



**LINK**  
CAPITAL

# PRODUCT DISCLOSURE STATEMENT

Link Mortgage Fund ARSN 608 870 462



# IMPORTANT NOTICES

## Description of the Offer

This is an offer (Offer) to acquire Units in a registered managed investment scheme known as the Link Mortgage Fund ARSN 608 870 462.

## Date of PDS

This product disclosure statement is dated 28th March 2025. It has been issued by Akidna Ltd ACN 641 300 656 (Responsible Entity) AFSL No. 523289.

## Responsible Entity and issuer of this financial product

The Responsible Entity is the responsible entity and issuer of this product disclosure statement (PDS). Our contact details are on listed in the corporate directory section of this PDS.

## Investment Manager

Link Capital Holdings Pty Ltd ACN 148 811 456 is the investment manager appointed by the Responsible Entity.

## Disclaimer

The information provided in this PDS is not investment advice and has been prepared without taking into account your investment objectives, financial circumstances and needs. You should read the whole of this PDS and consider all of the risk factors that could affect the performance of the Fund and other information concerning the Units in light of your own particular investment objectives, financial circumstances and particular needs (including financial and taxation issues) before deciding whether to invest in the Fund.

An investment in the Fund is subject to investment risk and other risks, including possible loss of income and principal invested. Neither the Responsible Entity nor any other person gives any guarantee or assurance as to the performance of the Fund or the repayment of capital. Some of the risk factors that should be considered by potential Unit Holders are set out in Section 5. If you have any questions or are uncertain as to whether the Fund is a suitable investment for you, you should seek professional advice from your stockbroker, accountant, financial adviser or other professional adviser before deciding whether to invest in the Fund.

The Responsible Entity or its associates may invest in, lend or provide other services to the Fund and may be paid fees, including expenses in relation to the Offer and fees in relation to the management of the Fund.

## No representations other than this PDS

No person is authorised to give any information or to make any representation in connection with the Offer or the Fund which is not contained in this PDS. Any information or representation that is not in this PDS may not be relied upon as having been authorised by the Responsible Entity or any associate of the Responsible Entity in connection with the Offer.

Except as required by law, and then only to the extent so required, neither the Responsible Entity nor any other person warrants the future performance of the Fund or any return on any investment made pursuant to this PDS.

## Offer requirements

You may only invest in the Fund if you have received this PDS in Australia, or downloaded it from our website [www.linkcap.com.au](http://www.linkcap.com.au). Applications will only be accepted on the basis of the Application Form attached to or accompanying this PDS.

## Electronic information

An electronic copy of this document and updates regarding the Fund can be accessed at [www.linkcap.com.au/invest-with-us/product-disclosure-statement](http://www.linkcap.com.au/invest-with-us/product-disclosure-statement). We will provide you with free paper copies of this document and updates on request.

## Definitions

Words used in this document, which are defined in Section 9 of this PDS have the meanings there set out, unless the context dictates otherwise.

**Offering restrictions apply**

No action has been taken to register or qualify the Units or otherwise to permit a public offering of the Units in any jurisdiction outside of Australia. This PDS does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this PDS who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. In particular, the Units have not been and will not be registered under the US Securities Act of 1933, as amended, (the 'US Securities Act') or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act) except in a transaction exempt from the registration requirements of the US Securities Act or applicable US State securities laws.

**Financial amounts and times**

All financial amounts contained in this PDS are expressed in Australian currency unless otherwise stated. Some amounts in this document have been rounded and as a result some totals may not add up exactly. A reference to time in this PDS is a reference to Sydney, Australia time.

**Updating the PDS**

Information contained in this PDS is subject to change from time to time and may be updated by the Responsible Entity. Any updated information (which is not materially adverse to Unit Holders) will be available from [www.linkcap.com.au/invest-with-us/product-disclosure-statement](http://www.linkcap.com.au/invest-with-us/product-disclosure-statement). Where updated information is materially adverse to Unit Holders, the Responsible Entity will issue a supplementary PDS.

**How to Apply for a Unit in the Fund**

Applications must be a minimum of 50,000 Units of \$1.00 each (\$50,000 in total). Applications for more than 50,000 Units must be in multiples of 1,000 Units.

**Applications can be made in the following manner:**

**By completing and returning a Hard Copy Application Form which is attached to or accompanies this PDS in accordance with the Application Form instructions and on the Application Form itself.**

**If you wish to obtain a free copy of this PDS, please contact the Fund Information line on 08 8312 5960, or email [info@akidna.com.au](mailto:info@akidna.com.au). The PDS is also available in electronic form, for information purposes only, at [www.linkcap.com.au](http://www.linkcap.com.au).**

**Privacy and Personal Information**

The completed Application Form provides personal information about you to the Responsible Entity. The Responsible Entity collects your personal information to process and administer your investment in the Fund and to provide related services to you. If you do not complete the Application Form in full, the Responsible Entity may not accept your Application Form. The Responsible Entity may disclose your personal information, for purposes related to your investment, to its agents or service providers, including the registry. You can obtain access to personal information that the Responsible Entity holds about you. To make a request for access, please contact the Responsible Entity on **08 8312 5960**.

**Please read this document carefully before you make a decision to invest. An investment in Fund has specific risks which you should consider before making a decision to invest.**



# CORPORATE DIRECTORY

## Investment Manager

### Link Capital Holdings Pty Ltd

47 Fullarton Road  
Kent Town SA 5067

## Fund Auditor

### William Buck (NSW)

Level 29, 66 Goulburn Street  
Sydney NSW 2000

## Responsible Entity & Issuer of PDS

### Akidna Ltd AFSL 523289

47 Fullarton Road  
Kent Town SA 5067  
t: 61 8 8312 5960  
e: info@akidna.com.au

## Compliance Plan Auditor

### Geoffrey Finall & Co

7 Jarrah Court  
BATHURST NSW 2795

## Custodian

### Akidna Custodians Pty Ltd

47 Fullarton Road  
Kent Town SA 5067

## Lawyers & Taxation Advisors

### Piper Alderman

Level 23, Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

# CONTENTS

	<b>Page</b>
<b>1</b> Summary of this offer	<b>6</b>
<b>2</b> ASIC Benchmarks and Disclosures Principles	<b>9</b>
<b>3</b> Investment Objectives and Investment Strategy of the Fund	<b>15</b>
<b>4</b> Fees	<b>17</b>
<b>5</b> Risks	<b>22</b>
<b>6</b> Taxation Information	<b>24</b>
<b>7</b> Responsible Entity's Profile	<b>27</b>
<b>7.1</b> Background	<b>27</b>
<b>7.2</b> Board of Directors	<b>27</b>
<b>7.3</b> Compliance Committee	<b>28</b>
<b>7.4</b> Investment Manager's Profile	<b>28</b>
<b>8</b> Additional Information	<b>29</b>
<b>9</b> Definitions and Glossary	<b>32</b>
<b>10</b> Instructions for Completing Application Form	<b>33</b>
<b>11</b> Application Form	<b>34</b>

# OFFER AT A GLANCE

## 1 – Summary of this offer

TOPIC	SUMMARY	Where to find more information
<b>What is the investment objective?</b>	To provide Unit Holders with consistent and regular income returns as well as capital stability, by investing in a portfolio of first mortgages over real property, where the total amount of interest payable over the duration of the first mortgage is collected upfront, for the majority of loans.	3.1
<b>What is the investment strategy?</b>	The Fund will invest in a portfolio of first mortgages over real property comprising a mix of office, retail, residential (where the borrower is a company), hotels/pubs, specialist property such as child care, aged care, construction/development, rural and vacant land.	3
<b>Who is the Responsible Entity?</b>	Akidna Ltd (AFSL 523289).	7
<b>Who is the Custodian?</b>	Akidna Custodians Pty Ltd.	7
<b>What is being offered?</b>	Units in the Fund.	
<b>How much do Units Cost?</b>	The issue price is \$1.00 per Unit.	
<b>How much can you invest?</b>	Minimum \$50,000 with additional increments of \$1,000.	
<b>Is there a cooling off period?</b>	There is no cooling-off period.	
<b>What happens to your money?</b>	Once Akidna Custodians Pty Ltd receives your investment, your money is combined with the money of other Unit Holders and used to provide loans to borrowers, secured by first mortgages over real property.	
<b>What is a pooled mortgage investment?</b>	Your money is "pooled" with the money of other Unit Holders, which is used to provide loans to borrowers, secured by first mortgages over real property.	
<b>What are the benefits of the offer?</b>	Disciplined investment process, experienced investment managers and diversification of risk across a pool of first mortgages over real property, where the total amount of interest payable over the duration of the first mortgage is collected up front for construction loans, however in non construction loans the Responsible Entity may allow the borrower to pay the interest monthly in advance by direct debit from the borrower's nominated bank account.	3

# OFFER AT A GLANCE

## 1 – Summary of this offer

TOPIC	SUMMARY	Where to find more information sections(s)
<b>What will you receive in return for your investment?</b>	It is intended that you will receive consistent and regular income and capital stability from a diversified range of first mortgage investments. Distribution amounts depend on the income generated from the loans and other investments less fees and expenses. Distribution amounts will change from time to time, depending on loan to cash on hand ratio.	
<b>When are distributions made?</b>	Distribution is made monthly. It can be reinvested, or paid to the Unit Holder's nominated bank account.	3
<b>Can distribution be reinvested?</b>	Yes, subject to our consent.	
<b>What fees are paid?</b>	There are no entry fees. Distributions paid to Unit Holders are net of all fees and expenses which are in section 4.	4
<b>Can you withdraw? How?</b>	A Unit Holder has no right of withdrawal unless there is a withdrawal offer open. The Responsible Entity intends to make withdrawal offers to Unit Holders at least quarterly. (This Fund is expected to be a non-liquid Fund).	2.8
<b>Why is the Fund illiquid?</b>	<p>The Fund invests in first mortgages for a maximum term of 24 months, however the 24 month term may be exceeded in certain circumstances. The fund is considered an illiquid investment within the meaning of the Corporations Act 2001.</p> <p>However the Responsible Entity will maintain cash flow estimates for the Fund that:</p> <ul style="list-style-type: none"> <li>demonstrate the Fund's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>are updated every 3 months and reflect any material changes; and</li> <li>are approved by the directors of the Responsible Entity at least every three months.</li> </ul>	2.1
<b>What are some of the risk?</b>	We adopt what would be seen in the industry as a low risk profile, because we only invest in registered first mortgages over real estate with a maximum loan-to value ratio of 70%, based on independent valuations.	5

