



**CFMG**  
Capital

# CFMG Monthly Income Fund

ARSN 602 609 638

## Product Disclosure Statement

Issued by CFMG Equity and Income Funds Limited ACN 112 753 876

This is an important document and should be read in its entirety.  
If you do not understand any part of this document you should consult your professional adviser.

# Important Information

## Offer

This Product Disclosure Statement (PDS) provides information concerning an offer (Offer) of Units in the CFMG Monthly Income Fund ARSN 602 609 638 (Trust). The Trust is a unit trust and also, for the purposes of the *Corporations Act 2001* (Cth) (Act), a registered managed investment scheme. CFMG Equity and Income Funds Limited ACN 112 753 876 (Responsible Entity, we, our and us), the holder of Australian Financial Services Licence (AFSL) no. 291390, is the responsible entity of the Trust and the issuer of this PDS.

The information contained in this PDS has been prepared as of 10 April 2024. Neither the delivery of this PDS nor any offer or issue of the Units implies or should be relied upon as a representation or warranty that there has been or will be no change since that date in the affairs or financial condition of the Trust, or that the information contained in this PDS remains correct at, or at any time after, that date.

## Investors to conduct own investigation and analysis

The purpose of this PDS is to provide you with general information concerning the Trust and the Responsible Entity, to assist you in deciding whether to invest in the Trust and should be read in its entirety. This PDS is not to be considered as a recommendation by us or any of our officers, employees, agents or advisers that you invest in Units, or that an investment in the Trust is a suitable investment for you.

You should conduct and rely upon your own investigation and analysis of the information in this PDS and other matters that may be relevant to you in considering whether to acquire the Units. In considering an investment in Units you must make, and will be taken to have made, your own independent investigation and analysis of the information in this PDS. Independent expert advice (including from your accountant, lawyer or other professional adviser) should be sought before making a decision to invest in Units.

## Custodian

The custodian of the Trust is The Trust Company (Australia) Limited ACN 000 000 993 (Custodian). The Custodian is not the issuer of this PDS and makes no representations as to, and takes no responsibility for, the accuracy or truth of any statement or omission from any part of this PDS.

## ASIC

ASIC as the regulator makes no statement nor does it endorse any statement made in this PDS. The use of the name ASIC should not be construed as an endorsement of any offer.

## Capital and investment returns are not guaranteed

An investment in the Trust is an investment in a registered managed investment scheme. An investment in the Trust is not

a bank deposit, bank security, bank liability and is subject to investment risk, including the loss of, or delays in the payment of, income or capital.

Neither the Responsible Entity, the Custodian, their respective bodies corporate nor any of their respective officers, employees, agents or advisers guarantee the performance or success of the Trust, the repayment of capital or any particular rate of capital or income return. Investments in the Trust are not guaranteed or underwritten by the Responsible Entity, our related bodies corporate or any of our directors or officers.

In particular, some of the risks involved with an investment in the Trust are considered in section 4.

## Reliance on PDS only

No person is authorised by us to give any information or to make any representation concerning the Responsible Entity, Trust or the units other than as contained in this PDS or in any Updated Information provided by us and, if given, that information cannot be relied upon as having been authorised by us.

The issue of this PDS is authorised solely by us and none of our subsidiaries or related bodies corporate are responsible for any statement or information contained in this PDS.

## Accuracy of forecasts

All forecasts in this PDS are for illustrative purposes only, using the assumptions described in this document. Actual results may be materially affected by changes in economic and other circumstances. The reliance that you place upon the forecasts is a matter for your own commercial judgment. No representation or warranty is made that any forecast, assumption or estimate contained in this PDS should or will be achieved. Past performance should not be relied upon as indicative of future performance.

## Speculative investment and liquidity not guaranteed

An investment in Units is to be considered speculative. Liquidity in the Units generally cannot be guaranteed and any offer for sale of Units must be made in accordance with the Constitution. Units offered under this PDS, when issued, will not be listed on any stock exchange.

## PDS available electronically

An Offer is able to be accepted by persons who are residents of Australia. This PDS can be requested in electronic form by contacting us by email at [investorrelations@cfmgcapital.com.au](mailto:investorrelations@cfmgcapital.com.au). Any person reviewing the PDS electronically may request a paper copy of the PDS from us free of charge.

The Application Form attached to this PDS contains a declaration that you have personally received the complete and unaltered PDS

prior to completing the Application Form. You should read the PDS in its entirety before completing the Application Form.

## No financial product advice

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should review this PDS carefully and assess whether the information is appropriate for you and talk to a financial adviser before making an investment decision.

## Investors to provide further information

Further information may be required from you from time to time to comply with our obligations under various legislation, including the *Anti Money Laundering & Counter Terrorism Financing Act 2006* (Cth) (AML/CTF Act), the United States of America Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS). By applying for units under this PDS, you undertake to provide us with all additional information and assistance that we may reasonably require. We reserve the right to apply our absolute discretion and without notice, to take any action we consider appropriate including blocking or delaying transactions or refusing to provide services to comply with our legislative obligations, including under the AML/CTF Act.

Further, if requested, you agree, and it is a condition of the issue of units, to provide certain information required by us or the Custodian in order to comply with any applicable law, including FATCA and CRS.

## Privacy Act

Please read the privacy statement in section 10.10. By signing and returning the Application Form you consent to the matters outlined in that statement.

## Other jurisdictions

This PDS does not constitute an offer or invitation to subscribe for Units in any jurisdiction where, or to any person to whom, it would not be lawful to make an offer. If you are located outside Australia you should comply with all laws of the relevant jurisdiction applicable to an application for Units.

## Definitions, illustrations and currency

Defined terms and abbreviations used in this PDS are explained in the Glossary. The assets depicted in photographs in this PDS are for indicative purposes only and are not assets of the Trust unless otherwise noted.

All references in this PDS to '\$' are references to Australian dollars unless stated otherwise.

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## Contact Details

Website	<a href="http://www.cfmcapital.com.au">www.cfmcapital.com.au</a>
Email	<a href="mailto:investorrelations@cfmgcapital.com.au">investorrelations@cfmgcapital.com.au</a>
Phone	1800 155 526
Postal	PO Box 663 Fortitude Valley, QLD 4006

# Key features

Minimum investment and holding period		PDS section
Minimum investment	\$5,000	Sections 2 and 8
Minimum holding period	12 months	
Applications	Applications must be accompanied by cheque or EFT payment of the application money to be eligible for acceptance. The Responsible Entity reserves the right to refuse any application without providing a reason.	
Cooling off	A cooling off period applies to an investment by a retail investor in the Trust while the Trust is liquid.	
Withdrawals	<p>Withdrawal requests must be received by 11am on the day that is at least 7 Business Days prior to the last calendar day of the month. Subject to meeting the withdrawal terms contained within the Constitution and this PDS, the Responsible Entity aims to process withdrawal requests as at the 1st calendar day of the following month and then paid within 20 calendar days after that, or if the 20th day is not a Business Day, but the next Business Day.</p> <p>This notice period is in addition to the minimum holding period of 12 months.</p> <p>Withdrawal rights are subject to liquidity and may be delayed or suspended. Refer to sections 5.2 and 8.5 for more details.</p>	
Fees and other costs		
Contribution fee	Nil	Section 6
Withdrawal fee	Nil	
Asset identification, fund raising and structuring fee	Up to 4.4% of the funds raised by the issue of Units in the Trust.	
Management Fee	1.1% per annum of the funds invested in the Trust.	
Anticipated administration costs	0.55% per annum of the funds invested in the Trust.	
Removal fee	A fee of to 5.5% of the value of the Trust's assets would be payable where the Responsible Entity is removed for reasons other than properly performing its duties.	
ASIC benchmarks and disclosure principles		
Benchmarks	<p>ASIC has developed eight 'Benchmarks' and eight 'Disclosure Principles' for mortgage funds to assist investors in understanding the risks involved with investing and whether these type of investments are suitable for them.</p> <p>Full details of the current 'Benchmarks' are available at <a href="http://www.asic.com.au">www.asic.com.au</a></p>	Section 3
Distribution payments		
Frequency	Monthly	Section 10.4
Payment Method	Paid electronically to nominated Australian bank account.	
Investor reporting		
Statements	We issue quarterly periodic statements as at 31 March, 30 June, 30 September and 31 December.	Section 8.6

# Letter to investors

Dear Investor,

I have pleasure in offering you the opportunity to invest in the CFMG Monthly Income Fund (Trust).

The Trust is an unlisted registered managed investment scheme which will invest in financing the development of residential real property sites that meet certain criteria as determined by the Responsible Entity (each a Property Development).

The following general criteria shall be used to identify each targeted Property Development:-

- Proximity to a major capital city;
- Population growth and demographics of the locality;
- Proximity to existing and proposed competing land estates (particularly master planned communities);
- Proximity to key planned infrastructure projects;
- Employment opportunities;
- Lifestyle choices including schools, family security, transportation and recreation; and
- Purchase price equal to, or less than, an independent valuation.

## The Offer

This PDS sets out the terms which apply to Offers of Units in the Trust.

The Trust operates as an open-ended pooled managed investment scheme. As such, Unitholders will have an interest in the benefit of the loan agreement asset held by the Custodian on behalf of the Trust in proportion to their Unit holdings.

The Trust will provide a series of loans each secured by a first mortgage security. Each secured loan will provide construction funding to the owner of the residential development land, being a newly formed special purposes vehicle which is a wholly owned subsidiary of CFMG Land (Borrower). Each property development is managed by a related party of the Trustee, CFMG Land.

## Management

The Responsible Entity is an unlisted public company that holds Australian Financial Services Licence (AFSL) No. 291390 issued by ASIC.

The AFSL enables the Responsible Entity to act as the responsible entity and trustee of the CFMG Monthly Income Fund and to manage the day to day activities of the Trust in accordance with its AFSL, the Corporations Act, the Constitution and the Compliance Plan.

The Board and the management team of the Responsible Entity have significant experience in banking, finance, property development, accounting, taxation and general management.

I encourage you to carefully consider the terms of an Offer by reading this Product Disclosure Statement in their entirety before you apply for Units.

Yours faithfully,



Jason Matigian  
Director

CFMG Equity and Income Funds Limited

# 1. The Trust at a glance

Feature	Description	PDS section
INVESTMENT STRATEGY, RESPONSIBLE ENTITY AND CUSTODIAN		
Investment strategy	<p>To invest in financing the development of residential real property sites that meet certain criteria as determined by the Responsible Entity (each a <b>Property Development</b>).</p> <p>We maintain and comply with a written policy which sets out the general selection criteria which we use to identify each targeted <b>Property Development (Selection Criteria Policy)</b>, summarised below:</p> <ul style="list-style-type: none"> <li>• Proximity to a major capital city;</li> <li>• Population growth and demographics of the locality;</li> <li>• Proximity to existing and proposed competing land estates (particularly master planned communities);</li> <li>• Proximity to key planned infrastructure projects;</li> <li>• Employment opportunities;</li> <li>• Lifestyle choices including schools, family security, transportation and recreation; and</li> <li>• Purchase price equal to, or less than, an independent valuation.</li> </ul> <p>Each <b>Property Development</b> is owned and managed by related entities of the Trustee.</p> <p>Investment will be by a series of Loans advanced by the Trust to each Borrower (being the registered owner of the <b>Property Development</b>) and secured by a first mortgage security. Each Loan term will be 12 months or less. The Trust will only make Loans that comply with its Lending and Internal Controls Policy.</p> <p>In addition to the Loans, the Trust may hold cash holdings.</p>	Section 4
Responsible Entity	CFMG Equity and Income Funds Limited	Section 2
Custodian	The Trust Company (Australia) Limited	Section 10.19
TRUST STRUCTURE AND OFFER		
Trust structure	The Trust is an unlisted registered managed investment scheme. The Trust operates as a pooled mortgage scheme.	
The Offer	<p>This PDS sets out the terms which apply to the Offer of Units in the Trust.</p> <p>Each investor will have a proportionate beneficial interest, along with all other investors, in the assets of the Trust.</p>	
Benefits	<p>The benefits of investing in the Trust include:</p> <ul style="list-style-type: none"> <li>• Unitholders will have a beneficial interest in a series of Loans secured by first mortgage securities over real property;</li> <li>• Interim distributions will be paid monthly in arrears;</li> <li>• To keep you informed of the status with your investment, you will receive a quarterly periodic report which will provide you with the latest status with your investment.</li> </ul>	
Risks	As with any investment, an investment in Units is subject to risk, both of a general nature and specific to property investment.	Section 5

