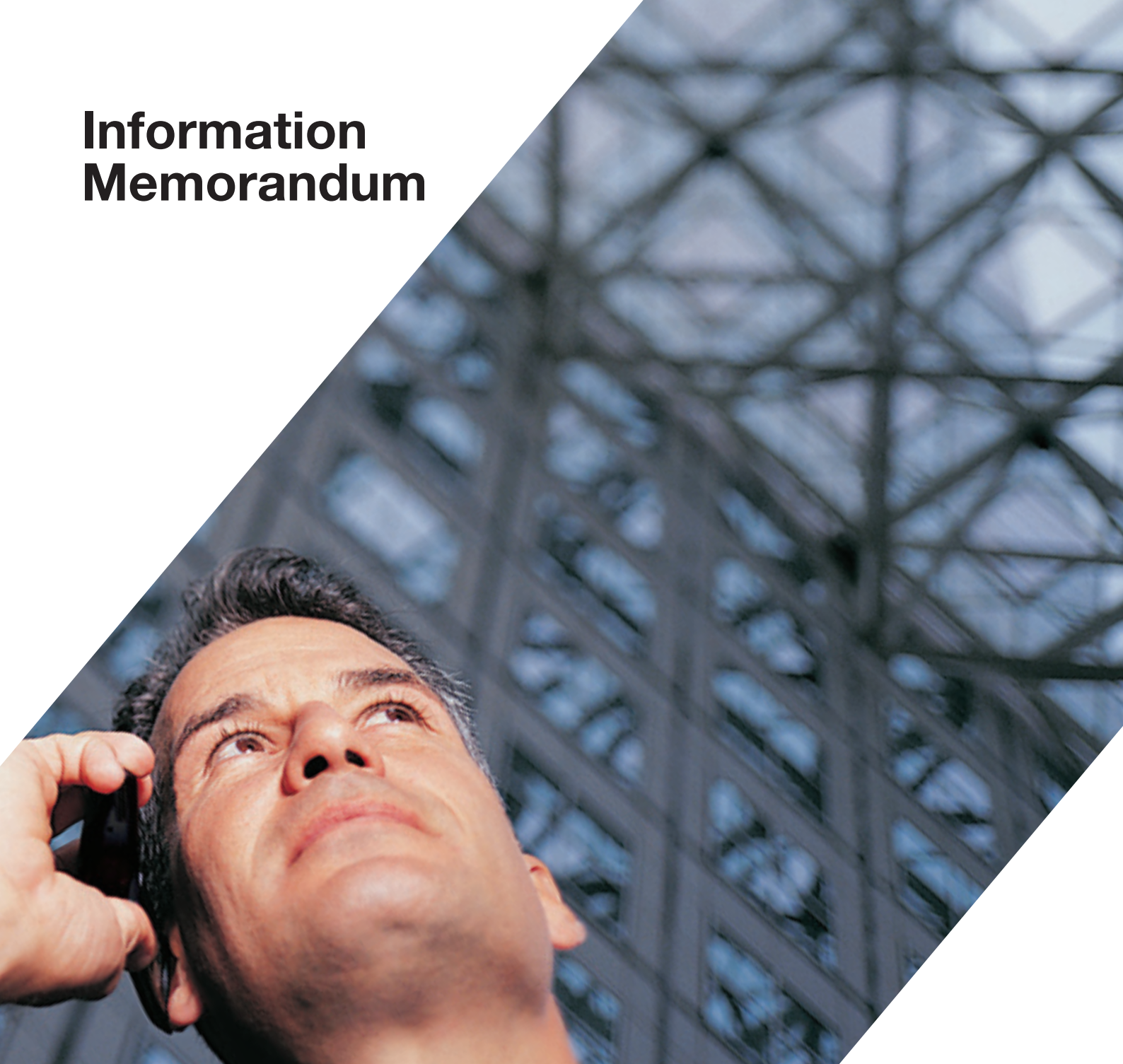


Information Memorandum



Select Mortgage Fund

An opportunity to invest for yield income on selected loans backed by first mortgage security

For personal use only by wholesale and professional investors

October 2020

Directory.

PrivateInvest Pty Limited

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Authorised Representative Number 001284225

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Important Notice and Disclaimer.

This Information Memorandum is dated 8 October 2020 (“the Issue Date”) and is issued by PrivateInvest Capital Securities Limited ACN 611 892 249 (“the Trustee”, “us” or “we”), being the trustee of PrivateInvest Select Mortgage Fund (“Fund”). This Information Memorandum sets out information about the Fund upon which the recipient of this Information Memorandum (“the Recipient”, “you”) may base a decision as to whether it should investigate a possible investment in the Fund.

The Trustee has appointed PrivateInvest First Management Pty Limited ACN 625 468 215 (“the Investment and Facility Manager”) to act as the investment and facility manager of the Fund.

This Fund is a “wholesale fund” and is not a registered managed investment scheme under the Corporations Act. This Information Memorandum is supplied personally to the Recipient on the following conditions, which are expressly accepted and agreed to by the Recipient, in part consideration of the supply of this Information Memorandum, as evidenced by the Recipient’s retention of this Information Memorandum. If these conditions are not acceptable, then this Information Memorandum is to be returned to the Trustee immediately.

1 No offer to subscribe for an interest in the Fund is made pursuant to this Information Memorandum where the offer would need a regulated disclosure document under Division 2 of Part 7.9 of the Corporations Act. This Information Memorandum is neither a prospectus nor a product disclosure statement regulated under the Corporations Act, nor is it required to be. A copy is not required to be, and has not been, lodged with the Australian Securities and Investments Commission (“ASIC”).

2 This Information Memorandum has been prepared only for the issue to, and use by, prospective Investors who qualify as “Eligible Investors”. An Investor qualifies as an Eligible Investor if they are a “wholesale client” (as defined in section 761G of the Corporations Act) or a person who satisfies the Trustee that they are not a “retail client” within the meaning of the Corporations Act and who otherwise satisfies the Trustee’s investment criteria.

3 This information does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for Units by persons who are not Eligible Investors. Applications or any requests for information from persons who are not Eligible Investors will not be accepted.

4 This Information Memorandum does not purport to contain all the information that may be required to evaluate an investment in the Fund (or would be required if it were a disclosure document regulated under the Corporations Act). The Recipient and respective advisers should conduct their own independent review, investigation and analysis of the Fund and of the information contained, or referred to, in this document, before making a decision to invest in the Fund.

5 None of the Trustee, Investment and Facility Manager, nor the tax or legal advisers named in the Directory, nor their directors, officers, employees, agents, advisers or representatives (referred to collectively as “the Beneficiaries”)

makes any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this Information Memorandum or previously or subsequently provided to the Recipient by any of the Beneficiaries. This includes, without limitation, any historical financial information, forward looking statements, estimates and projections and any other financial information derived therefrom. Nothing contained in this Information Memorandum is, or shall be, relied upon by the Recipient or any other person, as a promise or representation, whether as to the past or the future.

6 None of the advisers named in this Information Memorandum (“Advisors”) has made any statement that is included in this Information Memorandum or any statement on which this Information Memorandum is based.

Each of the Advisors:

a. Has not authorised or caused the issue of this Information Memorandum, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this Information Memorandum; and

b. To the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Information Memorandum.

7 Except insofar as liability under any law cannot be excluded, the Beneficiaries shall have no responsibility arising in respect of the information contained in this Information Memorandum or in any other way for errors or omissions (including responsibility to any persons by reason of negligence). The Beneficiaries do not warrant nor represent the accuracy, completeness or currency of, or accept any responsibility for errors or omissions in, any information contained in or omitted from this Information Memorandum (whether oral or written), and disclaim and exclude all liability (to the maximum extent permitted by law) for all losses and claims arising anywhere out of, or in connection with, any information contained in or omitted from this Information Memorandum (whether oral or written), including by reason of reliance by any person on such information. None of the Beneficiaries take responsibility for any information, statement or representation contained in this Information Memorandum nor any omission from it.

8 Except in certain circumstances (including fraud, negligence or default by the Trustee), the Trustee enters into transactions for the Fund in its capacity as trustee of the Fund only, not in its own capacity, and its liability in relation to those transactions is limited to the relevant assets of the Fund.

9 This Information Memorandum has been prepared as at the Issue Date, and its delivery at any time after the Issue Date does not imply that the information contained in it is accurate, timely or complete at any time subsequent to the Issue Date. The Trustee may in its absolute discretion, but without being under any obligation to do so, update or supplement this Information Memorandum. Any further information will be provided subject to these terms and conditions.

10 The Trustee has not authorised any person to give any information or to make any representation or provide information in connection with the Fund nor any offer that is not contained in this Information Memorandum. Any such information or representation not contained in this document must not be relied upon as having been authorised by or on behalf of the Trustee.

11 The Trustee reserves the right to evaluate any applications for investment in the Fund and is entitled to await receipt of cleared funds before deciding to reject any or all applications submitted. The Trustee is not obliged to give reasons for rejecting any application made. The Beneficiaries shall not be liable to compensate the Recipient or any applicant for Units ("Applicant"), for any costs or expenses incurred in reviewing investigating or analysing any information in relation to the Fund, in making an application or otherwise.

12 The Trustee reserves the right to charge an Applicant a dishonour fee (not exceeding the dishonour fee charged to the Trustee) in the event that a cheque on an application is void.

13 The information in this Information Memorandum is provided personally to the Recipient as a matter of interest only. It does not amount to a recommendation either expressly or by implication with respect to any investment in the Fund. This Information Memorandum does not constitute tax or investment advice and does not take into account any personal objectives, circumstances or financial needs of any particular Investor. Potential Applicants should obtain their own financial advice when considering an investment in the Fund.

14 The content of this Information Memorandum is:

- a. Strictly confidential;
- b. Not to be disclosed by a Recipient to any other person or entity, whether an associate or related body corporate of the Recipient, other than an employee or professional adviser to the Recipient and then only for the sole purpose of the Recipient considering and taking advice as to whether it will apply for Units; and
- c. Not to be reproduced, either in whole or in any part or parts, without the Trustee's prior written consent and, if such written consent is given, only for the purposes referred to above.

15 The Offer of Units contained in this Information Memorandum is available to Eligible Investors receiving the Information Memorandum in Australia. This Information Memorandum does not constitute an offer in any place outside of Australia where, or to any person to whom, it would be unlawful to make such an offer. The distribution of the Information Memorandum in jurisdictions outside Australia may be restricted by law and persons who come into possession of the Information Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

16 Certain capitalised words and expressions used in this Information Memorandum are defined in the Glossary. All references to dollar amounts in this Information Memorandum are to Australian Dollars ("AUD") and are exclusive of GST, unless otherwise stated.

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■ Letter from the Directors.

Dear Investor,

If you are a wholesale investor or professional investor with a focus on capital stability, capital preservation and risk adjusted income returns, we would welcome your consideration of an investment in the PrivateInvest Select Mortgage Fund ("Fund").

The Fund is a contributory mortgage fund that invests in multiple first mortgage loans on select properties. The Fund issues different classes of units for each loan, allowing each loan to be separate from other loans in the Fund, quarantining the risks and returns attributable to each loan.

You as an investor get to choose which loan, or loans, you want to invest into. It is your investment and your choice.

The Fund identifies first mortgage lending opportunities and, after rigorous assessment, provides first mortgage finance to participants within the residential, commercial, and industrial property sectors throughout Australia.

A Loan Memorandum is issued for each loan investment outlining the loan, investment details, target income return and frequency of cash distributions, security, investment term, risks, and Borrower profile. You should read this Information Memorandum in conjunction with the Loan Memorandum you have been provided with in relation to a proposed first mortgage loan investment.

Key attributes of the Offer

- **Range of loans:** As a contributory mortgage fund, the Fund aims to offer a range of select first mortgage investments, for you to choose.
- **First mortgage security:** The Fund only invests in loans secured by registered first mortgages, often supplemented by security over additional assets and personal guarantees from the principals of the Borrower.
- **Distribution income:** Distributions are dependent on each loan and can vary from regular monthly, quarterly income or a loan where interest is capitalised and paid on loan maturity.

Investors get to select the loan that they consider suits their income purposes.

- **Diversification:** The Fund's loan selection strategy provides the opportunity for Investors to invest in a range of first mortgage loans across different property asset types, classes, borrowers, geographic market locations and entry timing.
- **Yield quality and stability:** First mortgage security, aligned with a rigorous credit approval process, tight loan management and properly priced interest rates, support the aim of capital stability, low volatility, and quality yields.
- **Capital stability and capital preservation:** The Fund has a strong focus on capital stability and capital preservation, with the aim of making it potentially less volatile than some traditional direct property investments or share market investments.
- **National market and exclusive loan opportunities:** As a professional investment vehicle, the Fund has access to a continual pipeline of loans, through a national finance brokerage network. It also has access to off-market loans that are not normally made available to private investors.
- **Professional management:** The Fund is operated by a highly credentialed Board and executive management team with many years' experience in banking, direct property development, property asset management and funds management.
- **Shareholder investment:** Shareholder of the Investment and Facility Manager provides the Fund an Underwriting Facility. The Underwriting Facility provides a competitive advantage to the market, as brokers and Borrowers understand that once PrivateInvest has been through its rigorous credit approval process, the loan settlement may not be contingent on a capital raising.
- **External oversight:** The Fund utilises the extensive banking and property finance experience of its independent directors who sit on the Trustee's Board. The independent directors have the responsibility for the final decision on whether a loan is approved.