# OFFER AT A GLANCE

## 1 – Summary of this offer

TOPIC	SUMMARY	Where to find more information sections(s)
<b>What is the valuation policy?</b>	<p>The Investment Manager will establish an Independent panel of qualified registered valuers approved by the board of the Responsible Entity in those States and Territories where the properties the subject of a first mortgage investment are located.</p> <p>Valuations will only be used where they are carried out by a valuer who is on the valuation panel and the valuation must be no older than 3 months old before the proposed advance by the Fund. Valuers will be selected from the valuation panel on a rotation basis and may only undertake up to two consecutive valuations in respect of the same property.</p> <p>The properties (i.e. real estate) over which the first mortgages will be taken will be valued on an 'as is' valuation basis. Development properties will be valued on an 'as if completed' basis.</p> <p>The valuer must have professional indemnity insurance.</p>	2.5
<b>Fund Borrowing?</b>	Based on the quarterly cash forecast, the Fund may need to borrow from time to time.	2.2
<b>Related party transactions</b>	Related party lending will be carried out with the same independence and terms as a non related party lending.	2.4
<b>Fund communications</b>	<p>The Responsible Entity will endeavour to keep Unit Holders informed about the performance of the Fund.</p> <p>The Responsible Entity will communicate with Unit Holders through regular reports by letter/email or via the website.</p>	
<b>How can further information be obtained?</b>	<p>Contact Akidna Ltd (AFSL 523289)</p> <p>Tel: (08) 8312 5960</p>	
<b>Contact Details</b>	For further details please see Corporate Directory at the front of this PDS.	
<b>Where do I get an application form?</b>	An application form accompanies this PDS.	
<b>Where do I return this application form?</b>	<p>Akidna Ltd (AFSL 523289)</p> <p>47 Fullarton Road Kent Town SA 5067</p>	



# OFFER AT A GLANCE

## 2 – ASIC Benchmarks and Disclosures Principles

ASIC Regulatory Guide RG 45 requires us to disclose against 8 benchmarks on an “if not – why not” basis and address 8 disclosure principles. In accordance with that requirement we make the following disclosures:

BENCHMARK NO.	COMPLIANCE	IF NOT, WHY NOT
<p><b>Benchmark 1</b> <b>Liquidity (only applicable to pooled mortgage Funds)</b></p> <p>Liquidity is the proportion of cash or cash equivalents in the Fund’s assets.</p> <p>The benchmark for liquidity is that the Responsible Entity has cash flow estimates for the Fund that:</p> <ul style="list-style-type: none"> <li>demonstrate the Fund’s capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>are updated every 3 months and reflect any material changes; and</li> <li>are approved by the directors of the Responsible Entity at least every three months.</li> </ul>	YES	N/A
<p><b>Benchmark 2 Fund borrowing</b></p> <p>The benchmark is that the Responsible Entity does not have current borrowings and does not intend to borrow on behalf of the Fund.</p>	NO	The Responsible Entity does not comply with this benchmark because it intends to borrow. For details of the borrowing arrangements see explanation under Disclosure Principle 2 at paragraph 2.2
<p><b>Benchmark 3</b> <b>Loan Portfolio diversification</b></p> <p>The benchmark is:</p> <ul style="list-style-type: none"> <li>The Fund holds a portfolio of assets diversified by size, borrower, class of borrower, borrower activity and geographic region;</li> <li>The Fund has no single asset in the Fund portfolio that exceeds 5% of the total Fund assets;</li> <li>The Fund has no single borrower who exceeds 5% of the Fund assets; and</li> <li>All loans made by the Fund are secured by first mortgages over real property (including leasehold title).</li> </ul>	NO	<p>Subject to the exceptions set out in paragraph 2.3, the investment policy for the Fund is to hold a portfolio of assets diversified by size, borrower, class of borrower, activity and geographic region.</p> <p>Additionally, the investment policy for the Fund is to hold no single asset in the Fund portfolio that exceeds 5% of the total Fund assets. However, the Fund is not expected to comply with this benchmark in the early stages of the Fund due to the size of the Fund. Although over time the intention is to hold no single asset in the Fund portfolio that exceeds 5% of the total Fund assets.</p>

# OFFER AT A GLANCE

## 2 – ASIC Benchmarks and Disclosures Principles

BENCHMARK NO.	COMPLIANCE	IF NOT, WHY NOT
<p><b>Benchmark 3 Continued.</b></p>		<p>In addition, over time although the intention is to not to have a single borrower who exceeds 5% of the Fund assets, due to the small size of the Fund, the Fund might not meet this aspect of the benchmark in the early stages of the Fund.</p> <p>Otherwise the Fund will meet the other aspects of the benchmark.</p>
<p><b>Benchmark 4 Related Party Transactions</b></p> <p>The benchmark is that the Responsible Entity does not lend to related parties of the Responsible Entity.</p>	NO	<p>The Responsible Entity does not comply with this benchmark. It may lend to related parties where the loan is made in accordance with the provisions in Chapter 5C.7 of the Corporations Act 2001 in relation to related party transactions. For full details of the principles applied by the Responsible Entity in relation to related party loans see Disclosure Principle 4.</p>
<p><b>Benchmark 5 Valuation Policy</b></p> <p>The benchmark is that the Board of the Responsible Entity must in relation to valuations for the Fund's mortgage assets and their security property require:</p> <ul style="list-style-type: none"> <li>• a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</li> <li>• a valuer to be independent;</li> <li>• procedures to be followed for dealing with any conflict of interest;</li> <li>• the rotation and diversity of valuers;</li> <li>• in relation to security property for a loan, an independent valuation to be obtained: <ul style="list-style-type: none"> <li>• before the issue of a loan and on renewal;</li> <li>• for development property, on both an 'as is' and 'as if complete' basis; and</li> <li>• for all other property, on an 'as is' basis; and 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>	NO	<p>A valuation by an independent valuer is required in relation to any property the subject of a proposed first mortgage on an 'as is' and if the loan is for a development property on an 'as if complete' basis. There is no requirement under the valuation policy that the Responsible Entity receive a valuation on both an 'as if complete' and 'as is' prior to the issue of a development loan. Development loans are determined solely on based on 'as if complete' valuations.</p> <p>Otherwise the Fund will meet the other aspects of the benchmark.</p>

# OFFER AT A GLANCE

## 2 – ASIC Benchmarks and Disclosures Principles

BENCHMARK NO.	COMPLIANCE	IF NOT, WHY NOT
<b>Benchmark 6</b> <b>Lending principles - loan-to-valuation (LVR) ratios</b>	YES	N/A
<p>The benchmark is that if the Fund directly holds mortgage assets:</p> <ul style="list-style-type: none"> <li>where the loan relates to property development— funds are provided to the borrower in stages based on independent evidence of the progress of the development;</li> <li>where the loan relates to property development— the Fund does 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>in all other cases - the Fund does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</li> </ul>		
<b>Benchmark 7</b> <b>Distribution policy</b>	YES	N/A
<p>The benchmark is that the Responsible Entity will not pay current distributions from Fund borrowings.</p>		
<b>Benchmark 8</b> <b>Withdrawal arrangements – Liquid Funds</b>	N/A	N/A
<p>For a liquid Fund the benchmark is:</p> <ul style="list-style-type: none"> <li>the maximum period allowed for in the Constitution for the payment of withdrawal requests is 90 days or less;</li> <li>the Responsible Entity will pay withdrawal requests within the period allowed for in the Constitution; and</li> <li>the Responsible Entity only permits members to withdraw at any time on request if at least 80% (by value) of the Fund property is: <ul style="list-style-type: none"> <li>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</li> <li>assets that the Responsible Entity can reasonably expect to realise for market value within 10 business days.</li> </ul> </li> </ul>		
<b>Benchmark 8</b> <b>Withdrawal arrangements – Non-Liquid Funds</b>	YES	N/A
<p>For a non-liquid Fund the benchmark is that the Responsible Entity intends to make withdrawal offers to Unit Holders at least quarterly. (This Fund will be a non-liquid Fund).</p>		

## 2.1 – Disclosure Principle 1

### Liquidity

#### A. General

The Responsible Entity will maintain cash flow estimates for the Fund that:

1. clearly demonstrate the Fund's capacity to meet its expenses, liabilities, distributions, withdrawals, investments and other cash flow needs for all known transactions for the next 12 months;
2. are updated every 3 months and reflect any material changes; and
3. are approved by the directors of the Responsible Entity at least every three months.

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

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

- an increase in defaults within the loan portfolio;
- an increase in withdrawal requests;
- if the Australian property market has a downturn, making it more difficult to swiftly sell the mortgage assets.

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

During the quarterly review of the cash flow position of the Fund, such loan facilities can be extended by mutual agreement.

## 2.2 – Disclosure Principle 2

### Fund Borrowings

For short term cash flow requirements, the Fund has an "at call" ongoing loan facilities with a total limit of currently \$9,850,000. The Responsible Entity intends to draw the facility to approximately \$4,000,000 at any one time. The annual percentage interest rate paid on these loan facilities are 9.5%. These loan facilities will rank ahead of Unit Holders interests in the Fund. The interest on these loans will be payable monthly.

Akidna Ltd (AFSL 523289) will review the quarterly cash flow and make an assessment on cash flow requirements for the next 3 months. If Akidna Ltd (AFSL 523289) identifies a short fall in cash flow required, it will initiate this request with the Lender.

## 2.3 – Disclosure Principle 3

### Loan portfolio and diversification

Subject to the exceptions set out below, the investment policy for the Fund is;

- to hold a portfolio of assets diversified by size, borrower, class of borrower, activity and geographic region;
- to hold no single asset in the Fund portfolio that exceeds 5% of the total Fund assets but Unit Holders should be aware that notwithstanding that this is the investment policy due to the small size of the Fund, the Fund might not comply with this aspect of the investment policy in the early stages of the Fund;
- not to have a single borrower who exceeds 5% of the Fund assets but Unit Holders should be aware that notwithstanding that this is the investment policy due to the small size of the Fund, the Fund might not comply with this aspect of the investment policy in the early stages of the Fund but it is expected that as the funds under management grows larger, it is expected that there will be compliance with this policy; and;
- all loans made by the Fund must be secured by first mortgages over real property (including registered leasehold title).

In addition, the Responsible Entity's policy in relation to portfolio diversification is that:

- when a loan is rolled over, a further updated valuation will be obtained as well as an updated credit assessment of the borrower to ensure that the first mortgage continues to meet the loan to valuation and interest service requirements;
- the security must be a first mortgage over real property and the real property must be office, retail, industrial, residential (where the borrower is a company), tourism, hotels/pubs and specialist property such as child care and aged care, construction, development, rural or vacant land; and
- the LVR for the first mortgage must comply with Benchmark 6 referred to above.

For construction loans made by the Fund, the Custodian will hold the full amount of interest that is payable for the duration of the loan. Interest payments are then deducted from this amount every month. However in non construction loans, the Responsible Entity may allow the borrower to pay the interest monthly in advance by direct debit from the borrower's nominated bank account. The borrowers will be assessed for serviceability by providing an assets and liabilities declaration and the most recent financial statements. A search is conducted to verify all real estate assets declared, and loan statements provided for all liabilities.

The interest rates charged to borrowers vary, starting from approximately 9.50 percent per annum, with the interest rate depending on the cash rate set by the RBA, the borrowers credit rating and risk profile, with each loan assessed on a case-by-case basis. The borrower is required to cover all legal, valuation and registration fees associated with the preparation and registration of the Mortgage.

## 2.4 – Disclosure Principle 4

### Related Party Transactions

The Responsible Entity might enter into loans with related parties on behalf of the Fund.

However, the Responsible Entity will not enter into related party transactions unless it complies with Chapter 5C.7 of the Corporations Act 2001.

Any related party loan will be:

- on arm's length terms;
- assessed with the same independence and under the same criteria as a non related party loans; and
- assessed and approved under the same lending guidelines as a non related party loan.