Feature	Description	PDS section
KEY INVESTOR INFORMATION		
Loan structure further explained	<p>Each Borrower is likely to enter a two-tiered borrowing structure in respect of a Property Development. This is likely to be structured as follows.</p> <p>The Borrower will obtain <b>first ranking debt</b> from the Trust through the entry into a loan agreement with the Trust, secured by a first registered mortgage over the Property Development. This security will rank ahead of all other debt. The Borrower may also obtain <b>mezzanine debt</b> from other credit providers. The Borrower will grant a general security to these credit providers under a general security agreement to secure the repayment of these funds. This security will rank after the senior debt owed to the Trust pursuant to a priority deed.</p> <p>The <b>mezzanine debt</b> provider or other credit provider may also be related parties of the Responsible Entity or a scheme operated by the Responsible Entity.</p>	Section 4
Loan portfolio and diversification	The Trust operates as a pooled managed investment scheme. As such, each Unit will have a proportionate exposure to each Property Development in which the Trust makes Loans to, thereby achieving a degree of loan portfolio diversification albeit over the same asset class, localised location and same group entities.	Section 3
Related party transactions	We maintain and comply with a written policy on related party transactions and managing conflicts of interest ( <b>Conflict Policy</b> ). Other transactions involving the Trust and the Responsible Entity or its related parties, including the Loans will be on arm's length terms in accordance with the Conflict Policy.	Section 3
Valuation policy	We maintain and comply with a written valuation policy.	Section 3
Lending principles (loan-to-valuation ratios)	<p>The Trust's Lending and Internal Controls Policy requires:</p> <ol style="list-style-type: none"> <li>a. construction funds to be advanced in stages based on independent evidence of progress;</li> <li>b. an independent valuation to be obtained on an 'as is' basis and 'as if complete' basis; and</li> <li>c. a maximum loan-to-valuation of 70%.</li> </ol>	Section 3
Distribution practices	<p>The Trust aims to pay monthly distributions to Unitholders from income from the Loans combined with income from cash holdings.</p> <p>The Responsible Entity does not, and its related parties, associates, officers and employees do not guarantee investors will receive any, or a particular rate of, return on their investment.</p> <p>Initial distributions may be paid from Loan funds retained and not advanced to a relevant Borrower. These initial distributions will not be funded from the operations of the Trust.</p> <p>Distributions will be paid by electronic funds transfer to the Unitholder's nominated Australian bank account.</p> <p>Distributions (other than initial distributions) will only be made from realised income.</p>	Section 3

Feature	Description	PDS section
Withdrawal arrangements	<p>Unitholders may not request to withdraw their investment before the end of a minimum holding period of 12 months.</p> <p>Withdrawals requests must be received by 11am on the day that is at least 7 Business Days prior to the last calendar day of the month. Subject to meeting the withdrawal terms contained within the Constitution and this PDS, the Responsible Entity aims to process withdrawal requests as at the 1st calendar day of the following month and then paid within 20 calendar days after that, or if the 20th day is not a Business Day, but the next Business Day.</p> <p>This notice period is in addition to the minimum holding period of 12 months. Withdrawal rights are subject to liquidity and may be delayed or suspended. See 'Liquidity risks' in section 5 for more detailed information.</p> <p>Under the terms of the Constitution, the Responsible Entity has 365 days from receipt of a valid withdrawal request within which to comply with such a request. Whilst we will make every endeavour to process valid withdrawal requests as at the 1st calendar day of each month there is a risk that a withdrawal request will not be honoured within this timeframe.</p>	Sections 3 and 8.5
Taxation and no advice	<p>On the basis that the sole activity and income of the Trust will be interest earned under the loan agreements entered in to with the Borrowers and interest from any cash holdings, the Trust will qualify as a 'flow through' trust for taxation purposes.</p> <p>The Responsible Entity is not licensed to provide taxation advice and cannot provide advice to specific Unitholders, Unitholders should seek their own advice on the taxation consequence of their investment which takes into account their personal circumstances, from a suitably qualified adviser.</p>	Section 7
Updated key investor information	<p>The key investor information disclosed above will change from time to time. We will disclose updated information as part of our regular reporting process.</p> <p>Changes that are not materially adverse to investors will be published to our website at <a href="http://www.cfmngcapital.com.au">www.cfmngcapital.com.au</a>. You can also obtain updated information by contacting us on 1800 155 526. A paper copy of any updated information is available free on request.</p> <p>We will also send you quarterly investor reports.</p>	Section 10.20
<b>INVESTMENT DETAILS</b>		
Minimum investment and issue price	<p>Applications must be for a minimum investment of \$5,000. The Responsible Entity reserves the right to accept lower amounts.</p> <p>The Units issue price is determined under the Constitution by reference to the net asset value and transaction costs and number of Units on issue.</p> <p>The Responsible Entity may exercise certain discretions in determining the Unit price (see section 10.3).</p>	Section 8
Application and subscription process	<p>In order to invest you must complete and return the Application Form together with your application money.</p> <p>An Application Form is provided at the end of each SPDS.</p>	



Feature	Description	PDS section
FEES AND EXPENSES		
Responsible Entity	<p><b>Management fee</b></p> <p>We will be paid a management fee of 1.1% per annum of the funds invested in the Trust.</p> <p>The actual amount paid by Unitholders will correspond to the funds invested in Units in the Trust in proportion to the number of total Units.</p> <p><b>Anticipated administration costs</b></p> <p>It is anticipated administration costs for the Trust will be 0.55% per annum of the funds invested in the Trust. We are entitled to be reimbursed for all properly incurred expenses under the Constitution. Expenses will be deducted from the assets of the Trust as and when incurred</p> <p><b>Asset identification, fundraising and structuring fee</b></p> <p>A fee of up to 4.4% of the funds raised by the issue of Units is payable to the Responsible Entity from the Trust assets upon the issue of Units.</p> <p><b>Removal fee</b></p> <p>A fee of up to 5.5% of the value of the Trust assets is payable to us if we are removed other than for failing to properly perform our duties.</p>	Section 6
Reporting to investors	<p>You will receive:</p> <ol style="list-style-type: none"> <li>confirmation of your investment;</li> <li>quarterly reports on the performance of the particular Property Development(s)/Loans that the Trust has invested in;</li> <li>an annual tax statement; and</li> <li>annual audited financial statements for the Trust</li> </ol>	
ADDITIONAL INFORMATION		
Cooling off rights	A cooling off period applies to an investment by a retail investor in the Trust while the Trust is liquid.	
Complaints	We have a procedure for handling complaints and we are a member of the Australian Financial Complaints Authority (AFCA).	Section 10.9
How to contact us?	Call 1800 155 526 , email investorrelations@cfmgcapital.com.au	

## 2. Management of the Trust

The Responsible Entity is an unlisted public company that holds AFSL number 291390 issued by ASIC. The Trust is an unlisted managed investment scheme registered with ASIC.

The AFSL enables the Responsible Entity to act as the responsible entity and trustee of the CFMG Monthly Income Fund and to manage the day to day activities of the Trust in accordance with its AFSL, the Corporations Act, the Constitution and the Compliance Plan.

The Responsible Entity is an experienced fund manager who has been the manager and responsible entity of the CFMG Land & Opportunity Fund ARSN 602 610 006 since its inception in November 2016 and the manager and responsible entity of the CFMG First Mortgage and Income Fund ARSN 118 670 705 since its inception in July 2021.

However note that past performance should not be relied upon as indicative of future performance.

The Board and the management team of the Responsible Entity have significant experience in banking, finance, property development, accounting, taxation and general management.

### Board



**Scott Watson**  
Managing Director

Scott is a founding director of both the residential land development and income fund businesses of CFMG Capital.

After five years as a solicitor in private practice advising a wide range of clients including State Government departments, publicly listed and private companies, Scott joined a private development and financial services group where his responsibilities included management of the group's legal requirements and obligations, project management and broad acre acquisitions.

From 2008, Scott has been actively involved in overseeing the governance and compliance obligations in relation to publicly syndicated land development companies.

Scott holds Bachelor degrees in Law and Accountancy, a Graduate Diploma in Urban and Regional Planning and has more than 15 years broad experience in the property development and finance industries.



**Jim Frayne**  
Independent Director

Jim has over 40 years' experience in chartered accountancy in audit and corporate services fields.

Mr Frayne was appointed as a partner of PKF Chartered Accountants and Business Advisers (now BDO Chartered Accountants) in 1983 and from that time headed up the Audit and Assurance Division of PKF Brisbane until his retirement in June 2006.

He is a former director of an ASX listed entity and a member of several Compliance Committees of registered Managed Investment Schemes.

Jason has 15 years experience in the property industry specialising in valuation and real estate advisory. Jason has had a broad range of property experience across all sectors including residential, commercial, retail, industrial, rural, special purpose and mixed use. This broad range of experience has seen Jason and his Valuation Practice (JPM Valuers & Property Consultants) actively providing advice to the public, private and government bodies across Victoria, New South Wales, Queensland and Northern Territory.

Prior to Jason setting up his own valuation practice he held positions with Brisbane Real Estate specialising in site acquisition and Asset Realisation for receivers; and approximately 10 years with Australia's largest valuation and advisory firm Herron Todd White Valuers.

Jason has a strong background in valuation and advisory services and has completed various valuation assignments for due diligence and mortgage security lending purposes. More recently Jason has been working closely with receivers in providing advice on 'Highest & Best Use' analysis and distressed asset workouts.

Jason holds a Bachelor of Applied Science (Property), is a Certified Practising Valuer in Queensland and New South Wales and an Associate member of the Australian Property Institute.



**Jason Matigian**

Independent Director

Barrie has enjoyed his careers in the private sector and with the Commonwealth and State Governments.

He commenced with the Shell Group of Companies in Brisbane then Sydney and Melbourne which culminated in his appointment as the South Pacific Audit Manager.

Barrie then returned to Brisbane where he held a number of senior positions in the Corporate Affairs Office, including in 1989, his appointment as Director, Corporate Development and Operations.

He held a senior corporate regulatory position from 1991 to 2000 and was awarded the Public Service Medal for outstanding public service.

Barrie has been an active member of CPA Australia and was a Director on the board of CPA Australia for 3 years. Since leaving the public service, he has held board positions on listed and unlisted public companies and not for profit companies. Barrie continues to hold board positions and is the Chairman of a number of Compliance Committees.



**Barrie Adams**

Independent Director

# Senior Management

Senior Management of the Responsible Entity have a strong history in real estate investment and believe the potential exists to gain access to attractive returns available from investments in financing for Property Development with a diversification of the loan portfolio through geography, projects and price points and have access to a positive flow of lending opportunities

Details of key management and their background and experience are:



**Ross Stiles**

Independent Director  
and Chairman CFMG Capital

During a career spanning more than 40 years, Ross has held a number of senior executive positions with a strong emphasis on the Financial Services sector, particularly with a Property and Real Estate background.

In 1998, Ross was a founding partner and Managing Director of ASX Top 200 company Cromwell Corporation Limited (ASX Code CMW), now known as Cromwell Property Group, and managed and directed the growth of the Company, now one of Australia's largest Real Estate Investment Trusts with a market capitalisation of more than \$2 billion as at 31 December 2017, and total assets under management of \$11.2 billion. Apart from his role of Managing Director at

Cromwell, Ross was Compliance Director and Responsible Manager for the Managed Investment Schemes the company promoted.

Since his retirement from Cromwell Ross has maintained his interest in property, real estate and financial services, and has undertaken a number of residential and industrial land developments in his own right. Ross is a shareholder and director of Brisbane based home building company Arkistruct Pty Ltd. He is actively involved as a shareholder in Xceda Capital Group Limited, which holds controlling interests in Asset Finance Limited (New Zealand) and Xceda Capital Pty Ltd in Australia, both of which hold licences issued by the Reserve Bank of New Zealand and ASIC.



**Wayne Hamburger**

Independent Director CFMG Capital

Wayne has 18 years lending experience working with various types of loan scenarios and debt structuring. Wayne has held state and national manager positions with finance brokerage and property companies. With experience in corporate governance and compliance as a Responsible Manager across mortgage broking and financial planning. Wayne has had extensive dealings with new land estates throughout Australia. Wayne also teaches Financial Planning and accounting subjects at Swinburne Online University.