- **Selective portfolio:** The Fund primarily invests in real estate loans in the significantly under supplied \$3 million to \$20 million size range, allowing it to be extremely selective in its choice of lending opportunities.

Board and Executive Management

It is important that the Investment and Facility Manager has both the skills and expertise to look after your investment. It also helps if a shareholder of the Investment and Facility Manager have their own money invested in supporting the Fund.

We are personally proud that the Investment and Facility Manager has been able to assemble such a high calibre Board and executive team with extensive experience, both domestic and international, in funds management, property development, finance and banking, capital raising, loan origination and business development.

This includes a founding director of an ASX listed company, which was the largest in its property sector in Australia, a founder and director of the largest global car-parking business, a director of a major property development company and a key executive (in infrastructure) for a dual listed investment bank.

In addition, the Trustee Board is chaired by a prior CEO and Managing Director of a national mainstream banking business.

Risk Management

The Fund has an extremely thorough and rigorous loan and credit evaluation process – from the initial loan origination sourced via national finance brokerage firms, through our internal valuation and assessment process, and culminates in the independent external Trustee Directors having responsibility for final loan approval. All Loans are secured by first mortgages and all properties are independently valued.

Summary

We encourage you to read this document in its entirety before making an investment decision. If interested, your next step is to contact PrivateInvest and speak to one of our Investor Relations professionals who will guide you through the Application process to ensure you qualify as a professional, or wholesale, Investor.

Once the Application process is completed, you do not have to provide any money at that stage. Your successful Application registers your expression of interest in receiving the next Loan Memorandum being offered to Investors.

We would welcome your interest and your investment.



1 Key Investment Summary.

This section is a summary only. Investors should read the Information Memorandum in full before completing an Application (which, if accepted, will register their expression of interest to receive individual Loan Memorandums), as this Information Memorandum contains important information about the Fund. Investors should also consider seeking independent legal, taxation and financial advice before investing in the Fund.

Investment Overview		
What is the investment structure?	The Fund is a contributory mortgage fund, structured as an unregistered unit trust, for wholesale and professional Investors. The Fund has different classes of Units for each first mortgage Loan, allowing each Loan to be separate from other Loans in the Fund. This quarantines risk, and returns for each individual Loan.	Section 4.1
What is a contributory mortgage fund?	A contributory mortgage fund allows you to select the Loan or Loans you wish to invest in. You will therefore be able to acquire Units in the Fund that are linked to specific Loans you select. Although you will not have a specific ownership in any actual part of a Loan, if you are the holder of a particular class of Units, then you will have an interest in the income and capital associated with the relevant underlying Loan. In this way, you can effectively select the level of participation you have, and which of the Fund's Loans you invest in.	Not Applicable
What is the investment strategy?	The strategy of the Fund is to source lending opportunities and, after rigorous assessment, to provide first mortgage finance to participants within the residential, commercial, and industrial property sectors throughout Australia, in the significantly under supplied \$3 million to \$20 million loan size range.	Section 2
What is the investment objective?	The objective of the Fund is to provide wholesale and professional Investors with a range of first mortgage income opportunities to choose from.	Not Applicable
Investing		
Who can invest?	An investment in the Fund is only available to wholesale and professional Investors ("Eligible Investors").	Section 9.2
Do I get to choose which Loans I invest in?	Yes. Your income returns are based only on the specific Loans you choose to invest in.	Not Applicable
What is the average loan size?	The Fund invests in loans in the significantly under supplied \$3 million to \$20 million size range. The average loan size is anticipated to be in the order of \$6 million but will vary from time to time.	Section 2.1

Investing		
What type of Loans does the Fund invest in?	<p>The types of Loans vary. Examples are bridging loans on land, financing of small residential projects, residual stock loans, loans to refurbish existing property and commercial property.</p> <p>This secured first mortgage asset mix will change from time to time depending on factors such as market demand and geographic location. All Loans are assessed on the quality of the underlying asset and in all cases the Borrower must demonstrate they have a clear exit strategy to repay the Loan.</p>	Section 2.1
How does the Fund generate its returns?	<p>The Fund receives income from each Loan in the form of interest, line fees, and in some cases, performance linked arrangements. However, the return you receive will be linked only to the Loan or Loans you invest in.</p>	Section 4.11
What is the target return for the Fund?	<p>This varies with each Loan and will be outlined in the Loan Memorandum. All target or estimated returns outlined in a Loan Memorandum are management targets only, not guarantees of actual investment returns.</p> <p>Loans for bridging finance, small residential projects and refurbishments in the \$3 million to \$20 million range can vary in their target returns.</p> <p>Residential and commercial residual stock loans with underlying property income and no exposure to construction, can range from approximately 6.0% to 7.5% per annum in target income return to Investors.</p> <p>Bridging finance on land, residential development and construction can vary between approximately 7.5% to 11% per annum in target income return to Investors.</p> <p>As an Investor in a contributory fund, you can choose Loans with a target return profile and risk profile which you consider meets your investment requirements.</p>	Section 2.2
What is the minimum investment?	<p>The minimum Application Amount is \$100,000, and thereafter in \$10,000 multiples, although the Trustee may accept lesser amounts in its absolute discretion.</p>	Section 9.3
How long is my investment for?	<p>This will vary with each Loan. Loans for bridging finance, small residential projects and refurbishments, in the \$3 million to \$20 million range, typically have a 12 month to 18 month term.</p> <p>Residential stock loans where the developer has decided to hold the stock for a period, might have a loan term of up to approximately 3 years.</p> <p>This is only a guide and each Loan Memorandum will outline the term of the applicable Loan.</p>	Not Applicable

What is the Unit Price?	<p>The price of Units is based on the net asset value of the relevant Loan, adjusted for any transaction costs and provisions.</p> <p>The Unit Price is expected to always be around \$1.00 – it would commonly only change if the Fund fails to recover the entire principal amount of the applicable Loan (or if we make a provision for this non-recovery).</p>	Section 4.6
How often are cash distributions paid?	This depends on the Loan. Income distributions can vary from monthly, quarterly or on loan maturity, dependent on the Loan structure.	Section 4.12
Can I reinvest my distributions?	No. As the Fund is a contributory mortgage fund, your investment will be only in the specific Loan or Loans you choose. A Loan amount is not typically increased after the Loan is advanced and therefore, an option to reinvest your distributions is not normally available with a contributory mortgage fund.	Not Applicable
When can I withdraw from the Fund?	You will not be able to withdraw your investment in Units during the investment term of the applicable Loan. You will be repaid your investment amount after the Loan you have invested in is repaid to the Fund by the Borrower.	Section 4.13
Trustee, Investment and Facility Management Fees		
What Fees are charged?	<p>Both the Trustee and the Investment and Facility Manager are entitled to fees, as detailed in Section 5.1.</p> <p>The Investment and Facility Manager will be entitled to fees in relation to each Loan provided by the Fund, based on the type and complexity of the lending arrangement.</p> <p>The applicable fees will be outlined in the Loan Memorandum, but as a general guide, the Commitment Fee and Establishment Fee on each Loan are paid by the Borrower (not you as an Investor). These fees range from 1.5% up to 3% of the Loan amount and some of these fees may be paid to introducing finance brokers.</p> <p>Investment and Facility Management Fees are generally around 2% of the total Loan facility.</p> <p>Investment and Facility Management Fees will be charged in respect of each class of Units, payable from the assets of the Fund referable to those Units. Details of these fees will be disclosed in the relevant Loan Memorandum.</p> <p>Performance fees or exit fees may apply for a Loan as outlined in the applicable Loan Memorandum.</p> <p>The Trustee is entitled to an annual fee of 0.25% of the total asset value of the Fund, payable monthly in arrears, subject to a minimum monthly payment of \$6,000.</p>	Section 5.1

Trustee, Investment and Facility Management Fees		
Do these Fees affect my return?	The target returns which will be outlined in each Loan Memorandum will be expressed as post all fees and expenses.	Not Applicable
Who earns the upfront fees paid by the Borrowers?	<p>The upfront loan commitment fees and Establishment Fee paid by Borrowers are paid direct at settlement to the Investment and Facility Manager, and these will be disclosed in the applicable Loan Memorandum.</p> <p>Part of the Establishment Fee may be paid to introducing brokers for loan origination.</p>	Section 5.1
The Industry		
What is a non-bank lender?	<p>A non-bank lender is a financial institution that offers commercial loans and other types of loans, but which does not hold a banking licence and is not authorised to accept deposits from the public, unlike authorised deposit taking institutions (ADI's).</p> <p>Non-bank lenders include investment banks, mortgage lenders, money market funds, insurance companies, hedge funds, private equity funds and institutional investors, all of which are a significant and growing source of commercial credit in the economy.</p> <p>Non-bank lenders offer a legitimate alternative to traditional banks and have created a competitive environment to the advantage of borrowers, who have realised the benefits of the sector.</p> <p>While these non-bank lenders can provide large facilities between \$20 million to \$100 million or more, they may still take approximately two to five months to undertake their credit assessment.</p> <p>The Fund is a "specialised non-bank lender" which is focused on non-bank development finance at the lower facility range. This is supported by a Board and management team which have extensive experience in development delivery, project financing, funds management and loan facility management, in the real estate finance and investment sector.</p> <p>The Fund concentrates on first mortgage loans in the "unloved sector", being loans between approximately \$3 million and \$20 million.</p>	Not Applicable

The Industry		
Why is the non-bank lending sector growing?	Increasing regulatory pressure on banks has significantly reduced the amount of capital banks have relative to the demands of the market, which has created a national funding shortfall – with alternative sources of finance now required to fund the ongoing demand for the construction of housing stock and commercial property. This has provided the opportunity for PrivateInvest, through the Fund, to enable its Investors access to first mortgage loans usually only available to institutional investors.	Not Applicable
What makes PrivateInvest different from other non-bank lenders?	<p>Some financiers and brokers source a loan opportunity first and then search out the required capital from other lenders or investors. This can take time, with no guarantee of eventual success.</p> <p>A shareholder of the Investment and Facility Manager has provided a \$20 million Underwriting Facility to PrivateInvest First Mortgage Fund and this Fund which validates its confidence in PrivateInvest and both funds. This Underwriting Facility enables the Investment and Facility Manager to promptly respond to attractive loan opportunities.</p> <p>The extensive experience of the Investment and Facility Manager means usually PrivateInvest can add additional value to the project and lending can be on a tailored basis to meet the Borrower's specific needs.</p>	Not Applicable
Management & Process		
Who is the Investment and Facility Manager?	<p>PrivateInvest First Management Pty Limited is a subsidiary of PrivateInvest Pty Limited, based in Perth, WA. PrivateInvest First Management is majority owned by PrivateInvest, with the family office of Orion Global Investments Pty Ltd (based in Sydney) (Secure Parking business) and Indigo Developments (major Brisbane based developer) also holding shares in it.</p> <p>The company is chaired by Nils Miller, based in Sydney, who has more than 17 years of both national and global banking, corporate advisory, corporate finance and principal investment experience – including origination or advice on property and infrastructure transactions exceeding \$3 billion.</p> <p>The PrivateInvest First Mortgage Fund, a pooled mortgage fund also managed by PrivateInvest First Management, has returned an average cash income distribution to investors of 9.41% per annum (as at 30 September 2020) since its inception two years prior. This return has been achieved from first mortgage only loans, at an average 56% LVR (usually with additional borrowers' guarantees adding to the security pool), and with no subordinated second mortgage loans to bolster returns.</p>	Section 2.4

Management & Process		
What is the Investment and Facility Manager's experience in development and finance?	<p>The combined experience of the Board and senior executive team includes CEOs and senior executives from the fields of funds management, property development, property management and banking business, both private and ASX listed.</p> <p>This combined experience includes involvement of the management of investment funds in excess of \$3 billion and property assets totalling more than \$10 billion, direct development of over \$2 billion, and investment banking transactions (both domestic and international) totalling in excess of \$3 billion.</p> <p>Please see Section 2.4 for PrivateInvest's company description and Section 3 for Board and executive management bios.</p>	Section 3
Who is the Trustee?	<p>The Trustee is PrivateInvest Capital Securities Limited, which is the holder of Australian Financial Services Licence ("AFSL") No 491287. It is a subsidiary of PrivateInvest. The directors of PrivateInvest Capital Securities Limited are made up of members of PrivateInvest's executive management team and independent directors.</p> <p>Importantly, only the independent Trustee Directors can vote on Loan approvals, to provide more oversight and Loan approval protection measures.</p>	Section 2.5
Has there been any capital or income losses?	No which also includes the PrivateInvest First Mortgage Fund.	Not Applicable
Is the Investment and Facility Manager transparent on the management of the Fund and its Loans?	<p>The Investment and Facility Manager considers transparency is key. The Loan Memorandum for each individual Loan provides details such as the target income returns, profile of the Borrower, and facility term, and should provide Investors complete understanding of the financing they are funding into the Loan and the risks associated with it.</p> <p>PrivateInvest produces quarterly newsletters on the group's activities and regular updates on individual Loans.</p>	Not Applicable
How does the Investment and Facility Manager source Loans?	The Investment and Facility Manager sources Loans from its own network, from other lenders and through its extensive national network of independent finance brokers. The finance brokers provide a filtered process of loans to assess and allow the Investment and Facility Manager to "handpick" the right Loans.	Section 2.3

