchase the land for a consideration of $1 million, which value was independently certified by Steven Frawley from the JLL, Brisbane office.

Griffith Group Pty Ltd is the developer of the Harris Crossing Childcare. In that capacity, the developer has:

- Negotiated an Option Agreement to purchase the land for $1 million and assigned the rights under the Option Agreement to Trust No. 2.
- Undertaken all due diligence investigations to support the commercial viability of developing a Childcare Centre on the site.
- Negotiated a 20-year lease with established and well-reputed operator, Eden Academy, to commence upon practical completion of the development.
- Obtained all necessary authorities, permits and licences for the construction and operation of the Centre.
- Entered into a fixed price building contract with Casa Building Group Pty Ltd (CBG) for the construction of the improvements on the property.

Trust No. 2 has appointed Griffith Group Pty Ltd to act as Development Manager (DM), in which capacity the DM will be responsible for all aspects of the development, to be delivered at a guaranteed fixed cost of $6,920,000. Any costs in excess of that amount will be at the risk of the DM. This is a “Fund Through” structure, producing the same outcome as if Trust No. 2 purchased the property on completion of construction. The financial benefit to Trust No. 2 of entering into the fund through arrangement is estimated to exceed $800,000, arising from a combination stamp duty savings and discounted purchase price.

We have has worked intensively with HWL Ebsworth, Brisbane Office, to undertake legal due diligence and to prepare all documents and contracts required to protect the position of Trust No. 2 in this transaction. The firm has extensive relevant experience and their work throughout the engagement has been of a high standard. We have the benefit of valuable corporate and personal guarantees by the Griffith Group and its Managing Director.

Location, Demographics & Demand

The local catchment comprises the Harris Crossing and Kalynda Chase estates in the suburb of Bohle Plains. Prior to the commencement of project sales at Harris Crossing, Kalynda Chase has been fully developed. By 2026, the population of the local catchment is forecast to reach 5,200 with approximately 550 children under 5 years of age.

The Harris Crossing Childcare site occupies a prime position in the fast-developing Harris Crossing subdivision and is directly opposite Kalynda Chase Estate. These residential estates have a very high proportion of young families with children under 5 years of age. At present there are no childcare centres in either estate (existing or in planning).

Parents need access to convenient and accessible childcare options in their local community. The proposed development will deliver a much-needed local childcare option for residents of Harris Crossing and Kalynda Chase. This will be the only childcare centre between Bohle Plains and Alice River -population of 6,650 people

Property & Tenant Details - Cont

The female labour force participation rate in Bohle Plains (70.6%) is higher than the state average participation rate of 58%. Female labour force participation is closely correlated to long day care participation and suggests a high demand for childcare in this market.

Key Parties

The security of the investment during the construction phase of the development will be underpinned by a comprehensive suite of contracts and the appointment of independent professionals to oversee and manage the construction of the property.

All permits, authorities and statutory approvals are now in place for the development of the Eden Academy Childcare Centre at Harris Crossing. The construction phase will be overseen by the Griffith Group as Development Manager, with overall responsibility for delivery of the project on time and on budget.
The key parties in the development are:

The Developer

The Griffith Group Pty Ltd is a proven and successful developer, with significant experience in the development and sale of Childcare Centres within a portfolio of commercial projects valued in aggregate at more than $500 million.

We have been engaged in direct discussions with the Developer over a period of more than 3 months and have found them to be honest and transparent in all our dealings, with a preparedness to negotiate reasonably as relevant matters arose in the course of our negotiations.
We refer you to the Developer's website www.griffithgroup.com.au/childcare. A Capabilities Statement is available upon request.

The Operator

Eden Academy successfully operates some 19 Childcare Centres across Australia. Their experience in working with the Griffith Group in previous Childcare developments is considered a significant benefit for the current development.
For more information, refer to the Eden Academy website at www.edenacademy.com.au

The Project Manager

The Developer has engaged an independent Project Manager to provide on-the-ground supervision of the construction and to report on a weekly basis to the team leader within the Griffith Group.
Belo developments has more than 20 years' experience in the construction industry, including project management of four previous Childcare Centres prior to their engagement at Harris Crossing.

