



TierONE Capital

TierONE Capital Investment Fund

Information Memorandum

For Sophisticated Investors and Wholesale Clients only.

ISSUE DATE

8 December 2025

TRUSTEE

AUS Finance Group Pty Ltd

ABN 48 168 482 433

AFSL No. 470573

MANAGER

Tier One Capital Pty Ltd

ABN 69 619 800 752

AR No. 1279013

www.tieronecapital.com.au

STRICTLY PRIVATE AND CONFIDENTIAL



Notices, Acknowledgements, Disclaimers

IMPORTANT INFORMATION

This Information Memorandum (IM) for the TierONE Capital Investment Fund (Fund) has been issued by AUS Finance Group Pty Ltd (ABN 48 168 482 433, AFSL No. 470573) in its capacity as Trustee of the AUS Finance Group Investment Trust (Trust).

A copy of the Trust Deed (also referred to as the *Constitution*) is available to Investors upon request. In the event of any inconsistency between the Trust Deed and this IM, the Trust Deed shall prevail to the extent of that inconsistency.

The Trustee has appointed Tier One Capital Pty Ltd (ABN 69 619 800 752, Authorised Representative No. 1279013) (TierONE Capital or Manager) to act as Investment Manager and to provide investment management and associated services in respect of the Fund.

This IM provides general information about the Fund to assist prospective Investors in assessing whether to invest by subscribing for Units in the Trust. It is strictly confidential and intended solely for the use of the recipient and their professional advisers. It must not be distributed, reproduced, or provided to any other person without the prior written consent of the Trustee, which may be withheld in its absolute discretion.

This document is intended for recipients who are classified as a Wholesale Client (as defined in section 761G of the *Corporations Act 2001 (Cth)*) and/or a Sophisticated Investor (as defined in section 761GA of the Act), or otherwise an Investor to whom a disclosure document is not required to be provided under Part 7.9 of the Act.

This offer is not open to retail clients in financial products (as defined in the Act). Participation in the offer is contingent upon Investors meeting all eligibility criteria determined by the Trustee.

INVESTOR TO UNDERTAKE OWN DUE DILIGENCE

The information contained in this Information Memorandum (IM) has been provided to assist prospective Investors in assessing whether to invest in the Fund. However, the Trustee, Manager, and their respective related parties, officers, employees, consultants, advisers, and agents do not warrant or represent that:

- all information relevant to making an investment decision in the Fund has been included in this IM; or
- all information contained in this IM is complete, accurate, or current.

While the Manager has undertaken due diligence in preparing this IM, information may change over time, and factors such as market conditions, timing, and forecast uncertainty may render certain details inaccurate or outdated after the date of issue.

This IM is not a Product Disclosure Statement (PDS) or any other disclosure document regulated by the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001 (Cth)* and may not contain all information that would ordinarily be required in a PDS. This IM has not been lodged with ASIC, and ASIC takes no responsibility for its content.

None of the Trustee, Manager, or their related parties, officers, employees, consultants, advisers, or agents have independently verified or audited the information contained in this IM.

Prospective Investors are strongly encouraged to:

- undertake their own due diligence in relation to the Fund before making any investment decision;
- read this IM in its entirety; and
- seek independent professional advice, including financial, taxation, and legal advice, regarding the implications of investing in the Fund.

Any expenses incurred by an Investor in relation to the review, assessment, or making of an investment are the sole responsibility of the Investor.

This document contains general information only and does not constitute personal financial advice, investment advice, taxation advice, or legal advice. It has been prepared without considering individual investment objectives, financial circumstances, or needs.



To the maximum extent permitted by law, the Trustee and the Manager disclaim all liability for any loss, damage, cost, or expense (whether direct, indirect, consequential, or otherwise) arising from or in connection with the use of, or reliance upon, any information contained in this IM.

By making an investment in the Fund, each Investor warrants and represents to the Trustee and the Manager that they have conducted their own due diligence and independent assessment in relation to the Fund, including (without limitation):

- the structure and operation of the Fund;
- the nature and risks of its underlying investments; and
- the likelihood, timing, and variability of returns from the Fund.

The Investor further acknowledges that they have not relied solely on statements, opinions, or representations (whether written or oral) made by the Trustee, the Manager, or any of their related parties, officers, employees, consultants, advisers, or agents, except as expressly set out in this IM.