Management & Process		
How are Loans assessed?	<p>The Investment and Facility Manager has credit guidelines for first mortgage lending. These are not policy guidelines like banks. They provide a guideline to the independent Trustee Directors for loan approvals but have enough flexibility for tailoring of loans for Borrowers.</p> <p>Internal market research leads to modifications of the credit assessment guidelines from time to time; and with PrivateInvest having a national presence, helps with the aim of staying out of poor property markets and targeting solid property markets.</p> <p>The Investment and Facility Manager prefers to seek Loans with a clear exit strategy, and which have, where applicable, underlying income to assist in servicing.</p>	Section 2.3
What happens if a Loan defaults?	<p>The Investment and Facility Manager has many years' experience in property, development and construction, and in the event of a problem, the immediate response is usually to work with and assist the Borrower, with the aim of finding a financially viable solution. These actions are not intended to result in the Fund being able to control (directly or indirectly) the affairs of the Borrower.</p>	Section 7
Who holds the First Mortgage and the Security Documentation?	<p>The Trustee, as trustee for the applicable Unitholders.</p> <p>However, on occasion, the Fund might invest in a Loan together with other financiers, including for example the Underwriter. For these transactions, it is possible that the first mortgage security may be held by another company (usually controlled or managed by PrivateInvest), acting as a security trustee or loan arranger.</p> <p>On occasion, the Fund might also invest in a Loan through a loan participation arrangement, under which the first mortgage security is held by another company which advances the Loan and the Fund contributes its share of the Loan via a participation agreement.</p>	Section 2.1
What is the Underwriting Facility?	<p>Due to the Underwriting Facility, which is provided by shareholder of the Investment and Facility Manager, the Fund can enter into a Loan (or issue a term sheet to a Borrower) even if it doesn't have all of the money required to fund the Loan in full, or to meet future drawdown obligations. Should, at some point in the future, the Fund be required to advance an amount under a Loan which exceeds the amount which has been raised for that Loan, it can call on the underwriting.</p>	Section 4.9

Management & Process		
What is the benefit to the Fund of the Underwriting Facility?	If a Loan has been partly funded by the Underwriting Facility, the Fund retains the right to “take back” a portion of the Loan if it receives additional investment applications for that Loan.	Section 4.9
Does the Underwriting Facility have any advantage commercially?	<p>Yes. Often with some other debt funds, when a borrower applies for a loan, the term sheet for the loan is issued subject to a capital raising. This does not provide the borrower with certainty and can delay the process or result in the loan opportunity being lost.</p> <p>The Underwriting Facility allows the Fund to provide Borrowers with more certainty, giving it a competitive advantage over some other non-bank lenders.</p>	Section 4.9
Investor Communication		
What information do I get when I invest in the Fund?	When you apply for Units, you are issued with a unitholder confirmation statement. It tells you how many Units you have been issued, and the date.	Section 4.15
What reports are sent out and when do I get them?	<p>You will receive a distribution statement when you receive your cash income distribution. You will also receive a Loan update at this time. This Loan update would report on any material Loan changes, general Loan performance and if applicable sales, leases, drawdowns and if close to Loan maturity term pending settlements.</p> <p>You may also receive reports at other times if there is any significant activity in relation to the Loan that is considered to be of interest.</p>	Section 4.15
How do I see the details of my investment in the Fund?	In addition to the Unitholder confirmation statements, you will have access to an online Investor portal. You will receive an Investor number and login details by email. If you make other investments in the Fund, or invest in other PrivateInvest investments, then information on all of these investments will also be displayed on this portal.	Section 4.15

Taxation		
What is the taxation structure?	<p>Where the AMIT provisions apply to the Fund, the Fund will be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Australian tax resident Investors. The Trustee should not be liable to pay Australian income tax on the taxable income derived by the Fund.</p> <p>The Fund is required to provide distribution information (including tax components) to the ATO on an annual basis by lodging its Annual Investment Income Report (AIIR).</p> <p>Please read Section 6 for a detailed explanation of the taxation treatment of the Fund.</p>	Section 6
Risks		
What are the Risks?	<p>There are risks associated with an investment in the Fund.</p> <p>All investments involve risk and there are many factors that can impact on the performance of an investment. Many risk factors fall outside the Trustee's and Investment and Facility Manager's control and cannot be completely mitigated.</p> <p>You should expect that the values of assets (i.e. Loans) in which the Fund invests, and the level of income derived from the Loans, might fluctuate. Consequently, the value of your investment and the amount of any income entitlement distributed may rise or fall and you may suffer losses.</p> <p>For more information, please read Section 7 in detail.</p>	Section 7



■ 2 Investment Overview.

2.1 Investment Characteristics

The Fund sources lending opportunities and, after rigorous assessment, provides first mortgage finance to participants within the residential, commercial and industrial property sectors throughout Australia, in the significantly undersupplied \$3 million to \$20 million loan size range.

The types of Loans vary. Examples are bridging loans on land, financing of small residential projects, residual stock loans, loans to refurbish existing property and commercial property.

This secured first mortgage asset mix changes from time to time, depending on factors such as market demand and geographic location, but all Loans are assessed on the quality of the underlying asset and in all cases, the Borrower must demonstrate a clear exit strategy.

The Fund focuses on Loans secured by real estate located in Australia, however in some cases, it will take supplementary security over real estate located in other jurisdictions, as well as additional security over other forms of assets. It is intended the Loans will primarily be secured by assets located within capital and major regional cities, but with the aim of avoiding areas that are considered by the Investment and Facility Manager to be oversupplied and/or underperforming.

On occasion, the Fund might invest in a Loan together with other financiers, including for example the Underwriter. For these transactions, it is possible that the first mortgage security may be held by another company (usually controlled or managed by PrivateInvest), acting as a security trustee or loan arranger.

On occasion, the Fund might also invest in a Loan through a loan participation arrangement, under which the first mortgage security is held by another company which advances the Loan and the Fund contributes its share of the Loan via a participation agreement.

2.2 Target Investment Returns

Target returns will vary with each Loan being offered under a Loan Memorandum.

Loans in the \$3 million to \$20 million range, can vary in their target returns.

Residual stock loans with underlying property income and no exposure to construction can range from approximately 6.0% to 7.5% per annum target income return to Investors.

Bridging finance on land, residential development and construction can vary between approximately 7.5% to 11% per annum target income return to Investors.

This is only a guide and each Loan Memorandum will outline the applicable target return and the Loan term.

It should be noted however that there are many factors which may affect the returns actually received by Investors. In particular, the return is dependent on:

- the specific Loans an Investor chooses to invest in;
- the prevailing official interest rate environment in Australia (such as the Australian Government Bond Rates), with a reduction in these rates likely leading to a reduction in expected returns for specific Loans; and
- debt margin rates, which are driven by the supply of both bank and private funding for property investments – for example, a significant increase in private lenders entering the market would be expected to lower debt margins and result in a reduction in returns.

All target returns outlined in the Loan Memorandums are management targets only, not guarantees or promises of investment returns.

All Investor returns are subject to risks and are not guaranteed. Please see Section 7 for important information on the risks associated with the Fund.

2.3 Loan Assessment and Management

PrivateInvest First Management has credit guidelines for first mortgage lending. These are not policy guidelines like banks. They provide a guideline to the independent Trustee Directors for Loan approvals but have enough flexibility to allow tailoring of loans for the Borrowers.

Internal market research leads to modifications of the credit assessment guidelines from time to time, and with PrivateInvest having a national presence, helps with the aim of staying out of poor property markets and targeting solid property markets.

On identification of a suitable Loan, a full credit paper is prepared by the Investment and Facility Manager and taken to its Board and to the Trustee Directors, for initial assessment and if applicable the Underwriter.

This credit paper is supported by financial information in relation to the Borrower, independent reports that relate to the Loan and a valuation by a qualified valuer appointed by the Fund.

The Investment and Facility Manager prefers to seek Loans where the Borrower has demonstrated a clear exit strategy to repay the Loan, and which have, where applicable, underlying income to assist in servicing.

On initial in principle approval by the PrivateInvest First Management Board to proceed subject to meeting a list of conditions precedent, a term sheet is provided to the Borrower, with the conditions precedent to complete due diligence and formal legal documentation. The independent Trustee Directors are informed on the process and the credit assessment paper.

Once the term sheet is executed by the Borrower, lawyers are instructed to commence the process of formal documentation of the Loan.

The Investment and Facility Manager has a panel of top tier lawyers for the preparation of Loan and security documentation and the legal work is tendered on each Loan. The Borrower is responsible for the costs of legal document preparation.

All standard credit and assessment checks are undertaken on the property, project, directors of the Borrower and the Borrower's history and track record in project delivery. Loans have recourse finance back to the Borrower and its directors (via guarantees), to add to the security pool relating to the Loan.

The subject Loan may require additional approval by the Underwriter (if applicable), which is another level of credit approval.

Final legal documentation is prepared, and the lawyers need to certify that the documentation meets all the conditions precedent of the credit paper.

The independent Trustee Directors make the final decision on the approval of Loans.

A Loan Memorandum is then produced and provided to Investors who have registered through the PrivateInvest Select Mortgage investment information process.

Dependent on the required timing for the advance of the Loan, the Loan Memorandum may be released prior to Loan settlement, or after Loan settlement. Investors can then apply to subscribe for Units in the subject Loan.

The Investment and Facility Manager then manages the Loan through its loan management system, which monitors the Loan and its performance.

2.4 The Investment and Facility Manager

The Investment and Facility Manager of the Fund, PrivateInvest First Management Pty Limited, is a member of the PrivateInvest group of companies.

PrivateInvest First Management is majority owned by PrivateInvest, with the family office of Orion Global Investments Pty Ltd (based in Sydney) (owners of the Secure Parking business) and Indigo Group (major Brisbane developer) also holding shares in the PrivateInvest First Management entity.

PrivateInvest is a financial services company specialising (through its funds) in first mortgage non-bank lending, investment first mortgage income funds, structured finance equity/debt, and investment and funds management in the real estate sector.

PrivateInvest is intuitively focused on the discipline and culture appropriate to the current constantly changing economic financial environment, with a strong emphasis on capital stability, capital preservation and yield, and as a result achieves superior, risk-adjusted returns for its Investors.

PrivateInvest currently operates two funds. The PrivateInvest First Mortgage Fund is a pooled, open-ended, unregistered unit trust for wholesale Investors. As a first mortgage lender only, this fund has achieved its targeted investor returns without the need to undertake second mortgage or mezzanine debt. The PrivateInvest First Mortgage Fund has returned an average 9.41% per annum income return to investors (as of 30 September 2020) since its inception two years prior. This has been achieved with first mortgage only loans, at an average 56% LVR (usually with additional borrower guarantees adding to the security pool).

PrivateInvest is a boutique and not a monolith. This means PrivateInvest can be flexible, autonomous and capable of responding quickly to evolving market needs.

Please see **www.privateinvest.com.au** for more information.

2.5 The Trustee and Compliance

The Trustee is responsible for the oversight of the Fund.

The Trustee is PrivateInvest Capital Securities Limited, which is the holder of Australian Financial Services Licence ("AFSL") No 491287. It is a wholly owned subsidiary of PrivateInvest.

The directors of PrivateInvest Capital Securities Limited are made up of members of PrivateInvest's executive management team and some independent Directors.

Importantly, only the independent Trustee Directors can vote on Loan approvals to provide more oversight and Loan approval protection measures.

PrivateInvest Capital Securities Limited is chaired by Greg Peel as an Independent Chairman, based in Sydney. Greg has over 35 years' experience in banking and finance, covering corporate banking, capital markets and trade finance, including the establishment of Bendigo and Adelaide Bank's business banking and asset finance divisions. Please see Section 3.2 for his biography.

PrivateInvest Capital Securities Limited, as Trustee and AFSL holder, uses a combination of internal and external compliance functions.

In addition to the internal qualified resources, PrivateInvest has engaged external compliance services, as an additional compliance oversight, that specialises in funds management compliance. Their role includes evaluation of PrivateInvest's compliance and risk management framework and chairing quarterly compliance meetings.

PrivateInvest has engaged One Registry Services, which provides external registry and ancillary services, including registry management, cross checking Investors' distribution payments and providing an Investor portal.

Although the Trustee is responsible for the oversight and operation of the Fund, the sourcing, assessment and ongoing management of investment opportunities is managed by the Investment and Facility Manager.



