MSQUARED MORTGAGE INCOME FUND

ASIC Benchmarks and Disclosure Principles Guide

5 June 2026

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MSQUARED CAPITAL

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INTRODUCTION AND ABOUT THIS GUIDE

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1. INTRODUCTION AND
2. ABOUT THIS GUIDE

1. INTRODUCTION

The Australian Securities and Investments Commission (**ASIC**) has developed eight benchmarks and eight disclosure principles for unlisted mortgage schemes that can help retail investors understand the risks, assess the rewards being offered and decide whether these investments are suitable for them. The benchmarks and disclosure principles are contained in Regulatory Guide 45: *Mortgage schemes: Improving disclosure for retail investors* (**Regulatory Guide 45**).

As the Msquared Mortgage Income Fund (**Fund**) is an unlisted mortgage scheme, the Responsible Entity is required to disclose against the benchmarks and apply the disclosure principles contained in Regulatory Guide 45.

2. ABOUT THIS GUIDE

One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 is the responsible entity (**Responsible Entity**) of the Fund and the issuer of this ASIC RG 45 Benchmarks and Disclosure Principles Guide (**document**).

The current product disclosure statement for units in the Fund covering ordinary units, premium units and platinum units (**PDS**), sets out disclosures against RG45. This document is the RG45 Disclosures Report as referred to in the PDS.

You should read the PDS in conjunction with this document. Capitalised terms used in this document are defined in the PDS.

The information in this document is general information only and does not take into account your objectives, financial situation or needs. Therefore, before deciding whether to acquire or continue to hold an investment you should consider the PDS and updates to them carefully and assess, with or without your financial or taxation advisor, whether the Fund fits your objectives, financial situation or needs.

BENCHMARKS

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3. BENCHMARKS

3. BENCHMARKS

This section provides an overview of the benchmarks developed by ASIC for unlisted mortgage schemes. This section also indicates if the Fund meets the benchmark and where in this document and/or the PDS you can find more information (where necessary) as to whether the Fund meets the relevant benchmark.

The Fund invests into loans secured by first ranking registered mortgages **(Loans)**. This investment is made either through participation in a Loan made pursuant to a participation and security trustee arrangement with Perpetual Nominees Limited ACN 000 733 700 **(Direct Loan)** or by acquiring units in a managed investment scheme or other entity which is a related party of the Manager or operated or managed by a related party of the Manager **(Loan Products)**.

	Benchmark	Disclosure
Benchmark 1: Liquidity	For a pooled mortgage scheme, the responsible entity has cash flow estimates that demonstrate: (a) the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; (b) are updated at least every three months reflecting any material changes; and (c) are approved by the directors of the responsible entity at least every three months.	**The benchmark is met.** The Manager, with oversight from the Responsible Entity, will maintain cashflow estimates that demonstrate the Fund's capacity to meet its expenses, liabilities and cashflow requirements for the next 12 months and update to reflect material changes, as required. The Manager will provide a report, including the cashflow estimates, to the Responsible Entity at least every three months for approval.
Benchmark 2: Scheme borrowing	The responsible entity does not have any current borrowings and does not intend to borrow on behalf of the scheme.	**The benchmark is met.** The Responsible Entity does not have any current borrowings in respect of the Fund and does not expect to enter into any borrowing arrangements in the future, however it does maintain the power to enter into borrowings on behalf of the Fund under the constitution for the Fund. For additional disclosure in respect of borrowings, see Section 1.6 of the PDS.

	Benchmark	Disclosure
Benchmark 3: Loan portfolio and diversification	For a pooled mortgage scheme: (a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region; (b) the scheme has no single asset or borrower that exceeds 5% of the total fund assets; and (c) all loans made by the scheme are secured by first mortgages over real property.	**The benchmark is not met.** The benchmark is met in respect of the Fund holding a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region, and all loans made by the Fund are secured by first mortgages over real property (including registered leasehold title). That being said, the Fund has a strong bias towards Loans secured by residential property and advanced for the purposes of working capital or refinance. The Fund does not meet the benchmark in respect of the maximum exposure limits. Instead of being 5% of the total fund assets, the maximum exposure to a single asset (through a Loan or a Loan Product) or a single borrower may be up to 15% whilst the scheme is under $50 million and up to 10% once the scheme is over $50 million. The Manager has set the exposure limits of the Fund having regard to the risk profile of the Loans, the target returns of the Fund and the current size of the Fund. For additional disclosure on this benchmark, see the 'Lending Guidelines' in Section 4.3 of the PDS and also Section 4.3 below.
Benchmark 4: Related party transactions	The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager	**The benchmark is met.** The Fund does not and will not lend to related parties of the Responsible Entity or the Manager. For additional disclosure on this benchmark, see the Funds 'Lending Guidelines' in Section 4.3 of the PDS.