Wayne holds a Master of Commerce (Financial Planning/ Strategic Management), Diploma of Financial Services (Finance / Mortgage Broking Management), Advanced Diploma of Financial Services (Financial Planning), Advanced

Diploma of Business (Accounting), Graduate Certificate in Management and Graduate Diploma of Commerce. Wayne is a member of the Mortgage & Finance Association of Australia, Associate Fellow of the Australian Institute of Management and a Justice of the Peace (Qualified).

With close to 15 years experience in management, marketing and strategy development, Andrew brings to the group an in-depth understanding of property and financial services sectors through senior marketing and operations roles at AMP, Devine Limited and Ausbuild.

With significant involvement in the sales, marketing and leasing of in excess of \$2.5 billion worth of residential, retail and commercial property in Queensland, NSW, Victoria and South Australia, Andrew brings expertise throughout a project lifespan from acquisition to final settlements.

Andrew has also worked in large organisations in specialist strategic marketing positions such as Suncorp & Australian Insurance Holdings and holds a Bachelor of Business (Management) specialising in Marketing, Human Resource Management and Industrial Relations and has commenced a Masters Degree in Property Economics.



**Andrew Thomson**

General Manager

Elio oversees the sales and marketing functions across all aspects of the business.

Elio works closely with Sales Managers in both the land development and investment management departments, while leading the marketing team across both digital and offline, as well as brand development.

A national and international award winning dynamic marketing professional with significant experience in managing brands, products and places – Elio has experience across a range of major organisations in development and asset management such as Aveo Group, Charter Hall, Lend Lease, Stockland and Colonial First State.



**Elio Iacutone**

National Sales and Marketing Manager

## Custodian

Although we manage all assets of the Fund, we have appointed an independent custodian to hold the assets of the Fund.

The Responsible Entity has appointed The Trust Company (Australia) Limited under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of the Responsible Entity to effect cash and investment transactions.

The Trust Company (Australia) Limited has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a Unit holder for any act done or omission made in accordance with the Custodian Agreement.

The Trust Company (Australia) Limited's role as Custodian is limited to holding the assets of the Fund.

### 3. ASIC benchmarks & disclosure principles

ASIC has developed eight benchmarks and eight disclosure principles for unlisted mortgage schemes, being schemes which have, or are likely to have, at least 50% of their non-cash assets invested in loans that are secured by a mortgage over real property and/or unlisted mortgage schemes. These benchmarks and disclosure principles are set out in ASIC Regulatory Guide 45 (RG 45).

The benchmarks and disclosure principles are designed to help retail investors to understand the risks, assess the potential rewards and to make an informed investment decision.

Responsible entities of unlisted mortgage schemes offered to retail investors (and in which retail investors have invested) are required to disclose against the benchmarks on an 'if not, why not' basis. This means providing a clear statement that the Trust either:

- a. meets the benchmark; or
- b. does not meet the benchmark and providing an explanation of how and why the responsible entity deals with the business factor or issues underlying the benchmark in another way.

For the purpose of keeping investors informed about any significant changes to the Trust's continuing ability to respond to the benchmarks as disclosed in the table to the right, the Responsible Entity will, as required, update the Benchmark Report on its website [www.cfmcapital.com.au](http://www.cfmcapital.com.au) periodically (usually each quarter) which will be electronically accessible by investors. For those investors who cannot access our website, a paper copy of an updated Benchmark Report can be given to you (free of charge) by telephoning our Investor Relations team.

The purpose of the disclosure principles is to improve the consistency and quality of disclosure by responsible entities of unlisted mortgage schemes and to enhance consumer confidence. The disclosure principles cover information that retail investors reasonably need to know to make an informed decision about whether to invest and to monitor whether their expectations are being met.



## ASIC benchmarks

Benchmark	Benchmark met? (Yes / No)	Explanation	Further information
<b>BENCHMARK 1: LIQUIDITY</b>			
<p>For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that:</p> <ol style="list-style-type: none"> <li>demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>are updated at least every three months and reflect any material changes; and</li> <li>are approved by the directors of the responsible entity at least every three months.</li> </ol>	Yes	<p>The Responsible Entity monitors the Trust's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months and updates that forecast at least every three months to reflect material changes.</p> <p>The Board formally approves the cash flow forecast at least every three months.</p>	For additional disclosure on this benchmark, refer to section 3.1
<b>BENCHMARK 2: SCHEME BORROWING</b>			
The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.	Yes	The Trust will not borrow any amounts and does not intend to enter into any borrowing arrangements on behalf of the Trust.	For additional disclosure on this benchmark, refer to section 3.2
<b>BENCHMARK 3: LOAN PORTFOLIO AND DIVERSIFICATION</b>			
<p>For a pooled mortgage scheme:</p> <ol style="list-style-type: none"> <li>the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;</li> <li>the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;</li> <li>the scheme has no single borrower who exceeds 5% of the scheme assets; and</li> <li>all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).</li> </ol>	No	<p>As the Trust is newly established, it does not have a diversified portfolio of assets until it has received sufficient capital from investors and its portfolio has been fully invested in Loans. However even once fully invested, the Trust may not meet item (a) as its Loans will be for the same property development class of borrower activity and South East Queensland and Melbourne geographic region.</p> <p>Item (d) will be met.</p>	For additional disclosure on this benchmark, refer to section 3.3
<b>BENCHMARK 4: RELATED PARTY TRANSACTIONS</b>			
The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.	No	<p>The Borrowers are wholly owned subsidiaries of CFMG Land. CFMG Land is a related party of the Responsible Entity.</p> <p>The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest (Conflict Policy).</p> <p>Our Conflict Policy sets out strict terms that apply if we enter into transactions with related parties, which require us to ensure these transactions are entered into on commercial arm's length terms and the details of these transactions are disclosed to investors appropriately, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.</p>	<p>For additional disclosure on this benchmark, refer to section 3.4</p> <p>Refer also to sections 10.16 and 10.17</p>

Benchmark	Benchmark met? (Yes / No)	Explanation	Further information
<b>BENCHMARK 5: VALUATION POLICY</b>			
<p>In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:</p> <ul style="list-style-type: none"> <li>a. a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</li> <li>b. a valuer to be independent;</li> <li>c. procedures to be followed for dealing with any conflict of interest;</li> <li>d. the rotation and diversity of valuers;</li> <li>e. in relation to security property for a loan, an independent valuation to be obtained: <ul style="list-style-type: none"> <li>i before the issue of a loan and on renewal, for development property, on both an 'as is' and 'as if complete' basis and, for all other property, on an 'as is' basis; and</li> <li>ii within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.</li> </ul> </li> </ul>	Yes	<p>Benchmark 5 addresses the scheme's valuation practices, including when an independent valuation is required.</p> <p>The Responsible Entity maintains and complies with a written valuation policy (Valuation Policy) and this Valuation Policy meets Benchmark 5.</p>	For additional disclosure on this benchmark, refer to section 3.5
<b>BENCHMARK 6: LENDING PRINCIPLES – LOAN TO VALUATION RATIOS</b>			
<p>If the scheme directly holds mortgage assets:</p> <ul style="list-style-type: none"> <li>a. where the loan relates to property development – funds should be provided to the borrower in stages based on independent evidence of the progress of the development;</li> <li>b. where the loan relates to property development – the scheme should not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and</li> <li>c. in all other cases – the scheme should not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</li> </ul>	Yes	The Trust's Lending and Internal Controls Policy is consistent with this benchmark.	For additional disclosure on this benchmark, refer to section 3.6
<b>BENCHMARK 7: DISTRIBUTION PRACTICES</b>			
The responsible entity will not pay current distributions from scheme borrowings.	Yes	<p>All Distributions will be sourced from interest or payments received from Loans, proceeds received from the repayment of Loans and any interest received from cash holdings.</p> <p>Initial distributions may be paid from Loan funds retained and not advanced to a relevant Borrower. These initial distributions will not be funded from the operations of the Trust.</p>	<p>For additional disclosure on this benchmark, refer to section 3.7</p> <p>Refer also to Sections 9.1 and 10.4</p>



Benchmark	Benchmark met? (Yes / No)	Explanation	Further information
BENCHMARK 8: WITHDRAWAL ARRANGEMENTS			
<p>For liquid schemes:</p> <p>a. the maximum period allowed for in the constitution for the payment of withdrawal requests should be 90 days or less;</p> <p>b. the responsible entity should pay withdrawal requests within the period allowed for in the constitution; and</p> <p>c. the responsible entity should only permit members to withdraw at any time on request if at least 80% (by value) of the scheme property is money in an account or on deposit with a bank and is available for withdrawal immediately (or otherwise on expiry of a fixed term not exceeding 90 days), during the normal business hours of the bank; or assets that the responsible entity can reasonably expect to realise for market value within 10 business days.</p> <p>For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.</p>	No	<p>a. The maximum period allowed for in the Constitution for the payment of withdrawal requests is more than 90 days.</p> <p>b. The Trust is newly established, however it is the intention to pay withdrawal requests within the period allowed for in the Constitution.</p> <p>c. The Trust permits investors to withdraw at times other than those stated in the benchmark. Certain assets of the Trust provide liquidity as set out in the benchmark, however the majority of the Trust's assets are Loans and not assets that the Responsible Entity can reasonably expect to realise for their market value within 10 business days. The Responsible Entity only permits investors to withdraw when the Trust is 'liquid' within the meaning of the Corporations Act.</p>	<p>For additional disclosure on this benchmark, refer to section 3.8</p> <p>Refer also to Sections 4, 8, 9.1 and 10.8</p>

## ASIC Disclosure Principle

### 3.1 Disclosure principle 1 – Liquidity

Liquidity is the measure of cash and cash equivalent assets as a proportion of a scheme's total assets and is an indicator of the ability of a scheme to meet its short-term commitments. Liquidity of a scheme may be viewed as a risk as the underlying assets of the scheme may not be easily realised within the period of time required to meet withdrawal requests or other commitments or expenses.

#### A. The current and future prospects of liquidity of the Trust

The Responsible Entity has a Liquidity Policy in place which requires it to table a liquidity report to the Board at least monthly. The liquidity report uses the following assumptions to monitor liquidity (which may change from time-to-time) and balance the maturity of assets and the maturity of liabilities:

- i. Forecast investor redemptions are based on the larger of:
  - a. known pending redemptions from withdrawal requests received; or
  - b. an amount equal to 35% of forecast monthly investor inflows.
- ii. Forecast drawdowns are based on the latest individual loan forecasts from the Responsible Entity's accounts department noting all scheduled inflows and outflows for individual Loans.

These assumptions are stress tested regularly. The Responsible Entity has no reason to believe that it will not have sufficient cash or cash equivalents to meet its projected expenses, liabilities and other cash needs over the next 12 months or that it will not continue to do so going forward.

#### B. Any significant factors that may affect the liquidity of the Trust

There are many risk factors that may affect the liquidity of the Trust including:

- i. failure of Borrowers' to pay interest on their Loans or repay their capital at the end of their Loans' terms;
- ii. a decline in the Australian property market making it difficult to sell any real property underlying securities;
- iii. a large number of redemptions of an amount more than the available liquidity of the Trust;
- iv. insufficient equity in the security assets of the Trust to repay investors' capital; and
- v. government intervention and regulation changes resulting in the Trust being unable to fulfil its objective.

The Trust manages the risk by adhering to prudent lending practice in accordance with its Lending and Internal Controls Policy.

#### C. The policy of the Trust on balancing the maturity of its assets with the maturity of assets and the maturity of liabilities

The policy of the Trust is to balance the maturity of assets and the maturity of liabilities. This is done in part by making Loans with a maximum term of 12 months and each investor has a minimum holding period of 12 months as well as producing a rolling 12 month cash flow which is managed and monitored by the Responsible Entity's Financial Controller.

### 3.2 Disclosure principle 2 – Scheme borrowing

Where a mortgage scheme has borrowings, this principle requires responsible entities to disclose the maturity profile and other information relating to the scheme borrowings, including details of total debts due, why the responsible entity has borrowed the money (including whether the borrowed funds will be used to fund distributions or withdrawal requests), any material loan covenant breaches and the risks associated with the scheme's borrowing and credit facility maturity profile.