■ 3 Key People.

3.1 PrivateInvest First Management Board of Directors

The Directors take a very “hands on” approach to managing the Fund. The combined Board and management experience and skillset assists in mitigating risk and achieving the Fund’s target returns.



Nils Miller – Non-Executive Director and Chairman

Nils Miller, based in Sydney, has more than 17 years of banking, corporate advisory, corporate finance and principal investment experience including origination or advice on property and infrastructure transactions exceeding \$3 billion.

Nils leads Investec Australia’s principal investment activities in infrastructure, Investec being a distinctive specialist bank, providing a diverse range of financial products and services. The company is listed on both the London and Johannesburg Stock Exchanges.

Nils has extensive international advisory experience in both public and private markets, across Europe, the UK, the USA, and Australasia.

Nils’ specific expertise is in infrastructure, property, finance and funds management, as well as partnering with Governments on various projects, including Public Private Partnerships (PPPs).

His most recent experience in a banking environment has involved principal investment, asset management, oversight of institutional, strategic and investor partnerships, business development, strategic positioning and team strategy. At a more granular level, Nils oversees bidding and execution of specific projects, oversight of project development, asset optimisation activities as well as generalist team management.

Nils has overseen a vast variety of debt-based transactions in Australia exceeding \$2 billion, more recently in project finance and infrastructure and previously in real estate debt facilities funded by major banks, domestic and international institutional and non-bank lenders. Nils also has experience in raising capital markets products to fund real estate transactions.

Nils holds a Bachelor of Commerce Degree from the University of New South Wales, a Bachelor of Laws from Macquarie University and recently completed the University of California, Berkeley, Haas School of Business’, Executive Leadership Program.



Mark Roberts – Founding Managing Director

Mark Roberts, based in Perth, is the founding Managing Director of PrivateInvest and his family holdings are the major shareholder of the PrivateInvest group. Mark has over 25 years’ experience in the property industry in both the public and private sectors.

Mark is well regarded for his management ability to build quality professional teams around him. With no formal university education, he has worked hard and succeeded in the real estate sector and industry. His extensive real estate experience spans across finance, funds and investment management and he has a solid history of direct property investments into medium to large scale developments for his own entities, and as founding Managing Director for national ASX listed property entity.

Prior to the establishment of PrivateInvest, Mark, as Managing Director and as a major shareholder through his family entity, founded and directed SCV Group, an ASX listed entity, establishing a national

affordable rental retirement management company that grew from 30 units in 2000 to 5,600 units under his management in 2007, when he commenced the sale of his shareholding and retirement as Managing Director. Under Mark's direction from start-up, the company became Australia's largest in its sector, providing asset, facilities, tenancy and funds management services to institutional, wholesale and retail owners.

Mark has directed the negotiation and execution of many large-scale transactions in finance, securities and property, directed a merger and then acquisition of a major ASX listed competitor, directed many successful private/public capital raisings and negotiated major transactions with listed and unlisted property trusts.



Garth Mathews – Non-Executive Director

Garth Mathews (alternate director Brett Mathews), both based in Sydney and jointly founded Secure Parking in 1979. Garth has operated the company in the capacity as Managing Director and CEO since that time. In 1984, Garth took the Australian parking industry to new levels when implementing a strategic plan to make multi-storey car parks “one-stop shops” with an extensive range of value-added services and products being offered. Secure Parking now provides these services to a broad range of landlords including large Institutions, Government Authorities, public companies and private investors.

As a result of successes in Australia, Garth expanded operations overseas into 13 countries and grew Secure Parking to be the largest car parking company in the world, operating 2,500 car parks and employing over 15,000 staff. Following on from this success, Garth has driven the development of ground breaking integrated parking solutions and data capture systems, designed to both improve the efficiency of parking operations, and to open up significant value-add opportunities.

Due to the unique exposure and interdependence that car parking business has to property, Garth developed an in-depth understanding of both commercial and residential real estate and gained extensive experience and knowledge which he also used to undertake numerous boutique property developments in and around Sydney.

Garth and Brett are the shareholders and directors of Orion Global Investments Pty Ltd which, through their nominated entities, provide the Underwriting Facility to PrivateInvest Select Mortgage and PrivateInvest First Mortgage Funds.

With a recent divestment of the parking businesses in some of his more mature markets, Garth has been able to focus his attention on the evolving non-bank lending market.



Mitch Nielsen – Non-Executive Director

Mitch Nielsen, based in Brisbane, is the Managing Director of Indigo Group, a privately-owned development company with diversified interests across a broad range of real estate asset classes. The company has delivered over \$2 billion worth of projects.

Mitch directs all facets of the Indigo Group company activities including project identification, capital raising and development management as well as overseeing due diligence, approvals, finance, construction and project marketing. As a past

Queensland president of the Property Council of Australia, Mitch is held in high regard in the property industry. His past experience in property transactions is extensive including:

- overseeing the development of the \$400 million Brisbane Administration Centre including the construction of a new and refurbished office tower with extensive retail;

- initiation, negotiation and management of joint venture agreement with owners of a 1,000 ha, US\$1 billion, master planned community in Texas, USA;
- the development of 9 residential towers in South East Queensland;
- the direct development of numerous subdivisions throughout South East Queensland, including a \$500 million mixed use residential development at Caboolture, Queensland;
- the development of the \$100 million Great Western retail centre in Brisbane;
- the construction, refurbishment or repositioning of 4 hotels on the Eastern Seaboard; and
- the development of numerous other commercial, retail and residential projects.

Mitch holds a Bachelor of Engineering and post graduate diplomas in project management and applied finance and investment.

3.2 Independent Trustee Directors

In order to supplement the Investment and Facility Manager's rigorous due diligence process, the Fund has established an independent loan approval process, which will involve independent Directors who have extensive experience in banking and property finance.

The Trustee is currently appointing new independent Directors to join the Chair on the Trustee Board and those appointments will be posted on the company website at www.privateinvest.com.au



Greg Peel – Independent Chairman Trustee

Greg Peel, based in Sydney, and has over 35 years' experience in banking and finance covering corporate banking, capital markets and trade finance including the establishment of Bendigo and Adelaide Bank's business banking and asset finance divisions.

Greg was Co-Founder, Chief Executive Officer and Managing Director of Community Sector Banking ("CSB"), Australia's only dedicated banking service for the not-for-profit sector, which is a position he held for 13 years. With a focus

to enhance the capacity and capability of the community sector, CSB has built a strong reputation as an innovator and solution provider for the not for profit sector.

Prior to his appointment to the CEO/MD role at CSB, Greg held the position for nine years at Bendigo Bank as Chief Manager Strategic Markets, Chief Manager Niche Markets and National Business Banking Manager at the bank. Greg was also Chair of Bendigo Asset Management.

Greg also held a position with Standard Chartered Bank for three years as State Manager for the Australian southern States and Global Account Manager for BHP, a leading ASX listed resources company responsible for operating in 24 countries.

Greg's other banking experience over the prior 11 years has included being State Manager Corporate for Banque National de Paris, Manager Corporate and also State Manager of NSW, London and Manager and Senior Credit Analyst at Banque National de Paris.

Greg holds a Bachelor of Economics, Certificate in Credit Management and Introduction to Advanced Derivatives.

3.3 PrivateInvest Executive Management



Leon Boyatzis – Head of Funds Management

Responsible Manager under the Trustee's AFS Licence No 491287

Leon Boyatzis, based in Perth, has over 20 years' experience in the finance, property and funds management industry. As a qualified chartered accountant and licenced property valuer/certified practicing valuer with the Australian Property Institute, he has held senior property fund manager roles driving out performance in listed/unlisted, retail and wholesale funds.

Leon has been a Key Person Responsible Manager on a number of responsible entities which operated property schemes on behalf of retail and wholesale clients.

Leon's extensive experience in financial services is, but not limited to, as follows:

- Senior Fund Manager for a boutique investment and development property funds business, with funds in excess of \$300 million.
- Investment and Funds Manager and Head of Unlisted Funds for a Sydney based ASX listed entity responsible for five single asset syndicates (retail investors), with funds under management of \$250 million.
- Senior Fund Manager, with Multiplex Capital and Brookfield Properties Funds Management Division, responsible for retail development funds, investment listed and unlisted funds with funds under management in excess of \$900 million.
- Head of Funds Management with Axiom Properties Limited.
- Chief Investment Officer with Hawaiian, a privately owned Perth based boutique property investment and development company.

Leon holds a Bachelor of Business (major accounting and business law) and Masters of Property.



Naomi Roberts – Loan Management / Company Secretary

Naomi Roberts, based in Perth, is responsible for the administration of the parent company and its subsidiaries, which include compliance, governance, administration, loan management and liaison, working with the funds management and finance team on investor reporting for the funds.

Naomi has extensive commercial experience extended over 15 years in property and property related business activities. This experience included the management of family owned property management rights, directing and managing the acquisition of development opportunities and going concern property ranging from commercial, retail and residential.

Before the founding of PrivateInvest in late 2010, Naomi worked in two law firms in support roles to principals, one a boutique firm and then a national ASX listed legal firm, while obtaining her law degree.

Prior to the period of 2007, Naomi was involved in the founding and development of SCV Group, the ASX listed national rental seniors housing company. Naomi's role included all aspects of the business' development and administration, including during the period of listing the company on the Australian Stock Exchange.

In the listed company role, Naomi had direct responsibility to investors which included institutional funds with over \$1.2 billion under management, wholesale and multiple retail investors.

Prior to the ASX listing, Naomi accepted an important role in the company, responsible for corporate communications. This included the transitioning of acquired assets from acquisition of management rights acquired by the company into the parent corporate entity, public relations and the production of corporate communications including shareholder information, prospectus and annual reports.

Naomi holds a Bachelor of Laws and a degree in Business Management (major in marketing).



Sarah de Rozario – Finance Manager

Sarah de Rozario, based in Perth, oversees the accounting functions for the group. Sarah is a CPA with over 20 years' experience, both international and local. Industry sectors include construction, oil and gas, technology and sports administration. She specialises in finance, strategy, compliance and risk management. Sarah is a strong advocate for Women on Boards, which aligns with the PrivateInvest group's philosophy. Sarah's experience and background are as follows:

- Chief Financial Officer Hockey Australia/Hockey WA.
- Global Development – Compliance & Reporting Manager for the International Cricket Council (ICC) – Dubai, which is the International Governing body for Cricket for 105 Member Countries. This included reporting of ICC's Developing Cricket World Funding Policy – US\$300 million over eight years (2009-2016) across 95 countries and five regions.
- Group Reporting and Consolidation Controller for Balfour Beatty PLC, London (UK GAAP) which is an engineering, construction, services and investment group.
- Other roles have been Head of Finance for two years for Ace Interactive, Sweden, a leading developer and supplier of turnkey Interactive Video Terminals, and Group Accountant for Mowlem PLC (London), a construction and engineering company listed on FTSE 250.

Sarah holds a Bachelor of Business (major in Accounting and Business Law) and has professional qualifications as a CPA (2000). She is a Women on Boards (WoB) Member and is also a Director on the Boards of the International Table Tennis Federation (ITTF) – Para, Fishability – Finance Director and GreenScreen Film Festival – Finance Director.



Tim Jones – Investor Relations

Current Responsible Manager under the Trustee's AFS Licence No 491287

Tim Jones, based in Perth, has over 27 years' experience in property funds management and investment. This includes 15 years with the Sarich Family Office, WA largest private property investor, and eight years with Macquarie Bank's development funds management team. Tim possesses an in-depth knowledge of property and has experience in all facets of property debt / equity and implementation.

Tim's experience and achievements include:

- Goldmate Property Group's Funds Management Business in Sydney for three years. Tim facilitated the establishment of Goldmate Australian Property Funds Management business and established two \$50 million Funds to be directed into englobo residential land in Sydney and Melbourne.
- Lead the Goldmate team to establish both an equity and debt fund for the raising of \$100 million over various projects.

- Undertook specific training to become the Responsible Manager for Goldmate's AFS License.
- Undertaken his own developments including land subdivision, site amalgamation, site approvals and provided advisory consultancy work for other developers.

Tim also worked with Macquarie Group for eight years and was responsible for direct property investment/development portfolios throughout Australia worth in excess of \$800 million.

Prior to joining Macquarie Group, Tim established Cape Bouvard for the WA Sarich Family Office, a direct property investment/development portfolio throughout Australia in excess of \$700 million.

Tim holds a Bachelor of Business with a major in Valuation and Land Economy. Tim is a Fellow member of Financial Services Institute of Australasia, Associate of Royal Institution of Chartered Surveyors and Australian Property Institute and a Valuation and Land Economy member of and numerous Professional Affiliations.



Stewart Kestel – Investor Relations

Stewart Kestel, based in Perth, has extensive experience in property, finance, development and capital raising. Stewart's family business is involved in the tourism, caravan and lifestyle village industry, which provided the basis for his strong interest in property and finance over the past 30 years.