Quantity Surveyor

The Development Management Agreement between Trust No. 2 and Griffith Group provides for monthly progress payments, supported by a detailed progress report reviewed and approved by an independent Quantity Surveyor.
The parties have agreed on the appointment of global QS firm, Ryder Levett Bucknall.

Financial Summary

Contract price - Adelaide	9,550,000
Acquisition Costs	76,000
Due Diligence - Adelaide	50,000
Total Cost Adelaide	**9,676,000**

Contract Price - Townsville	7,920,000
Acquisition Costs	40,000
Due Diligence - Townsville	60,000
Total Cost Townsville	**8,020,000**

Total Combined Cost	**17,696,000**

Establishment Fees (2%)	353,920
Borrowing Costs	35,000
Cash Reserves	86,830
Total Funds Required	**18,171,750**

Mortgage - 52.5% of combined contract price	9,171,750
Investor Equity Required	**9,000,000**

Net Rental Income Increases	3% p.a.
Income Distribution	6.5% p.a.
5 Year Capital Expenditure Allowance	$25,000

Fund Through Arrangements

Fund through sale structures are an increasingly popular and effective way for new developments to take place, with long-term investors accessing product ahead of the completion through structured acquisitions.

This type of structure can benefit both developers and investors by providing security of capital to a developer, while giving the investor access to high-quality brand-new product at a reduced cost.

Childcare Centres are ideally suited to fund through arrangements, as they possess the following characteristics:

- The land is "construction ready" with all permits, authorities and approvals in place.
- The construction period is relatively short (usually less than 12 months).
- There is a binding agreement for lease in place with a reputed and qualified operator.

In the Harris Crossing fund through, Peak Childcare Holdings Pty Ltd will purchase the land for a consideration of one million dollars, supported by independent valuation, and will provide construction finance to the developer, Griffith Group Pty Ltd for a fixed cost of $6,920,000 to construct the Eden Academy Centre. The total price is capped at $7,920,000, representing a yield of 5.25% in relation to the commencing income of $416,000 per annum.

The parties have entered into a Development Management Agreement for the delivery of the completed building. The documentation supporting the fund through arrangement ensures that all construction and delivery risk remains with the developer and that the purchaser is insulated against any cost increases.

A key feature of the arrangement is the payment of interest by the developer to Trust No. 2 in the form of a monthly coupon payment. The coupon payment will return income on all monies contributed throughout construction, including the land purchase price, and will enable the Trust to make monthly cash distributions at the prescribed rate of 6.5% p.a. to Unitholders from the commencement of the project.

Additional significant benefits to the Investor include:

- A reduction in the purchase price of the property in compensation for enabling the developer to utilise its funds for other projects. In this instance, the effective purchase yield will be 5.25%, compared to a market yield of under 5%. This reduction in project cost reflects a benefit in excess of $400,000.

- Stamp duties will be levied based on the purchase price of the vacant land rather than the contract price for a completed centre. In this instance, the stamp duty savings reduce the cost by approximately $400,000.

- Increased depreciation benefits through the acquisition of new product and associated plant and equipment.

Key to engaging in a fund through arrangement is ensuring that the investor is protected from risk. The engagement of an experienced and reputed legal firm is essential. Trust No. 2 engaged HWL Ebsworth, Brisbane office, who provided us with quality advice and put in place a suite of documents required to mitigate any risk to Investors.

Finally, a pre-condition for engaging with the developer on fund through terms is a sound due diligence examination of the capabilities of the key parties – the developer; the building contractor; the quantity surveyor approving all progress claims for payment; and the long-term tenant company. After concluding our due diligence investigations, we are satisfied with the various parties' ability to deliver the completed product on time and on budget.

Manager's Entitlements

Category	Description	Entitlements
Establishment Fee	The Manager charges an initial fee calculated as a percentage of the Acquisition Cost of the investment properties, including stamp duties and other statutory transaction costs.	2% of Acquisition Cost
Syndicate Management Fees	Paid monthly to Peak Childcare Management Pty Ltd for managing the assets and all of the activities of the Trust No. 2 and the interests of Unitholders. Calculated by reference to the Total Asset Value of the Trust No. 2 at the commencement of each financial year.	0.35% of the Total Asset Value of Trust No. 2 (as defined in the Trust Deed)
Selling Fee	Charged in respect of the sale of Trust No. 2's property (from which all external agents' fees and direct selling expenses will be paid)	2% of Sale Contract Value
Founder Units	Interests associated with the Manager have been allotted 600 Founder Units at $1.00 each in the capital of the Trust.	Founder Units are entitled to 2% of the income and capital of the Trust
Capital Gains	Interests associated with the Manager have been allotted 600 Special CG (Capital gain) Units at $1.00 each in the capital of the Trust.	Special CG Units will be entitled in aggregate to 20% of the aggregate returns of the Trust in excess of an IRR of 6.5% upon sale of the Trust property.