	Benchmark	Disclosure
Benchmark 5: Valuation policy	In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires: (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located; (b) the valuer to be independent; (c) the valuers are required to follow procedures for dealing with any conflict of interest; (d) the rotation and diversity of valuers; (e) in relation to security property for a loan, an independent valuation is to be obtained: (i) before the issue of a loan and on renewal: A. for development property, on both an 'as is' and 'as if complete' basis, and B. for all other property, on an 'as is' basis, and (ii) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.	**The benchmark is not met.** The Fund has adopted the Msquared Capital Group Valuation Policy (**Valuation Guidelines**). The policy included in the Valuation Guidelines is consistent with paragraphs (a) to (d). However, the Valuation Guidelines are not consistent with paragraph (e). Whilst valuations for the security properties will be obtained for most Loans before issue, there are certain circumstances where an independent valuation will either not be required or one that does not meet the requirements under the benchmark will be accepted. Refer to Sections 5, 6 and 8 of the Valuation Guidelines for more information. For additional disclosure on this benchmark, see Section 4.10 of the PDS.

	Benchmark	Disclosure
Benchmark 6: Lending principles	If the fund directly holds mortgage assets: (a) 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; (b) where the loan relates to property development—the scheme does not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and (c) 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.	**The benchmark is met.** Paragraph (a) and (b) of this benchmark are not applicable in the circumstances because the Responsible Entity will not accept a Loan for the Fund that is: • for the purpose of construction or development of the Security Property; or • secured by vacant land or a development project. The Fund does not make construction or property development loans. However, the Fund may lend to property developers for their working capital purposes, noting that the Security Property is not to be demolished or any construction to commence on the Security Property for the Loans the Fund is invested in. Where the Fund is the only lender for a Loan, the Fund will not lend more than 70% of the valuation of the property over which security is provided (**LVR)**.The LVR is assessed against the value of the property assessed on an "as is" basis at the time of valuation, not an "as if complete" basis. Where the Fund co-lends with other lenders or invests in a Loan Product, then the LVR of the Loan is the relevant measure. It may be more than 70% (but not more than 80% as per the benchmark) but the Fund's investment in the Loan (including the total investment of the class of Loan Product invested in, where relevant) must be for no more than 70% of the value of the Security Property at the time the Loan is approved by the Manager and the Fund's investment in the Loan ranks ahead of the lenders who provide the additional funding amount above the 70%. Refer to section 4.3 Lending Guidelines for more information.

	Benchmark	Disclosure
Benchmark 7: Distribution practices	The responsible entity will not pay current distributions from scheme borrowings.	**The benchmark is met.** Distributions are payable from the income of the Fund, including interest earned on Direct Loans, Loan Products and cash investments. They will not be payable from borrowings (and the Responsible Entity does not have any borrowings for the Fund nor does it intend to have any borrowings at a Fund level).
Benchmark 8: Withdrawal arrangements	**1 Liquid schemes** For liquid schemes: (a) the maximum period allowed for in the constitution for the withdrawal request is 90 days or less; (b) the responsible entity pays withdrawal request within the period allowed for in the constitution; (c) the responsible entity only permits withdrawals at any time on request if at least 80% (by value) of the scheme's assets are: (i) money in an account or on deposit with a bank and is available for withdrawal (either immediately or on expiry of a term not exceeding 90 days); or (ii) assets that the responsible entity can reasonably expect to release for market value within 10 business days. **2 Non-liquid schemes** For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.	**The benchmark is met.** The scheme is expected to be a non-liquid scheme. The Responsible Entity intends to make monthly withdrawal offers. These withdrawal offers will be open to holders of Ordinary and Premium Units monthly and to holders of Platinum Units quarterly. However, you should be aware that the Responsible Entity is not obliged to make a withdrawal offer in respect of the Fund. For additional disclosure on this benchmark, see Section 3.12 of the PDS.

DISCLOSURE **PRINCIPLES**

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4. DISCLOSURE **PRINCIPLES**

4. DISCLOSURE PRINCIPLES

This section provides an overview of the disclosure principles developed by ASIC for unlisted mortgage schemes. This section also indicates where in this document you can find the information disclosed by the Responsible Entity in compliance with those principles.