Stewart was the Managing Director and equity partner of one of Western Australia's largest and most respected valuation practices for over 10 years, Hegney Property Group. Hegney Property Group had a 20% market share in Western Australia providing valuation services to all major banks, large institutions and non-bank lenders, valuing over \$7 billion of property each year. Stewart was instrumental in expanding Hegney Property Group's regional offices, providing state-wide coverage and establishing the first buyer's agency in WA.

Stewart has also held roles including acquisitions manager for one of Australia's largest residential property developers, Satterley Property Group and acquisitions manager for WA, SA and Victoria for the ASX listed Aspen Group.

As Director of Complex Projects within the housing portfolio of the WA State Government, Stewart was responsible for the acquisition of englobo land for future master planned communities. He was instrumental in establishing the 'shared equity' programme which involved engaging large builders to construct over 500 houses on existing suitable development sites, establishing joint venture development partnerships with large land developers, holding appropriate board positions and the planning for redevelopment, where appropriate, of the established 40,000 plus existing social housing properties.

Stewart holds a Bachelor of Commerce (Property) and has completed the Australian Institute of Company Directors course.



Scott Morgan – Loan Origination

Scott Morgan, based in Sydney, oversees the national loan origination for the business. Scott's responsibility involves sourcing first mortgage loans through a national data base of finance brokers and working closely with the larger financing broking houses.

Scott has worked over the last few years in this type of finance role, built solid experience and has established strong relations through the larger finance broking houses. Scott is not only involved in loan origination but has the added

strength and experience in financial analysis for loan due diligence, credit assessment of the Borrower, preparation of the credit submission papers for the Investment and Facility Manager and working through all facets of loan process to financial close.

Prior to joining PrivateInvest, Scott worked for 360 Capital, an ASX listed entity tasked with the responsibility of building its real estate debt business. In this role, Scott invested \$100 million in 2019 across multiple first mortgage transactions.

In 2009, Scott established his own business and has consulted and provided contracting services to range of public and private businesses as well as family offices. Over the past 25 years, Scott has held leadership roles at well-known firms such as Deloitte, Babcock and Brown and Investa Property Group.

Scott holds a Bachelor of Commerce from Australian National University, Member of the Institute of Chartered Accountants Australia, Fellow of the Financial Services Institute of Australia, AFSL Accredited Responsible Manager and a Licensed Real Estate Agent.



4 Fund Operations.

4.1 Structure of the Fund

The Fund is an unregistered managed investment scheme, structured as a unit trust.

The Fund has different classes of units for each first mortgage Loan, allowing each Loan to be separate from other Loans in the Fund, quarantining risk and returns to each Loan.

The Fund offers Investors the opportunity to invest in a range of Loans secured by registered first mortgages. Loans may also be secured by other forms of security.

In order to provide maximum flexibility with respect to the long-term operation of the Fund, the Fund has been structured as a trust with no specific termination date.

4.2 Target Fund Size

It is currently the intention of the Trustee to leave the Fund open for new investment indefinitely.

4.3 Ongoing Applications

The Fund is designed to operate as an 'open-ended' vehicle, and as such there is no intention to close the Fund to new applications in the foreseeable future, if at all. However, it is always possible that unforeseen circumstances may cause the Trustee to reconsider this policy for the benefit of Unitholders. If this does occur, the Investment and Facility Manager will notify Investors of the change.

4.4 Unit Classes

The Fund consists of separate classes of Units for each Loan investment.

The Fund is structured to allow Investors to acquire Units in the Fund that are linked or referable to specific Loans, selected and offered to Investors under Loan Memorandums. Although an Investor will not have a specific ownership in any actual part of a Loan, if they are the holder of a particular class of Units, then they will have an interest in the income and capital associated with the relevant underlying Loan. In this way, they are able to effectively select the level of participation they have in each of the Fund's Loans.

On acceptance of an Application and receipt of the Investor's investment into a selected Loan, the Investor will be issued Units in the Fund and be entitled to receive a share of any income referable to the class of Units (less a proportionate share of applicable Fund expenses including fees).

4.5 Selecting Loan Investments

Applications from Investors will be processed without receipt of the Investor's funds, pending the identification of new financing opportunities, which will be offered through a Loan Memorandum.

Before making an investment, Investors must read the relevant Loan Memorandum and consider whether the particular Loan is right for them. The Investor can then elect to apply to invest through submitting an Application and then an Election Form for the Loan they wish to invest in, together with the amount they wish to invest (subject to any minimum investment amount for the Units set out in the applicable Loan Memorandum).

Once an Application is approved, the Investor is registered to receive Loan Memorandums. Priority allocation is given to Investors who have been approved, once they have elected the Units they wish to invest in.

Loans will proceed if they are fully funded within the funding period (taking into account any use of the Underwriting Facility), as set out in the Loan Memorandum for that Loan. The minimum amount required for a Loan to proceed will also be included in the Loan Memorandum.

4.6 Unit Pricing

The Unit Price (or Application Price) is the amount per Unit that must be paid to acquire a Unit in the Fund. Units will be issued at the price set out in the relevant Loan Memorandum, which will usually be \$1.00 per Unit.

The Trustee has a Unit Pricing Policy that describes the policies used to determine, and the formula or method applied to, any variable components of the Unit Price or Withdrawal Price. A copy of this Unit Pricing Policy is available to Investors at no charge by contacting the Trustee.

4.7 Obtaining a Current Unit Price

Each Investor can request an updated Unit Price for their Loan or Loans by visiting www.oneregistryservices.com.au or contacting the Trustee on 1300 2 INVEST (**1300 2 468 378**).

4.8 Valuation Methods and Policies

In accordance with the Constitution, in addition to applying the AIFRS, the Trustee may determine the valuation methods and policies it will apply in ascertaining the Net Asset Value attributable to a Loan. Generally, the value of an asset will be guided by the market price of the asset, unless it is believed there is no market for the asset, or the market price does not represent the fair value of the asset.

In particular, where the Investment and Facility Manager, or Trustee, believe that a particular financing arrangement may default in payments or not be repaid or recovered in full, the Trustee will seek to determine an appropriate provision for non-payment, which will result in a reduction in the applicable Unit Price. In doing so, the Trustee may utilise the services of the Investment and Facility Manager, or an external expert, to assist in its determination.

4.9 Underwriting Facility

The Fund has entered into an Underwriting Facility (which is with a related party) in relation to specific Loan opportunities. Under this arrangement, when the Fund provides a Loan that has a requirement to advance additional amounts in the future (such as partly drawn construction facilities), the Underwriter (subject to prior approval) commits to meet any future drawdown obligations (if the Fund is unable to), and in return earns any line fee payable by the Borrower in relation to those undrawn amounts.

Under the Underwriting Facility, the Fund may also enter into an arrangement with the Underwriter under which the Underwriter agrees to fund a portion of a Loan, but allows the Fund to “take back” a component of the drawn Loan as and when the Fund receives amounts from new Investors.

In most instances, underwriting arrangements are superior to the use of gearing in a fund, as they transfer the full risk of the undrawn portion of a loan to the Underwriter, whereas under a gearing arrangement, the Fund carries all of the repayment risk but has a fixed requirement to repay the bank. That is, underwriting allows the Fund to make a Loan without the “risk amplification” element that occurs with the use of Fund gearing.

4.10 Returns on Investment

The return on investment will come in the form of periodic income distributions.

Distributions generally represent the share of:

- the distributable income from the applicable Loan (described below); and
- other distributions of capital that may occur.

Every year the actual returns may vary as all investments involve fluctuations in market conditions and some degree of risk. For details of some of the risks associated with an investment in this Fund, please see Section 7.

4.11 Calculation of Distributable Income

The Distributable Income of a Loan will generally consist of interest, application fees (if applicable) and bonus payment arrangements earned on cash, less the expenses of the Fund relating to that Loan.

In order to distribute this amount to Unitholders in a Loan fairly, the Fund uses a “unit days” formula for the calculation of distribution entitlements and the Unit Price.

This means that an Investor’s entitlement to a distribution is based on the number of days that the Investor has held Units (as a proportion of the total number of days in a Distribution Period), and not on their holding at the end of the period. As a result, if an Investor acquires (or disposes of) Units part way through a distribution period, that Investor will only be entitled to a partial distribution for that period.

Note that if an Investor has not provided a Tax File Number (TFN) or exemption category, or if the application shows a country of residence other than Australia, tax may be deducted from their distributions in accordance with Australian law.

4.12 Payment of Distributions

The Fund distributes periodic income as outlined in the Loan Memorandum referable to the Loan that the Investor is invested in.

4.13 Withdrawing from the Fund

You will not be able to withdraw your investment in Units during the investment term of the Loan for those Units. When the Loan matures and is repaid, then the Investors’ Units referable to that particular Loan will be redeemed and repaid to the Investor.

4.14 Transferring or Selling Units

Investors are entitled to transfer Units to a third party at any time, subject to the transfer procedure in the Constitution. The Corporations Act places some restrictions on the ability of the Trustee to facilitate the sale of Units from Investors to third parties. In particular, the Corporations Act restricts the ability to introduce potential buyers to sellers or to act for both parties to the transaction. However, if an Investor has identified a willing acquirer, the Trustee may assist with the transfer process.

Under the Constitution, the Trustee has the discretion to refuse any transfer of units.

4.15 Reporting

To keep Investors informed about the investment and its performance, they will receive the following reports and statements each year.

Investors also gain access to an online portal, which includes copies of all reports, updates and Fund statements.

Information is generally provided within the following timeframes. Investors will be advised if any of these timetables change.

Report type	Timing	Method of distribution
Investment confirmations	Within 10 business days after issue of Units.	Email (or mail if requested)
Investor updates	An Investor update with insights into the Fund's performance and market conditions will be provided within one month after the end of each quarter.	Email, available on the website www.privateinvest.com.au (or mail if requested)
Loan updates	The frequency of Investor updates on individual Loans will be outlined in the Loan Memorandums.	Email (or mail if requested)
Distribution statements	Payments will usually be made within 10 days after the receipt of the Borrower's interest payments. The frequency of interest received varies with each Loan and is outlined in the Loan Memorandum. Statements will generally be issued within five business days after payment is made. Payments and statements after the end of the financial year can be longer given the need for preparation of annual taxation statements prepared by the external accountants.	Email (or mail if requested)
Transfer confirmations	Issued approximately 10 business days after the transfer of the relevant Units.	Email (or mail if requested)
Annual report	Distributed if possible, at the same time as the annual tax statement, but in any case, within two months from the end of the relevant financial year.	Email, available on the website www.privateinvest.com.au (or mail if requested)
Annual taxation statement	Generally, within two months from the end of each financial year.	Email (or mail if requested)

4.16 Changing Details

Changes to contact details, or payment or banking details must be made in writing and signed by the Investor. If an investment is made in joint names, signatures are required from each party. Where the Units are held by a company or via a corporate trustee, the signature(s) of a sole director, two directors or a director and secretary are required.

4.17 Complaints

If there is a complaint, an Investor can contact the Trustee directly in writing. The Investor will receive acknowledgment of written complaints within three business days. The complaint will be investigated with a view to resolving it and the Investor will be advised of the outcome or progress of the investigation as soon as possible.



■ 5 Fees and Costs.

5.1 Fund Fees and Recoveries

Trustee Fee

The Trustee is entitled to an annual fee of 0.25% of the total asset value of the Fund, payable monthly in arrears, subject to a minimum monthly payment of \$6,000.

Investment and Facility Management Fees

The Investment and Facility Manager will be entitled to fees in relation to each Loan provided by the Fund, based on the type and complexity of the finance facility.

These fees will be charged in respect of each class of Units, and will be payable from the assets of the Fund referable to those Units. Details of these fees will be disclosed in the relevant Loan Memorandum.

Establishment Fees (paid by Borrower)

In relation to these fees, the Investment and Facility Manager is entitled to an Establishment Fee payable by the Borrower at financial close. These fees usually range between 1.5% to 3% of Total Facility Value and may include payments that are required to be made by the Investment and Facility Manager to external brokers for loan origination.

These fees do not represent an additional expense of the Fund.

Exit Fees (paid by Borrower)

In relation to these fees, the Investment and Facility Manager from time to time is entitled to Exit Fees paid by the Borrower at Loan maturity. These fees usually range between 1.5% to 3% of Total Facility Value and may include payments by the Investment and Facility Manager to other external parties to assist in having the Loan refinanced from the Fund.

Trustee Removal Fee

A removal fee is payable on the involuntary removal of the Trustee as trustee of the Fund – equal to 2.00% of the total asset value of the Fund.

Ongoing Expenses

Expenses relating to the operation of the Fund, including legal fees, audit fees, management fees paid in respect of investments in externally managed lending syndicates, administration fees, and valuation fees, are to be paid by the Fund or reimbursed to the Trustee or Investment and Facility Manager as appropriate. The Trustee and the Investment and Facility Manager are also entitled to be reimbursed for the expenses incurred in promoting the Fund. Officers of the Trustee or Investment and Facility Manager are also entitled to be paid commercial fees for services provided to the Fund.

Transaction Related Costs

The Trustee and/or Investment and Facility Manager are entitled to be reimbursed for costs incurred in engaging professional parties to conduct due diligence, corporate advisory, legal, accounting and investment banking services in the execution of transactions.