Peak Professionals

Our team of property and financial professionals provide extensive industry experience and proven results.

DAVID BORSKY
MANAGING DIRECTOR

JAMES WEAVER
DIRECTOR - PROPERTY

TREVOR O'HOY
CHAIRMAN

IAN FOOTE
NON-EXECUTIVE DIRECTOR

TOM BORSKY
EXECUTIVE CONSULTANT

DAN MAGREE
VALUATIONS AND ADVISORY

Risk Factors

Intending Investors should be aware of the following risks associated with an investment in the Trust and **are advised to seek independent advice before committing to an investment in the Trust.**

General Investment Risk

Whilst the revenue forecasts provided in this Information Memorandum have been carefully formulated based on current market conditions and reasonable assessment of future conditions, unforeseen or uncontrollable circumstances may arise during the term of the Trust which adversely affect the projected income streams and/or future capital values. There is no guarantee the financial forecasts in this IM will be achieved. There are a number of risk factors could impact on the projected income, the tax effectiveness of any distributions, and the return of capital or capital growth.

An investment of this nature carries a certain level of commercial risk, and the performance of the Trust may be affected by factors, many of which are outside the control of the Manager. Some of the significant risks and the way the Manager aims to manage those risks are set out below. Please note the Manager cannot eliminate all risks and cannot promise that the way it manages them will always be successful.

Liquidity Risk

Units in the Trust will be illiquid for a period of six years, and during that time they may not be readily saleable. The Manager has no obligation to purchase or redeem Units during the first 6 years of the life of the Syndicate. There is no established secondary market for Units and transfers may only be affected in accordance with the Trust Deed.

Construction Risks

The Eden Academy Childcare Centre at Harris Crossing, Townsville is due to commence construction in June 2022. All property construction is exposed to a number of risk factors, which may be beyond the control of the Trustee or the Manager. The manager has contractually limited its financial exposure under a development management agreement with the Developer, supported by valuable corporate and personal guarantees.

In addition to contractual protections, several professional appointments have been made, including independent project managers and quantity surveyors to oversee the timeliness, cost and quality of the construction.

Property Risks

Property investment by its nature involves risk. The Trust will be investing in the Trust No. 2, which will, in turn, invest in Childcare freehold assets. The Manager cannot guarantee the continuous occupancy of each property, nor the income available for distribution to investors. Neither can the Trustee or the Manager warrant that the eventual sale of the property will generate capital gains to the investors.

Covid and other Pandemic Risks

Whilst the Covid-19 pandemic poses no present risk to the operation of Childcare facilities, the various national and global health authorities continue to classify Covid-19 as a pandemic. A more serious outbreak of the Covid-19 or other pandemics may affect the operation of Childcare Centres in Australia. The leases with the operators of the two Centres owned by Peak Childcare Property Trust No 2 do not include pandemic rental relief provisions in the absence of any government regulations to that effect.

Insurance Risks

The Manager will insure all properties for full replacement value and will insure against public liability claims up to $20 million. However, the circumstances of a particular loss or the specific provisions of the insurance policy may preclude a claim being accepted by the insurer. Additionally, there is a risk that the insurance money received may not be adequate to compensate the Trust.

Interest Rate and Forecasting Risks

The Manager does not guarantee the indicated earnings and rate of distribution set out in this IM. Investors should make their own reasonable enquiries and form an independent opinion of the future performance of the Trust. The forecast financial information has been derived from financial models which have been developed by the Manager.