4.1 DISCLOSURE PRINCIPLE 1: LIQUIDITY

This principle provides a responsible entity of a pooled mortgage scheme should disclose information about:

(a) the current and future prospects of liquidity of the scheme;

(b) any significant risk factors that may affect the liquidity of the scheme; and

(c) the policy of the scheme on balancing the maturity of its assets with the maturity of its liabilities.

Disclosure

Adequate liquidity is a key feature in the ability of the Responsible Entity to meet expenses, liabilities and other cash flow needs of the Fund, including investors' expectations about their ability to withdraw from the Fund.

The Manager, with oversight from the Responsible Entity, will manage the liquidity of the Fund.

The Loans are fixed term loans that are typically repayable at maturity. The Manager or a related party (depending on the type of Loan investment) will manage the Loan maturity profiles and the cash reserves required to meet Fund's cashflow requirements. As a part of this, the Manager has included a cap on the amount of withdrawals that can be made in response to a withdrawal offer, at 5% of the net asset value of the Fund.

The Manager prepares forecasts of the cash flow, expenses and liabilities on a rolling 12 months basis and updates those forecasts and provides them to the Responsible Entity once every three months.

Based on the most recent forecast, the Responsible Entity and the Manager reasonably consider that:

(a) the Fund has the capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; and

(b) there are no significant risk factors that may affect the liquidity of the Fund.

The Responsible Entity and the Manager recognise that the size of investments by holders of Platinum Units are likely to be significantly larger than investments by holders of Ordinary Units and Premium Units and that therefore a withdrawal request from Platinum Units may impact the liquidity of the Fund. For that reason, withdrawal offers that include Platinum Units are limited to once per quarter. While the Responsible Entity and the Manager have forecast for larger withdrawals each quarter, if the withdrawals are larger than 5% of the net asset value of the Fund as at the last day of the month before the month in which the withdrawal offer is made, the withdrawals may need to be scaled back.

4.2 DISCLOSURE PRINCIPLE 2: SCHEME BORROWING

If a scheme has borrowings, a responsible entity should disclose certain information about the borrowings. As the Fund will not borrow, the responsible entity is not required to disclose against this principle.

Disclosure

The Fund meets the benchmark.

Whilst the Fund's constitution contains the power to borrow, the Responsible Entity does not have any current borrowings for the Fund and does not expect to enter into any borrowing arrangements in the future.

The Fund currently does not use derivatives of any kinds, undertakes all investments in Australian dollars and will not be entering into any foreign currency hedging arrangements.

4.3 DISCLOSURE PRINCIPLE 3: LOAN PORTFOLIO AND DIVERSIFICATION

This disclosure principle requires the responsible entity to disclose the nature of the Fund's investment portfolio, including number and value of loans by class of activity, geographical region and proportion in default. In addition, the responsible entity should disclose its policy on the above matters, on how the Fund will lend funds generally and on investing in other Loan Products.

Disclosure

The key assets of the Fund will be Loans, it is important to understand the quality of these loans and the nature of security taken by the Fund as this will have a major impact on the financial position and performance of the Fund. Diversification is important to limit the risk that default by one borrower or an adverse effect in respect of one type of asset or geographic region may impact the Fund as a whole.

All Loans will be secured by a first ranking registered mortgage. See Benchmark 3 above for further details.

Details of the Fund's current portfolio of Direct Loans and Loan Products as at 31 May 2026 are as follows:

(a) Class of activity

Asset class of Security Property	No of Direct Loans and Loan Products	Value
Residential	45	$75,664,420.62
Industrial	2	$3,370,000
Commercial	2	$2,480,000
Mixed Use	1	$2,556,000

(b) Geographic region

State	No of Direct Loans and Loan Products	Value
Sydney Metro	21	$39,766,028.62
NSW	5	$4,582,500.00
Melbourne Metro	17	$28,985,339.52
VIC	1	$1,700,000.00
QLD	3	$4,777,500.00
Adelaide	1	$1,284,052.48
WA	1	$2,875,000
ACT	1	$100,000

(c) Defaults and arrears

Days in arrears	No of Direct Loans and Loan Products	Value of Loan investment
30 - 60	0	$0
60 - 90	0	$0
90 - 120	1	$48,750*
> 120	0	$0

*The loan is past maturity date; all interest at the interest rate has been paid up to date. The anticipated exit is through external refinance.