IMPORTANT WARNING STATEMENTS

No Performance Guarantee and Risks

None of the Trustee, the Manager, or any of their related parties, officers, employees, consultants, advisers, or agents guarantee the performance or success of the Fund, the repayment of principal, or any particular rate of return on investments in the Fund.

To the extent permitted by law, the Trustee and its officers disclaim all liability for any loss, damage, or expense that may arise due to any information in this document being inaccurate or incomplete, whether by negligence or otherwise.

There is no assurance that the Fund will achieve the results or returns forecast in this IM, or that its performance will be comparable to any past results achieved by the Trustee, the Manager, or their advisers. An investment in the Fund does not represent a deposit with, an investment in, or a liability of, the Trustee, the Manager, or any of their associates.

An investment in the Fund is subject to investment risks as described in Section 7 – Risks, including possible delays in repayment and the potential loss of some or all of an Investor's principal or income distributions. These risks differ from those associated with cash deposits or investments in an authorised deposit-taking institution (ADI).

This IM contains forward-looking statements about future events and performance. Such statements are subject to known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied. Comments regarding potential distributions, capital growth, property values, or market conditions are provided as a guide only.

Past performance is not a reliable indicator of future performance.

Investors acknowledge that the Trustee may withdraw the offer to invest at any time and for any reason, without liability.

Images

Images contained in this IM are for illustrative purposes only and do not necessarily depict assets of the Trust, unless otherwise stated.

Forward-Looking Statements

Certain information in this IM constitutes *forward-looking statements*, identified by words such as “may”, “will”, “should”, “expect”, “anticipate”, “estimate”, “target”, “intend”, “continue”, “believe”, or similar expressions. Any estimate, forecast, projection, or feasibility statement (including expected returns or performance) is a forward-looking statement and is subject to this disclaimer.

Forward-looking statements involve subjective judgement, assumptions, and analysis, and are subject to uncertainties and contingencies beyond the control of the Trustee and the Manager. Actual results or events may differ materially from those contemplated.

Forward-looking statements are not guarantees or predictions of future performance and should not be relied upon as such. Investors are cautioned not to place undue reliance on these statements.

**Confidentiality**

This IM and any other information provided by the Trustee or the Manager must not be disclosed, distributed, or reproduced except for the purpose of obtaining independent advice in connection with an investment in the Fund. It must not be used for any other purpose without the prior written consent of the Trustee.

If the recipient does not proceed with an investment in the Fund, this IM and all related materials must be disposed of upon request.

No Representation Other Than This IM

No person is authorised to provide information or make representations in connection with the Fund other than those contained in this IM or any Supplementary Information Memorandum (Supplementary IM). To the extent of any inconsistency, this IM supersedes any prior IM or marketing material issued in relation to the Fund.

Any information or representation not contained in this IM or a Supplementary IM may not be relied upon as having been authorised by the Trustee, the Manager, or their associates.

Registration Form

Investors must complete the Registration Form described in this IM to apply for Units in the Fund. This IM may not be marketed or distributed outside Australia in any jurisdiction where such distribution is prohibited by law.

Registration Forms may be obtained online at www.tieronecapital.com.au/register-online.

The Manager reserves the right to assess and refuse any application, in whole or in part, at its absolute discretion and without providing reasons. The Trustee and TierONE Capital are not liable to compensate any person for costs or expenses incurred in reviewing, investigating, or analysing this IM, or in making or attempting to make an investment in the Fund.



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1. Introduction

The TierONE Capital Investment Fund (Fund) comprises three distinct investment products – a cash product, a Term Income Investment product, and a Contributory Mortgage product.

In essence, the Manager, on behalf of the Trust, sources funds from suitably qualified Investors and pools or syndicates those funds into one or more Loans, which are then advanced to approved Borrowers. All Loans are secured by Registered Mortgages over Australian real estate and may also include other forms of registrable security such as corporate and personal guarantees from Borrowers and related entities.

The objective of the Fund is to provide Investors with real estate-backed investment opportunities that generate regular income from interest paid by Borrowers. The interest rate applicable to each Loan reflects several factors, including (but not limited to) the Borrower's credit profile, the nature and location of the underlying security, and the Loan purpose.

All Loans are advanced for commercial purposes only, such as financing:

- property development projects;
- land acquisitions intended for future development; and
- property investment activities.

The Fund seeks to maintain a balanced portfolio across different Loan types and property sectors, although this may vary depending on Loan term durations, borrower demand, and the availability of new opportunities.