Risk Factors - Cont

There is a risk that the models may not be accurate as a result of one or more incorrect assumptions. Assumptions are generally only a best estimate at a point in time. In addition to general forecasting risks, there are likely to be increases in interest rates during the term of the investment, which may increase the cost of bank funding. The Manager's forecasts have provided for a succession of interest rate increases, with the cost of debt increasing progressively during the term of the investment The Trust will also hold cash reserves to accommodate interest rate increases in excess of the forecast amounts. If further funding support is required, the Manager may defer part or all its annual management fees. In the event of a sustained increase in the cost of debt beyond the forecast amounts, the Trustee may determine, as a matter of prudence, to reduce the annual rate of income distributions to unitholders.

Borrowing Risks

The Peak Childcare Property Trust No.2 will partially fund the purchase of the properties with debt. Mortgage funding arrangements have been offered by Bank SA, however there is no guarantee the debt funding will ultimately be made available by the bank between the date of this Information Memorandum and settlement of the two properties. The Manager will be required to meet various conditions before the funding can be drawn down. If the debt funding is not provided the Manager will need to seek an alternative lender and/ or raise additional equity. Debt funding will be secured against the real property, with no recourse to investors. A default under the terms of the loan may lead to the financier exercising its security and selling the property or properties for a price lower than that which might have been achieved in normal circumstances. This may have a negative impact on the performance of the Trust and potentially a loss of investors' capital.

Continuing Government Support Risk

Parents enrolling pre-school children in approved premises are entitled to substantial government subsidies. If those subsidies were to be materially reduced or withdrawn, it would affect the affordability of Childcare services and the financial viability of the operators. The Trustee and the Manager consider that any reduction in the level of government support in the near to medium-term is unlikely in the present socio-political environment. Governments have consistently increased Childcare support in successive budgets, and the current Labor government has undertaken to further increase support after July 2023.

Additional Information

MATERIAL CONTRACTS

The following is a summary of documents significant or material to the Fund and its activities. This section only contains a summary, which means that all the provisions of each material document are not fully described. Copies of material documents (subject to excluding confidential commercial terms) may be requested from Peak Equities Pty Ltd.

1. Purchase Contracts

(a). Prospect

The contract for the acquisition of the Prospect centre is nearing completion. It provides for a 5% deposit to be paid by Peak Childcare Management Pty Ltd, upon signing with settlement occurring 10 business days after all matters relating to the completion of the centre are achieved and the centre opening for business. Settlement is expected to occur towards the end of June 2022.

(b). Harris Crossing

The main agreements entered into by Trust No. 2 relating to the acquisition of the Harris Crossing property are the nomination agreement and the development agreement. Under the nomination agreement, the developer agrees to nominate Trust No. 2 as the buyer under its option agreement with the current owner of the land. In accordance with the option agreement, the nomination took place on 31st May 2022, the option to acquire the land was exercised at the same time and settlement of the land purchase is now due to take place on 10 June 2022.

Following completion of the land purchase contract, the developer will proceed with the construction of the centre pursuant to a development agreement. The development agreement provides for Trust No. 2 to progressively fund the construction of the centre, with a final payment due to the developer at the completion date of the centre, which is expected to occur in June 2023. In consideration of Trust No. 2 agreeing to make these progress payments, the developer is required to make a monthly coupon payment to Trust No. 2, which will be utilised by the Trust to pay monthly distributions to investors until commencement of the lease.

2. The Trust Deed

The Peak Childcare Trust No.2 was created on 26th May 2022, with Peak Equities Pty Ltd as trustee. The initial unitholders of the Trust have been allotted Founder Units and Special CG (Capital Gains) Units.

3. Management Deed

The Trustee has appointed Peak Childcare Management Pty Ltd (PCM) to manage the affairs of Trust No. 2, including the negotiation of purchase terms of the trust property; the conduct of all due diligence activities; day-to-day management of the property; attendance to all Unitholder communications; trust accounting; compliance with all statutory obligations and requirements; and the eventual sale of the trust property. Details of the Manager's remuneration are set out in the body of this Investment Memorandum. Details of the Manager's rights and responsibilities are set out in the **Management Deed dated 6th June 2022.**

Copies of the Trust Deed and Management Deed may be provided to Unitholders, subject to execution of a non-disclosure agreement, upon receipt of a written request.