We do not intend to enter into any borrowing arrangements on behalf of the Trust. Accordingly, we are not required to disclose the information required by this principle.

### 3.3 Disclosure principle 3 – Loan portfolio and diversification

Portfolio diversification measures the level of concentration risk in the portfolio of mortgages held by the scheme. Greater levels of diversification of mortgages by borrower, size, activity and geographical location, lowers the risk that the scheme would suffer significant loss from default by any one borrower or class of borrowers.

As the Trust has been newly established, the nature, diversity and composition of the Trust's portfolio may change rapidly and significantly. Accordingly, rather than providing details of the Trust's portfolio in this PDS, we will provide regular updates on the composition of the Trust's Loan portfolio at [www.cfmcapital.com.au](http://www.cfmcapital.com.au) and in our half-yearly updates to investors.

Refer to section 4 for more information on the Trust's lending criteria and guidelines.

### 3.4 Disclosure principle 4 – Related party transactions

This principle requires responsible entities to disclose their approach to related party lending, investments and other transactions, and how such transactions are assessed and monitored to consider whether the transaction is made with the same rigour and independence as transactions made on an arm's length commercial basis.

CFMG Land and the Borrowers are each related parties of the Responsible Entity as they share common directors with the Responsible Entity.

A common risk of related party transactions is that in the event of default, the Responsible Entity may not enforce its rights against a related party. See sections 3 (Benchmark 4) and 10.16 of this PDS for information about our Conflicts Policy that governs the related party transactions we may enter.

Should an event of default arise under a loan agreement and the Borrower does not remedy that default the Responsible Entity will take action to recover the money owed. Both the Responsible Entity and its directors have a statutory duty to place the interests of Unitholders above their own interests where there is a conflict. The Responsible Entity will keep the Unitholders informed of the actions being taken.

The Responsible Entity will not seek Unitholder approval to transact with a Borrower. The intended terms of a loan agreement will be benchmarked to market and will only be entered if those terms are in line with industry practice.

The directors of the Responsible Entity will only enter a loan agreement with a related party, if they are satisfied the terms of the loan agreement are on terms no less favourable than they would have been had the terms been negotiated between non-related entities dealing at arms length.

### 3.5 Disclosure principle 5 – Valuation policy

This disclosure principle requires the responsible entity to provide investors with information about the valuation of the property securing a loan in which investors have, or are being offered, an interest.

We will obtain an independent valuation of the real property the subject of the Loans before the issue of the Loan, on renewal of the Loan (if the LVR is more than 70%), and if we form a view that there is a likelihood of a decrease in the value of real property which may cause a material breach of a covenant of the relevant loan agreement with the Borrower.

The Trust's Valuation Policy (which includes the Trust's Unit Pricing Policy), the Compliance Plan and the Constitution each include a section on valuing the Trust's assets and is available on our website at [www.cfmcapital.com.au](http://www.cfmcapital.com.au).

### 3.6 Disclosure principle 6 – Lending principles – loan to valuation ratio

The loan to valuation ratio (LVR) is a measure of the amount of the loan provided to a borrower against the latest valuation obtained in respect of the security property. LVR is an indicator of how conservative or aggressive a scheme's lending practices are. Generally, the higher the LVR, the more vulnerable the scheme will be to a change in market conditions (for example, a downturn in the property market).

The maximum LVR for each Loan will be 70% of the value of the security property. The maximum LVR will apply on both an 'as is' and on an 'as if complete' basis.

The Trust's Lending and Internal Controls Policy requires:

- a. construction loan funds to be advanced in stages based on independent evidence of progress;
- b. an independent valuation to be obtained on an 'as is' basis and 'as if complete' basis; and
- c. a maximum LVR of 70%.

ASIC requires the product disclosure statements for unlisted mortgage schemes to disclose maximum and weighted average LVRs for the scheme as well as details of the status and loan-to-cost ratio of any property development for which funds has been provided. As the Trust has been newly established, the nature, diversity and composition of the Trust's portfolio may change rapidly and significantly. Accordingly, rather than providing details of the Trust's portfolio in this PDS, we will provide regular updates on the composition of the Trust's Loan portfolio at [www.cfmcapital.com.au](http://www.cfmcapital.com.au) and in our half-yearly updates to investors. The valuation policy is available at [www.cfmcapital.com.au](http://www.cfmcapital.com.au).

### 3.7 Disclosure principle 7 – Distribution practices

This disclosure principle requires responsible entities to explain how the scheme will fund distributions to investors and to disclose any risks associated with current distribution practices.

Distributions from the Trust to investors will be sourced from interest or payments received or withheld from Loans, proceeds received from the repayment of Loans, any interest on cash holdings and not from Trust borrowings (as the Trust will not borrow).

Initial distributions may be paid from Loan funds retained and not advanced to a relevant Borrower. These initial distributions will not be funded from the operations of the Trust.

The key factors that would have the most material impact on the ability to provide Distributions to investors are:

FACTORS IMPACTING TARGET DISTRIBUTION RATES	RISK OF CHANGES TO THESE FACTORS ON DISTRIBUTIONS	SENSITIVITY ANALYSIS BASED ON CHANGES TO THESE FACTORS
Borrower default	If a Borrower fails to meet interest payments under its loan agreement.	If a Borrower does not make any interest payments, Unitholders may not receive any distributions out of the relevant Loan.
Trust expenses	If the Trust incurs extraordinary expenses, which are not payable by us from our management fee or other resources.	If the Trust incurs extraordinary expenses for example, of 0.8% per annum of the Trust's gross asset value (for example costs in selling security assets upon borrower default), it may result in the Distributions paid to the Unitholders being 0.8% per annum lower than anticipated.

### 3.8 Disclosure principle 8 – Withdrawal arrangements

This disclosure principle requires responsible entities to explain the scheme's withdrawal policy and the ability of investors to withdraw from the scheme.

Unitholders will not be eligible to make a request to withdraw their investment before the end of the minimum holding period of 12 months.

Subject to the liquidity position of the Trust, withdrawal requests must be received by 11am on the day that is at least 7 Business Days prior to the last calendar day of the month. Subject to meeting the withdrawal terms contained within the Constitution and this PDS, the Responsible Entity aims to process withdrawal requests as at the 1st calendar day of the following month and then paid within 20 calendar days after that, or if the 20th day is not a Business Day, but the next Business Day.

This notice period is in addition to the minimum holding period of 12 months. Withdrawal rights are subject to liquidity and may be delayed or suspended. See 'Liquidity risks' in section 5 for more detailed information.

Under the terms of the Constitution, once a valid withdrawal request is received the Responsible Entity has 365 days to comply with such a request. Whilst we will make every endeavour to process valid withdrawal requests as at the 1st calendar day of each month there is a risk that a withdrawal request will not be honoured within this timeframe.

Details of the withdrawal process are set out in section 8.5.

# 4. Investment objective and investment strategy

## 4.1 Investment objective and strategy

The Trust's investment objective is to generate returns for investors through investing in a portfolio of Loans which will provide income over their life.

To do this the Trust's strategy is to invest in financing the development of residential real property sites that meet certain criteria as determined by the Responsible Entity (each a **Property Development**).

We maintain and comply with a written policy which sets out the general selection criteria which we use to identify each targeted Property Development (**Selection Criteria Policy**), summarised below:

- Proximity to a major capital city;
- Population growth and demographics of the locality;
- Proximity to existing and proposed competing land estates (particularly master planned communities);
- Proximity to key planned infrastructure projects;
- Employment opportunities;
- Lifestyle choices including schools, family security, transportation and recreation; and
- Purchase price equal to, or less than, an independent valuation.

The Property Development is owned and managed by related entities of the Trustee.

Investment will be by a series of Loans advanced by the Trust to each Borrower (being the registered owner of the Property Development) and secured by a first mortgage security and a general security over the Borrower. Each Loan term will be 12 months or less. The Trust will only make Loans that comply with its Lending and Internal Controls Policy.

Each Borrower is likely to enter a two-tiered borrowing structure in respect of a Property Development. This is likely to be structured as follows:

The Borrower will obtain first ranking debt from the Trust through the entry into a loan agreement with the Trust, secured by a first registered mortgage over the Property Development. This security will rank ahead of all other debt. The Borrower may also obtain mezzanine debt from other credit providers. The Borrower will grant a general security to these credit providers under a general security agreement to secure the repayment of these funds. This security will rank after the senior debt owed to the Trust pursuant to a priority deed.

The mezzanine debt provider or other credit provider may also be related parties of the Responsible Entity or a scheme operated by the Responsible Entity.

In addition to the Loans, the Trust may hold cash holdings.

## 4.2 Loans

Our Lending and Internal Controls Policy covers the policies and procedures in respect to approving, monitoring and recovering Loans.

We will apply the following key lending parameters to investments identified and acquired as a Trust asset using funds raised by the issue of Units in the Trust:

KEY LENDING PARAMETER	DETAILS
Type of Loans	Real property (development of residential real property sites).
Types of security property	First registered mortgage over real property and general security interest over the Borrower.
Maximum Loan to Value Ratio (LVR)	Loans will be limited to an LVR of 70% (based on 'as is' and 'upon completion' valuation). The valuation must be an independent valuation and such valuations will be obtained (1) before approval of a Loan (2) on renewal of a Loan if the LVR is more than 70% and (3) if the opinion is formed that there is a likelihood of a decrease in the value of real property which may cause a material breach of covenant of a loan with a Borrower. It is possible that the maximum LVR is exceeded in some circumstances from time to time during the life of a Loan (for example if a Loan is in default).

Property insurance	Prior to a Loan being advanced to a Borrower, written confirmation must be provided to the Responsible Entity that adequate insurance over the subject real property is in place and the interest of the Trust's custodian will be noted as mortgagee on the relevant insurance policies.
Key statutory enquiries	Prior to a Loan being approved, the Responsible Entity will carry out key statutory enquiries including on title, encumbrances, main roads, town planning and land tax.
Maximum Loan term	12 months
Geography	Eastern Australia, predominantly Queensland.

We may vary the above investment parameters, or adopt additional investment parameters, based on our view of market conditions at such time.

### 4.3 Investment Process

The Responsible Entity's lending management team (LM Team) will carry out analysis on each proposed Loan which will be presented to the Board for approval. Upon presentation of the Loan analysis the Board will accept or reject the proposed Loan in accordance with the Lending and Internal Controls Policy.

Once a Loan is approved by the Board, the LM Team will engage the Responsible Entity's solicitor to draft the necessary Loan documentation which must be entered into by the parties prior to any Loan drawdown.

The LM Team is also responsible for monitoring any Loans in default and recommending to the Board upon the appropriate steps to be taken in managing the default.