In addition:

- the terms of the loans to related parties will have the same conditions as if the loan was to be made to a non-related party;
- an independent valuation will be obtained;
- the maximum LVR ratio will be the same as if the loan was to be made to a non-related party;
- the interest rates charged will be the same as if the loan was to be made to a non-related party;
- the application fee will be the same as if the loan was to be made to a non-related party;
- the term of the loan will be the same as if the loan was to be made to a non-related party; and
- interest will be capitalised, as if the loan was to be made to a non-related party.

## 2.5 – Disclosure Principle 5

### Valuation Policy

The Fund's valuation policy requires that valuations obtained for the property the subject of a mortgage investment be obtained from:

- a valuer who is on the valuation panel; and
- a valuer who is independent.

The valuations must be obtained:

- before the issue of a loan;
- on renewal of a loan; and
- 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.

The Investment Manager will have a panel of independent qualified registered valuers approved by the board of the Responsible Entity, whose valuations will be the only valuations accepted by the Responsible Entity. There will be a panel in those States and Territories where any first mortgage property is located. Valuers will be selected from the valuation panel on a rotation basis and may only undertake up to two consecutive valuations in respect of the same property.

A valuation in relation to any property the subject of a proposed first mortgage will be obtained from an independent qualified valuer who is registered in the State or Territory where the relevant property is located and who is listed on its panel and who meets the above criteria.

Any valuation against which any funds are advanced must be no older than 3 months old before advancing any funds.

Properties will be valued on an 'as is' valuation basis (see section 9 for definition). For construction development, the property will be valued on an "as if completed" basis and in accordance with a contract from a registered builder.

Any conflicts of interest will be resolved in the best interests of Unit Holders by the Board after consultation with the responsible manager responsible to the Responsible Entity in relation to mortgage funds.

## 2.6 – Disclosure Principle 6

### Lending principles and Loan-to-valuation ratios (LVR)

The LVR that is accepted for lending by the Fund affects the risk factor for members investing in the Fund. Generally the lower the LVR the lower the risk. For example a 70% LVR is less risky than a 95% LVR.

The Fund will not lend monies in excess of an 70% LVR.

From time to time, as determined by the directors of the Responsible Entity, revaluation may be ordered. If revaluation resulted in any loans with a LVR greater than 70%, the Responsible Entity may take the following actions:

- require the borrower to contribute the difference to cover any shortfall; or
- require the borrower to provide additional securities; or
- if neither options can be achieved, the Responsible Entity may place the loan in default.

In the case of a development/construction loan, the funds will be drawn down:

- as per the building contract's progress claim schedule; and
- following a satisfactory site inspection by a representative of the Investment Manager.

## 2.7— Disclosure Principle 7

### Distribution Practices

To ensure Unit Holders are provided with consistent and regular income returns, it is a requirement that the total amount of interest payable over the duration of the first mortgages in which the Fund will be collected upfront, however in non construction loans, the Responsible Entity may allow the borrower to pay the interest monthly in advance by direct debit from the borrower's nominated bank account. Interest payments payable to the Fund will be paid monthly in advance.

Distributions of income will be sourced from receipts of interest, and interest earned on any cash on hand.

It is therefore anticipated that based on this interest payment requirement contained in the first mortgages, there will be sufficient funds available to fund monthly distributions of income within 28 days of the last day of each month after payment of the fees referred to in section 4. However Unit Holders should have regard to the risks in section 5.

The amount of your distribution depends on the amount of income available for distribution, the number of units you hold at the end of the month, and the number of days during the month that you held those units.

The Responsible Entity does not promote or express any form of guarantee as to any particular return on investment.

## 2.8 — Disclosure Principle 8

### Withdrawal Rights

Unit Holders cannot withdraw from the Fund.

The investment in the Fund is illiquid as there is no secondary market or redemption facility for the Units.

The Responsible Entity intends to make withdrawal offers to Unit Holders at least quarterly pursuant to section 601KB of the Corporations Act 2001 if there are surplus funds available. However Unit Holders should bear in mind the nature of the underlying investments, which generally have a maximum term of 24 months. Therefore maturing investments will only occur periodically during the term of the Fund as there is only likely to be surplus funds available at the end of the term of each mortgage investment.

## 3 — Investment Objectives and Investment Strategy of the Fund

### 3.1 — Investment objective

The Fund aims to provide consistent and regular income and capital stability from a diversified range of first mortgage investments.

The Fund is suitable for low risk Unit Holders seeking a monthly income with an investment horizon in excess of one year, due to the fact that we only lend on registered first mortgage security over real estate with a maximum loan to valuation ratio of 70%.

The amount of each distribution may vary due to the ratio of loans and cash on hand.

### 3.2 — Loan Process

The Responsible Entity has a proven robust risk management policy as well as a detailed staged process for acceptance of new loans. Key parameters and due diligence factors include:

- A. the Fund will only make loans that are secured by registered first security over the borrower's and/or director's/guarantor's relevant assets. Additional security may be obtained by way of a general security agreement over the assets and undertakings of the borrower or some third party. Personal guarantees, such as from the directors of a borrowing company, may also be taken;
- B. before any advance is made to the proposed borrower, the Responsible Entity will undertake credit assessment in support of the borrower's application. At a minimum, the Responsible Entity will undertake bankruptcy and credit agency enquiries, obtain a statement of assets and liabilities of the borrower and assess the borrower's capacity to service the loan;
- C. a qualified licensed valuer who is on our panel who is independent of both the Responsible Entity and the borrower must value the property being used as security for the loan. The valuation must not be more than 3 months old when a loan is advanced. The valuer must provide details of his professional indemnity insurance. For more detail see our valuation policy at section 2.5;
- D. for all loans and property types, our maximum loan-to-value ratio will not exceed 70% as at the date of the loan;
- E. the borrower's and/or director's/guarantor's obligations to repay the loan and pay interest will be secured by first registered mortgage over the real property. The property may be situated in any part of Australia. Types of properties may include office, retail, industrial, residential (where the borrower is a company), tourism, hotels/pubs and specialist property such as child care and aged care, construction/development, rural and or vacant land;
- F. insurance must be effected by borrowers over the security property. If appropriate this will be the value determined by the valuer in the valuation report. The interest of the Custodian (or the Responsible Entity) must be noted on the policy. No insurance will be required in respect of strata title, where insurance is effected in the name of the owner's corporation;
- G. the maximum term of any loan is generally 24 months, however the 24 month term may be exceeded in certain circumstances;
- H. at the start of a loan, the interest for the duration of the loan may be capitalised as part of the loan;
- I. interest will be payable by the borrower monthly in advance at a fixed interest rate. Default interest may be payable if a borrower has not paid the interest on or before the due date;
- J. the security documents are drafted and reviewed annually by an independent lawyer engaged by the Responsible Entity; and
- K. before the funds are advanced a certificate as to title from an independent lawyer or licensed conveyancer will be obtained.

### 3.3 — Arrears management

Occasionally, borrowers may be late in paying interest or in meeting their repayment obligations, or may be unable to do so. The Responsible Entity has a well developed system of pursuing defaults and arrears and for instituting appropriate recovery action. These include:

- monitoring all due dates for payments and billing any overdue payments;
- following up overdue interest payments (usually within 2 business days after the due date for payment);
- issuing notices if payments remain in arrears for 30 days and rectification arrangements, satisfactory to the Responsible Entity, have not been made;
- where the borrower fails to meet interest payments (in addition to any recovery steps we may take as outlined below), we may charge the borrower a higher interest rate. In those circumstances all interest owed under the loan that is recovered is divided between:
  1. the Unit Holders up to the borrower's contracted interest rate,
  2. the Responsible Entity or our associates, the balance of the interest collected.
- instituting legal proceedings for possession of the security asset if the borrower fails to comply with the issued notices; and
- selling the security asset once possession has been obtained.

### 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 fund 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 fees and management costs where applicable. Ask the fund 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 investment fee calculator to help you check out different fee options.

**The above warning is required to be included by law and no warranty is given as to the accuracy of any statement included therein. Unit Holders should read the whole of this PDS in order to understand the effect of the fees and costs on any investment in this Fund.**



## 4 — Fees

### Explanation and Fees and Costs Template

This section shows the 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 Fund assets as a whole.

The fees set out in the table below are inclusive of GST and less any reduced input tax credits expected to be available.

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	HOW AND WHEN PAID
<b>ONGOING ANNUAL FEES AND COSTS</b>		
<p><b>Management fees and costs</b></p> <p>The fees and costs of managing your investment</p>	<p>A management fee of 2.75% of the net asset value of the Fund.</p> <p>In addition under the Constitution, the Responsible Entity is entitled to recover reimbursable expenses incurred in the performance of its duties.</p>	<p>The management fee is payable out of the assets of the Fund, paid monthly in arrears.</p> <p>Reimbursable expenses are payable out of the assets of the Fund as incurred</p>
<p><b>Performance fees</b></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	<p>NIL</p>	<p>See “Additional Explanation of Fees and Costs” for more details.</p>
<p><b>Transaction Costs</b></p> <p>The costs incurred by the Fund when buying or selling assets</p>	<p>Actual amount incurred</p>	<p>Payable out of the assets of the Fund</p>
<p><b>Defaulting Mortgagor Management Fees</b></p> <p>The costs incurred by the Fund when a loan is in default.</p>	<p>The additional default interest and fees that is collected from the borrower in default.</p>	<p>The Default Management Fee is payable out of the assets of the Fund if and when a borrower is in default and once additional interest charges and default fees have been collected. This additional interest and default charges are payable to the Responsible Entity.</p>

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>MEMBER ACTIVITY RELATED FEES AND COSTS (FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE PRODUCT)</b>		
<b>Establishment fee</b> The fee to open your investment (1)	NIL	N/A
<b>Contribution fee</b> The fee on each amount contributed to your investment	NIL	N/A
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the Fund	NIL	N/A
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	NIL	N/A
<b>Exit fee</b> The fee to close your investment	NIL	N/A
<b>Investment switching fee</b> The fee for changing investment options	NIL	N/A

## Additional Explanation of Fees and Costs

### A. Management costs

Management costs are the total fees and costs incurred in managing the Fund, including the management fee paid to the Responsible Entity and other expense recoveries in relation to the Fund (described below). These amounts do not form part of the Transactional and Operational Costs of the Fund. Management costs may increase or decrease from one financial year to the next.

### B. Management Fees

The Management Costs include the Management Fee which is a fee paid to the Responsible Entity for managing the investments of the Fund and overseeing the Fund's operations. The Management Fee is 2.75% of the net asset value of the Fund.