(d) Maturity profile

Maturity	No of Direct Loans and Loan Products	Value
0 - 6 months	26	$36,765,565.82
6 - 12 months	15	$30,154,370.66
12 - 18 months	8	$13,550,484.14
18 - 24 months	0	$0
24 – 36 months	1	$3,600,000.00

(e) Loan to Value Ratio (LVR)

LVR**	No of Direct Loans and Loan Products	Value
Less or equal to 50%	6	$7,378,500.00
50 - 60%	34	$62,134,118.14
60 - 70%	10	$14,557,802.48

**Based on an 'as is' valuation of the Security Property.

(f) Interest Rate

Interest rate range*	No of Direct Loans and Loan Products	Value
Less or equal to 9% per annum	25	$47,032,852.44
9-10% per annum	17	$23,259,068.18
Over 10% per annum	8	$13,778,500.00

*Based on the rate payable from the Direct Loan or the Loan Products to the Fund. The interest rate payable by the Borrower under the loan agreement may differ.

As noted above, the Responsible Entity does not have a hedging policy for interest rates for the Fund.

(g) Loans where interest has been capitalised

Interest method	No of Direct Loans and Loan Products	Value
Interest capitalised	Nil	Nil
Interest not capitalised	50	$84,070,420.62

(h) Largest borrowers

Interest method	% of total amount of funds that are invested in Loans (either through Loan Products or Direct Loans)
Largest borrower	7.91%
Largest Loan (including Direct Loans and Loan Products)	7.91%

(i) Non-mortgage assets

Other than Direct Loans and Loan Products, the Fund invests in cash held by Australian deposit taking institutions both directly and indirectly by investing in other managed investment schemes which make these types of investments. The current value of these cash assets as of 31 May 2026 is $2,679,639.82.

(j) Diversification and lender policy

The Fund's Lending Guidelines sets out its policy on each of the above factors and includes parameters that are designed to achieve spread by geography and sector of Security Properties.

The geographical spread and Security Property sectors spread are regularly reviewed by the Credit Committee, and the Manager is working to achieve diversification as the loan portfolio increases in both size and number of Loans. The Fund has a strong bias to invest into loans secured by residential properties which is reflective of the Manager's views on the current market conditions that properties in the residential sector are less volatile and the risk of non-repayment is lower than in other sectors.

The Fund aims to have minimum assets held as cash, to approximately 5% of the net asset value of the Fund, sufficient to meet Fund's liabilities and withdrawal requests without affecting the target rates of return.

As disclosed in the PDS the Fund will invest in other managed investment schemes, which will usually be entities within the Msquared Group, so long as that the investment meets the Fund's Investment Guidelines. The Fund will only invest in other managed investment schemes where the approach of those schemes to the Benchmarks and Disclosure Principles is aligned with that set out in this document

Further details on the Lending Guidelines and the assessment of Loans is included in Section 4 of the PDS.

4.4 DISCLOSURE PRINCIPLE 4: RELATED PARTY TRANSACTIONS

This principle provides if a responsible entity enters into related party transactions, the responsible entity should disclose details of these transactions, including:

(a) the value of the financial benefit

(b) the nature of the relationship

(c) whether the arrangement is on arm's length terms, is reasonable remuneration, some other Ch 2E exception applies or ASIC has granted relief

(d) whether member approval for the transaction has been sought and, if so, when

(e) the risks associated with the related party arrangements, and

(f) the policies and procedures that the responsible entity has in place for entering into related party transactions, including how compliance with these policies and procedures is monitored.

Disclosure

The Fund does not and has no intention to lend to related parties of the Responsible Entity or the Manager.

The Fund invests into Loan Products, being the interests (including units or notes in the managed investment schemes managed by the Msquared Group. The underlying loans invested into through Loan Products will not be to related parties of the Responsible Entity or the Manager.

As at 31 May 2026, 38.97% (by value) of the total amount of funds that are invested in Loans, are invested through Loan Products.

The Responsible Entity has appointed Unity Fund Services Pty Ltd ACN 146 747 122 (Administrator) to provide administration, taxation and accounting services to the Fund, including keeping financial books and records, unit pricing and calculating the Net Asset Value of the Fund and each Class. The Administrator is an associated company of the Responsible Entity. The Responsible Entity has entered into an administration agreement with the Administrator, on arm's length terms approved by the Manager, which governs the services that will be provided by the Administrator.

The fees payable to the Administrator, as well as the external costs it incurs on behalf of the Fund, are included as an expense and payable from the Fund's assets.