# 5. Risks of investing

5.1 Introduction	
<p>All investments involve some risk, as investments can decline as well as increase in value.</p> <p>You should be aware that the value of the Trust's assets, income it may generate and the value of the Trust itself can be influenced by a number of factors, including those outside our control.</p> <p>This section describes certain risks associated with an investment in the Trust.</p> <p>Before deciding whether to subscribe for Units, you should carefully consider the principal risks to which you are exposed and whether purchase of Units is a suitable investment for you.</p> <p>If you are in doubt as to whether you should apply for Units, you should first seek advice on the matters contained in this PDS from a professional adviser.</p>	
5.2 Specific risks	
Borrower default risk	<p>Each Borrower will utilise borrowings to assist in the development of residential real property.</p> <p>The use of borrowings at this level in an investment is referred to as 'gearing' or 'leveraging'. It enhances the potential for capital gain if the property increases in value. However, it will also increase any capital loss in the event that the value of the property falls compared to an investment in a property investment vehicle which has no borrowings.</p> <p>A key risk of the Trust (in relation to each Loan) is that the Borrower may not be able to meet interest or principal repayments in accordance with the terms of borrowing agreements. Default may be caused by a number of factors including a change in the Borrower's circumstances, significant economic changes, changes to market conditions or other unforeseen events or circumstances which may affect the progress of or value of, a Property Development.</p>
Security risk	<p>If a Borrower defaults, the Trust will rely on the first ranking mortgage security in place to recover the Loan principal, interest and any other amounts due to the Trust. It is possible that the value of the underlying Property Development secured in respect of a Loan may be inadequate to cover the full amount of money outstanding to the Trust.</p> <p>This may occur due to a variety of reasons, including a decline in the Borrower's financial position leading to lower cash flows or a lower value attributable to a Property Development, capital depreciation of a Property Development, or enforcement of the mortgage taking longer than anticipated.</p>
Decline in Property Development values	<p>The value of a Property Development may decline during the Loan term. Factors that may influence the value of a Property Development include:</p> <ol style="list-style-type: none"> <li>an over-supply of similar types of properties that may result in a decline in a property's value, both in the short and long-term; and</li> <li>timing of the sale of a Property Development – unforeseen circumstances or changing market conditions may result in the sale proceeds being lower than the initial acquisition price.</li> </ol>
Capital risk	<p>There is no guarantee on the return of an investor's capital or the investment performance of the Trust.</p> <p>An investment in the Trust is not capital guaranteed and is not protected by any bank deposit provisions. Should the Trust suffer a capital loss, the value of an investor's Units may decrease and investors may suffer a capital loss.</p>
Income distribution risk	<p>There is no guarantee on the income return of the Trust.</p> <p>This risk relates to the volatility of income distributions to investors. Income distributions to investors in the Trust primarily depend upon the net return that the Trust receives from the underlying Loans. In addition, monies not invested in Loans but which are held in cash will normally generate a lower return to the Trust.</p>
Resale risk	<p>There is a risk that the Borrower will not be able to sell the Property Development. There is a risk there may be a delay in reselling the Property Development, or that the sale price for the Property Development may be less than the costs of acquiring it.</p>

Investment term risk	The property market is cyclical, and there is a risk that the property market may be in a downturn when the Property Development is required to be sold when market conditions are not conducive to selling. This may result in the Property Development achieving no capital growth or realising a capital loss which will adversely affect the performance of your investment.
Liquidity risk	<p>Investors will not be able to request to withdraw their investments before the end of their 12 month minimum holding period. In addition a delay in processing an investor's withdrawal request is possible where there are a significant number of withdrawals requested at the same time, which absorbs the cash reserves of the Trust or if the Trust's assets are not sufficiently liquid. Under the Constitution, the Responsible Entity has 365 days to satisfy withdrawal requests after receipt of a valid a withdrawal request (this is in addition to the 12 month minimum holding period). In certain circumstances as set out in the Constitution, the Responsible Entity may be entitled to suspend withdrawals due to lack of liquidity.</p> <p>There is no secondary market for trading Units.</p>
Insurance risk	If the Property Development is not properly insured or an event occurs which is not covered by insurance, there is a risk investors may suffer loss on their investment if the Property Development is partially or substantially destroyed or if the progress of the development is materially delayed.
Management capability	Future operating results depend to a large extent on our ability to successfully select and manage the assets of the Trust, which necessarily requires revenue forecasting, controlling expenses and implementing systems. Inability to control the costs and an unpredicted decline in revenues without a corresponding and timely reduction in expenses could adversely affect the Trust's operating results.
Compliance risk	<p>If the Responsible Entity fails to comply with its AFSL conditions, the Constitution, Compliance Plan or Corporations Act it will likely have an adverse impact on investors and the value of their investment. In particular, this may occur if ASIC take action to:</p> <ol style="list-style-type: none"> <li>a. wind up the Trust; or</li> <li>b. remove the Responsible Entity as the responsible entity.</li> </ol>
Investment management risk	This is the risk that changes to the Responsible Entity's management or the loss of other key personnel may result in us not anticipating movements in the property market, not adequately complying with our obligations regarding management of the Trust and Loans and increase the risk of policies and procedures not being adhered to.
Counter Party Risk	<p>There are risks associated with counterparties fulfilling their obligations including the potential for disputes between a Borrower and CMFG Land as manager. The principals of CFMG Land are experienced in managing the delivery of residential land subdivisions.</p> <p>The Responsible Entity will closely monitor the progress of the Property Development and the underlying real property.</p>
Conflict of Interest Risk	<p>A number of related parties are providing services to the property the subject of the Property Development and the Loan and receiving fees creating a potential for conflicts of interest.</p> <p>The Responsible Entity has a conflict of interest policy for dealing with conflicts of interest.</p> <p>Should an event of default arise under a loan agreement with a Borrower (being a related entity of the Responsible Entity) and the Borrower does not remedy that default then the Responsible Entity will and is required to take action to recover the money owed.</p> <p>Both the Responsible Entity and its directors have a statutory duty to place the interests of Unitholders above their own interests where there is a conflict.</p> <p>The Responsible Entity will keep the Unitholders informed of any actions being taken.</p>
On-going funding requirements for the Trust	<p>While the proceeds of the Offer are intended to adequately satisfy the Trust's anticipated funding requirements to fund its Loans, if a Borrower requires access to further funding at any stage in the future, the Trust may be adversely affected in a material way if, for any reason, access to that funding is not available.</p> <p>There can be no assurance that additional funds will be available. If additional funds should be raised by issuing Units, this might result in dilution to the then existing investors.</p>
Investors' liability is limited	<p>Unitholders cannot be required to pay more than their application money. Unitholders are not financially responsible for the obligations of any other investor in the Trust. In the event of default on a Loan, any financier's recourse is limited to the assets of the Borrower</p> <p>However, the Responsible Entity cannot guarantee that liability is limited in all circumstances, as such decisions lie with the courts.</p>



### 5.3 General risks

Taxation risk	<p>The tax summary in this PDS has been prepared based on the law existing at the date of this document. However, Australian tax laws are constantly changing, with the introduction of various reform proposals which may affect your investment in the Trust.</p> <p>Tax liability is each investor's responsibility and we are not responsible for the taxation consequences of an investment in the Trust. If an investor is uncertain about any taxation effects of its investment the investor should seek its own taxation advice.</p>
Regulatory risk	<p>There is the risk that changes to the regulatory environment for financial services or the property industries may, directly or indirectly, affect the value of an investment in the Trust.</p>
Legislative changes	<p>Changes in government policy and legislation, including changes to the taxation system, planning and environment laws, regulation and policy, may affect the performance of the Trust.</p>
Macroeconomic risk	<p>The general state of the Australian and international economies, as well as change in taxation, monetary policies, interest rates, property market and statutory requirements may affect leasing demand, the market value and demand for property, and have a negative impact on the Trust's performance and the performance of the Trust's assets.</p>

## 6. Fees and other costs

### 6.1 Consumer advisory warning

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution and management costs where applicable. Ask the Trust or your financial adviser.

#### TO FIND OUT MORE:

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.



## 6.2 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust assets as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount <sup>1</sup>	How and when paid
<b>ONGOING ANNUAL FEES AND COSTS</b>		
<b>Management fees and costs</b> The fees and costs for managing your investment		
<b>TYPE OF FEES AND COSTS</b>		
Management fee	1.1% p.a. of the total funds invested in the Trust	Monthly in arrears out of the Trust assets
Asset identification, fundraising and structuring fee	Up to 4.4% of the funds raised by the issue of Units	Upon the issue of Units in the Trust out of the Trust assets
Administration fees and costs	Up to 0.55% p.a. of the total funds invested in the Trust	Monthly in arrears out of the Trust assets
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Nil	Not applicable
<b>MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE SCHEME)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> All figures disclosed include the net effect of GST and reduced input tax credits.

### 6.3 Example of annual fees and costs for the Trust

This table gives an example of how fees and costs in the Units for this product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Please note that this is just an example. In practice, the actual investment balance of an investment will vary daily and the actual fees and expenses we charge are based on the value of the Trust, which also fluctuates daily.

#### Example

BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR

PLUS Management Costs	6.05% p.a.*	And, for every \$50,000 you have in the Trust you will be charged \$3,025 each year.
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs I	Nil	And, you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS cost of Units in the Trust		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of  \$3,025  What it costs you will depend on the investment option you choose and the fees you negotiate.

\* The above Management Costs calculation includes 1.1% p.a. Management fee, the one-off 4.4% Asset identification, fundraising and structuring fee and 0.55% p.a. Administration fees and costs.

The following example excludes the one-off Asset identification, fundraising and structuring fee.

#### Example

BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR

PLUS Management Costs	1.65% p.a.*	And, for every \$50,000 you have in the Trust you will be charged \$825 each year.
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS Transaction costs	Nil	And, you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS cost of Units in the Trust		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of  \$825  What it costs you will depend on the investment option you choose and the fees you negotiate.

## 6.4 Additional explanation of fees and costs

Management costs comprise the additional fees or costs that a Unitholder incurs by investing in the Trust rather than investing directly in the underlying assets.

### MANAGEMENT FEE

- The Responsible Entity is entitled to be paid out of the assets a fee (**Management Fee**) of 1.1% per annum of the funds invested in the Trust. The actual amount paid by Unitholders will correspond to the funds invested in Units in the Trust in proportion to the number of Units they hold.
- The Management Fee is calculated and payable monthly in arrears.
- The Management Fee must be paid up to the date of completion of the final winding up of the Trust.
- For example, if a total of \$5 million is invested in the Trust, the Management Fee for a particular calendar month would be calculated as follows:

$$\$5,000,000 \times 0.011 \div 12 = \$4,583.33$$

### ASSET IDENTIFICATION, FUNDRAISING AND STRUCTURING FEE

- The Responsible Entity is entitled to be paid a fee (**Asset Identification and Negotiation Fee**) out of the assets when it issues Units in the Trust.
- The Asset Identification and Negotiation Fee is an amount up to 4.4% of the value or amount of funds raised by the issue of Units.
- The Asset Identification and Negotiation Fee is due and payable on the date of the issue of Units from the assets of the Trust.
- For example, if 5,000,000 Units are issued following an Offer indicates that the applicable Asset Identification and Negotiation Fee is 4.4%, then the Asset Identification and Negotiation Fee for that Offer is calculated as follows

$$\$5,000,000 \times 0.044 = \$220,000$$

### ADMINISTRATION FEE AND COSTS

- The Responsible Entity is entitled to be paid out of the assets a fee (**Administration Fee**) of 0.55% per annum of the funds invested in the Trust. The actual amount paid by Unitholders will correspond to the funds invested in Units in the Trust in proportion to the number of Units they hold.
- The Administration Fee is calculated and payable monthly in arrears.
- The Administration Fee must be paid up to the date of completion of the final winding up of the Trust.
- For example, if a total of \$5 million is invested in the Trust, the Administration Fee for a particular calendar month would be calculated as follows:

$$\$5,000,000 \times 0.0055 \div 12 = \$2,291.66$$

## 6.5 Units in lieu

We may elect to receive Units instead of all or part of any fee which we are entitled to receive (plus any applicable GST) as responsible entity for the Trust. Any such issue of Units must be based on the current net asset value of the Trust in accordance with the Constitution.

## 6.6 Removal fee

Under the Constitution, we are entitled to a fee of 5.5% of the value of the Trust assets if we are removed as the responsible entity of the Trust (other than for gross negligence in the management of the Trust or a material fiduciary breach). For example, if the Trust gross asset value was \$5 million, we would be entitled to receive a removal fee of \$275,000 if removed as responsible entity. The management fee estimate in the table in section 6.3 above does not include any removal fee.

## 6.7 Referral fee

The Responsible Entity may, from time to time, appoint third party providers to provide referral services. Such third party providers may refer clients to the Responsible Entity in consideration for a referral fee. Any such referral fees will be paid directly by the Responsible Entity in its personal capacity (including from any of its received Responsible Entity fees) and will not be in addition to the fees disclosed in this PDS.

## 6.8 Other fees

The Responsible Entity (or an associate) may receive and charge fees in addition to other fees specified in this PDS and recover costs and outlays for any other services not reasonably contemplated by the Responsible Entity as being part of those duties for which it is remunerated where the services are provided by the Responsible Entity (or an associate) to the Trust.

Each Borrower (itself an associate of the Responsible Entity) will engage or has engaged CFMG Land (an associate of both a Borrower and the Responsible Entity) to provide project management functions, administrative and company secretarial functions pursuant to a written Company and Project Management Agreement. CFMG Land will be paid fees by each Borrower for providing these services and the arrangements will be documented and on arm's length terms.

## 6.9 Can fees be different for different investors?

Yes, a rebate or part of the management fee or a lower management fee may be negotiated with investors who are wholesale clients for the purposes of the Corporations Act. Further information can be obtained by contacting us.

## 6.10 Government charges and GST

Government taxes such as stamp duty and GST may be applied as appropriate. Please refer to 'Taxation considerations' in section 7.