### C. Expense recoveries

The Responsible Entity is entitled to recover certain expenses and costs relating to the operation of the Fund. Recoverable Expenses under the Constitution include the following:

1. all costs, charges and expenses incurred in connection with the acquisition, custody, management, transfer, financing or disposal of Fund property (for example commissions, brokerage, legal fees, travel costs, accounting fees, bank charges and stamp duty);
2. fees and expenses of any agent or delegate appointed by the Responsible Entity, including the Custodian and any operational manager;
3. fees and expenses of the auditors retained in respect of the Fund.
4. bank charges on the operation of bank accounts;
5. costs, charges and expenses incurred in connection with borrowing money on behalf of the Unit Holders under this Constitution;
6. tax payable by the Unit Holders in respect of Fund property, but not Tax of the Responsible Entity which is payable by the Responsible Entity on its own account;
7. fees and charges of any regulatory or statutory authority;
8. fees and expenses of advisers or any other consultants employed by the Responsible Entity when those persons or firms are appointed to perform specific duties under this Constitution, but no reimbursement will be made for fees and expenses of these consultants if the consultant is appointed to perform functions of the Responsible Entity which would ordinarily be part of the business of the Responsible Entity;
9. costs of convening and holding meetings of Unit Holders;
10. costs of printing and postage of cheques, making electronic payments, accounts, distribution statements, notices and other documents posted to some or all Unit Holders in accordance with the provisions of this Constitution, including all stationery related to these matters;
11. all costs, charges and expenses incurred in relation to preparation and distribution of any report or document required by law to be prepared in respect of the Fund, or prepared by the Responsible Entity in good faith in respect of the Fund;
12. expenses incurred in connection with the keeping and maintaining of the accounting records and registers;
13. costs and disbursements incurred by or on behalf of the Responsible Entity in connection with its retirement and the appointment of a substitute;
14. costs and disbursements incurred by the Responsible Entity in the initiation, conduct and settlement of any court proceedings:
  - A. to enforce any provisions of this Constitution, or
  - B. in relation to Fund property;
15. insurance premiums in respect of the Responsible Entity's professional indemnity insurance policy;
16. costs and disbursements incurred in the preparation and lodgement of returns under the Corporations Act 2001, Tax Act or any other laws for the Fund;
17. costs of acquiring, establishing and developing computer software systems required for the administration of the Fund;
18. costs, charges and expenses of and incidental to the preparation, execution and stamping of this Constitution, any related compliance plan or any supplemental deeds or plans;
19. management fees, construction management and development management fees;
20. costs and expenses incurred in conversions, rearrangements or reorganisations which are associated with complying with any new law or ASIC policy;

21. all costs and disbursements in connection with the establishment, management and maintenance of any listing on any exchange or secondary market of the Fund and the performance of the functions and duties of the Responsible Entity under the Constitution;
22. costs, charges and expenses related to any compliance committee to the extent it reasonably relates to the Fund, Constitution or the Compliance Plan for the Fund relating to or including the appropriate portion of compliance committee's remuneration and independent legal, accounting or other professional advice required by that committee;
23. all costs, charges and expenses (including legal, accounting, tax, financial and other services) of establishing the Fund and including the preparation, due diligence, registration, promotion and distribution of a PDS and the preparation, registration, distribution, due diligence and promotion of the Fund or any Fund property;
24. fees payable to any operational manager; and,
25. all other costs in connection with the administration and management of the Fund.

In the first year of the Fund's operation we estimate that these Recoverable Expenses will be approximately \$3,000 per annum.

Recoverable expenses are paid from or reimbursed out of the income of the Fund.

#### **D. Indirect costs**

Indirect costs are any amounts paid from the Fund's assets that are known or where required, reasonably estimate will reduce the Fund's return, other than the management fee and expense recoveries. The indirect cost include a reasonable estimate of those indirect costs based on the information available to the Responsible Entity as at the date of this PDS. As such, the actual indirect costs may differ from year to year.

#### **E. Transactional and Operating Costs**

Certain expenses may be incurred in managing the Fund's investments, such as brokerage, bank charges and government duties (transaction costs). Any transaction costs incurred are not included in the Management Costs but are an additional cost and paid directly out of the Fund's assets as and when incurred.

#### **F. Service Fees**

There are no additional service fees to the fees disclosed in the above table.

#### **G. Performance Fees**

There are no performance fees as disclosed in the above table.

#### **H. Tax and Insurance Costs**

You may incur income tax with respect to your investment in the Fund. You are referred to section 6 in relation to the taxation effects on your investment. However you should obtain your own independent legal and taxation advice in relation to those taxation effects as the situation may vary according to your own personal circumstances.

Therefore there is no benefit of any tax deduction to be passed on to the Unit Holders in the form of a reduced fee or cost. Any tax deduction merely reduces the net income of the Fund a proportion of which a Unit Holder is presently entitled.

The fees disclosed in the above table cover all insurance costs which we incur out of those fees payable to us.

#### **I. Adviser Remuneration**

If there is any remuneration payable to an adviser it will be paid by the Investment Manager out of its own funds. The actual remuneration will be disclosed to you by the adviser in the Statement of Advice provided by that adviser to you.

#### **J. Defaulting Mortgagor Management Fee**

In the event that a borrower defaults on its loan, the Responsible Entity will be entitled to a defaulting mortgagor management fee equal to all the additional interest and fees received as a consequence of a borrower being in default.

#### **K. Fee Changes**

The Fees may not be changed unless the Constitution is amended. This would require a special resolution of Unit Holders of the Fund.

#### **L. Flexible Charging Structure**

There is no flexible charging structure for this Fund.

**Worked Example:**

EXAMPLE	AMOUNT	Balance of \$50,000 with total Contributions of \$50,000 during year
Contribution fees	Nil	For every \$50,000 you put in you will be charged \$nil
Plus Management Cost	2.75% of the net asset value of the Fund.	And for every \$50,000 you have in the Fund you will be charged \$1,375.
Default Management Fees	The additional default interest and fees relating to default that is collected from the borrower.	When a borrower is in default, the borrower is liable to pay an additional default interest charges. This additional interest and default charges are payable to the Responsible Entity.
Equals Cost of Fund Investment		If you had an investment of \$50,000 at the beginning of the year and you put in additional \$50,000 during that year, you will be charged \$2,750 assuming that no borrower was in default during the year.

## 5 — Risks

All investments involve varying degrees of risk. While there are many factors that may impact on the performance of any investment, the summary below details some of the major risks that you should be aware of when investing in the Fund.

Before deciding to invest in the Fund you should read the entire PDS, consider these risk factors, review how these risk factors may impact on your personal circumstances, note that we do not guarantee the repayment of capital or the target return or any particular rate of return.

### 5.1 — Liquidity Risk

Liquidity is the extent to which an asset is easily bought or sold. The Fund operates as an illiquid Fund, there is a risk that at the time of the withdrawal request, due to the amount of monies committed to existing loans, the Fund is unable to promptly fulfil the request.

### 5.2 — Related party transactions risk

There is an increased risk that these transactions are less likely to be made on arm's length commercial terms and that the Responsible Entity will not monitor them as robustly as those involving unrelated parties.

However to minimise the risks the Responsible Entity will not enter into related party transactions unless it complies with Chapter 5C.7 of the Corporations Act 2001.

Any related party loan will be:

- on arm's length terms.
- assessed with the same independence and under the same criteria as a non related party loans; and,
- assessed and approved under the same lending guidelines as a non related party loan:

In addition:

- the terms of the loans to related parties will have the same conditions as the loans made to non-related parties;
- an independent valuation will be obtained;
- the maximum LVR ratio will be the same as a non related party loan;
- the interest rates charged will be the same as a non related party loan;
- the application fee will be the same as a non related party loan;
- the term of the loan will be the same as a non related party loan; and
- interest will be capitalised, as if the loan was to be made to a non-related party.

### 5.3 — Valuation Risk

If valuations are not prepared properly or by appropriately qualified and experienced valuers, it is difficult to assess the risk exposure associated with a loan. It is also difficult to monitor loan-to-valuation ratios on a continuing basis.

### 5.4 — Security Risk

This is the risk that the security asset is damaged or destroyed and the insurance cover proves to be insufficient to cover the full amount invested in the loan investment.

### 5.5 — Default Risk

Default risk is where the borrower fails to pay the interest or principal as it falls due.

For most loans, the interest is capitalised for the term of the initial loan. Whilst this mitigates default risk for the initial loan, if a loan exceeds the initial loan period, there is a risk of the borrower defaulting on interest payments for the extended term. This may affect the overall return of the Fund, and/or reduce the value of your investment.

## 5.6 – Deal Flow Risk

The investment objectives of the Fund are best served by a steady stream of loan applications. There can be a mismatch between the timing of the inflow of Unit Holders' funds and the out flow of money invested in mortgages which meet the Fund's investment criteria.

## 5.7 – Interest rate risk

Your investment may be affected by the changes in interest rates.

## 5.8 – Capital/Market Risk

This is the risk associated with falling asset values. The majority of the Fund's value are loan investments secured over first mortgages on real property. The Fund will only lose money if a borrower defaults, and the security property then sells for less than the outstanding loan amount, including any unpaid interest and the costs of enforcement.

## 5.9 – Documentation risk

This is the risk that a problem in documentation could, in certain circumstances, adversely affect the return on an investment. We manage this risk by using security documents drafted by qualified lawyers or licensed conveyancers with professional indemnity cover.

## 5.10 – Legislative Change

Changes in legislation (including Australian Income Tax Legislation changes) may have an impact on returns from the Fund. Unit Holders are advised to form their own view on the likelihood and impact of any legislative change.

## 5.11 – Currency risk

For international Unit Holders, there is a risk that change in the Australian Dollar value, may affect the value of their investment.

## 6 — Taxation Information

The summary below only addresses likely tax implications for Australian resident Unit Holders who hold Units in the Fund as capital assets.

The summary also relates to the taxation law as it exists at the date of this product disclosure statement and is subject to any future changes in Australian tax laws and tax office rulings.

The taxation consequences for non resident Unit Holders and Unit Holders who do not hold their investment on capital account may differ from the treatment outlined below and they should rely upon their own independent legal and taxation advice.

### 6.1 — Income Tax if the Fund becomes an AMIT

The Responsible Entity may choose to be an attribution managed investment trust (AMIT) for taxation purposes once it meets the requirements to make that choice. The Responsible Entity cannot revoke that choice once it has been made. When the Responsible Entity has made that choice the taxation treatment is as set out in this clause 6.1 rather than in section 6.2 . If the Responsible Entity proposes to make that choice, Unit Holders will be notified under the continuing disclosure obligations that apply to the Responsible Entity.

An AMIT maintains the principle of “character flow through” that applies to taxation of trusts generally, namely, the income of the trust of a particular character in the hands of the trustee has the same character in the hands of the beneficiaries. In summary, effectively the AMIT does this in the following manner:

- the trustee determines the overall amounts of particular characters for the AMIT for an income year and attributes amounts with particular characters for that income year to members on a fair and reasonable basis in accordance with the constituent documents of the trust being based on their membership interests in the AMIT;
- these “determined trust components” then become the “determined members’ components” so that if such “determined trust components” have a particular tax character, the member is treated as if those amounts

had been derived, received, made by or paid to them directly, rather than through the trust, and in the same circumstances as the trustee to the extent those circumstances gave rise to the particular character.

Where the determined trust component includes a discount capital gain, the amount reflected in the determined member component will need to be doubled. This ensures that the member may apply any capital losses against that amount and applying the appropriate discount, if applicable, in working out the member’s own net capital gain.

Where the determined trust component includes a franked distribution then the determined trust component will include the amount of the franking credit gross up component with respect to that franked distribution.