Consulting, Advisory, Project Management and other Development Related Fees

Under certain circumstances, the Investment and Facility Manager may take a role in the management of Borrowers, properties or property development projects with which the Fund has entered into financing arrangements. This is only likely in situations where there is a possibility of a Borrower experiencing operational or financial difficulties that may lead to the Fund incurring losses. These actions are not intended to result in the Fund being able to control (directly or indirectly) the affairs of the Borrower.

In these circumstances, the Investment and Facility Manager will be paid commercial rates for the provision of their services, however it should be noted that these fees will be paid by the relevant Borrower and will not form an additional expense of the Fund.

Syndication and Participation Management Fees

It is possible that a Loan provided by the Fund may be part of a larger lending syndicate, with additional funds sourced from external investors or lenders. In these circumstances, it is possible that the Investment and Facility Manager, Trustee, or related parties may assume the role of originator or syndicate manager and may be paid accordingly.

5.2 Waiver or Deferral of Fees

Although not intended, the Trustee (or Investment and Facility Manager) may at their discretion waive or defer some or all of their fees, for a period of time. Any remaining unpaid deferred fees will be payable on any removal of the Trustee or Investment and Facility Manager, as applicable.

5.3 Goods and Services Tax (GST)

All fees, percentages and charges are quoted exclusive of GST and are in Australian dollars. For additional details on the taxation implications associated with an investment, please see Section 6.

6 Taxation.

The following provides a summary of the general tax implications for an investment by an Australian resident individual Investor who holds their Units on capital account. Each Investor's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this Information Memorandum. Investing in an unregistered managed investment scheme ("MIS") is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Investors concerned.

Each Investor must take full and sole responsibility for the associated taxation implications arising from an investment in the Fund including any change in the taxation implications arising during the term of their investment. It is recommended that Investors obtain their own professional and independent taxation advice before investing in the Fund.

6.1 Income Tax Overview

The income tax treatment of the Trust and its Investors will depend on whether the Attribution Managed Investment Trust ("AMIT") provisions apply to the Trust. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts ("MIT") that provide for flow-through taxation to Investors. Where the AMIT provisions do not apply, the ordinary trust taxation provisions will apply to the Trust.

The Fund and its Investors may benefit from special rules under the AMIT provisions, including the ability to allocate taxable income (and classes of income) on a fair and reasonable basis, the ability to treat (and thus quarantine income and losses to) classes of units as separate AMITs, deemed fixed trust status for tax losses and franking credits, a statutory ability to carry forward tax adjustments, an ability to raise debt financing using unit capital, and an ability to accumulate income.

The Trustee is considering making an irrevocable election to apply the new AMIT provisions. However, there is no guarantee that the Fund will qualify to apply the new provisions in any particular year of income. Therefore, the section below outlines both the general income tax treatment where the AMIT provisions do not apply and the general income tax treatment where the AMIT provisions do apply.

6.2 AMIT Provisions

About the Regime

The AMIT provisions contain specific income tax rules dealing with the income tax treatment of the Fund and its Investors, as described below. The provisions can apply where the Fund qualifies as an AMIT for the whole of the income year and where the Fund makes an irrevocable election to apply the new regime.

In order to qualify as an AMIT for an income year, the trust must qualify as a MIT for income tax purposes for that income year and the Investors must have clearly defined rights to income and capital.

The Trustee believes that it should be in a position to qualify as an AMIT for taxation purposes in order to make the appropriate election. A number of conditions must be met in order to qualify, including a "widely held" 25 member test. The Fund has until 30 June 2022 to meet certain widely held and closely held tests.

Income Tax Treatment of the Fund

Where the AMIT provisions apply to the Fund, the Fund will be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Investors. The Trustee should not be liable to pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed over).

Income Tax Treatment of Investors

The AMIT provisions require the taxable income of the Fund to be attributed to Investors on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents.

The Trustee will seek to allocate taxable income having regard to the Units held by Investors, entitlements to income and capital, as well as cash distributions made to such Investors during the relevant period. Under the AMIT provisions, an Investor may be taxable on their share of the Fund's taxable income prior to receiving distributions from the Fund.

The Trustee believes that this will ensure that the taxable income generated from selected Loans will flow through to Investors who hold classes of Units that are referable to those Loans. The AMIT regime also allows the Trustee to make an irrevocable "class election", whereby each class of Units are treated as a separate AMIT for income tax purposes with reference to the Loans referable to the class units. The class election allows income, deductions and tax losses referable to a class of Units to be quarantined in that class, so that they are not spread to Investors holding other classes of Units (which may be referable to different underlying Loans).

Investors holding units in a class will therefore be attributed a proportion of the taxable income of the Fund that is referable to the relevant class for the relevant income year.

Timing of Income for Investors

It is possible that the Fund may derive assessable interest income on accrued interest prior to those amounts being received by the Fund or distributed to Investors. Accordingly, an Investor may be taxable on interest income of the Fund prior to receiving a distribution.

As income is distributed to Investors on a days' basis (i.e. based on the number of days an Investor has been a unit holder during the Distribution Period), an Investor that disposes of their units (e.g. by way of a transfer, redemption, conversion or withdrawal) part-way through a Distribution Period may be entitled to a subsequent distribution of income (cash) represented by the accrued interest amount. For AMIT purposes, the taxable amount attributable to this cash distribution will also be allocated to that Investor by the Trustee in the income year that the amount is allocated to the Investor.

Tax Deferred Distributions

Generally, under the AMIT provisions, an Investor's cost base in their Units held is increased where taxable income is allocated to them. The cost base is decreased where cash distribution entitlements are made to the Investor in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital.

The net annual tax cost base adjustment amount will be detailed in an Attribution Managed investment trust Member Annual ("AMMA") tax statement, which will be sent annually to Investors after year-end.

6.3 Non-AMIT provisions

Where the Fund does not elect to become an AMIT, an Investor's investment in the Fund will comprise of Units in a Unit Trust. Each Investor will be regarded as a beneficiary of the Fund and both the Fund and the Investors will apply the trust taxation provisions, as outlined below.

Income Tax Treatment of the Fund

As the Fund is a unit trust, the Fund will effectively be treated as a flow-through vehicle for income tax purposes provided that the Fund distributes all of its income to the Fund's Investors on an annual basis.

The Trustee should therefore not pay Australian income tax on the taxable income derived by the Fund. This is on the condition that the Fund will not be taxed as a company under the public trading trust provisions (discussed below) and that the Trustee distributes all income of the Fund.

Income Tax Treatment of Investors

Provided that the Fund is treated as a flow-through vehicle (i.e. is not taxed as a company), Investors will be assessed on the taxable income derived by the Fund, based on their proportionate share of the annual income of the Fund that is distributed to them in that income year. The Fund's Investors will be required to include their share of taxable income in their tax return.

Unlike the AMIT provisions, the ordinary trust taxation provisions do not allow income and deductions of the Fund to be quarantined to each class of Units. This can result in all of the tax deductions and tax losses of the Fund being spread against an Investor's share of taxable income of the Fund. Accordingly, a tax deduction that is referable to a Loan held by the Fund in respect of a class of Units held by other Investor's (e.g. a bad debt deduction for a default on a Loan or fees and expenses payable with respect to a class) could be applied against the taxable income of an Investor holding another class of class of Units. This can result in tax deferred distributions to that Investor (see below).

Tax Deferred Distributions

Tax-deferred distributions may occur where the Fund distributes an amount of cash that exceeds the taxable income allocated to an Investor. A tax-deferred distribution may occur on a return of capital, where expenses of the Fund (e.g. depreciation expenses or bad debts) are offset against taxable income, or where there are timing differences. Certain tax-deferred distributions that are not assessable to an Investor result in a reduction in the cost base of the Units held by the Investor. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

Public Trading Trust Provisions

It is noted that a Unit Trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities ("the public trading trust provisions").

Eligible investment business activities include passive activities, such as investing in land for the primary purpose of rent and investing or trading in financial securities and arrangements.

The Fund will be regarded as a public unit trust if it either: (a) has 50 or more unit holders (directly or indirectly through other trusts); (b) makes an offer or invitation of its units to the public; or (c) has its units listed for quotation on a stock exchange.

The Trustee intends to limit the activities of the Fund to eligible investment business activities so that the public trading trust provisions do not apply to the Fund. Furthermore, the Trustee will seek to ensure it does not control entities that carry on trading activities.

Accruals Taxation

It is possible that the Fund may derive assessable income prior to those amounts being received by the Fund or distributed to Investors. Accordingly, Investors may be required to include amounts in their taxable income prior to receiving a distribution of those amounts from the Fund.

6.4 Tax losses

Where the Fund incurs a tax loss, these do not flow-through the Fund to Investors. However, provided that the requirements of the trust loss provisions are satisfied, the Fund may be able to carry forward those tax losses to offset them against assessable income derived in a future income year.

6.5 Disposal of Units

To the extent that an Investor disposes of their Units (e.g. by way of a transfer, redemption, conversion or withdrawal) a gain or loss may arise. An Investor that holds their Units on capital account may derive a capital gain or incur a capital loss.

Generally, a gain or loss would be calculated as the difference between the proceeds received on the disposal of the Units (which can include distributions received on a redemption of Units) less the tax cost base of the Units (which is adjusted for items such as tax deferred distributions, as outlined earlier).

As income is to be distributed to Investors on a days' basis (i.e. based on the number of days an Investor has been a unit holder during the Distribution Period), the proceeds on a disposal of Units is unlikely to include an amount for "accrued interest" that consists of taxable income. Instead, and as outlined in income tax overview above, the subsequent cash receipt of this accrued income by the Investor should be assessable.

However, to the extent that such a gain occurs (e.g. where there have been tax-deferred distributions or where Units are disposed of cum-distribution), the Australian Taxation Office ("ATO") may take the view that such gains are ordinary income and therefore are not subject to the CGT 50% discount.

6.6 Non-Resident Investors

Interest

Where an Investor is a non-resident or provides details to the Trustee that indicate that they are residing outside of Australia for income tax purposes, the Trustee may be required to withhold and deduct 10% withholding tax from the amount of the taxable interest component attributed to an Investor under the AMIT regime, or deducted from distributions made in a non-AMIT environment. The Trustee will be entitled to reduce cash distributions to the Investor by the amount withheld.

Under the Australian taxation laws, the amount withheld will constitute a final tax.

MIT Fund Payments

A Managed Investment Trust ("MIT") fund payment typically refers to Australian sourced income that is distributed by a MIT that is not otherwise subject to specific withholding rules.

Where the Fund distributes a MIT fund payment to Investors, the Fund may qualify to apply a final reduced withholding tax rate. This reduced rate may be either 15% (for Investors in exchange of information ("EOI") countries) or 30% (for non-EOI countries).

Other Income

Where the Fund is not a MIT, the distribution of other income by the Fund can be taxable to the Investor and subject to a non-final withholding tax at the Investor's tax rate (e.g. marginal tax rates for a non-resident individual).

Non-resident Investors would be required to lodge an Australian income tax return and will receive a credit for the tax withheld by the Trustee.

Foreign Taxation

In some cases non-resident Investors may also be subject to tax in the country of their residence (but may also obtain a credit for Australian withholding tax paid).

Disposal of Units

Capital gains realised upon the (direct or indirect) disposal or redemption of Units owned by non-resident Investors will be subject to Australian capital gains tax if the Units are taxable Australian property. This will generally be the case where the relevant non-resident Investor has a non-portfolio interest in the Fund (i.e. a greater than 10% interest) and more than 50% of the market value of the Fund's assets are attributable to Australian real property.

Based on the assets to be held by the Fund, the Trustee does not believe that the Units will constitute taxable Australian property.

6.7 Annual reporting

The Fund will be required to provide distribution information (including tax components) to the ATO on annual basis by lodging the Annual Investment Income Report ("AIIR").

AMIT

Where the Fund is an AMIT, the Fund will be required to provide an annual tax distribution statement in the form of an AMMA statement that complies with the ATO guidelines. The AMMA will reconcile the cash distribution with the taxable distribution for the income year.

The AMMA will also provide details on the net tax cost base adjustment for the income year.

Non-AMIT

The Fund will provide an annual tax distribution statement to Investors in accordance with the ATO's guidelines for MITs. The tax distribution statement will reconcile the cash distribution with the taxable distribution for the income year.

6.8 Tax File Number (TFN) and Australian Business Number (ABN)

As the Fund will be an investment body for income tax purposes, the Fund will be required to obtain a Tax File Number ("TFN") or Australian Business Number ("ABN") in certain cases from its Investors.

It is not compulsory for a Fund's Investor to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from Investors will result in the Fund being required to withhold at the top marginal rate (currently 47%) with respect to distributions to the Investor (which may be creditable in their tax return).

6.9 Goods and Services Tax (GST)

The acquisition and disposal of Units in the Fund by the Fund's Investors will not be subject to GST. GST may apply if fees are charged to the Fund by the Trustee or the Investment and Facility Manager. However, as the Fund will not be making creditable acquisitions, it will not be entitled to input tax credits.