## 6.11 Changes to fees and expenses

The Responsible Entity may change the fees and expense recoveries referred to in this PDS. We will provide at least 30 days' notice to investors of any proposed increases in fees or expense recoveries or the introduction of new fees.

# 7. Taxation considerations

## 7.1 General information only

Australian tax laws are complex and are subject to constant change. The views in this PDS are based on law and announcements current in Australia as at the date of this PDS. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than Australia.

The taxation comments in this section are general in nature by necessity and the taxation implications may vary for each investor depending on their particular circumstances. Accordingly, we recommend you seek your own professional advice regarding the taxation implications associated with an investment in the Trust.

In this respect, the taxation comments below are only relevant for Australian resident investors who hold their Units on capital account. They are not relevant for investors who hold their investments on revenue account or investors who may be subject to special tax rules such as banks, insurance companies, managed investment trusts, tax exempt organisations and dealers in securities.

You may be required to pay tax in relation to your investment in the Trust (generally income tax). However, you may be able to claim some tax offsets or have the benefits of some tax concessions.

Some tax information has been provided for you below. However, although every care is taken, it is never possible to rule out the risk that on a subsequent review, taxation liabilities for the Trust could be increased or the benefit of concessions reduced.

## 7.2 Tax treatment of the Trust

The Trust is an Australian resident trust and should be considered a 'flow through' entity for Australian tax purposes. It is intended that investors will be entitled to all the Trust's distributable income each year pursuant to Division 6 of the Income Tax Assessment Act 1936 (Cth) and Division 275 or 276 of the Income Tax Assessment Act 1997 (Cth).

For Australian resident investors, this means that the net income of the Trust should generally be taxed in the hands of the Australian resident investors. For non-Australian resident investors, this means that the withholding tax or trustee tax regime will apply. The rate of tax depends on the tax profile of the investor and the type of income derived by the Trust.

Where the Trust makes a loss for Australian tax purposes, the Trust cannot distribute the tax loss to investors. However, subject to the Trust meeting certain conditions, the tax loss may be carried forward by the Trust for offset against taxable income of the Trust in subsequent years.

The Trust should generally not be liable to pay any Australian income tax. However, in certain circumstances, the trustee of the Trust may be required to pay tax on behalf of non-resident investors.

For completeness, if the Trust is considered to be a public trading trust for an income year, the Trust will be taxed as a company. The Responsible Entity of the Trust intends to take steps to minimise the risk of the Trust taken to carry on or control a trading business (broadly, any business that is not an "eligible investment business").

## 7.3 Distributions from the Trust

Investors will be entitled to their proportionate share of the Distributable Income of the Trust for a relevant Accounting Period. The Australian income tax implications for each Investor will be dependent on their specific circumstances as well as the components of each distribution. The annual tax statement will identify the components of the distributions.

Distributions from the Trust may include non-assessable 'tax deferred' components. Where the Trust distributes such non-assessable amounts to Investors, the cost base and reduced cost base of the Units would generally be reduced by the amount of the non-assessable payment. Investors are required to maintain their own records in relation to the tax cost base and reduced cost base of their Units.

## 7.4 Tax File and Australian Business Numbers

Investors need not quote a Tax File Number (TFN) when applying for Units. However, if a TFN is not quoted, or no appropriate TFN exemption claimed, the Responsible Entity is required to deduct tax from their Distributions at the highest marginal tax rate, plus the Medicare Levy (currently 47%). We are authorised to collect TFNs under Australian tax law.

An investors who holds their Units as part of their business is entitled to quote their Australian Business Number instead of their TFN.

## 7.5 Goods and Services Tax

The issue, acquisition or sale of Units in the Trust will be input taxed supplies for GST purposes and will not be subject to GST. Similarly, Distributions of income by the Trust to investors will not be taxable supplies and will also not be subject to GST.

An investment in the Trust, by itself, will not require investors to obtain an Australian Business Number or register for GST purposes. GST is not payable on Distributions made to you.

## 7.6 Withholding tax (overseas investors)

This summary does not consider the Australian income tax implications for non-resident investors. However, it is noted that Australian taxation laws impose obligations to withhold tax from Distributions paid to overseas investors in certain circumstances. If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the prescribed rate. These rates may vary depending on the components of the distribution and the country in which you reside.

Overseas investors should seek independent advice as to the application of withholding tax to their particular circumstances.

## 7.7 Foreign Account Tax Compliance Act (FATCA)

FATCA is United States (US) tax legislation that enables the US Internal Revenue Service (IRS) to identify and collect tax from US residents that invest in assets through non-US entities.

If you are a US resident for tax purposes, you should note that the Trust is a 'Foreign Financial Institution' under FATCA and complies with its FATCA obligations, as determined by the inter-governmental agreement entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Trust must obtain and disclose information about certain investors to the Australian Taxation Office (ATO).

In order for the Trust to comply with its obligations, we require that you provide certain information about yourself, including your US Taxpayer Identification Number. We will determine whether the Trust is required to report your details to the ATO based on our assessment of the relevant information received.

## 7.8 Common Reporting Standard (CRS)

The CRS is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (OECD). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities.

From 1 July 2017, the CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

## 7.9 Not tax advice

This tax summary is not tax advice. It is provided by us as a general statement relating to high level Australian tax implications for an investor in the Trust. It does not address all tax consequences of an investment in the Trust, or investments by the Trust. Investors should seek their own independent advice as to how an investment in the Trust might affect their personal tax position.

We are not licensed under the tax agent services regime and cannot provide tax advice to investors. This section is intended to be a general guide only and is not intended to be definitive advice, nor relied upon as such. As the taxation outcomes will depend on individual investors' personal circumstances, it is recommended that all investors consult with their taxation adviser in relation to how these outcomes may apply to them.



## 8. Making, withdrawing & monitoring your investment

### 8.1 Initial investments

The minimum initial investment amount is \$5,000.

All individual or joint investors in the Trust must be at least 18 years of age.

### 8.2 How to make your initial investment

To make your initial investment, please send us your:

- a. cheque made payable to The Trust Company (Australia) Limited ACF CFMG Monthly Income Fund <insert name of investor(s)>;
- b. completed and signed Application Form; and
- c. required customer identity verification documents (refer to the Application Form for instructions).
- d. when you apply to invest in the Trust, your money is held in an application account until we accept your application and issue the Units. Any interest earned on the application money for which Units are issued will form part of the Trust's assets. The investor will not directly receive any interest on its application money held in trust before any Units are issued.

### 8.3 Restrictions on investments

Under the Constitution, we can refuse an application for any reason and we are not required to advise you of the reason.

In particular, where we consider it to be in the best interests of investors, we may suspend application requests.

### 8.4 Cooling-off rights

If a retail investor changes their mind about investing in the Trust, the retail investor has the right to ask to have their application money returned if the cooling off rights given by the Corporations Act apply to the investment. For so long as the Trust is a 'liquid' fund the cooling off rights apply to the Trust. Those investors who are 'wholesale clients' within the meaning of the Corporations Act do not have any cooling off rights.

To exercise this right, if available, a retail investor must do so within 14 days after the earlier of receiving a confirmation of their Trust investment, or the end of the 5th Business Day after the date the Units were issued.

The Responsible Entity must receive instructions before the end of the applicable period set out above for the exercise of cooling off rights to be effective.

Repayment of application money under cooling off rights is subject to an adjustment if the Responsible Entity has revalued the Trust's assets (leading to a compulsory redemption of Units) during the period the investment is held.

### 8.5 Withdrawing your investment

#### How to make a withdrawal

Investors who wish to withdraw all or part of their investment in the Trust should provide a notice of their request by completing and signing a Withdrawal Form and lodging it with us as advised on the Withdrawal Form.

Applications for withdrawal will not be eligible within the first 12 months of an investor investing in the Trust (i.e. an investor must hold a Unit for at least 12 months before making a request to redeem that Unit).

#### Notice of withdrawals and processing times

Signed and completed Withdrawal Forms must be received by 11am on the day that is at least 7 Business Days prior to the last calendar day of the month. Subject to meeting the withdrawal terms contained within the Constitution and this PDS, the Responsible Entity aims to process Withdrawal Forms as at the 1st calendar day of the following month and then paid within 20 calendar days after that, or if the 20th day is not a Business Day, but the next Business Day.

This notice period is in addition to the minimum holding period of 12 months.

Whilst the Trust is operated as a liquid trust, it should be noted that the underlying assets are not necessarily liquid in nature and therefore the Constitution provides a maximum of 365 days within which the Responsible Entity must meet valid withdrawal requests and still treat the Trust as liquid. The Trust is not an 'at call' cash account and should not be treated as such.

### Withdrawals and Trust liquidity

The Trust has a withdrawal process designed to safeguard its liquidity levels and to protect the interest of all its investors. The liquidity of the Trust affects withdrawals in two ways:

- A. the Trust must be a 'liquid' scheme in order for the Trust to meet withdrawal requests from investors. Under the Corporations Act to be a 'liquid' scheme, not less than 80% of the Trust's assets must be able to be realised within the 365 day period specified in the Constitution. The nature of the Loans are inherently illiquid in nature but the nature of the Loans means that they are intended to be able to be realised within 12 months; and
- B. the projected cash needs of the Trust to make Loans, and to pay fees, expenses and any other costs, and the proportion of the Trust's assets that is held in cash or other assets that can be readily available.

If the Trust is not sufficiently 'liquid' then it will be treated as an 'illiquid' scheme and investors will only be permitted to withdraw if the Responsible Entity makes a withdrawal offer to all investors in accordance with the Constitution and the Corporations Act.

In addition, the Responsible Entity may at any time suspend redemption for up to 90 days in the circumstances set out in the Constitution, including:

- i. if there would be insufficient cash retained in the Trust after complying with a withdrawal request to meet other liabilities and in our opinion it is not in the interest of Unitholders for any of the Trust's assets to be sold in order to satisfy a withdrawal request;
- ii. we reasonably estimate that we must sell 20% of net asset value or more (by value) of the Trust's assets to meet current unsatisfied withdrawal requests;
- iii. it is otherwise in the best interests of the Unitholders to suspend withdrawals.

Full details are set out in the Constitution.

### Compulsory redemptions

The Responsible Entity may upon a minimum of 60 days' notice to a Unitholder redeem all or a portion of their Units if for example:

- i. the Responsible Entity determines that the Trust is uneconomical to operate;
- ii. a Unitholder made a misrepresentation in acquiring its Units;
- iii. subject to the Corporations Act, such other circumstances as we determine.

Full details are set out in the Constitution.

### Transferring Units

You may at any time sell or transfer your Units to another person at your own risk subject to the Constitution.

## 8.6 Monitoring your investment

We will send you regular information about your investment, including:

- a. confirmation of the acceptance of your initial investment; and
- b. a quarterly periodic statement.

At any time you may request a transaction statement that shows either all transactions since your last regular statement or all transactions for a specific period.

We recommend that you check all statements and transaction confirmations carefully. If there are any discrepancies, please contact our Investor Relations team on 1800 155 526.

A concise annual report for the Trust is available from our website [www.cfmcapital.com.au](http://www.cfmcapital.com.au). You can request a paper copy of the concise annual report free of charge at any time.

If the Trust becomes a 'disclosing entity' for purposes of the Corporations Act it will be subject to regular reporting and disclosure obligations. We will meet our continuous disclosure obligations by posting material information to our website, at [www.cfmcapital.com.au](http://www.cfmcapital.com.au). You may obtain from, or inspect at ASIC, copies of documents lodged by the Trust. You can also ask us for a copy of the Trust's most recent annual financial report lodged with ASIC, any subsequent continuous disclosure notices given before the date of this PDS and any half-yearly financial report lodged with ASIC before the date of this PDS.

# 9. Material documents

## 9.1 Constitution

The Trust was established by the Constitution.

The Constitution is the primary document governing the relationship between us as responsible entity, and Unitholders. As a Unitholder, you will be bound by the provisions of the Constitution. The Constitution, in conjunction with the Corporations Act, regulates the operation of the Trust and set out the rights and obligations of Unitholders and our responsibilities and duties as the Responsible Entity.