A trustee of an AMIT is required with respect to each income year to issue to every member of the trust an AMMA statement for that income year. The AMMA statement is required to include information that reflects the amount and character of each member component for that member for the income year and state what the trustee reasonably estimates to be the AMIT cost base net amount for the income year in respect of the CGT asset that is the member’s unit or interest in the AMIT. Each member will be taxable in respect of the attributed amounts as shown in the AMMA statement in the member’s own right, rather than as a member of the trust. Effectively the member can be described as “standing in the shoes” of the trustee.

In addition:

- if the member’s entitlements from the AMIT exceeds the amounts of the determined trust components included in the member’s assessable income, the cost base and reduced cost base of membership interests held by the member are adjusted downwards (which cannot be below nil);
- if the member’s entitlements from the AMIT is less than the amounts of the determined trust components included in the member’s assessable income, then the cost base and reduced cost base of membership interests are adjusted upwards.



Where the cost base and reduced cost base of the membership interest is adjusted downwards, this can result in a capital gain arising for a member where the downward adjustment exceeds nil or a greater capital gain, or reduced capital loss, on the disposal of the membership interests because of the reduction in the amount of the cost base and reduced cost based of the membership interest.

Where the cost base and reduced cost base of the membership interest is adjusted upwards this can result in a reduced capital gain, or greater capital loss, on the disposal of the membership interests because of the increase in the amount of the cost base and reduced cost base of the membership interest.

Therefore, Australian resident Unit Holders in the Fund will be subject to tax on the income of the Fund which is attributed to them under the above rules which will be set out in the AMMA statement that is issued to them for each income year. The tax payable (if any) depends on the Unit Holder's individual tax profile and applicable tax rate.

If a Unit Holder disagrees with the Responsible Entity's attribution of income, the Unit Holder can object to that attribution and substitute the Responsible Entity's determination with their own attribution. However, if you decide to take this course, it is important that you obtain professional tax and legal advice before doing so. You must contact the Responsible Entity before notifying the Commissioner of Taxation of this choice.

## 6.2 – Income tax where Fund is not an AMIT

### 6.2.1 – General

The Fund will not be subject to tax on the Fund's net income unless the Fund derives net income to which no beneficiary is presently entitled. The Unit Holders in the Fund will collectively be presently entitled to the full net income of the Fund.

Therefore:

- the Fund will not be subject to any income tax on the net income of the Fund; and
- Unit Holders will be assessed on their share of the net income from the Fund in the same proportion as they share in the accounting income.

However, in the case of Unit Holders who are under a legal disability or a non-resident, the Responsible Entity will be liable to pay tax in respect of the relevant Unit Holder with respect to that Unit Holder's share of the net income of the Fund, as is attributable to a period that the Unit Holder was a resident, and so much of the share of the net income, as is attributable to a period when the Unit Holder was not a resident and is also attributable to sources in Australia.

Non-resident Unit Holders are also subject to tax on their share of the net income but are entitled to a tax credit for the income tax we have paid on that share of the net income.

### 6.2.2 – Tax Deferred Amounts

A cash distribution may be made to Unit Holders that exceeds their share of the Fund's net income for the particular year. Where that occurs, the excess ("tax deferred amount") is not assessable income of the Unit Holder. Instead, the Unit Holder is required to reduce the cost base of their Units by that tax-deferred amount. The effect is to increase the capital gain (or reduce the capital loss) that would otherwise arise at the time the Unit Holder disposes of their units in the Fund.

If the cost base of a Unit Holder's Units is reduced to "nil" by tax-deferred distributions, further tax deferred distributions received after that time will be assessable as capital gains. The taxable amount of capital gains arising as a result of further tax deferred distributions may qualify for concessional tax treatment as a discount capital gain.

A Unit Holder who has held their units for at least 12 months, will be entitled to reduce the taxable amount of a capital gain (i.e. the amount of the gain reduced by any capital losses available to the Unit Holder) by:

- 50% in the case of units held by individuals (i.e. natural persons) or a trust provided that the trust distributes the gain to an individual;
- 33 1/3 % for Unit Holders who are complying superannuation funds.

Unit Holders that are companies are not eligible for the CGT discount.

## 6.3 – Capital gains

The net income to which a Unit Holder is presently entitled may include a component which is a net capital gain made by the Fund. This net capital gain may be calculated using a 50% discount capital gain. Therefore where a distribution made by the Fund which includes an amount attributable to a discount capital gain, the Unit Holder will be required to gross-up the distribution and then apply any current or prior year capital losses, to arrive at their own net capital gain for the relevant year. Depending upon their individual circumstances, Unit Holders may then be entitled to reduce their net capital gain by the appropriate discount percentage (namely, 50% for individuals or trusts, or 33.33% for complying superannuation entities) to arrive at their assessable net capital gain for that year.

However due to the nature of the underlying investments of first mortgages over real property, it is highly unlikely that there would be any capital gains made by the Fund.

## 6.4 – Disposal of Units

Unit Holders may realise a capital gain or loss on the disposal or redemption of their units in the Fund. A capital gain will arise where the proceeds on disposal or redemption of the units exceed the Unit Holder's cost base, as determined under the CGT provisions. As noted above, the CGT cost base will be reduced by tax deferred distributions.

## 6.5 – Tax file number (TFN) and Australian business number (ABN)

On your application form you may provide us with your TFN or advise us of your TFN exemption. We are authorised to collect your TFN(s) or exemption number(s) which will only be used for tax related purposes in accordance with the Income Tax Assessment Act 1936, Income Tax Assessment Act 1997 and Taxation Administration Act 1974. Alternatively, an ABN may be quoted instead of a TFN where the Units are held as part of a business.

It is not compulsory for you to quote a TFN, 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 maximum marginal tax rate plus the medicare levy and any other applicable government charges. For more information about TFNs and ABNs, please contact the Australian Taxation Office.

We will store your TFN(s) and exemption number(s) securely and as is reasonable in the circumstances. Access to unit holder TFN(s) or exemption number(s) is restricted to authorised employees or agents of the Responsible Entity who require them for legitimate purposes. Unit holder TFN(s) or exemption number(s) will be securely disposed of when no longer required for administrative or legal purposes.

## 6.6 – Tax position of overseas Unit Holders

If you are a non resident, then we will withhold tax from your distributions where these distributions consist of income and capital gains sourced in Australia, even if this income is reinvested as additional Units in the Fund. Tax will be withheld at the rate applicable to non resident Unit Holders. You may be able to claim a credit for this tax in your country of residence.

Individuals either becoming or ceasing to be an Australian resident should seek advice about their particular circumstances.

## 6.7 – Social security

Investing in the Fund may affect social security pension entitlements. The Department of Veteran Affairs (DVA) and Centrelink will classify your investment in the Fund as a financial investment. Therefore it will be included in your

income and assets tests. As government policy in this area can change regularly, you should contact your financial adviser, the DVA or Centrelink office for further details on how your investment may affect you.

## 6.8 – 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 Fund is or is expected to be a 'Foreign Financial institution' under FATCA and it intends to comply with relevant FATCA obligations, as determined by either the FATCA regulations or any inter-governmental agreement (IGA) entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Fund will have to obtain and disclose information about certain Unit Holders to the Australian Taxation Office.

In order for the Fund to comply with relevant obligations, the Responsible Entity will also request that you provide certain information about yourself, including your US Taxpayer identification Number (TIN). The Responsible Entity will only use such information for this purpose from the date the Fund is required to do so. You are also required to provide information within 30 days in case of a change of circumstances.

## 6.9 – Common Reporting Standard (CRS)

CRS is the single global standard set by the Organisation for Economic Co-operation and Development (OECD) for the automatic exchange of information with revenue authorities for tax non-residents that invest in certain financial accounts. The standard covers both the identification of tax non-residents and reporting on the applicable financial accounts. The Responsible Entity will be a 'Reporting Financial institution' under CRS and intends to comply with its CRS obligations under any relevant Australian laws and regulations, including obtaining and disclosing information about certain Unit Holders to the ATO or other foreign tax authorities as required. To facilitate these disclosures, Unit Holders will be required to provide certain information such as that relating to their country of tax residence and their relevant taxpayer identification number (if applicable). You are also required to provide information within 30 days in case of a change of circumstances.

## 6.10 – GST

Unless otherwise stated, all fees set out in this Section are inclusive of the net effect of GST.

This includes GST, net of input tax credits or reduced input tax credits as applicable. The Fund may not be entitled to claim a full input tax credit in all instances.

## 7 — Responsible Entity's Profile

### 7.1 — Background

The Responsible Entity is Akidna Ltd and Custodian is Akidna Custodians Pty Ltd are collectively Akidna Group.

The Responsible Entity is Responsible Entity acting for and protecting the interests of Unit Holders.

The Responsible Entity has experience providing managed investment scheme services to property and mortgage.

### 7.2 — Board of Directors

The Board of Directors consists of the following persons:

#### **Gerard Wong – Partner, CPA, MBA – Director**

Gerard Wong is a highly accomplished CPA accountant with over 15 years of experience in accounting, taxation, and financial advisory services. A graduate of Deakin University with a Master of Business Administration (MBA), Gerard has built a distinguished career as a partner at a prominent accounting firm, where he specializes in helping clients navigate complex financial landscapes and achieve sustainable growth.

In addition to his professional achievements in accounting, Gerard has cultivated a deep passion for property investment and development. His active involvement in these sectors has equipped him with firsthand market knowledge, strong analytical capabilities, and a strategic approach to identifying high-value opportunities. Gerard's combined expertise in finance and property development enables him to offer unique perspectives and contribute to informed decision-making in the mortgage fund.

With a strong commitment to transparency, integrity, and delivering consistent value for investors, Gerard plays a pivotal role in guiding the compliance of the fund.

#### **Max Bratton Dip.FA, SA Fin – Director**

For the past 43 years, Max has worked within the banking and finance industry. His professional background includes 24 years with the Westpac Group, with career progression to Rural Commercial Lending Manager. Since leaving Westpac in 2001, he has successfully managed a private mortgage fund.

Max is a Senior Associate of the Financial Services Institute of Australia (FINSIA) and holds a Certificate in Financial Markets, a Diploma of Financial Advising from FINSIA and is also a Justice of the Peace.

Being highly experienced in commercial lending, particularly in construction and development financing (a market segment he has specialised in over the last 14 years), Max is a valuable asset to Akidna Ltd.

#### **Gary Patel – Director**

Mr Gary Patel is an experienced and passionate Company Director, Builder, Property Developer and Investor, with extensive experience building and growing successful companies of all sizes, in a variety of industries.

As the Director of Akidna Ltd, Gary is a real asset when it comes to construction loans due to his extensive knowledge and involvement within the development space.

Gary has forged a reputation as a results-driven and highly skilled business strategist and has invaluable business and industry insight. Gary's experience, make it happen mentality and dedication to improving systems and processes have helped him become the prudent and successful businessman that he is today.

### 7.3 – Compliance Committee

The Responsible Entity's Compliance Committee intends to meet on a quarterly basis and comprises three independent members each with more than 25 years' relevant experience in areas including funds management, investment banking, capital markets, accounting and compliance.

### 7.4 – Investment Manager's Profile

The General Manager of Link Capital Holdings Pty Ltd, Mr Max Bratton, has worked in the banking and finance industry for the past 42 years, including 24 years with the Westpac Group working up to a Commercial Lending Manager. Max has managed a private mortgage fund since leaving Westpac in 2001.