The Responsible Entity has policies and procedures in place for entering into related party transactions and compliance is monitored in respect of these by the Compliance Committee of the Responsible Entity. Further information is also contained in Section 8.2 of the PDS.

4.5 DISCLOSURE PRINCIPLE 5: VALUATION POLICY

This principle provides a responsible entity should disclose:

(a) where investors may access the scheme's valuation policy

(b) the processes that the directors employ to form a view on the value of the security property

(c) the frequency of valuations of security property, and

(d) any material inconsistencies between any current valuation over security property and the scheme's valuation policy.

Disclosure

The Fund's valuation policy can be obtained by contacting the Manager. The summary of the policy is contained in Section 4.10 of the PDS.

The Security Property for any Mortgage will generally be independently valued for suitability and market value prior to the making of the Loan. Where an independent valuation is obtained, valuers will generally be on the Msquared Group's panel of valuers, who are required to be independent of the Manager and the Responsible Entity and a member of an appropriate professional body in the jurisdiction in which the relevant property is located. There are certain circumstances where an independent valuation will either not be required or one that does not meet the general requirements will be accepted. For a description of the circumstances and the way in which the valuation of the Security Property will be determined in lieu of an independent valuation, please see Section 4.10 of the PDS.

Where the formal independent valuation reports are obtained, the Manager will ensure that:

(a) the valuers are independent and are members of an appropriate professional body in the jurisdiction in which the relevant property is located;

(b) that any conflicts of interest are raised with the valuer and are appropriately managed;

(c) that there is rotation and diversity of valuers;

(d) that the valuations are current; and

(e) that the valuations are obtained on an 'as is' basis and for mortgage purposes.

4.6 DISCLOSURE PRINCIPLE 6: LENDING PRINCIPLES—LOAN-TO-VALUE RATIOS

This principle provides if a scheme directly holds mortgage assets, the responsible entity should disclose:

(a) the maximum and weighted average loan-to-valuation ratios for the scheme as at the date of reporting; and

(b) where funds are lent for property development:

(i) the criteria against which the funds are drawn down;

(ii) the percentage (by value) of the completion of any property that is under development as at the date of reporting; and

(iii) the loan-to-cost ratio of each property development loan as at the date of reporting.

The responsible entity should also disclose the percentage of the scheme's assets that are property development loans. If property development loans exceed 20% of the scheme's assets, the responsible entity should identify the scheme as one that invests a significant component of funds in property development loans. If the loan-to-cost ratio of any property development loan exceeds 75%, this should also be highlighted.

Disclosure

The Responsible Entity will not accept a Loan for the Fund that is:

- for the purpose of construction or development of the Security Property; or
- secured by vacant land or a development project.

The Fund does not make construction or property development loans. However, the Fund may lend to property developers for their working capital purposes, noting that the Security Property is not to be demolished or any construction to commence on the Security Property for the Loans the Fund is invested in.

A key lending criterion is the loan to value ratio (LVR, which is an assessment of the amount of principal advanced under the Loan (or outstanding under the Loan) against the value of the Security Property. The value of the Security Property is always assessed on an "as is" basis and the LVR assessed based on the principal outstanding under the loan as against the "as is" value of the Security Property.

The LVR is disclosed at the Fund's investment level. Where the Fund is not the sole source of funding for a Loan, then the Fund's priority in payment of its funding for the Loan will be taken into account in determining the LVR.

The LVR is not fixed and can change over time if the amount outstanding under the Loan increases (for example, due to further drawdowns or advances, or capitalisation of interest) or the value of the Security Property changes.

Where the Fund is the only lender for a Loan, the LVR must not exceed 70%.

Where the Fund is not the sole source of funding for a Loan, the LVR of the Loan may be greater than 70% provided that the Fund's investment in the Loan:

(a) does not exceed 70% of the value of the Security Property at the time the Loan is approved by the Manager; and

(b) ranks ahead of the other lenders' investment in the Loan that provide funding for an amount in excess 70% of the value of the Security Property.

For example, if the Msquared Group has approved a Loan with an LVR of 80%, then the Fund would invest in the Loan (either through Direct Loan or Loan Products for an amount up to 70% of the value of the Security Property. Another lender (who except in rare occasions will be a member of the Msquared Group would provide the additional funding required for the Loan. The Fund would have priority of repayment of interest and principal over the other lender which funded an amount over 70% LVR.

