Risk Management Policy

Elanor Retail Property Fund

Adopted on 13 October 2016

1. Context

Elanor Funds Management Limited (the "Company") is responsible entity of Elanor Retail Property Fund I (ARSN 615 054 129) and Elanor Retail Property Fund II (ARSN 615 054 174) (together, the "Fund"). The directors of the Company, in this capacity, are referred to herein as the Board. The Company is part of the Elanor Investors Group (Elanor Group).

The Fund's growth and success depends on its ability to understand and manage risk. Good risk management practices can not only help to protect established value, they assist in identifying and capitalising on opportunities to create value. By understanding and managing risk, greater certainty and confidence is provided for all of our securityholders.

2. Scope

This Policy applies to all operations and activities of the Fund.

3. Purpose

This Policy is a statement of the overall approach to risk management for the Fund. Its purpose is to ensure that a formal risk management framework, which is both comprehensive and systematic and which responds to the strategic goals and objectives of the business, is in place.

4. Principles

The effective management of risk is vital to the continued growth and success of the Fund. For risk management to be effective, all operations must apply the following principles to the context of their particular business and its objectives:

- Risk management must create and protect value.
- Risk management is integrated into organisational processes and embedded in Elanor Retail Property Fund's culture.
- Explicit risk management helps decision-makers make informed choices.
- Risk management is focused on the sources of uncertainty around the achievement of objectives.
- Risk management must be tailored to the context and be fit for purpose.
- Risk management is dynamic, iterative and responsive to change.

5. Process

Elanor Retail Property Fund's risk appetite will be documented in the Risk Appetite Statement (RAS) which will be reviewed at least on an annual basis by Management and the Board. The RAS may also be reviewed outside of the annual cycle to take account of significant changes to the Fund's Business.

The Managing Director and Chief Executive Officer will ensure that a risk management framework is in place that meets the objectives of this Policy. Specifically, the risk management framework should be able to:

- Identify the risks to which the Fund is exposed (including strategic, operational, financial, transactional and external risks).
- Assess the risks to decide if they are acceptable with existing controls or need additional treatment.
- Identify treatment options for unacceptable risks and develop a risk treatment plan for unacceptable risks.
- Implement risk controls that are assessed as necessary and monitor the controls to ensure they are implemented as intended.
- Regularly review the effectiveness of the implementation of treatment controls.
- Periodically review the context of the Fund and the risks to which it is exposed to ensure that all risks (including new risks) have been identified.
- Report to Management, the Audit and Risk Committee and the Board on risk management.

6. Responsibility

Responsibility for risk management is shared across the Fund.

Key responsibilities include:

- The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the full Board.
- The Audit and Risk Committee assists the Board in overseeing the Fund's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks.
- The Chief Executive Officer is responsible for periodically reviewing the Fund's risk profile, fostering a risk-aware culture and reporting to the Audit and Risk Committee on the effectiveness of the risk management framework and of the Fund's management of its material business risks.

7. Review

This Policy will be reviewed every two years or earlier if required by a change in circumstances.