He is a Senior Associate of the Financial Services Institute of Australia (FINSIA) and holds a Certificate in Financial Markets, a Diploma of Financial Advising from FINSIA and is a Justice of the Peace.

Max is a very experienced commercial lender and, particularly, in construction and development financing – a market segment he has specialised in over the last twelve years.

The Director of Link Capital Holdings Pty Ltd, Mr Gerard Wong is an experienced and passionate Company Director, Accountant, Property Developer and Investor, with extensive experience managing multiple businesses over the last 20 years.

As the Director of Link Capital, Gerard is responsible for business development and compliance and is a real asset when it comes to compliance due to his extensive knowledge and involvement within the finance and accounting space.

## 8 — Additional Information

### 8.1 — Summary of Fund Constitution

The Fund is a managed investment scheme in accordance with the Corporations Act 2001 and the terms and conditions of the Constitution. When you invest in the Fund you become a Unit Holder of the managed investment scheme.

The Constitution constitutes a contract between the Responsible Entity and each Unit Holder. It is legally enforceable and sets out the parties' respective rights and responsibilities. A copy of the Constitution will be sent to a Unit Holder if the Unit Holder asks the Responsible Entity, in writing, for a copy and the Unit Holder pays the sum of \$10.00 for provision of the same. This following is a summary only of some of the main provisions.

#### Consideration Payable by Unit Holder

The consideration payable will be the Issue Price which for Units issued pursuant to this PDS is \$1.00 per Unit.

#### Investment Powers

The Responsible Entity has the same power to invest as a natural person. However the Responsible Entity is not permitted to invest in another managed investment that is not a registered scheme under Chapter 5C of the Corporations Act 2001.

#### Complaints Procedure

Complaints by Unit Holder will be investigated and a report will be given to the complainant. If a Unit Holder is not satisfied with the result they may refer the complaint to the Australian Financial Complaints Authority (AFCA) of which the Responsible Entity is a member.

#### Winding up of the Fund

Unit Holders have the right by extraordinary resolution to wind up the Fund early. The Responsible Entity may also wind up the Fund earlier if the purpose of the Fund has been accomplished or cannot be accomplished. However the Responsible Entity must first give notice to each Unit Holder and ASIC beforehand. Upon winding up, the Fund Property will be converted into money and after payment of all costs the balance will be paid to each Unit Holder in proportion to their interest in the Fund after the deduction

of any outstanding fees owed by that Unit Holder.

#### Responsible Entity's Right of Indemnity

The Responsible Entity is indemnified only out of the assets comprising the Fund Property against liabilities incurred by it in the proper performance of its duties.

#### Fees

The fees are set out in Section 4 of this PDS.

#### Power to Borrow

The Responsible Entity has the power of a natural person to borrow. The Responsible Entity may borrow or raise funds for the purposes of the Fund throughout the term of the Fund, and it may pledge the Fund property or any individual property or asset forming part of the Fund property as security for the borrowings or raisings.

#### Unit Holder's Rights to Withdraw from The Fund

Unit Holders do not have any right to withdraw from the Fund, or to require their Units in the Fund to be bought by the Responsible Entity or any other person, or to have their Units in the Fund redeemed.

#### Amendment of Constitution

The Constitution may be modified, or repealed and replaced with a new constitution by special resolution of the Unit Holders or by the Responsible Entity, if it reasonably considers the Unit Holders' rights will not be adversely affected.

There are also other detailed provisions such as the appointment of agents, application procedures, transfer of Units, the Unit Holders' Register, Income and Expenses, the Compliance Plan, the duties of the Responsible Entity, the Retirement and Removal of the Responsible Entity, Meetings of Unit Holders, Financial Reports and Records, Appointment of the Fund Auditor and Compliance Plan Auditor and Insurances. If Unit Holders wish they may obtain a copy from the Responsible Entity upon payment of the sum of \$10.00.

## 8.2 – Summary of Compliance Plan

The Compliance Plan is a document required to be prepared by the Corporations Act 2001 and lodged with ASIC. This Compliance Plan sets out the key processes, systems and measures the Responsible Entity will apply to ensure compliance with the Corporations Act 2001, including without limitation sections 912A and 912B the financial services laws, the Fund Constitution, the AFS Licence Conditions, industry practice standards relevant to the Fund and internal organisational standards and culture.

The Compliance Plan is a “how to” document, providing sufficient detail on: the obligations which must be met by the Responsible Entity, what measures or procedures are in place to comply with these obligations and how compliance with those measures and procedures will be monitored.

The Compliance Plan also details the risks of not complying with these obligations, and how breaches are to be reported and addressed. The description of measures in place allows the Responsible Entity staff with compliance responsibilities to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures.

The Responsible Entity has established a Compliance Committee which meets regularly to monitor the Responsible Entity's compliance and performance of the functions required under the Compliance Plan, the constitution and the Corporations Act 2001.

## 8.3 – Summary of Custodian Agreement

The Responsible Entity has appointed Akidna Custodians Pty Ltd to act as the custodian of the assets of the Fund under a Custodian Agreement dated 30/06/2020.

The Custodian owes a general duty to exercise all due diligence and care in carrying out the responsibilities under the Custodian Agreement.

The specific duties of the Custodian Agreement include:

- holding the assets of the Fund;
- opening and maintaining trust accounts to hold all cash (including application money) and income of the Fund; and
- acting on the specific instructions of the Responsible Entity or its authorised personnel.

The Responsible Entity will pay the following fees to the Custodian under that agreement out of the fees it will earn with respect to the Fund:

- In consideration of carrying out its obligations for the current year the Custodian is entitled to be paid a fee of \$50,000 p.a. plus CPI; and
- In consideration of carrying out its obligations for the subsequent years of this Agreement, the Custodian is entitled to be paid a fee calculated as follows:

Where -

$$A = B \times \frac{C}{D}$$

**A** = the new fee to be calculated

**B** = the amount of the fee payable for the year prior to the year for which this calculation is made

**C** = the CPI for the last quarter in the year immediately prior to the start of the year for which this calculation is made

**D** = the CPI for the quarter which is one year prior to the day which the CPI figure for “C” is taken

In addition to the fees payable under clause 13.1, the Custodian is also entitled to be paid or reimbursed all out of pocket costs, charges and expenses incurred in holding the Fund Property. Payment of these costs or, in the case where the Custodian has paid the costs directly, reimbursement will be made on presentation of invoices or receipts (as the case may be) or other evidence satisfactory to the Responsible Entity.

## 8.4 – Summary of Investment Management Agreement

The Responsible Entity has appointed the Investment Manager to provide the operational requirements for carrying out the Fund. The Investment Manager must carry out the obligations that the Responsible Entity has to the Unit Holders under the Constitution, save as to those matters that only the Responsible Entity may attend to by law. However the contracting of these obligations to the Investment Manager does not relieve the Responsible Entity of its obligations and responsibilities at law.

The Responsible Entity has agreed to pay to the Investment Manager certain fees for the services it provides out of the fees the Responsible Entity earns from Unit Holders.

## 8.5 – Dispute Resolution

The Responsible Entity take complaints seriously and aims to resolve them as quickly as possible. If you have a complaint, then you should notify us in writing. The address for this notice is the Complaints Officer, Responsible Entity, 47 Fullarton Road, Kent Town, SA 5067. We will promptly acknowledge your complaint, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision and any action we will take to remedy your complaint. You will also be told what avenues of appeal you have against the decision. If you are not satisfied that your complaint has been properly handled by the Responsible Entity, then you should report your concerns to Australian Financial Complaints Authority Limited GPO Box 3 Melbourne, VIC 3001. The Responsible Entity's membership number is 11420.

## 8.6 – Illiquid Investment

Unit Holders may sell or transfer their Units under the terms of the Constitution. It is advisable for Unit Holders to seek their own advice as to any legal or taxation implications of any transfer so contemplated. However, please note that Unit Holders have no right to require their Units in the Fund to be bought by the Responsible Entity or any other person or to have their Units in the Fund redeemed. It is not intended to establish a secondary market for Units in the Fund and therefore the investment is likely to be illiquid.

## 8.7 – Cooling Off

Units in the Fund will be a managed investment product that is not liquid in accordance with section 601KA of the Corporations Act 2001, at the time that they are issued, and therefore pursuant to regulation 7.9.64(e) there is no cooling-off period pursuant to section 1019A of the Corporations Act 2001, applicable to the issue of Units in the Fund.

## 8.8 – Labour Standards, Environmental Social and Ethical Considerations

The Responsible Entity does not take into account the labour standards, environmental, social and ethical considerations with respect to the selection, retention or realisation of an investment.

## 8.9 – Corporate Governance

- The Fund and the Compliance Plan for the Fund will be audited on an annual basis.
- The Fund has a compliance committee which presently consists of the following members:
  - Robert McWilliam – external chairman and compliance specialist;
  - Stephen Law – external member and lawyer. Stephen is a director of Huntley Management Limited and Huntley Custodians Limited; and
  - Michelle Hambly – external member and an experienced compliance specialist and manager.
- The Compliance Committee meets on a quarterly basis.
- The Responsible Entity will report to Unit Holders on an annual basis.

## 8.10 – Allotment and Allocation of Units

In relation to applications for Units, the Responsible Entity reserves the right to allocate to any Applicant a lesser number of Units than applied for, or to decline any Application. Where no allocation is made to a particular

Applicant or the number of the Units allocated is less than the number applied for by an Applicant, surplus Application Monies will be returned to that Applicant, together with any interest earned thereon (except in the case of default by the Applicant).

Successful Applicants will be notified in writing of the number of Units allocated to them as soon as possible following the allocation. It is the responsibility of Applicants to confirm the number of Units allocated to them. Applicants who sell Units before they receive notice of the number of Units allocated to them do so at their own risk.

## 8.11 – Disclosure

The Fund may be a disclosing entity for the purposes of the Corporations Act 2001. As such, the Fund will be subject to regular reporting and disclosure obligations. Copies of documents lodged with the ASIC about the Fund may be obtained from ASIC. If the Fund is a disclosing entity, then you will have the right to obtain a copy of the following documents from the Responsible Entity:

- the annual financial report most recently lodged with the ASIC for the Fund;
- any half-year financial report lodged with ASIC for the Fund after the lodgement of that annual financial report and before the date of the PDS ; and
- any continuous disclosure notices given by us after the lodgement of that annual report and before the date of this PDS.

## 8.12 – Electronic PDS

This PDS may be accessed on the Internet at [www.linkcap.com.au](http://www.linkcap.com.au). Any person accessing the electronic version of this PDS for the purposes of investing in the Fund must only access this PDS within Australia. The Corporations Act 2001 prohibits any person from passing on to another person the Application Form unless it is accompanied by a hard copy of this PDS or accompanies a complete and unaltered electronic version of this PDS. Unit Holders should read the PDS before completing the Application Form. During the offer period, any person may obtain a hard copy of this PDS on request and without charge by contacting the Fund Information line on 08 8312 5960, or email [info@akidna.com.au](mailto:info@akidna.com.au). Applications will not be received by email or any other electronic means.