6.10 Foreign Account Tax Compliance Act (FATCA)

In compliance with the US income tax laws commonly referred to as the Foreign Account Tax Compliance Act ("FATCA") and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund may be required to provide information to the ATO in relation to: (a) Investors that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA. Where the Fund's Investors do not provide appropriate information to the Fund, the Fund may also be required to report those accounts to the ATO.

6.11 Common Reporting Standards (CRS)

The Common Reporting Standard ("CRS") is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Trustee will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

7 Investment Risks.

Before investing, the Investor should consider whether the Fund, and the applicable Loan, is suitable for them given their investment objectives. An investment in a Loan through the Fund should be considered a medium-term investment. If the Investor requires further information regarding the potential risks of this investment, they should seek appropriate financial advice.

All investments involve risk and there are many factors that can impact on the performance of an investment. Many risk factors fall outside the Trustee's and Investment and Facility Manager's control and cannot be completely mitigated. Investors should expect that the values of assets in which the Fund invests, and the level of income derived by the Fund, might fluctuate. Consequently, the value of the investment and the amount of any income entitlement distributed may rise or fall and an Investor may suffer losses.

In general, the risks associated with the Loans provided by the Fund relate to the risk of non-payment of interest or recovery of capital on maturity of the Loan. In many cases, these two factors are intimately linked with the success or failure of either a property development project or a property investment that the Fund holds as security, which may be impacted by the risk factors listed below.

Property Market and other Property Related Risks

An investment in the Fund comes with risks associated with lending against property.

These include, but are not limited to:

- a market slowdown impacting the ability for a Loan to be refinanced, downturn in the value of the properties, and in the property market in general, which can be caused or exacerbated by many factors, including for example restrictions on the availability of credit both locally and even globally;
- a downturn in the economy (at either a local or global level, or both), such as for example:
 - the events commonly referred to as the “global financial crisis”, or the events caused by the COVID-19 pandemic); and
 - amendments to laws and/or government policy having a detrimental effect on the Fund or the property development projects.

The value of the properties could go down, depending on factors such as market conditions and when properties are sold, and there is always a risk that they cannot be sold for a price sufficient to repay advances made by the Fund.

Interest Rate and Returns Risks

The return the Investors earn from the Fund is dependent to a large extent on the income it receives from the Loans they are invested in. This is in turn is partly dependent on the prevailing interest rate environment (such as the Government bond or cash reference rates) as well as the relative supply and demand for property related finance.

Negative changes in underlying reference rates such as the Reserve Bank Cash Rate, or reduction in loan margins caused by an increase in the availability of private finance sources, may therefore have a negative impact on Fund returns in the medium or longer term.

Development and Construction Risks

There are numerous risks associated with property development projects which can impact on a Borrower's ability to meet payments of principal or interest owed to the Fund in relation to a Loan.

These include, but are not limited to:

- an unexpected escalation in construction costs for a project;
- delays caused by contractors, unions, government planning agencies or other parties;
- defaults by purchasers or tenants;
- the inability to sell or refinance property on completion; and
- inability to achieve the anticipated sales prices and meet the development and construction expenses in the independent valuation.

The Investment and Facility Manager has considerable experience in managing development and construction risks to which the Fund is exposed.

Borrower Risk

There is a possibility that a Borrower may experience financial difficulties (which may or may not be related to the project or property being financed), or be placed under administration. Under these circumstances, and despite the Fund being treated as a first mortgage secured creditor, there is a possibility that the Fund may not receive interest owed on the Loan, or full payment of the Loan principal. The Investment and Facility Manager has significant experience in mitigating this risk by lending to credible developers with a solid and proven track record of delivery, and ensuring that the appropriate security is held.

Borrower Financing Rate Risk

There is a risk that unfavourable movements in interest rates may increase any financing expense borne by development projects. This in turn may contribute to any losses incurred by unsuccessful projects, which will increase the likelihood of a Borrower being unable to meet interest expenses or repay principal on the Fund's loans.

Syndication and Participation Risk

There is a risk that when syndicating Loans with other lenders, or lending through a loan participation arrangement, failure of a lender to meet their funding obligations may result in a requirement for the Fund to provide further funds, or the syndicate failing to meet its obligations to a Borrower, which may result in penalties or losses. There is also a risk that when lending through a participation arrangement (where the Fund does not have a direct contractual relationship with the Borrower), the arranger of the Loan or primary lender fails to meet its obligations to the Fund or fails to take adequate action in relation to a Borrower's default, which may result in losses to the Fund.

Tax and Stamp Duty Risk

Changes to tax law and policy (including for example any changes in relation to how income of the Fund is taxed, or in relation to the deductibility of expenses, or changes to stamp duty law) might adversely impact either the Fund, or the Borrowers and projects to which the Fund lends. Investors should obtain independent tax advice in respect of an investment in the Fund; however it is not possible to predict future changes to tax law or policy.

Insurance Risk

Various factors might influence the cost of maintaining insurance over the properties or development projects, or the extent of cover available. Increased insurance costs, or limits on cover, can have a negative impact on the performance of a development project, which in turn may negatively impact on the ability of the Borrower to repay a loan principal.

Enforcement Risk

Where the Investment and Facility Manager takes enforcement action in respect of any default by a Borrower, the costs incurred by the Investment and Facility Manager in doing so could be substantial.

The Investment and Facility Manager may use its own resources to pay for those enforcement costs (such as the costs of appointing a receiver, legal fees in enforcing against the Borrower, agent's commissions for sale of any secured property etc). It may also procure a third party to underwrite the enforcement expenses. The Investment and Facility Manager or third party will have the right to recover these costs from the proceeds received from the enforcement action before any payments are made to the applicable Investors. This would most likely lead to a reduction in distributions paid to the Investors and, depending on whether the enforcement costs can ultimately be repaid out of the proceeds from the sale of any secured property, may result in the Investors suffering a loss.

It is also possible that the Trustee will undertake a further capital raising to raise the capital required to pay for the expenses associated with enforcement. There is therefore a risk that Investors in the applicable Loan may be requested to contribute further capital to fund enforcement costs. It is highly likely that any such future capital raising will be undertaken at a price less than the original issue price for the relevant Units and may therefore dilute the proportional holdings in the Units of those Investors in the Loan that decide not to contribute further capital.

Financing Maturity and Investment Term Risk

The Fund's Loans generally have terms of between six months and two years. There is a risk that Borrowers will be unable to repay or refinance their Loans upon their maturity. In such circumstances, the term of that particular investment opportunity may need to be extended beyond the original maturity date.

Performance of the Trustee and Investment and Facility Manager

The financial performance of the Fund may be impacted by the performance of the Trustee and/or the Investment and Facility Manager.

If the Investment and Facility Manager either becomes insolvent or encounters financial difficulties such that it is unable to perform its role under the Investment and Facility Management Agreement, then the Trustee will most likely need to terminate the Investment and Facility Management Agreement. If that were to occur, then the Trustee would either need to find a replacement Investment and Facility Manager or wind up the Fund.

Likewise, if the Trustee were to encounter financial difficulties, there may be a requirement for Investors to identify an alternative Trustee, or alternatively wind up the Fund.

Either of these scenarios could result in Investors suffering a loss or receiving a diminished return on their investment in the Fund.

Documentation Risk

A deficiency in the legal documentation relating to a Loan could, in certain circumstances, adversely affect the return on that Loan. This may make it difficult for the Fund to enforce any security it holds (e.g. first mortgage) in respect of the arrangement and may also affect the ability to recover any penalties imposed against the Borrower. To mitigate against this risk, the Investment and Facility Manager will employ experienced lawyers who specialise in the area of banking and finance law for property transactions.

General Risk Factors

In addition to the specific risks identified above, there are also other more general risks that can affect the value of an investment in the Fund. These include the following:

- The state of the Australian and world economies, and inflation movements;
- Negative consumer sentiment which may keep the value of assets depressed;
- A particular investment's performance;
- Changes in government monetary, regulatory and taxation policies;
- Natural disasters and man-made disasters beyond the control of the Investment and Facility Manager and the Trustee, or events such as pandemics; and
- The illiquidity and cost of capital markets.

Conflicts of Interest

The Trustee's and Investment and Facility Manager's directors or shareholders may from time to time face conflicts between their duties to the Fund, their duties to other funds, or their own interests. In these circumstances, the Trustee and Investment and Facility Manager will manage any conflicts in accordance with their conflicts of interest policy.

It should be noted that the performance of the Fund and any particular Loan, the repayment of capital or of any particular rate of return, is not guaranteed by the Trustee, Investment and Facility Manager, their directors or their associates. Investment, by its nature, carries a level of risk and no guarantee is or can be given that an investment in the Fund or a Loan will not decrease in value and that Investors will not suffer losses.

■ 8 Important Documents.

8.1 Constitution

PrivateInvest Select Mortgage Fund was established under a Constitution, some of the material terms of which are set out below. The summary is necessarily brief and does not describe all the rights and obligations of Investors and the Trustee under the Constitution. An Investor may obtain a copy of the Constitution free of charge by contacting the Trustee or the Investment and Facility Manager as detailed in Section 9.8. All Investors should read the Constitution in its entirety to determine all the rights and obligations of Investors and the Trustee under the Constitution.

Investor Rights

Each Unit gives you an equal and undivided interest in the Loan you invest in. Subject to the Constitution, as an Investor you have the following rights:

- The right to share in any distributions from the relevant Loan.
- The right to attend and vote at meetings of Investors.
- The right to participate in the proceeds of repayment of the Loan.

The Constitution contains provisions about convening and conducting meetings of Investors.

The Trustee's Powers and Duties

The assets of the Fund must be held on trust and the Trustee may manage those assets. In the exercise of its powers, the Trustee may, without limitation, acquire or dispose of any real or personal property, borrow or raise money, encumber any asset, incur any liability, give any indemnity or provide any guarantee. The Trustee may appoint delegates or agents (including custodians) to perform any act or exercise any of its powers, as well as advisers to assist it with its duties and functions.

The Trustee's Limitation of Liability

To the extent permitted by law, the Trustee is not liable for any loss to any person (including an Investor) arising out of any matter relating to the Fund, when it acts in good faith, without fraud, dishonesty, negligence or breach of trust. In any case, to the extent permitted by law, the liability of the Trustee in relation to the Fund is limited to the assets of the Fund from which it is in fact indemnified.

The Trustee's Indemnities

The Trustee has a right of indemnity out of the assets of the Fund in respect of liabilities incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. This indemnity continues after the Trustee retires or is removed as trustee of the Fund.

The Trustee is entitled to be indemnified by an Investor to the extent that it incurs any liability for tax as a result of the Investor's action or inaction.

Change of Trustee

The Trustee may retire as the trustee of the Fund and must retire when required by law or a resolution passed by 75 percent of all Investors entitled to vote on the resolution (including Investors who do not attend or vote at the meeting). When the Trustee retires or is removed, the Trustee is released from all obligations in relation to the Fund arising after the time it retires or is removed, however the Fund remains bound by any agreements entered into by the retiring Trustee in its capacity as the Trustee of the Fund.

8.2 Investment and Facility Management Agreement

The Trustee has entered into an agreement known as an Investment and Facility Management Agreement (“IFMA”) with the Investment and Facility Manager under which the Investment and Facility Manager agrees to provide investment and facility management services to the Fund, including:

- the identification of financing opportunities consistent with the Fund's investment mandate;
- keeping all Loans under review and managing and monitoring their performance; and
- using reasonable endeavours to achieve the investment objectives for the Fund.

The IFMA contains provisions dealing with matters such as the Investment and Facility Manager's obligations to report to the Trustee and sets out the fees payable to the Investment and Facility Manager for its services (summarised in Section 5).

The IFMA will remain in force until the Fund is wound up, unless the IFMA is terminated earlier in accordance with its provisions. The IFMA can be terminated by the Trustee if the Investment and Facility Manager is in material breach of the agreement and that breach has not been remedied after a certain time, and there are also provisions allowing the Trustee to terminate if, for example, the Investment and Facility Manager becomes insolvent.

The Investment and Facility Manager is also permitted to terminate the IFMA in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

8.3 Underwriting Facility

The Trustee has entered into an agreement known as the Underwriting Facility (“Underwriting Facility”) with Orion Funds Pty Ltd (“Underwriter”) under which the Underwriter has agreed to provide underwriting and participation in underwritten facilities to a maximum amount of \$20 million across the two funds. The Underwriter is a related party to the Investment and Facility Manager. This Facility includes:

- when the Fund provides a Loan that has a requirement to advance additional amounts in the future (such as partly drawn construction facilities), the Underwriter (subject to prior approval) commits to meet any future draw down obligations;
- the Underwriter agrees to fund a portion of a Loan (subject to prior approval) but allows the Fund to “take back” a component of the drawn Loan as, and when, the Fund receives amounts from new Investors;
- the Trustee has no recourse to the Underwriter for any reason whatsoever except in the event of fraud or gross negligence on the part of the Underwriter;
- using reasonable endeavours to achieve the investment objectives for the Fund.