Investment Options

Investors may choose between:

1. Mortgage Investments – where Investors select specific Loans that match their risk appetite and investment objectives; or
2. Term Income Investments – where investor funds are pooled and diversified across multiple mortgage investments, cash and cash styled products.

Each Mortgage Investment opportunity is supported by a Supplementary Information Memorandum (Supplementary IM) detailing the specific Loan, Borrower, and investment terms, while Investors seeking Term Income Investments receive a Supplementary IM describing the pooled product.

Distributions

Investors are paid income as and when the Trust receives interest from the Borrower, or as otherwise described in the relevant Supplementary IM.

The forecast income for an investment is typically expressed as an annualised percentage return, and distributions may be paid monthly, quarterly, or at the commencement or maturity of the Investment Term, depending on the investment structure.

Custody and Management

All assets of the Trust are held by an external Custodian on behalf of the Trust. The Manager is responsible for all day-to-day investment activities, including Loan origination, due diligence, credit assessment, Loan administration, and ongoing portfolio management.

Investor Enquiries

TierONE Capital's Investment Services Team is available to assist with enquiries regarding the Fund, investment options, and Investor registration. You can contact the team on 1800 287 346 during business hours or via email at info@tieronecapital.com.au.



2. Summary

| Area | Description | Section(s) |
|------------------------------|---|-------------------------|
| NAME OF FUND | TierONE Capital Investment Fund (the Fund) | - |
| STRUCTURE OF FUND | Unregistered managed investment scheme | Section 1 and Section 9 |
| NAME OF TRUST | AUS Finance Group Investment Trust (the Trust) | - |
| STRUCTURE OF TRUST | Australian domiciled and Australian dollar denominated unit trust | Section 9 |
| CUSTODIAN | Perpetual Corporate Trust Limited (the Custodian) | - |
| TRUSTEE | AUS Finance Group Pty Ltd (the Trustee) | - |
| MANAGER | Tier One Capital Pty Ltd (the Manager) | - |
| AUDITOR | William Buck is the auditor for the Trust and the Trustee. | - |
| REGISTRY | Fund administration services are provided by the Trustee and Manager. | - |
| AIM OF THE FUND | <p>The Fund provides Investors with the opportunity to access and derive income from investments in Loans secured by Registered Mortgages held over real property located in Australia.</p> <p>The Fund comprises three investment products – a Cash product, a Term Income Investment product, and a Contributory Mortgage product. Investors may participate through:</p> <ul style="list-style-type: none">▪ a Cash Unit Account, which provides daily liquidity;▪ Term Income Investment Units, which offer exposure to a diversified portfolio of Mortgage Investments, cash and cash styled products; and/or▪ Mortgage Investment Units, which relate to specific Contributory Mortgage loans secured by real property. | Section 1 |
| INVESTMENT OBJECTIVES | <p>The primary objective of the Fund is to provide Investors with regular income and capital stability through investments in real estate-secured Loan facilities. Each Loan advanced by the Fund is supported by a Registered Mortgage and, where appropriate, additional forms of security, such as guarantees or other registrable interests.</p> <p>The Fund seeks to:</p> <ul style="list-style-type: none">▪ generate consistent, risk-adjusted income returns through interest payments received from Borrowers;▪ maintain a conservative Loan-to-Value Ratio (LVR) across the portfolio to preserve Investor principal;▪ provide Investors with flexibility to choose between investment types. | Section 1 |