## 8.13 – Consents

Each of the directors of the Responsible Entity has consented to the issue of this PDS.

## 9 — Definitions and Glossary

**Terms and abbreviations used in this PDS have the following meaning:**

**AFSL**

Australian Financial Services Licence (issued under the Financial Services Reform Act 2001), required to be held by all financial service providers

**Applicant**

a person who submits an Application

**Application**

an application for Units under this PDS

**Application Form**

an application form in the form attached to or accompanying this PDS

**ARSN**

Australian Registered Scheme Number, issued by ASIC for all registered schemes

**Associate**

has the meaning given by Division 2 of the Corporations Act 2001

**ASIC**

Australian Securities & Investments Commission

**'as if complete' valuation**

an estimate of the market value of a property as if it is already complete at the date of valuation and reflecting the current market

**'as is' valuation**

an estimate of the market value of a property in its current state (i.e. without any further improvements)

**ATO**

Australian Taxation Office

**Business Day**

a day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney

**Fund**

the Link Mortgage Fund ARSN 608 870 462

**Issue Price**

\$1.00 per Unit

**LVR**

loan to valuation ratio

**Unit**

a unit issued in the Fund

**Unit Holder**

the holder of a Unit in Fund

**Managed Investment Scheme**

has the meaning given by section 9 of the Corporations Act 2001

**Minimum Application**

50,000 Units

**Minimum Subscription**

50,000 Units

**Offer**

the offer of Units in the Fund pursuant to and in accordance with this PDS

**PDS**

means this PDS as modified or varied by any supplementary PDS made by the Responsible Entity with respect to the Fund the subject of an in-use notice lodged with the ASIC from time to time and any electronic copy of this PDS and supplementary PDS

**Register**

register of Unit Holders





## 10 — Instructions for Completing Application Form

### **PLEASE READ BEFORE COMPLETING THE APPLICATION FORM ON THE FOLLOWING PAGES**

#### **Applications**

Applications must be for a minimum of 50,000 Units and then in multiples of 1,000 Units thereafter. The Application Price is \$1.00 per Unit, so for the minimum application a cheque or EFT for \$50,000 is required with any additional Units being in multiples of \$1,000 thereafter.

#### **Application Form**

Applications must be made on the Application Form attached to or accompanying this PDS. Please complete all parts using block letters.

## 11 – Application Form

To Akidna Ltd ABN 94 641 300 656

This Application Form relates to the application for Units in the Link Mortgage Fund ARSN 608 870 462 (**Fund**) under the Product Disclosure Statement (**PDS**) dated 28th March 2025 issued by Akidna Ltd ABN 94 641 300 656 (**AL**) AFSL No. 523289 as the Responsible Entity of the Fund. This form must be accompanied by the PDS when provided to any person. Unless otherwise defined, capitalised terms in this Application Form have the meaning given to them in the PDS.

Completing and signing this form achieves four things:

- you apply to participate in the the Link Mortgage Fund to the extent nominated;
- you appoint certain people to do specified things on your behalf, and in your name, under a Power of Attorney;
- you acknowledge that you have read and understood the PDS and attached legal documents;
- you confirm your payment method for the amounts due under the PDS and your commitment thereto.

Please use black pen and print in **CAPITAL LETTERS** and  where appropriate

### 1. Contact details

Title

Given name(s)

Surname

Phone

Email

Postal address

Suburb

Bank Details for distribution Name

BSB

ACC

Reinvest Distribution

Yes

No

### 2. Application

No. of Units (\$1 Per Unit):

or

No. of

Class Units (\$1 Per Unit):

You must pay \$

by:

- Sending to us a cheque made payable to “Akidna Custodians Pty Ltd ACF the Link Mortgage Fund – Application Account (See Instructions to Applicants for details of payment).
- Sending by electronically the amount to the following account:

Account Name: Akidna Custodians Pty Ltd ACF the Link Mortgage Fund – Application Account

Bank: National Australia Bank

BSB: 085 005

Account No: 93 979 7761

You must specify with the EFT your name

### 3 – Acknowledgements

By marking this box with a ✓ you acknowledge that:

- you have read and understood the PDS and you have received and accepted the offer in it, in Australia.
- you have read and understood the Constitution and Management Agreement.
- the Responsible Entity is not bound to accept your application in whole or in part.
- participation in the Link Mortgage Fund offered by this PDS is considered to be speculative and you have had the opportunity to seek independent legal, financial and taxation advice on the implications of investing in the Fund.
- AL and/or any of their directors, employees or advisers, has not made any recommendation to you concerning participation in the Link Mortgage Fund.
- if your application is accepted in whole or in part:
  - you will become a party to the Management Agreement notwithstanding the same has not been signed on your behalf
- Your application is true and correct, and you have legal power to invest.
- You are bound by the provisions of the Constitution and Management Agreement as amended from time to time and this Application Form.
- If you have received the PDS from the internet or other electronic means that you received it personally or a printout of it, accompanied by or attached to this Application Form.
- If this is a joint application, each of you agrees, unless otherwise indicated on this application, that your investment is as joint tenants.
- Each of you who is able to operate the account will bind the other(s) to any transaction including investments, switches or withdrawals by any available method.
- If investing as trustee on behalf of a superannuation fund or trust you confirm that you are acting in accordance with your designated powers and authority under the trust deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act.
- You acknowledge that none of AL, any member of the Akidna Group or any of their officers, advisers, agents or associates in any way guarantee the performance of the Fund nor any return of capital.
- You acknowledge that AL and its related bodies corporate may disclose and use personal information as contemplated in AL's Privacy Policy available at [www.linkcap.com.au](http://www.linkcap.com.au). By completing the application form you are providing personal information to AL. Your personal information will be used to process your application and, if your application is successful, to administer and report on your Units in the Fund and the progress of the Fund's activities. Your personal information may also be provided to other persons to enable AL to provide these services to you (e.g. service providers, consultants, and advisers), or to persons that you authorise to act on your behalf in relation to your investment (e.g. your financial adviser, accountant or lawyer). We may also disclose your personal information to others as permitted under the law.
- If you do not provide all or part of the information required by the application form, AL will not be able to accept your application and you will not be able to acquire units in the Fund.
- If any of your personal details change, please contact AL at the address stated in this application form. You can also contact AL to find out what personal information is held about you or if you have a complaint about the way in which your personal information has been handled.
- You acknowledge and agree that if you instruct AL by electronic means (for example by email) you indemnify AL all losses and liabilities arising from any payment or action AL makes based on any instruction (even if not genuine) that AL receives by an electronic communication which appears to indicate to AL that the communication has been provided by me/us.
- You will provide to AL or its nominee any information that AL reasonably requires in order to enable AL to comply with all its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and its associated rules and regulations (in force from time to time).
- You acknowledge that investments in the Fund are subject to the risks outlined in the PDS.

- You acknowledge that the information collected by AL (including in this application form) may be used for identification purposes, including via a third party verification service, to enable AL to comply with all its customer identification obligations under the Act and associated rules and regulations referred to above.
- You will provide AL or its nominee any information that AL reasonably requires in order to enable AL to meet all of its compliance, reporting and other obligations under the United States of America Foreign Account Tax Compliance Act (FATCA) and all associated rules and regulations from time to time (including, without limitation, the Inter-Governmental Agreement (IGA) entered into between the governments of the US and Australia). I/We understand that AL may disclose such information to the Australian Taxation Office (ATO) who may in turn disclose the information to the US Internal Revenue Service (IRS).
- You understand that where you have provided AL or its nominee with information about your status or designation under or for the purposes of FATCA (including, but without limitation, US residency or citizenship status and FATCA status as a particular entity type) and all associated rules and regulations, AL will treat that information as true and correct without any additional validation or confirmation being undertaken by AL except where it is under a legal obligation to do so.

**4 – Unit Holder details****What type of Unit Holder are you? Complete section:**

Individual / joint holding	A / A + B
Australian Proprietary Company	C + E
Australian Public Company	C
Unregulated trust <sup>1*</sup> with corporate trustee	C + D + E
Unregulated trust <sup>1*</sup> with individual trustee	A + D + E
Regulated trust <sup>1*</sup> with corporate trustee	C + D
Regulated trust <sup>1*</sup> with individual trustee	A + D
Other (e.g. foreign companies and partnerships)	Please contact us

**A – Individual Unit Holder or individual trustee**

Title

Given name(s)

Surname

Date of Birth                        /                        /

Email

Residential address

Suburb

State

Postcode

Are you an Australian resident for tax purposes?                        Yes                        No

If no specify relevant countries

If you are Australian resident for tax purposes, please insert your tax file number TFN

If you are a foreign resident for tax purposes, do you have a tax identification number (TIN)?

Yes -Please provide TIN for each country

Country                        TIN

Country                        TIN

No -Please tick one of the following:

The country of tax residency does not issue TINs.

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

Are you a Politically Exposed Person<sup>3\*\*</sup>?                        Yes                        No

<sup>1\*</sup> A Regulated trust includes a SMSF, registered retail managed investment scheme and a wholesale managed investment scheme that doesn't make small scale offerings. Other trusts are Unregulated Trusts.

<sup>2</sup> Tax residency rules differ by country. You can be a tax resident of a country based on the amount of time you spend in that country, the location of your residence or place of work. Tax residence in the US can be as a result of citizenship or residency.

<sup>3\*\*</sup> A Politically Exposed Person includes a head of state or government, government minister or senior politician, senior government official, judge, governor of a central bank or any other person who holds a position of influence with a reserve bank, senior foreign representative, high ranking member of the armed forces or board chair or senior executive of a state owned enterprise or the immediate family member or associate of any such persons.

## 4 – Unit Holder details

### B – Joint Unit Holder

Title

Given name(s)

Surname

Date of Birth                                /                                /

Email

Residential address                        Same as A, or specify below

Address

Suburb

State

Postcode

Are you an Australian resident for tax purposes?                        Yes                        No

If no specify relevant countries

If you are Australian resident for tax purposes, please insert either tax file number TFN

If you are a foreign resident for tax purposes, do you have a tax identification number (TIN)?

Yes - Please provide TIN for each country

Country                        TIN

Country                        TIN

No -Please tick one of the following:

The country of tax residency does not issue TINs.

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

Are you a Politically Exposed Person<sup>2\*\*</sup> ?                        Yes                        No

## 4 – Unit Holder details

### C – Australian Company or corporate trustee

Full company name / corporate trustee name / sole trader business name

ABN or TFN or TFN exemption

ACN

Is the Company an Australian resident for tax purposes? Yes No

If the Company is a foreign resident for tax purposes, does it have a tax identification number?

Yes – Please provide for each country in which you are tax resident

Country TIN

Country TIN

No – Please tick one of the following:

The country of tax residency does not issue TINs.

The Company not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

Principal place of business

Suburb State Postcode

Registered place of business address (if different)

Suburb State Postcode

#### Business activities

Is the company/corporate trustee a proprietary or public company? Proprietary Public

If you are proprietary company, provide the full name of each director

**Director 1** Name Date of Birth / /

**Director 2** Name Date of Birth / /

If there are more directors, please attach.

## 4 – Unit Holder details

### D – Trusts

Trustee No. 1 Name

Trustee No. 1 Address

Suburb

State

Postcode

Trustee No. 2 Name

Trustee No. 2 Address

Suburb

State

Postcode

Are there additional trustees?