The Constitution includes provisions which relate to:

- a. the Responsible Entity's powers, duties and obligations;
- b. the rights and obligations of Unitholders;
- c. the ability of Unitholders to remove the Responsible Entity;
- d. the issue of Units and the procedures for the redemption of Units;
- e. the transfer and transmission of Units;
- f. the valuation of the Trust;
- g. fees payable to the Responsible Entity;
- h. the Responsible Entity's right to be indemnified out of the Trust for expenses, losses and liabilities arising in its capacity as responsible entity subject to us having properly performed our duties;
- i. the winding up of the Trust;
- j. meetings of Unitholders;
- k. complaints and other procedures in relation to the Trust; and
- l. our limitation of liability (subject to the Corporations Act).

The Responsible Entity may amend the Constitution without Unitholder consent where we reasonably believe the amendment will not adversely affect Unitholders' rights. Otherwise, the Constitution can only be amended if at least 75% of votes cast by Unitholders (at a meeting convened in accordance with the Constitution and the Corporations Act) vote in favour of the amendment.

We may retire, or be removed as responsible entity by investors, in accordance with the Corporations Act.

A copy of the Constitution may be obtained by searching ASIC records or by written request to us and a payment of a fee (currently \$10).

## 9.2 Compliance Plan

We have prepared a Compliance Plan which has been lodged with ASIC. The Compliance Plan is a document that outlines the principles and procedures in relation to the conduct of the Trust that we follow to ensure we comply with the provisions of the Corporations Act, ASIC policies and the Constitution.

The Compliance Plan deals with a wide range of issues including:

- a. that the assets of the Trust are identified as assets of the Trust;
- b. the assets of the Trust are valued at appropriate regular intervals; and
- c. that accurate records of the Trust's operations are kept.

Each year, adherence to the Compliance Plan is audited by an external Compliance Plan auditor and the audit report is lodged with ASIC.

## 9.3 Custody Agreement

The Responsible Entity has entered into a Custody Agreement appointing The Trust Company (Australia) Limited as custodian of the Trust's assets. The Trust Company (Australia) Limited is an independent custodian who will hold the assets of the Trust. The Custodian acts on the instructions of the Responsible Entity and the duties of the Custodian pursuant to the agreement include:

- a. holding assets of the Trust as agent of the Responsible Entity of the Trust;
- b. acting on the specific instructions given by the Responsible Entity or its authorised representatives; and
- c. ensuring that the Custodian acts, insofar as its duties are concerned, in accordance with the Corporations Act.

Under the Custody Agreement, the Responsible Entity indemnifies the Custodian in relation to its properly performed services as custodian of the Trust.

## 10. Additional information

### 10.1 Responsible entity indemnified

To the extent permitted by the Corporations Act and the law, we, as responsible entity, are indemnified out of the Trust against any claim, action, damage, loss, liability, cost, expense or payment which we incur or are liable for, provided that it does not arise from our failure to properly perform our duties.

### 10.2 Investors' liability limited

The Constitution seeks to limit the liability of investors to the amount of their investment plus other moneys payable to us or the Trust pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in a manner discussed above.

### 10.3 Unit pricing discretions

We will exercise any discretion that we have under the Trust's Constitution in unit pricing in compliance with our pricing policy. A copy of the Trust's unit pricing policy can be obtained at no charge by telephoning the Investor Relations team on 1800 155 526 or accessed from [www.cfmcapital.com.au](http://www.cfmcapital.com.au).

### 10.4 Distributions

Distributions will generally be paid as soon as possible after the end of the Distribution periods.

You must have your Distributions paid directly to your nominated Australian bank account.

If you wish to change your Distribution payment instructions, please mail us an original, signed, written request.

### 10.5 Calculation of income

We calculate the income of the Trust daily by calculating the total interest or other income received or accrued on all investments and deducting amounts paid or accrued for authorised expenses. If we have treated an investment as not bearing interest for this purpose, then we ignore interest from that investment for the calculation.

### 10.6 Labour standards, social, ethical and environmental considerationse

We do not explicitly take into account labour standards or environmental, social or ethical considerations when making a decision regarding the selection, retention or realisation of investments. Nor do we have a specific methodology for the extent to which these factors are considered, in operating the Trust.

### 10.7 Tax File Number (TFN)

On your Application Form you may give us your Tax File Number (TFN), or TFN exemption. Alternatively, if you are investing in the Trust in the course of an enterprise, you may quote an Australian Business Number (ABN). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not then we are required to deduct tax from any income distribution payable to you at the highest marginal tax rate plus the Medicare levy. The collection of TFNs is authorised, and their use is strictly regulated by tax and privacy laws. Non-residents are generally exempt from giving a TFN.

### 10.8 Transferring ownership

You can transfer some or all of your investment to another person in the manner and subject to the conditions required by law and that we, from time to time, prescribe. We are not obliged to register a transfer that does not meet these criteria, or where there is an amount payable to us by the transferee in respect of the Units being transferred. Please contact our Investor Relations team on 1800 155 526 for further information about transferring Units. Please note that stamp duty may be payable on the transfers of Units.

## 10.9 Complaints

If you have a complaint about any aspect of your investment in the Trust, please write to us at:

### Complaints Manager

CFMG Equity and Income Funds Limited  
PO Box 663  
Fortitude Valley QLD 4006

Alternatively, you can phone us on 1800 155 526 (within Australia) or +61 7 3613 0001 (outside Australia).

We are a member of, and participate in, the Australian Financial Complaints Authority (AFCA), an independent complaints resolution organisation. If you feel your complaint has not been satisfactorily resolved you are entitled to make a complaint to AFCA at:

### Australian Financial Complaints Authority

GPO Box 3  
MELBOURNE VIC 3001

Telephone: 1800 932 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

## 10.10 Privacy and personal information

The privacy of your personal information is important to us. We collect personal information directly from you through the Application Form and from third parties who assist us with our business. The purpose of collecting your information on the Application Form is to process your application and manage your investment in the Trust. If the personal information you provide to us is incomplete or inaccurate, we may not be able to work with you effectively, or at all, and may be delayed in performing our business functions.

If you invest in the Trust on the recommendation of your financial adviser, details of your investment and information about you will be provided to your financial adviser.

All personal information collected will be collected, used and stored by us in accordance with our privacy policy, a copy of which is available on request or at our website listed below.

From time to time, we may wish to advise you about other services and products which could suit your needs. By making an application, you agree that we may disclose your personal information to other corporations specifically, but not solely, for marketing purposes.

However, if you do not want this information to be used for this purpose, you must exercise your right to instruct us not to disclose any information concerning your personal information. You may do this by ticking the 'non-disclosure' box on the Application Form. However, we may still disclose personal information where required by law.

You are entitled to request reasonable access to, and correction of, your personal information. We reserve the right to charge an administration fee for collating the information requested.

For a copy of our privacy policy and for information about how we deal with personal information, including how you can complain about privacy-related matters and how we respond to complaints, please visit our website at [www.cfmcapital.com.au](http://www.cfmcapital.com.au).

## 10.11 Keeping us informed

Our records about you are important. Please inform us in writing of any changes to the personal details that you have given us. This may be a new postal address, a change of name or new account details for Distribution or withdrawal payments. When requesting a change of personal details please give us:

- a. the full name in which your investment is held and your account number;
- b. the changes you are requesting;
- c. a contact name and daytime telephone number; and
- d. appropriate signatories on the request.

Some changes also require additional documents (such as a change of name request). Please note that we will only change your nominated account if we receive an original, signed, written request. We will send you written confirmation of any changes that you request us to make to your personal details.

## 10.12 Identity verification documents

All investors are required to supply valid identity verification documents when you invest. The actual documents required will depend on whether you are an individual investor or a non-individual investor such as a superannuation fund, a trust or a company.

If any document you supply is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator.

If we do not receive all the required valid customer identity verification documents with your Application Form or we are unable to verify your identity at any time, we may not be able to commence your investment or may not process any future withdrawal requests until we receive the required document. We will contact you as soon as possible if we require more information.

To reduce uncertainty around releasing funds to third party accounts, when we receive withdrawal requests we may delay the release of money until we gain comfort around the request for withdrawal including the identity of the third party account.

## 10.13 What identity documents are usually required?

The table below summarises some of the requirements of the Rules to the *Anti Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act), commonly used to establish identification of investors.

TYPE OF INVESTOR	IDENTITY DOCUMENTS REQUIRED
Individuals	A certified copy of an Australian driver's licence of the Applicant containing a photograph or a certified copy of the Applicant's passport.
Companies	<p><b>For Australian companies</b> An original ASIC produced register extract, a certified copy of an ASIC produced register extract or a certified copy of the Company's certificate of registration.</p> <p><b>For foreign companies</b> The equivalent of the above as produced by the foreign corporate regulator equivalent to ASIC.</p>
Trusts, trustees and funds	<p><b>Non regulated trusts</b> A certified copy of the trust deed to which the Applicant's authority is sourced.</p> <p><b>Regulated trusts or funds</b> A certified copy of data produced by ASIC, APRA or ATO, as appropriate, to establish existence and identification of the trust or fund.</p>
Partnerships	A certified copy of the partnership agreement.
Associations	A certified copy of the constitution establishing the Applicant association in the State of its identified office address or a certified register extract maintained by a government agency responsible for incorporation of associations evidencing the incorporation or registration of the Applicant.
Registered cooperatives	A certified copy of an extract of a register maintained by the government agency responsible for incorporation of cooperatives evidencing the incorporation or registration of the Applicant.
Government bodies	A certified copy of an extract from the body's website affirming the government body's existence or a certified copy of a legislation extract affirming the government body's existence.

If an individual is a trustee, the individual as well as the trust, must produce identity documents.

If a company is a trustee, the company, as well as the trust, must produce identity documents.

In instances where the Applicant is not able to supply certified documents that meet these requirements, then it will be acceptable for the Applicant to produce alternative documents recognised for identity purposes under the AML/CTF Act or under the Rules made under the AML/CTF Act.

## 10.14 Who can certify

An identity verification document may be certified as a true and correct copy of an original document by one of the persons in Australia listed below. Please ensure that each page of the relevant document is certified. The person certifying must state their capacity (from the list below) and state on each page that the document is a 'true and correct copy of the original'.

<ul style="list-style-type: none"> <li>a. Justice of the Peace</li> <li>b. Police officer</li> <li>c. Officer with two or more continuous years of service with one or more financial institutions (for the purposes of the <i>Statutory Declaration Regulations 1993</i> (Cth))</li> <li>d. Finance company officer with two or more continuous years of service with one or more finance companies (for the purposes of the <i>Statutory Declaration Regulations 1993</i> (Cth))</li> <li>e. Officer with, or authorised representative of, a holder of an Australian financial services licence, having two or more continuous years of service with one or more licensees</li> <li>f. Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership, i.e. an accountant</li> <li>g. Judge of a court</li> </ul>	<ul style="list-style-type: none"> <li>h. Magistrate</li> <li>i. A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described), i.e. an Australian lawyer</li> <li>j. Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public</li> <li>k. Permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public</li> <li>l. Chief executive officer of a Commonwealth court</li> <li>m. Registrar or deputy registrar of a court</li> <li>n. Australian consular officer or an Australian diplomatic officer (within the meaning of the <i>Consular Fees Act 1955</i> (Cth))</li> <li>o. Notary public (for the purposes of the <i>Statutory Declaration Regulations 1993</i> (Cth)).</li> </ul>
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## 10.15 Audit

The Trust has a registered company auditor. The auditor's role is to conduct an audit of the financial statements of the Trust each year as well as performing a half-yearly review (if required), and to give an opinion on the financial statements.

The Trust and the Compliance Plan are required to be audited annually.

## 10.16 Related parties

We may enter into transactions with, and use the services of, any related company of the Responsible Entity. Those arrangements will be based on arm's length commercial terms.

We, any Director or officer or any party related to them may invest in the Trust. It is our policy to ensure that those arrangements are on arm's length commercial terms. We have a conflict resolution procedure in place in the unlikely event that a conflict of interest arises.

## 10.17 Disclosure of Interests

- a. Directors (or their associates) have a beneficial interest in shares in the Responsible Entity and will benefit from fees derived by it.
- b. Directors receive directors' fees for carrying out their duties as directors of the Responsible Entity.
- c. The Responsible Entity, Directors and other related parties of the Responsible Entity may hold interests in the Trust from time to time. Where this occurs those investments will be acquired and dealt with on the same terms as any other investor in the Trust.
- d. The Responsible Entity, Directors and other related parties of the Responsible Entity do not borrow from the Trust.

## 10.18 Consents

The Directors have consented to and authorised the issue of this PDS.