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| INVESTMENT STRATEGY | The Fund's investment strategy is to generate income and capital stability through the investment in commercial mortgage Loans held by the Trust. | Section 1 and Section 4.2 |
| LENDING PARAMETERS | The Fund's lending parameters are designed to protect Investor capital while providing Borrowers with commercially competitive finance solutions. All lending activities are conducted within the guidelines approved by the Manager's Credit Committee and in accordance with the Trust Deed, Management Agreement and Credit Policy. | Section 4.1 |
| LOAN SELECTION AND APPROVAL PROCESS | The Manager follows a structured and disciplined process for the assessment, approval, and ongoing management of each Loan to ensure consistency with the Fund's investment objectives and risk parameters. | Section 4.3 |
| LOAN MANAGEMENT AND DEFAULT PROCEDURES | The Manager maintains a disciplined and transparent process for monitoring Loan performance, managing Borrower obligations, and addressing any defaults in accordance with the Trust Deed, Facility Agreement, and the Fund's Credit Policy. | Section 4.7 and Section 4.8 |
| INVESTMENT PROCESS | <p>Upon investing in the Fund, Investors are initially allocated Cash Units. Cash Units provide a return comparable to cash management accounts offered by major Australian banks.</p> <p>Investors will be offered the opportunity to invest in either:</p> <ul style="list-style-type: none">▪ Term Income Investment Units, or▪ Mortgage Investment Units, being investments directly linked to specific Loans secured by Registered Mortgages held over Australian property. <p>When an Investor elects to participate in a Term Income Investment or Mortgage Investment the corresponding value of Cash Units will be converted into an equivalent dollar amount of Term Income Investment Units or Mortgage Investment Units.</p> | Section 3.1 |
| CASH UNITS | <p>Cash Units represent an investment in a Cash Management Account held with a major Australian bank, currently Australia and New Zealand Banking Group (ANZ).</p> <p>The monthly rate of return offered by the Fund on Cash Units is determined with reference to the Official Cash Rate (OCR) and is updated periodically. Investors can view the applicable Cash Unit rate and monthly return at any time through their Investor Portal.</p> | Section 3.3 |
| TERM INCOME INVESTMENT UNITS | <p>Term Income Investment Units provide Investors with exposure to a diversified portfolio comprising Cash Units and Mortgage Investment Units, as disclosed in the Supplementary IM for this product.</p> <p>The performance of Term Income Investment Units is directly linked to the combined returns of the underlying investments, reflecting both the interest income generated from Mortgage Investments and the cash returns associated with Cash Units.</p> | Section 3.4 |
| MORTGAGE INVESTMENT UNITS | <p>Mortgage Investment Units provide Investors with exposure to individual Mortgage Investments, secured by Registered Mortgage(s) over Australian property.</p> <p>The performance of Mortgage Investment Units is directly linked to the underlying Loan to which the investment relates. Each Mortgage Investment may have different terms, risk profiles and Target Returns, as detailed in the Supplementary IM relevant to that Mortgage Investment.</p> | Section 3.5 |



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|-----------------------------------|--|-----------------------------|
| JOINING THE FUND | To become an Investor in the Fund, you can complete the online Registration Form available at www.tieronecapital.com.au/register-online . | Section 3.1 and Section 8.1 |
| | Once your registration is received, our Investor Services team will contact you to confirm your details, verify identification requirements under the AML/CTF Act, and provide access to your Investor Portal where you can review your investments, view statements, and manage distribution preferences. | |
| TERM | <p>Cash Units</p> <p>Investors may hold funds in Cash Units with no fixed term and may request withdrawals at any time, subject to the Fund’s withdrawal policy. Returns are linked to the Fund’s Cash Management Account rate and are distributed monthly.</p> <p>Term Income Investment Units</p> <p>Investments in Term Income Investment Units are made for a fixed term as specified in the relevant Supplementary IM. Actual redemption timing may vary depending on Fund liquidity. The Manager may, at its absolute discretion, defer redemptions if required.</p> <p>Mortgage Investment Units</p> <p>Mortgage Investment Units are typically offered for terms of 6 to 24 months, as detailed in the Supplementary IM. The actual Investment Term may vary depending on project progress or Loan repayment timing.</p> <p>Early and Late Redemptions</p> <p>Certain Mortgage Investment Units may have a minimum interest period, during which early redemptions may still attract a minimum interest payment as set out in the Supplementary IM. Conversely, some investments may extend beyond the forecast term due to project or settlement delays. In such cases, default interest may apply in accordance with the Borrower’s finance documents.</p> | Section 3.6 |
| MINIMUM INVESTMENT | <p>Cash Units: there is no minimum amount required to be held, or invested, in a Cash Unit Account.</p> <p>Term Income Investment Units: there is no minimum amount required to be held, or invested, in Term Income Investment Units.</p> <p>Mortgage Investment Units: there is no minimum amount required to be held, or invested, in Mortgage Investment Units.</p> | Section 3.2 |
| DISTRIBUTIONS | <p>Cash Units: interest distribution is credited to your Cash Unit Account monthly.</p> <p>Term Income Investment Units: interest distributions are credited to your Cash Unit Account at the frequency specified in the Supplementary IM.</p> <p>Mortgage Investment Units: interest distributions are credited to your Cash Unit Account either upfront, monthly or quarterly in arrears, at the end of the Investment Term, or as specified in the Supplementary IM.</p> | Section 3.7 |
| HOW DISTRIBUTIONS ARE PAID | <p>All distributions are automatically re-invested into the Fund as additional Cash Units.</p> <p>Investors can request interest distributions from Term Income Investment Units and Mortgage Investment Units to be automatically transferred from their Cash Unit Account to the nominated external bank account, subject to the Fund’s operational and administrative timelines.</p> | Section 3.7 |



WITHDRAWALS AND REDEMPTIONS

Section 3.10

Cash Units

Investors may request redemption of their Cash Units at any time. Redemption proceeds will be credited to the Investor's nominated bank account within five business days of the request being processed. There is no minimum amount required for redemption requests.