Yes. Please attach a separate page to this application form with the details.

No

Trust name

Business name of Trust

ABN, TFN or TFN exemption

Type of trust (e.g. family trust or SMSF)

Country in which trust was established

**Only complete the remaining part of section D if the trust is an Unregulated Trust <sup>1\*\*</sup>.**

Do the terms of the trust identify the beneficiaries by reference to membership of a class?

Yes, what are the terms?

OR

No, please provide the full name of each beneficiary

Are there additional beneficiaries?

Yes. Please attach a separate page to this application form with the details.

No

Full name of settlor of trust?<sup>4\*\*\*</sup>

Is the Trust an Australian resident for tax purposes?

Yes

No

If the Trust is a foreign resident for tax purposes, does it have a tax identification number?

Yes -Please provide for each country

Country

TIN

Country

TIN

No -Please tick one of the following:

The country of tax residency does not issue TINs.

The Trust not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed



## 4 – Unit Holder details

### E – Beneficial Ownership <sup>5\*\*\*\*</sup>

Please complete for each Beneficial Owner. If you are unable to ascertain the Beneficial Owners, please complete Decision Maker section below instead.

#### Beneficial Owner 1 <sup>4\*\*\*\*</sup>

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Residential address \_\_\_\_\_  
 Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Are you an Australian resident for tax purposes?

Yes \_\_\_\_\_ No, if no specify relevant countries \_\_\_\_\_

If you are a foreign resident for tax purposes, do you have a tax identification number?

Yes – Please provide \_\_\_\_\_ Country \_\_\_\_\_ TIN \_\_\_\_\_  
 Country \_\_\_\_\_ TIN \_\_\_\_\_

No – Please tick one of the following:

The country of tax residency does not issue TINs

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

Are you a Politically Exposed Person? Yes \_\_\_\_\_ No \_\_\_\_\_

#### Beneficial Owner 2 <sup>4\*\*\*\*</sup>

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Residential address \_\_\_\_\_  
 Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Are you an Australian resident for tax purposes?

Yes \_\_\_\_\_ No, if no specify relevant countries \_\_\_\_\_

If you are a foreign resident for tax purposes, do you have a tax identification number?

Yes – Please provide \_\_\_\_\_ Country \_\_\_\_\_ TIN \_\_\_\_\_  
 Country \_\_\_\_\_ TIN \_\_\_\_\_

No – Please tick one of the following:

The country of tax residency does not issue TINs

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

## 4 – Unit Holder details

### Beneficial Owner 3<sup>4\*\*\*\*</sup>

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Residential address \_\_\_\_\_  
 Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Are you an Australian resident for tax purposes?

Yes \_\_\_\_\_ No, if no specify relevant countries \_\_\_\_\_

If you are a foreign resident for tax purposes, do you have a tax identification number?

Yes – Please provide \_\_\_\_\_ Country \_\_\_\_\_ TIN \_\_\_\_\_  
 Country \_\_\_\_\_ TIN \_\_\_\_\_

No – Please tick one of the following:

The country of tax residency does not issue TINs

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

### Beneficial Owner 4<sup>4\*\*\*\*</sup>

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Residential address \_\_\_\_\_  
 Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Are you an Australian resident for tax purposes?

Yes \_\_\_\_\_ No, if no specify relevant countries \_\_\_\_\_

If you are a foreign resident for tax purposes, do you have a tax identification number?

Yes – Please provide \_\_\_\_\_ Country \_\_\_\_\_ TIN \_\_\_\_\_  
 Country \_\_\_\_\_ TIN \_\_\_\_\_

No – Please tick one of the following:

The country of tax residency does not issue TINs

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

1\* A **Regulated trust** includes a SMSF, registered retail managed investment scheme and a wholesale managed investment scheme that doesn't make small scale offerings. Other trusts are **Unregulated Trusts**.

2\*\* A **Politically Exposed Person** includes a head of state or government, government minister or senior politician, senior government official, judge, governor of a central bank or any other person who holds a position of influence with a reserve bank, senior foreign representative, high ranking member of the armed forces or board chair or senior executive of a state owned enterprise or the immediate family member or associate of any such persons.)

4 You do not need to provide the name of the **Settlor** if the you are a Regulated Trust, or if the settlor of the trust is now deceased, or if the settlor contributed to the trust at the time of its establishment a material asset contribution of less than \$10,000.

5 If a **Beneficial Owner** is not an individual, please provide the Beneficial Ownership of that entity as well. **Beneficial Owner** means an individual who ultimately 'Owns' or 'Controls' (directly or indirectly) the Unit Holder. **Owns** 'means ownership (either directly or indirectly) of 25% or more of a person. **'Control'** includes control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, and includes exercising control through the capacity to determine decisions about financial and operating policies.'

## 4 – Unit Holder details

### Decision Maker

Only complete if you are unable to ascertain the Beneficial Owner. If you are a company, please provide name and address of any individual who is entitled to exercise 25% or more voting rights including power of veto or holds the position of a senior management official (or equivalent).

If you are a **trust**, please provide the name and address of any individual who has the power to remove the trustee.

#### Decision Maker 1

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Residential address \_\_\_\_\_  
 Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Are you an Australian resident for tax purposes?

Yes \_\_\_\_\_ No, if no specify relevant countries \_\_\_\_\_

If you are a foreign resident for tax purposes, do you have a tax identification number?

Yes – Please provide \_\_\_\_\_ Country \_\_\_\_\_ TIN \_\_\_\_\_  
 Country \_\_\_\_\_ TIN \_\_\_\_\_

No – Please tick one of the following:

The country of tax residency does not issue TINs

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

#### Decision Maker 2

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
 Residential address \_\_\_\_\_  
 Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Are you an Australian resident for tax purposes?

Yes \_\_\_\_\_ No, if no specify relevant countries \_\_\_\_\_

If you are a foreign resident for tax purposes, do you have a tax identification number?

Yes – Please provide \_\_\_\_\_ Country \_\_\_\_\_ TIN \_\_\_\_\_  
 Country \_\_\_\_\_ TIN \_\_\_\_\_

No – Please tick one of the following:

The country of tax residency does not issue TINs

I have not been issued with a TIN; or

The country of tax residency does not require the TIN to be disclosed

## 5 – Foreign Account Tax Compliance Act (FATCA) declaration (mandatory) Companies and Trusts

- Companies and Corporate Trustees complete section 5.1 (and possibly 5.2)
- Individual go to section 5.2
- Trusts complete section 5.3 (and possibly 5.4)  
(Note dual residents need to complete this section)

### 5.1 – Companies and Corporate Trustee

#### Tax status

Please select the Company / Corporate Trustee tax status from the list below

Financial Institution

If the Financial Institution has a Global Intermediary Identification Number (GIIN), please quote its GIIN

If the Financial Institution does not have a GIIN, please select its FATCA status

Deemed Compliant Financial Institution

Excepted Financial Institution

Exempt Beneficial Owner

Non-Reporting IGA Financial Institution

Nonparticipating Financial Institution

Other (describe the company's FATCA status in the box provided)

If you are a Financial Institution that is an Investment Entity, are you located in a Non-Participating CRS jurisdiction and managed by another Financial Institution?

Yes

No

Australian Public Listed Company, Majority Owned Subsidiary of an Australian Public Listed company or Australian Registered Charity

An Active Non-Financial Entity (NFE)

Please proceed to Section 5.2.

Other (Entities that are not previously listed).

Please proceed to Section 5.2.

6 *A Financial Institution is a custodial or depository institution, an investment entity or a specified insurance company for FATCA / CRS purposes.*

7 *An Active NFEs include entities where, during the previous reporting period, less than 50% of their gross income was passive income (e.g. dividends, interests and royalties) and less than 50% of assets held produced passive income. For other types of Active NFEs, refer to Section VIII in the Annexure of the OECD 'Standard for Automatic Exchange of Financial Account Information' at [www.oecd.org](http://www.oecd.org).*

**5 – Foreign Account Tax Compliance Act (FATCA) declaration (mandatory) Companies and Trusts****5.2 – Foreign Beneficial Owners (Individuals)**

Please complete the section below for each Beneficial Owner that is a tax resident of a country other than Australia (unless already provided in section 4E above).

Alternatively, if there are no Beneficial Owners please tick this box

If required, provide additional details on a separate sheet.

Full given name(s)

Surname

TIN

Role

Residential address (PO Box is not acceptable)

Suburb

State

Postcode

Country

Full given name(s)

Surname

TIN

Role

Residential address (PO Box is not acceptable)

Suburb

State

Postcode

Country

**5.3 – Trust****Tax status**

Please select the Trust tax status from the list below

Financial Institution

If the Financial Institution has a Global Intermediary Identification Number (GIIN), please quote the GIIN

If the Financial Institution does not have a GIIN, please select its FATCA status from the list below.

Deemed Compliant Financial Institution

Excepted Financial Institution

Exempt Beneficial Owner

Non-Reporting IGA Financial Institution

(If the Trust is a Trustee-Documented Trust, provide the Trustee's GIIN)

Nonparticipating Financial Institution

US Financial Institution

Other (describe the company's FATCA status in the box provided)

**5 – Foreign Account Tax Compliance Act (FATCA) declaration (mandatory) Companies and Trusts**

Is the Trust a Financial Institution that is an Investment Entity located in a Non-Participating CRS Jurisdiction and managed by another Financial Institution?

Yes  
No

Australian Registered Charity or Deceased Estate  
A Foreign Charity or An Active Non-Financial Entity<sup>9</sup> (NFE)  
Other (Passive NFEs)

**5.4 – Foreign Controlling Persons**

Are any of the Trust's Controlling Persons<sup>10</sup> tax resident<sup>11</sup> of countries other than Australia

Yes  
No

If the Trustee is a company, are any of that company's Controlling Persons<sup>10</sup> tax resident<sup>11</sup> of countries other than Australia

Yes  
No

**If Yes to either of the two above questions, please provide the details below.**

**Controlling Person 1**

Full Name  
Position in Trust (e.g. Trustee, Beneficiary etc)  
Tax resident of following foreign counties

**Controlling Person 2**

Full Name  
Position in Trust (E.g. Trustee, Beneficiary etc.)  
Tax resident of following foreign counties

If there are further foreign Controlling Persons, please provide information separately.

**Execution:** \_\_\_\_\_  
Name  
Date

**Execution:** \_\_\_\_\_  
Name  
Date

<sup>9</sup> An Active NFEs include entities where, during the previous reporting period, less than 50% of their gross income was passive income (e.g. dividends, interests and royalties and less than 50% of assets held produced passive income. For other types of Active NFEs, refer to Section VIII in the Annexure of the OECD 'Standard for Automatic Exchange of Financial Account Information' at [www.oecd.org](http://www.oecd.org)

<sup>10</sup> A Controlling Person is any individual who directly or indirectly exercises control over the Trust. For a Trust, this includes all Trustees, Settlers, Protectors or Beneficiaries.

<sup>11</sup> Tax residency rules differ by country. You can be a tax resident of a country based on the amount of time you spend in that country, the location of your residence or place of work. Tax residence in the US can be as a result of citizenship or residency.