



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)

# Distribution Reinvestment Plan Information Booklet

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**HomeCo Daily Needs REIT (HDN)**

ARSN 645 086 620

**Important notice**

This booklet has been prepared and issued by HMC Funds Management Limited (ABN 89 105 078 635) (**HFML**) in its capacity as responsible entity for HomeCo Daily Needs REIT (ARSN 645 086 620).

Neither HFML nor any of its related bodies corporate (as that term is defined in the Corporations Act) guarantees or in any way stands behind the performance of the REIT or the repayment of capital by the REIT.

All reasonable care has been taken in relation to the preparation and collation of this booklet. Except for statutory liability which may not be excluded, no person accepts responsibility for any loss or damage howsoever occurring or resulting from the use of or reliance on the booklet by any person. Past performance is not indicative of future performance.

The information contained in this booklet is intended to provide general advice only and does not take into account your individual objectives, financial situation or needs. You should assess whether this booklet is appropriate for you and consider talking to a financial adviser or consultant before making an investment decision.

## Distribution Reinvestment Plan

### What is the DRP?

The DRP enables you, as a unitholder in HDN, to reinvest all or part of any distribution paid on your units in additional HDN units instead of receiving that distribution in cash.

### Who can participate?

All unitholders of fully paid HDN ordinary units who are resident in, and whose address on the register of unitholders at the relevant distribution record date is in, Australia or New Zealand may participate in the DRP, subject to the DRP Rules.

### How do I participate in the DRP?

If you wish to participate in the DRP, we encourage you to make your election online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

Alternatively, please complete and sign a DRP participation notice and return it to the REIT's registry at the address below. If a DRP participation notice does not accompany this booklet, please contact the REIT's registry:

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Telephone: +61 1300 554 474 (within Australia)  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

DRP participation notices must be received, or online elections made, by 5:00pm (Sydney time) on the Last Election Date for a distribution if you wish to participate for that distribution. The Last Election Date for the next distribution will be notified to the ASX and posted on HDN's website when the next distribution is announced, but is expected to be 1 October 2021.

### Can I participate in the DRP for some of my units?

Yes, you can nominate all of your units or a specific number of your units to participate in the DRP.

- **Full participation:** If you elect full participation, distributions on all of your units will be reinvested in acquiring DRP units. Distributions on any units you may acquire in the future will also be reinvested in this way.
- **Partial participation:** If you elect partial participation, you nominate a number of your units which participate in the DRP. Only the distributions paid on those units that you nominate will be reinvested. For units not participating in the DRP, distributions will be paid in the usual way.

If your DRP participation notice or online election does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

### Is there a minimum or maximum participation level?

No, however HDN has the discretion under the DRP Rules to introduce a minimum or maximum participation level in the future.

### When will my participation begin?

Your participation in the DRP will begin with the first distribution payment after receipt of your online election or participation notice, provided it is received by the 5.00pm (Sydney time) on the Last Election Date for that distribution.

The Last Election Dates for forthcoming distributions will be notified to ASX and posted on HDN's website when the relevant distribution is announced.

For elections received after the Last Election Date for a particular distribution, you will not participate in the DRP for that distribution and your participation will begin from the next distribution.

## What happens if I have more than one unitholding?

You must make a separate election for each unitholding registered under different names or holding numbers by either making a separate online election or submitting a separate participation notice for each unitholding.

## Can I withdraw or change my participation at any time?

Yes. Simply notify the registry online. Alternatively, forms to vary or terminate your participation can be obtained at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by contacting HDN's registry. The change will be effective from the next distribution payment, provided that the election is received by 5.00pm (Sydney time) on the Last Election Date for that distribution. If your change is received after that date, the change will not be effective until the next distribution.

HDN will announce the relevant Last Election Date for each distribution to the ASX and on the HDN website at the time it announces the distribution.

## At what price will the units be allocated?

Units will be allocated at an average of the daily volume weighted average market prices for units traded on ASX (and any other market determined the Board) over a period of at least 5 trading days ('Allocation Price'), in accordance with the DRP Rules. The Allocation Price may be reduced by a discount, which the Board may determine from time to time and announce to the ASX. HDN currently intends to offer a discount of 1.5% to the Allocation Price.

The pricing period for the Allocation Price will be announced to ASX and posted on HDN's website at the time HDN announces a distribution. The final Allocation Price for a distribution will be notified in the same way after the Allocation Price is determined.

## How will my DRP units be treated for subsequent distribution payments?

- **Full participation:** If you elect full participation, all units held by you at each distribution record date will be treated as participating in the DRP, including any units previously acquired under the DRP or other units acquired.
- **Partial participation:** If you elect partial participation, only the number of units you have specified will be treated as participating in the DRP. If you hold less units than the number of units you have specified in the participation notice/election, then the distributions on the units that you actually hold will be reinvested.

The number of units that will be treated as participating in the DRP may be limited if HDN elects to introduce a minimum or maximum participation limit in the future.

## What will it cost me to participate?

Nothing. No brokerage fees, commission or other transaction costs will be payable for any units allocated under the DRP.

## Can I sell my units when I choose?

Yes. You can sell any or all of your units at any time. However, if you sell all of your units, your participation in the DRP will cease with effect from the date HDN registers a transfer or instrument of disposal of your holding.

If you elect for full participation and then sell some of your units, the distributions on your remaining units will continue to be reinvested under the DRP. If you elect for partial participation and then sell some of your units, the number of units sold will be deemed to the full extent possible to be non-participating units and the balance, if any, will be deemed to be participating units under the DRP.

## What are the tax implications of participating?

- **Australian unitholders:** The Australian Taxation Office currently treats distributions reinvested under the DRP in the same way as cash distributions received on units which are not participating in the DRP. These comments are general in nature only. You should seek professional taxation advice in relation to your individual circumstances
- **New Zealand unitholders:** The New Zealand Inland Revenue currently treats distributions reinvested under the DRP in the same way as cash distributions received on units. HDN takes no responsibility for the taxation consequences of unitholders participating in the DRP, and recommends you obtain professional taxation advice. These comments apply to

unitholders who are New Zealand residents for tax purposes and who are not transitional residents. They are general in nature only. You should seek professional taxation advice in relation to your individual circumstances.

**Will I receive a distribution statement?**

After each allocation of units under the DRP, a distribution statement will be provided to you in accordance with the manner you ordinarily receive notices from HDN, showing full details of units allocated to you under the DRP. This statement should be kept for your taxation purposes.

**Can the DRP be modified, suspended or cancelled?**

HDN may vary the terms and conditions, alter, suspend or terminate the DRP at any time by notification to the ASX and on the HDN website.

**What happens to any residual value after each distribution?**

The application of the distribution reinvestment formula normally results in a residual amount. This is because your distribution amount will be used to acquire a whole number of units, usually leaving a residual amount which is less than the price of one HDN unit.

For each distribution, if there is a residual amount, then the residual amount on each distribution will be carried forward, without interest, and added to your next distribution.

**What happens if I leave the DRP?**

If you cease to participate in the DRP for any reason, or the DRP is suspended or terminated by HDN, any positive residual balance in your DRP account will be paid to you (subject to retention of any amount which is less than \$5, unless you request payment, in the case of suspension).

**How do I find out about HDN's historic distribution amounts?**

HDN's historic distribution amounts are available on the ASX website at:  
<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.hdn>

**Need more information?**

If you have further questions (other than on taxation) about how the DRP operates and how you can participate, please contact Link Market Services on +61 1300 554 474 (Australia).