Additional Information - Cont

DISCLOSURE OF INTERESTS

Investors are made aware that parties associated with Peak Equities Pty Ltd have financial, commercial and other interests in the various entities associated with the establishment and operation of the Peak Childcare Trust No 2.

Peak Equities Pty Ltd
Messrs David Borsky, James Weaver, Trevor O'Hoy and Ian Foote are directors of Peak Equities Pty Ltd, and entities associated with each director are shareholders in the company. Interests associated with Mr Tom Borsky are shareholders in Peak Equities Pty Ltd.

Mr Dan Magree is a member of the Peak Equities Pty Ltd Advisory Board and is a Responsible Officer pursuant to the Peak Equities Pty Ltd AFS Licence. Interests associated with Mr Dan Magree receive consulting fees from Peak Equities Management Pty Ltd, a company associated with Peak Equities Pty Ltd.

Peak Childcare Trust No.2
Interests associated with Messrs David Borsky, James Weaver, Trevor O'Hoy, Ian Foote and Tom Borsky are the holders of Founder Units and Special CG Units in the capital of the Peak Childcare Trust No. 2, together with one unrelated party.

Peak Childcare Holdings Pty Ltd in its capacity as trustee of the Peak Childcare Property Trust No 2 is the registered proprietor of the Childcare property assets at Prospect and Harris Crossing. Messrs David Borsky, James Weaver and Tom Borsky are directors of Peak Childcare Holdings Pty Ltd.

Peak Equities Pty Ltd is the trustee of the Peak Childcare Trust No 2, in which capacity it owns 100% of the Units in the Peak Childcare Property Trust No 2.

Peak Equities Pty Ltd also owns 100% of the issued capital of Peak Childcare Holdings Pty Ltd.

The abovenamed parties who have an interest in Peak Equities Pty Ltd and the Peak Childcare Trust No 2 are thus indirectly interested in Peak Childcare Holdings Pty Ltd and the Peak Childcare Property Trust No 2.

Peak Childcare Management Pty Ltd in its capacity as trustee of the Peak Childcare Management Trust has been appointed as Manager of the Peak Childcare Trust No 2, in which capacity it will also be responsible for managing the affairs of the Peak Childcare Property Trust No 2. Messrs David Borsky, James Weaver and Tom Borsky are directors and shareholders of Peak Childcare Management Pty Ltd.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF) requires entities such as Peak Equities Pty Ltd to maintain a program that identifies, mitigates and manages money laundering and terrorism-financing risks associated with its business. In this regard, the Trustee may require investors to provide additional information for identification and verification purposes. Please note that the Trustee may not accept an Application to invest in the Fund until it is satisfied that the identity of the Investor has been verified in accordance with the requirements of the AML/CTF.

If you do not provide a completed Application Form, this may delay the processing of your Application or result in your Application being declined.

PRIVACY PROVISIONS

Peak Equities Pty Ltd is committed to the protection of your personal information in accordance with the Australian Privacy Principles set out in the Privacy Act 1988.

All personal information held by Peak Equities will be governed by Peak's most recent Privacy Policy. This Privacy Policy applies to the collection, use and disclosure of personal information. Peak collects your personal information for the purpose of providing its property acquisition and funds management services. The information will not be made available to third parties other than required by our privacy policy and applicable law and to service providers necessary for us to conduct our business activities. If we cannot collect personal information from you, we may not be able to perform the activities listed above.

Additional Information - Cont

The personal information collected from you on the Application Form is used to evaluate your Application for Units in this Trust as well as to issue Units, service your needs as a Unitholder and administer the Trust. This includes information that Peak Equities Pty Ltd must pass on to Peak Childcare Management Pty Ltd, and other service providers. The personal information you provide is kept for record keeping purposes. If you do not provide the necessary personal information, your Application may not be processed. Once personal information is no longer needed for the Fund and Peak's records, it is destroyed or de-identified. Your personal information may be disclosed overseas.

Unitholders have a right to access the information about them held by Peak and to correct any errors as set out in our Privacy Policy. Please advise us of any information that appears inaccurate or incomplete (especially your address and correct investing entity name).

You can call Peak on **+61 (03) 9863 8380** or write to Peak at the address listed below to access the information held about you by Peak. If you have any complaint in relation to the manner in which your information has been handled, please contact us.