The following parties have given and not withdrawn their consent to be named in this PDS in the form and context in which they are named:

- a. The Trust Company (Australia) Limited ACN 000 000 993; and
- b. BDO Audit Pty Ltd ACN 134 022 870.

None of the above persons take responsibility for, or have caused the issue of, this PDS.

## 10.19 Custodian

We have engaged an independent Custodian to hold the assets of the Trust.

The Trust Company (Australia) Limited was appointed Custodian of the Trust on 8 April 2014. The Custodian is an independent party which holds all assets and securities of the Trust.

The Custodian receives all application monies subscribed and all income and disburses these funds as instructed by us in compliance with the Constitution and custody agreement.

The Custodian acts on our instructions, has no role in the management of the Trust and is subject to performance standards.

Under the custody agreement, the Custodian is entitled to a fee of \$12,377 per annum plus GST payable monthly being the minimum annual fee under the Custodian Agreement.

## 10.20 Updated information

Where there is a change to information which is not material to investors this updated information will be made available on our website at [www.cfmcapital.com.au](http://www.cfmcapital.com.au) (**Updated Information**). If you require a paper copy of any Updated Information please contact us using the details in the Corporate Directory and it will be provided without charge on request.

While this PDS and any Updated Information are up to date at the time of preparation, changes may be made to the Trust from time to time. Investors should ensure that they keep up to date with the latest information on the Trust.

To obtain this information either:

- a. visit our website at [www.cfmcapital.com.au](http://www.cfmcapital.com.au); or
- b. phone us on 1800 155 526 (inside Australia) or +61 7 3613 0001 (from outside Australia).

A paper copy of the most recent information will be sent to you free of charge on request.

## 10.21 Electronic PDS

This PDS is available in electronic form at [www.cfmcapital.com.au](http://www.cfmcapital.com.au). We will send, on request, any person receiving this PDS electronically, a paper copy of the PDS free of charge during the period of the Offer. Applications must be made by completing and submitting the online Application Form.

We will not accept a completed Application Form if we have reason to believe that the applicant has not received a complete electronic copy of the PDS or if we have reason to believe that the Application Form or electronic copy of the PDS has been altered or tampered with in any way.

While we believe that it is extremely unlikely that during the period of the Offer the electronic version of this PDS will be tampered with or altered in any way, we cannot give any absolute assurance that this will not occur. If you are in doubt about the validity or integrity of an electronic copy of the PDS you should immediately request a copy of the PDS directly from us or your adviser.

## 10.22 Directors' authorisation

Each Director has consented to and authorised the issue of this PDS.



# Application form

CFMG Equity and Income Funds Limited ACN 112 753 876, AFSL 291390

CFMG Monthly Income Fund ARSN 602 609 638 – Ordinary Units



## Please see next page for instructions on how to complete this application form

- Read the Product Disclosure Statement before investing – it contains important investment information.
- No units will be issued on receipt of an Application Form which was not attached to or accompanied by the Product Disclosure Statement or generated by software accessible by the same means as the Product Disclosure Statement.
- You agree to us using your personal information in the way the Product Disclosure Statement describes.

### 1. APPLICANT DETAILS

Unitholder 1 - Mr/Mrs/Ms/Miss	Given Names	Surname	Date of Birth
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Unitholder 2 - Mr/Mrs/Ms/Miss	Given Names	Surname	Date of Birth
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Trust/Trust/Superannuation or other incorporated bodies			Trust Details
<input type="text"/>			
Controllers of company Unitholder			
<input type="text"/>			

### 2. APPLICANT CONTACT DETAILS

Residential Address/Registered Office Address

Suburb/City	State	Postcode	Country (for company, insert country of incorporation)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Postal address (if different) – Unit/PO Box/House Number/Street Name

Telephone during business hours	Telephone after business hours	Email address
<input type="text"/>	<input type="text"/>	<input type="text"/>

### 3. TAX FILE/AUSTRALIAN BUSINESS NUMBER(S)

Applicant 1: TFN or ABN or Exemption	Applicant 2: TFN or ABN or Exemption
<input type="text"/>	<input type="text"/>

### 4. BANKING DETAILS

All distributions to be paid to the following account:

Account Name	<input type="text"/>	Account Number	<input type="text"/>
BSB Number	<input type="text"/>	Institution	<input type="text"/>
		Branch	<input type="text"/>

**5. DECLARATION**

I/We agree to be bound by the terms of the Product Disclosure Statement and the Constitution of the Trust as amended from time to time. I/We warrant that I/we have received in Australia and read a copy of the Product Disclosure Statement for the CFMG Monthly Income Fund ARSN 602 609 638 accompanied by or attached to this Application Form.

Until notice is received by any one of the Applicants, the investment can be operated by any one of the signatories below. Delete if not applicable.

**Is the individual a US citizen or resident of the US for tax purposes?**

Yes  If yes, provide the individual's US Taxpayer Identification Number (TIN):

No

**Is the investor a politically exposed person (PEP) or an immediate family member or a close associate of a PEP?**

Yes

No

**6. APPLICANT SIGNATURE(S)**

<input type="text"/>	<input type="text"/>	<input type="text"/>
Director/as trustee for	(If applicable) Please print full name here	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>
Director/as trustee for	(If applicable) Please print full name here	Date

**Units Applied for: \$**

**Price per unit: A\$1.00**

**Application money: \$**

**FOR OFFICE USE:** Applicant's identity verified as per requirements of the *Anti Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act). The Responsible Entity reserves the right to withhold formal acceptance of an Application and to defer processing an Application unless and until sufficient identifying information for an Unitholder has been supplied to establish compliance with the AML/CTF Act and the Rules under the AML/CTF Act.

Amount	Account No	Units Issued
<input type="text"/>	<input type="text"/>	<input type="text"/>

# How to complete the application form

- complete in BLOCK LETTERS
- if you make a mistake, cross it out and initial it - do not use correction fluid
- attach your 'not negotiable' cheque payable to:  
The Trust Company (Australia) Limited ACF CFMG Monthly Income Fund
- send this form to:  
PO Box 663 FORTITUDE VALLEY QLD 4006
- EFT your application monies to:  
Account: The Trust Company (Australia) Limited ACF CFMG Monthly Income Fund  
Bank: ANZ  
BSB: 012-003  
Account No: 838611294

## THESE INSTRUCTIONS ARE CROSS REFERENCED TO EACH SECTION OF THE FORM

### 1. UNITHOLDER NAME

Individuals	Give full name – not initials
Person under the age of 18	Use name(s) of parent(s) or guardian(s) e.g. John Smith <Sam Smith A/C>
Companies	Use company title e.g. John Smith Pty Limited as well as inserting ACN
Trusts	Use the name of the Trustee and name of Trust e.g. John Smith Pty Limited <Smith Family Trust A/C>
Superannuation Trusts	Use the name of the Trustee and name of Trust e.g. John Smith Pty Limited <Smith Super Trust A/C>

If the Unitholder is acting as a trustee, ensure the full name of the trust or fund is included in the Unitholder's description. If the trust or fund is not Australian based, identify the country in which the trust or fund was established in 'Trust Details'.

In 'Trust Details' or in an accompanying page, also insert any ABN allocated to the trust or fund and add identifying wording to identify:

1. the ARSN, if the trust or fund is ASIC registered; or
2. if the trust or fund is an ATO Self Managed Superannuation Trust, and if so, insert 'SMSF'; or
3. if the trust or fund is regulated by APRA, and if so, write 'APRA Regulated' and the APRA registration number; or
4. if none of these categories apply, insert 'Other' and applicable descriptions, such as 'Family Discretionary Trust', 'Unit Trust' or 'Other'.

For the box headed 'Controllers of company Unitholder', please supply full names of shareholders who hold more than 25% of the shares in the Company, together with their percentage holding. **This information is only needed for Australian proprietary limited companies.** Attach a separate page if insufficient space.

If the company Unitholder is a foreign company, but is a majority owned subsidiary of an Australian listed company, insert in the box headed: 'Controllers of company Unitholder' – words of or to the effect of 'Controlled by listed Australian company'.

If a foreign company is the Unitholder, but the company is not registered with ASIC, specify on the form or on an accompanying page if it is a public or private company, its country of origin, any identifying number similar to an ACN or ARBN and its principal business address in its country of origin. If the Applicant is a foreign private company, supply the full name of every director on an accompanying page.

If the Applicant is an association, the full names of members of its board or governing committee need to be included on an accompanying page.

If the Applicant is a registered cooperative, the full names of its chairman, secretary or equivalent officer needs to be supplied on an accompanying page.

If the Applicant is a government body, it needs to supply the name of legislation creating its establishment, identifying whether it is Commonwealth, State or foreign legislation that creates its establishment.

## **2. RESIDENTIAL AND POSTAL ADDRESS AND CONTACT DETAILS**

Enter your residential or registered office address details. Please complete the postal address if your mail is delivered to a different address. If you state your email address, all reports may be sent to you by that means.

## **3. TAX FILE NUMBER (TFN)/AUSTRALIAN BUSINESS NUMBER (ABN)**

You are not required to give us your TFN or ABN. However if you do not quote either, we are required to withhold tax (at the highest marginal rate plus Medicare Levy) from Distributions paid to you. Collection of TFN's is authorised and their use and disclosure are strictly regulated by the tax laws and Privacy Act. By quoting your TFN or ABN you authorise us to apply it to your investment and its disclosure to the Tax Office.

## **4. DECLARATION**

Please read the Declaration, indicate whether you are a citizen of the United States of America and sign at item 6.

## **5. SIGNATURE**

The Application Form should be signed and dated by all Unitholders. Companies would be expected to sign by two directors or by one director and the company secretary. In the case of a sole director company, when signing, add wording: 'Signed as sole director and sole secretary'.

# Glossary

## In This Document:

AML/CTF Act	means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
Application Form	means the Application Form attached to this PDS.
ASIC	means the Australian Securities and Investments Commission.
Board	means the board of directors of the Responsible Entity.
Borrower	means a borrower of the funds advanced by the Trust pursuant to a loan agreement.
Business Day	means a day other than a Saturday, Sunday or public holiday in Brisbane, Queensland.
CFMG Land	means CFMG Land Limited ACN 127 663 414.
Compliance Plan	means the compliance plan of the Trust as amended from time to time.
Conflicts Policy	means the conflicts policy maintained by the Responsible Entity.
Constitution	means the constitution of the Trust as amended from time to time.
Corporations Act	means <i>Corporations Act 2001</i> (Cth) and includes the <i>Corporations Regulations 2001</i> (Cth).
Custodian	means The Trust Company (Australia) Limited ACN 000 000 993, AFSL No. 235145.
Director	means a director of the Responsible Entity.
Distribution	means the income paid to investors from the Trust.
Lending and Internal Controls Policy	means the Trust's lending and internal controls policy as amended from time to time and available upon request.
Liquidity Policy	means the Trust's liquidity policy as amended from time to time and available upon request.
Loan	means a loan facility made available to each Borrower by the Trust.
Offer	means the offer of Units made in this PDS.
PDS or Product Disclosure Statement	means this Product Disclosure Statement.
Property Development	means each development of a residential real property site undertaken by a Borrower.
Responsible Entity, our, we and us	means CFMG Equity and Income Funds Limited ACN 112 753 876.
Trust	means the registered managed investment scheme CFMG Monthly Income Fund ARSN 602 609 638.
Unit	means a unit in the Trust.
Unit Pricing Policy	means the unit pricing policy maintained by the Responsible Entity.
Unitholder	means a holder of a Unit.
Withdrawal Form	means a form that will be made available to an investor on request which must be completed and signed by an investor to make a withdrawal request to the Responsible Entity.



## Corporate directory

### Trust

CFMG Land and Opportunity Fund  
ARSN 602 609 638

### Responsible Entity

CFMG Equity and Income Funds Limited  
ACN 112 753 876, AFSL No. 291390  
Level 2, 117 McLachlan Street  
Fortitude Valley QLD 4006

### Custodian

The Trust Company (Australia) Limited  
ACN 000 000 993, AFSL No. 235145  
Level 18, 123 Pitt Street  
Sydney NSW 2000

### Financial Report and Compliance Plan Auditor

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane QLD 4000





CFMG  
Capital

Real people.

**P** 1800 155 526  
**E** [investorrelations@cfmgcapital.com.au](mailto:investorrelations@cfmgcapital.com.au)  
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