Term Income Investment Units

Investors cannot redeem Term Income Investment Units during the lock-in period specified in the relevant Supplementary IM. The Manager, in its absolute discretion, may delay the payment of redemptions if liquidity or market conditions require.

Mortgage Investment Units

Investors cannot redeem Mortgage Investment Units during the term of the investment unless otherwise specified in the relevant Supplementary IM, or where early redemption is expressly approved by the Manager.

Suspension of Withdrawals

The Manager reserves the right to suspend or defer withdrawal or redemption requests where it reasonably considers it necessary to protect the interests of all Investors in the Fund. This may include, but is not limited to, circumstances where the Fund is experiencing liquidity constraints, market disruption, Borrower default, or other extraordinary events. In such cases, withdrawals may be delayed until the Manager determines that it is prudent and practical to resume normal processing.

RE-INVESTMENT AT MATURITY

Section 3.10

Term Income Investments

At the maturity of a Term Income Investment, the investment funds will be subject to an automatic re-investment unless the investor has elected to redeem the investment and provided redemption instructions via the Investor Portal. If the investment has been redeemed, funds will be returned to the Cash Unit Account at which time Investors may elect to re-invest some or all of their funds into a new Term Income Investment or Mortgage Investment, or funds may remain in Cash Units until a suitable investment opportunity arises.

Re-investment via the Investor Portal will be subject to:

- the terms and conditions set out in the current Information Memorandum and relevant Supplementary IM;
- the availability of investment opportunities at the time of re-investment; and
- the Manager's approval, in its absolute discretion.

If no re-investment instruction or redemption notice is received by the Manager within the required notice period, as described in the relevant Supplementary IM, the Investor's funds will be automatically re-invested into a new Term Income Investment on the same or substantially similar terms, or as otherwise specified in the relevant Supplementary IM.

Re-invested funds will be treated as a new investment, and the applicable term, rate of return, and other conditions will be those prevailing at the time of re-investment.

RISKS

Section 7

An investment in the Fund is subject to:

- general investment risks;
- risks associated with investing in managed funds; and
- risks specific to mortgage-backed investments.

Investors should carefully review the risks discussed in this IM to ensure the investment aligns with their personal risk appetite and financial objectives. If Investors have any questions or concerns regarding the risks outlined in this IM, they are strongly encouraged to seek independent financial advice before making an investment decision.



NOT CAPITAL PROTECTED Investment in the Fund is not a capital protected investment. The value of investments and the income they generate may rise or fall, and Investors may lose some or all of their invested capital. Section 4.8 and Section 7.1

MORE INFORMATION You can contact a member of our Investor Services team on 1800 287 346 or email info@tieronecapital.com.au. -

ELIGIBLE INVESTORS The Fund is open to Wholesale Clients as defined under section 761G of the Corporations Act 2001 (Cth) (the Act); Sophisticated Investors as defined by section 761GA of the Act; or any other Investor to whom a disclosure document is not required to be provided and sections 708(8)-(11) of the Act apply. -

Investors will be required to provide satisfactory evidence of their eligibility at the time of application and on an ongoing basis, as requested by the Manager.

Acceptance of any Investor into the Fund is at the absolute discretion of the Manager.



3. Investing in the Fund

3.1 HOW TO INVEST

Step 1: Investors should read this IM in full and contact the Manager if they are uncertain about any aspect of the investment. Investors should pay particular attention to the risks outlined in Section 7, and consider their own investment objectives, financial situation, and needs. It is strongly recommended that Investors should seek financial advice from a licensed adviser before making an investment.

Step 2: Investors can complete the Registration Form available online at www.tieronecapital.com.au/register-online. Supporting documentation will be required depending on the type of investing entity (for example, individual, trust or company).

Step 3: the Manager will review the Registration Form and, if necessary, liaise with the Investor to obtain any additional documentation. Once the application is approved, the Manager will confirm with the investor via email.