As well as reporting to you on your investment, Peak or PCM may use your contact details to forward newsletters and to let you know about future investment opportunities offered by Peak.

If you prefer not to receive these communications, please telephone or write to Peak.

If obliged to do so by law, Peak will pass on your personal information to other parties such as the Australian Taxation Office and other regulatory bodies, strictly in accordance with legal requirements.

COMPLAINTS AND CONTACTING US

Peak Equities Pty Ltd seeks to resolve potential and actual complaints over the management of the Trust to the satisfaction of Unitholders. If a Unitholder wishes to discuss any aspect of the management of the Trust or wishes to lodge a formal complaint, they may do so in writing, by email or by telephone at:

Peak Equities Pty Ltd
Suite 1438, 1 Queens Road
Melbourne VIC 3004
Telephone: 03 9863 8380
Email: info@peakequities.com.au

The company will promptly acknowledge any complaint received from a Unitholder, investigate it, and decide in a timely manner any action that needs to be taken.

PEAK EQUITIES

Application for Units

Peak Childcare Trust No. 2

I/We ____

(full name of unit holding entity, both Trustee and Trust, if applicable)

TFN:_______________________________ ABN/ACN_______________________________

(of unit holding entity/ies)

Of ____

(insert mailing address)

Email Address ______________________________ Mobile number ____________________

Hereby apply to invest the amount of $ __________in__________ Ordinary Units of $1,000 each,

in the capital of the **Peak Childcare Trust No. 2,** constituted by deed dated 26th May 2022.

Transfer of investment funds

Once the Trustee has confirmed the allocation of Units to an applicant, the full subscription amount must be received as clear funds, no later than Tuesday 28th June 2022 into the following account:

Account Name:	**Peak Childcare Management Pty Ltd**
BSB:	**063 010**
Account Number:	**1466 8713**
Reference:	**Investor Surname**

Investor Bank account details for income distributions

Account Name: ______________

Account number:_____________

BSB: ______________________

I/we agree that, upon the units being allotted, I/we shall be bound by the terms and conditions of the Trust Deed.

Signed by/on behalf of the Applicant by ____

Signature ______________________________ Capacity ______________________________

(e.g. Director or Trustee)

Date ________________

Once completed, this form can be submitted it via email or post.

Address: Peak Equities - Suite 1438, 1 Queens Road, Melbourne, VIC, 3004

Email: info@peakequities.com.au

Phone: 03 9863 8380

ABN 21 165 827 574. Holder of AFS Licence 458013

PEAK EQUITIES

Sophisticated Investor Certification

to be submitted with application by all new investors

Name and Address of Investing Entity

I certify that the following is true and correct in every particular:

a. I am a qualifed accountant within the meaning of section 9 of the Corporation Law1

b. This certificate is given at the request of the investor named above ("Investor") in relation to potential offers by Peak Equities Pty Ltd to subscribe for or acquire securities.

c. This certificate is given to Peak Equities Pty Ltd for the purpose of section 708(8)(c) of the Corporations Law; and

d. The Investor has:
(i) Net assets of at least $2,500,000; or
(ii) A gross income for each of the last 2 financial years of at least $250,000 a year.

Name of Qualifed Accountant

Name and member number of professional body

Signature ______________________ Date ______________

1"Qualifed accountant" means a member of a professional body that is approved by ASIC in writing for the purpose of the definition. ASIC has indicated that it will approve any member of:

a. The Australian Society of Certifed Practicing Accountants ("ASPCA"), who is entitled to use the post-nominals "CPA" or "FCPA", and is subject to and complies with the ICAA's continuing professional development requirements;

b. The Institute of Chartered Accountants in Australia ("the ICAA"), who is entitled to use the post-nominals of "CA", "ACA" or "FCA", and is subject to and complies with the ICAA's continuing professional education requirements; or

c. The National Institute of Accountants ("the NIA"), who is entitled to use the post-nominals "MNIA" or "FNIA", and it subject to and complies with NIA's continuing professional education requirements.

Once completed, this form can be submitted it via email or post.

Address: Peak Equities - Suite 1438, 1 Queens Road, Melbourne, VIC, 3004
Email: info@peakequities.com.au
Phone: 03 9863 8380

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PEAK EQUITIES

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