As at 31 May 2026:

- The maximum LVR exposure of the Fund to any of any Loan is 70.00%; and

- The weighted average LVR the Fund is exposed to of all Loans in which the Fund is invested (either through Direct Loans or Loan Products) is 58.48%.

4.7 DISCLOSURE PRINCIPLE 7: DISTRIBUTION PRACTICES

This principle provides if a responsible entity is making or forecasting distributions to members, it should disclose:

(a) the source of the current and forecast distributions;

(b) if the distribution is not solely sourced from income received in the relevant distribution period, the reasons for making those distributions and the risks associated with such distributions;

(c) if the distribution is sourced other than from income, whether this is sustainable over the next 12 months; and

(d) when the responsible entity will pay distributions and the frequency of payment of distributions.

If a scheme promotes a particular return on investments, the responsible entity must clearly disclose details of the circumstances in which a lower return may be payable, together with details of how that lower return will be determined. For a contributory mortgage scheme, the responsible entity should, for a particular investor, disclose the above information to the investor for distributions or returns made, or forecast to be made, to that investor.

The responsible entity should include a table identifying up to five main factors that would have the most material impact on forecast distributions, the risks of changes to those factors on distributions and a sensitivity analysis based on changes to those factors. It must also explain how any excess returns actually earned by a scheme will be applied.

Disclosure

The Fund does not have or intend to have any scheme borrowings to fund distributions. Instead, distributions will be funded out of interest earned from investments into Loans and cash investments. Loans into which the Fund invests will generally be structured so that an interest provision is retained and held by the lender on record or its custodian and applied to monthly servicing of the Loans. In that case, distributions may be paid out of the retained interest provision.

The distributions are determined at the end of each calendar month and are payable within 14 days of the following month. The distributions are payable from the income of the Fund, including interest earned on Direct Loans, Loan Products and cash investments.

The key risks affecting the target returns include:

(a) the risk that Borrowers fail to comply with the terms of Loans, or that counterparties to the Fund or underlying Loan Products default on their obligations;

(b) the risks associated with enforcing a security over mortgage-backed Loans;

(c) the risks associated with the poor performance of Loan Product or significant changes to the management or structure of the Loan Product;

(d) the risks associated with investing in a limited number of Loan Product and the risks of the assets of the Loan Products not being sufficiently diversified; and

(e) the risk that the Manager cannot or does not successfully implement the investment strategy for the Fund.

See section 3.9 of the PDS for further information.

4.8 DISCLOSURE PRINCIPLE 8: WITHDRAWAL ARRANGEMENTS

This principle addresses the transparency of the responsible entity's approach as to how and when investors can withdraw their investment from a scheme, based upon whether the scheme is liquid or non-liquid. This principle provides a responsible entity should disclose:

(a) the scheme's withdrawal policy and any rights that the responsible entity has to change the policy;

(b) the ability of investors to withdraw from the scheme when it is liquid and when it is non-liquid;

(c) any significant risk factors or limitations that may affect the ability of investors to withdraw from the scheme;

(d) how investors can exercise their withdrawal rights, including any conditions on exercising these rights;

(e) the approach to rollovers and renewals, including whether the 'default' is that investments in the scheme are automatically rolled over or renewed;

(f) if the withdrawals from the scheme are to be funded from an external liquidity facility, the material terms of this facility, including any rights the provider has to suspend or cancel the facility;

(g) the maximum withdrawal period that applies to the payment of withdrawal requests when the scheme is liquid;

(h) any rights the responsible entity has to refuse or suspend withdrawal requests; and

(i) the policy of the scheme on balancing the maturity of its assets with the maturity of its liabilities and the ability of its members to withdraw.

(j) If the responsible entity makes representations to investors that they can withdraw from the scheme, there should be disclosure on:

  (i) the grounds (which must be verifiable) for the statement;

  (ii) the supporting assumptions (which must not be hypothetical only) for the statement; and

(k) the basis for the statement (which must not be based only on an opinion of the directors of the responsible entity if there are no objective grounds to support that opinion), and

(l) any significant risk factors that mean that withdrawal requests might not be satisfied within the expected period.

Disclosure

The scheme is expected to be a non-liquid scheme.

The Responsible Entity anticipates making monthly withdrawal offers pursuant to the Withdrawal Facility available on the Fund's Website. These withdrawal offers will be open to holders of Ordinary and Premium Units monthly and holders of Platinum Units quarterly.

The Fund's withdrawal policy is described in detail in section 3.12 of the PDS. The risks which apply to making withdrawals from the Fund are discussed in section 6.17 of the PDS.

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