The Underwriting Facility contains provisions dealing with matters such as process, approval, allocation of funds and the Investment and Facility Manager's obligations to the Underwriter. The Underwriter is entitled to interest and line fees that can accrue on each drawn amount at the applicable interest rate paid by the Borrower.

The Underwriting Facility will remain in force unless it is terminated in accordance with its provisions.

8.4 Privacy Policy

The Trustee has developed a written privacy policy designed to protect Investors' personal information. This policy provides Investors with information on the collection, storage, use and disclosure of your personal information.

The Trustee will not collect any personal information about an Investor unless they have knowingly provided that information or authorised a third party to provide the information. Personal information will only be collected, maintained or used if it is necessary to provide the services Investors have requested, for example, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF Act").

An Applicant may elect not to provide any of the personal information requested; however, without this information their application may not be able to be processed and they will not become Investors in the Fund. By signing the Application Form attached to this Information Memorandum, Applicants authorise the Trustee to collect, maintain, use and disclose their personal information as set out in the Privacy Policy.

An Investor may request access to personal information held by the Trustee about them or request a correction if they believe it is incorrect or out of date. Personal information will not be disclosed other than:

- for the purposes it was provided or for a related purpose where it would reasonably expect it to be used or disclosed;
- where an Investor has consented to such disclosure; or
- where required or authorised under law, in circumstances relating to public health and safety, and in connection with certain operations by or on behalf of an enforcement body, for example, in accordance with the AML/CTF Act.

Under the Corporations Act, the Trustee is obliged to maintain certain transaction records and make those records available for inspection by the Australian Securities and Investments Commission ("ASIC"). The Trustee may also contract external parties to conduct due diligence, compliance or financial audits, which could involve the disclosure of Investors' personal information.

An Investor's information may be used to:

- advise the Australian Tax Office of the Investor's TFN. If they choose not to provide the TFN, tax may be deducted from distributions payable to the Investor at the highest marginal tax rate plus levies;
- enter the Investor's details on the register of Unitholders;
- communicate with the Investor about their investment;
- deposit distributions into the Investor's nominated bank account; and
- provide the Investor's details to mortgage providers and their bank in accordance with the Investor's express authority.

An Investor may also be provided with direct marketing material such as articles that may be of interest to them. An Investor can request not to receive that information, however the request may take up to two weeks to be processed.

An Investor's personal information may also be provided to entities related to the Fund. However, if an Investor has any concerns in regard to this, they may contact the Trustee for a more detailed explanation of when this may occur.

■ 9 Investing in the Fund.

9.1 How to Invest

To become an Investor in the Fund you are required to:

- read this Information Memorandum in full;
- visit the website at **www.privateinvest.com.au** for any further information, or contact the Trustee as detailed in Section 9.8;
- complete the Application Form provided with this Information Memorandum and attach the specified supporting documentation; and
- scan and email or mail the Application Form (and a cheque if applicable) to the address indicated on the form.

Once the Application is approved, this will register your interest in receiving Loan Memorandums which are issued; and you will be entitled to fill out an Election Form when you select a Loan from a Loan Memorandum that has been provided to Investors.

Note that if the Trustee considers it desirable for the protection of the Fund or in the best interests of Investors, it may suspend the issue of Units.

9.2 Who may Invest

Offers for issue of Units in the Fund are made only to a select group of Eligible Investors. No offer for issue of Units in the Fund is made or intended to be made by the Trustee to any person who would be deemed by virtue of section 761G of the Corporations Act to be a retail client, or which would result in the requirement to issue a Product Disclosure Statement pursuant to Division 2 of Part 7.9 of the Corporations Act. Unless and until the Fund becomes a registered managed investment scheme, the Trustee:

- will ensure that it is a term of offer of Units in the Fund that any person to whom the offer is made confirms to the Trustee's reasonable satisfaction that the offer to that person does not require disclosure under Division 2 of Part 7.9 of the Corporations Act; and
- will not register or permit the registration of any transfer of Units in the Fund unless the transferor or transferee confirms to the Trustee's reasonable satisfaction that the transfer of Units does not require disclosure under Division 2 of Part 7.9 of the Corporations Act.

Applications for investments of less than \$500,000 (excluding any amounts paid or lent for the application by the Trustee or any associate) can only be considered if the Applicant satisfies the Trustee that it is an Eligible Investor and that any issue of Units will not require disclosure under Division 2 of Part 7.9 of the Corporations Act.

In the event that the Application is for an amount less than \$500,000 (other than in the case of further investments by the same Applicant, where the total of all Application Amounts paid for all Units exceeds \$500,000), the Applicant must:

- provide a certificate from a qualified accountant dated no more than two years before the Application is made that the Applicant has net assets of at least \$2.5 million, or had a gross income for each of the last two financial years of at least \$250,000 a year;
- provide satisfactory evidence that the Applicant is a professional Investor in accordance with the definition of Professional Investor contained in section 9 of the Corporations Act; or

- be a sophisticated Investor in accordance with section 761GA of the Corporations Act, and provide the written acknowledgment required by such section.

9.3 Minimum and Additional Investments

The minimum initial investment in the Fund is \$100,000 and the minimum amount for additional investments is \$10,000, although these requirements may be reduced at the discretion of the Trustee.

The Trustee reserves the right at its absolute discretion to accept or reject any Application in whole or in part or to reduce the minimum investment amount required.

9.4 No Cooling Off

No cooling off period is provided in respect of investments in the Fund. An Application lodged is irrevocable except as required by law.

9.5 Appointing an Authorised Representative

If Investors wish to appoint someone else to operate their investment on their behalf, the following conditions apply:

- the authorised representative can do everything the Investor can do with their investment except appoint another authorised representative;
- to cancel the Investor's authorised representative, the Investor must give the Trustee seven Business Days' written notice; and
- the Investor releases and indemnifies the Trustee (including for the purposes of this section the Trustee's affiliates, directors and other officers, shareholders, employees, agents, permitted delegates and sub-delegates) from and against all liability which may be suffered by the Investor, or by the Trustee, or claims brought against the Trustee, in respect of any acts or omissions of the Investor's authorised representative, whether authorised by the Investor or not.

9.6 AML/CTF Compliance

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF Act"), certain additional identification will be required from the Investor. The Trustee is obliged to satisfy thorough Investor identification and verification requirements prior to accepting the Investor's application for Units in the Fund. The list of required information is extensive, including for individuals all of the identification typically required for the opening of a bank account, or obtaining a passport. For other investing entities, such as companies and trusts, the information required extends to the directors, trustees, directors of trustees, and shareholders of both Investee Companies and trustees. There are also requirements in some cases to identify trust beneficiaries, and entities or individuals who are able to exert control over Investees.

In general, it is required that, in addition to all of the information normally required to identify a company or trust, many of the parties mentioned above will have to provide all of the information required of individual Investors.

Fortunately, if Investors invest in the Fund through a dealer, investor directed portfolio service or other financial advisor then it is likely that the Investor has already provided the required information to their organisation. If that is the case, they are able to have their advisor complete the relevant section of the Application Form. This allows them to certify that they have the relevant information, and that they commit to provide the information to the Trustee on request.

However, if Investors invest directly with the Fund, they must (unless advised otherwise) provide the relevant identification material along with a completed Application Form.

Note that even if the Investor provides the relevant information or details of their financial advisor, the Trustee may still request additional information from the Investor where the Trustee reasonably considers it necessary to satisfy obligations under the AML/CTF Act.

9.7 Rejection of your Application

If Investors are unable or unwilling to provide the information the Trustee requires in order to complete the AML/CTF or FACTA checks, or if upon completion of the Trustee checks, the Trustee is not reasonably satisfied that the Investor or the investing entity are the person or entity they claim to be, then the Trustee will not be able to process the application. Under these circumstances any application money will be returned without interest.

9.8 Contacting the Trustee

You may contact the Trustee during business hours on the PrivateInvest contact telephone number below. Postal correspondence should also be directed to the address below:

PrivateInvest Capital Securities Limited

Office: Suite 40 "Cottesloe Central" 460 Stirling Highway Cottesloe Western Australia 6011

Postal: PO Box 477 Cottesloe Western Australia 6911

Phone: 1300 2 INVEST (**1300 2 468 378**)

Email: fund@privateinvest.com.au

Web: www.privateinvest.com.au

For Unit holder related enquiries (such as unit statements, distribution and tax reports, annual reports, or to change your details), you may also contact One Registry Services on:

One Registry Services Pty Ltd

PO Box R1479, Royal Exchange NSW 1225

Phone: +61 8188 1510

Email: info@oneregistryservices.com.au

9.9 More Information

If after you have read this Information Memorandum in full and you have further questions about investing you can direct them to your Advisor, or if you do not have an Advisor, please contact:

PrivateInvest First Management Pty Limited

Office: Suite 40 "Cottesloe Central" 460 Stirling Highway Cottesloe Western Australia 6011

Postal: PO Box 477 Cottesloe Western Australia 6911

Phone: 1300 2 INVEST (**1300 2 468 378**)

Email: fund@privateinvest.com.au

Web: www.privateinvest.com.au

If you have not received the Application Form, please request one from one of the PrivateInvest Investor Relations professionals, your Advisor or contact 1300 2 INVEST (**1300 2 468 378**) and one will be sent to you promptly.



10 Glossary.

Term	Meaning
\$	Australian dollars.
ABN	Australian Business Number.
ACN	Australian Company Number.
AFSL	Australian financial services licence.
AIFRS	Australian equivalents to International Financial Reporting Standards.
AMMA	Attribution Managed investment trust Member Annual Statement.
AMIT	Attribution Managed Investment Trust.
AML/CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006.
Applicant	A person or entity that has lodged an Application Form.
Application	A valid application to invest in the Fund.
Application Amount	The amount of investment specified on an Election Form.
Application Form	The application form attached to or accompanying this Information Memorandum or any Loan Memorandum.
ASIC	Australian Securities and Investments Commission.
ATO	Australian Taxation Office.
Beneficiaries	The Trustee, the Investment and Facility Manager and their respective directors, officers, employees, agents, advisors or representatives.
Borrower	The recipient of funding advanced under a Loan made by the Fund.
Corporations Act	The Corporations Act 2001 (Cth).
CRS	Common Reporting Standard.

Term	Meaning
Election Form	A form which will accompany each Loan Memorandum, which must be completed by an Investor to apply to invest in the Loan offered under that Loan Memorandum.
Eligible Investor	A 'wholesale client' as defined under the Corporations Act.
Establishment Fee	A fee that is charged to the Borrower by the Investment and Facility Manager at the beginning of the Loan and paid at Loan settlement, less any external brokerage fees.
FATCA	Foreign Account Tax Compliance Act.
Financing Facility	A loan or similar financial arrangement under which the Fund advances monies to one or more Borrowers.
Fund, the Fund	PrivateInvest Select Mortgage Fund.
GRV	Gross realisable value – the ratio of a loan principal to the forecast gross sales proceeds on completion.
GST	Goods and Services Tax.
IFMA	Investment and Facility Management Agreement which is an agreement between the Investment and Facility Manager and the Trustee.
Information Memorandum	This information memorandum.
Investment and Facility Manager	PrivateInvest First Management Pty Ltd ACN 625 468 215.
Investor, Unitholder or You	A holder of Units in the Fund.
Loan	An individual loan of the Fund.
Loan Memorandum	The memorandum which outlines details of a specific Loan, which will include, but not limited to, details of the security, valuation, Borrower profile and any other material information in relation to the Loan.
LVR, Loan to Value Ratio	The ratio of the loan principal exposure to the value of an asset.

Term	Meaning
MIS	A managed investment scheme.
MIT	A managed investment trust.
Offer	The offer of Units in the Fund made under this Information Memorandum together with the applicable Loan Memorandum.
PrivateInvest	PrivateInvest Pty Limited ACN 626 703 026 and related entities, which includes the Investment and Facility Manager, and the Trustee.
Recipient	A potential Investor who has received this Information Memorandum within Australia.
TFN	Tax File Number.
Total Facility Value	The total (maximum) amount available to a Borrower under a Loan, inclusive of allowances for capitalised interest.
Transaction Costs	Costs associated with the Fund activities and provisions which the Trustee determines should be capitalised for the purpose of determining a Unit Price.
Trustee, the Trustee	PrivateInvest Capital Securities Limited ACN 611 892 249.
Trustee Fee	The fee payable to the Trustee for acting as the trustee of the Fund, as detailed in Section 5.
Underwriter	Related entity of the Investment and Facility Management, or another separate entity that enters into similar contractual arrangements with the Fund.
Underwriting Facility	An arrangement under which an underwriter agrees to provide any amounts required for the Fund to meet financial obligations associated with a Loan, such as providing settlement amounts and funding progress drawdowns.
Unit	A unit in the Fund which is a separate class of unit attributable to a specific Loan.
Unit Price	The price at which Units are issued to Investors, calculated in accordance with the Constitution and the Fund's unit pricing policy.

PrivateInvest Pty Limited

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PO Box 477, Cottesloe WA 6911

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