Step 4: once onboarding is complete, the Investor will receive secure login credentials to the TierONE Capital Investor Portal, where they can:

- view available investment opportunities;
- submit pledges for Term Income Investments or Mortgage Investments; and
- manage deposits and withdrawals to and from their Cash Unit Account.

Funds will remain in Cash Units until allocated to an approved investment pledge, or withdrawn by the Investor.

Step 5: once a pledge has been accepted and the Term Income Investment or Mortgage Investment becomes active, Cash Units equivalent to the investment amount will be converted into Term Income Investment Units or Mortgage Investment Units.

Key dates:

- **Financial Close:** the date from which the Borrower becomes liable for interest regardless of whether the Loan has settled or not.
- **Loan Settlement:** the date the Loan is formally settled, funds have been advanced to the Borrower, and the Fund's Security Interest is registered.
- **Funds Required Date:** the date by which an Investor must ensure sufficient funds are available in their Cash Unit Account to cover their accepted pledge for Term Income Investment Units and/or Mortgage Investment Units. For Mortgage Investment Units this may occur prior to Financial Close or progressively during the course of a Loan as funds are drawn down by the Borrower.

3.2 MINIMUM INVESTMENT AMOUNT

Cash Units: the initial investment in the Fund is in Cash Units. There is no minimum amount required to be held, or invested, in a Cash Unit Account.

Term Income Investment Units: there is no minimum investment required for Term Income Investment Units.

Mortgage Investment Units: there is no minimum investment required for Mortgage Investment Units.

3.3 CASH UNITS

Cash Units are a class of Unit allocated to Investors who hold a balance in their Cash Unit Account. Each Investor will have a Cash Unit Account established in their investing entity name. One Unit is equivalent to \$1,000, and there is no minimum or maximum balance that may be held in this account.



Funds corresponding to Cash Units are held in a Cash Management Account with a major Australian bank, currently the Australia and New Zealand Banking Group (ANZ). Holders of Cash Units have investment exposure solely to cash. However, an investment in Cash Units is not the same as a bank deposit and is not protected by the Australian Government Bank Guarantee.

The monthly return on Cash Units determined by the Manager is referenced to the Official Cash Rate (OCR) and updated periodically when there is a change in the OCR. The applicable Cash Unit rate and monthly return can be viewed any time via the TierONE Capital Investor Portal.

Returns on Cash Units are calculated daily and distributed monthly in arrears. All distributions are automatically re-invested into additional Cash Units.

Investors may elect to redeem their Cash Units at any time, subject to the Fund's normal withdrawal and processing procedures.

3.4 TERM INCOME INVESTMENT UNITS

Term Income Investment Units represent an investment in a Term Income Investment product. One Unit is equivalent to \$1,000.

Term Income Investment products will hold both Cash Units and Mortgage Investment Units, cash, cash equivalent, and other investment products pursuant to its investment mandate as set out in the Term Income Investment Supplementary IM.

Term Income Investment products may invest in financial products managed by TierONE Capital and other licenced investment managers.

Investors will receive interest distributions in accordance with the relevant Supplementary IM and the target rate of return will be set at the beginning of each calendar month, with the return in line with the Official Cash Rate (OCR), plus a margin set by the Manager.

By pledging to invest, the Investor is authorising the Manager to redeem Cash Units and subscribe to the equivalent dollar amount of Term Income Investment Units. Each new pledge or re-investment of Term Income Investment Units will be subject to an Investment Term in accordance with the relevant Supplementary IM.

If the Investor does not hold sufficient Cash Units in their Cash Unit Account to cover the equivalent dollar amount of Term Income Investment Units, then the Investor is responsible for transferring additional funds to their Cash Unit Account in order for the Investor's pledge to Term Income Investment Units to take effect.

The Manager, in its absolute discretion, reserves the right to limit, reject or alter any request for Term Income Investment Units, in order to meet the product objectives, investment mandate and liquidity targets.

3.5 MORTGAGE INVESTMENT UNITS

Mortgage Investment Units represent investments in Loans (Mortgage Investments) made by the Trust to approved Borrowers. One Unit is equivalent to \$1,000.

Loans are secured by Registered Mortgages and Borrowers are charged an interest rate and Loan fees. The Securities behind each Loan (that is, the mortgages, guarantees, and other security instruments) are held by the Custodian on behalf of the Trust. In turn, the Trust holds the asset for the benefit of Unit holders (Investors).

Through the Investor Portal, Investors can select the Loan in which they wish to participate. Each investment opportunity will be accompanied by a Supplementary IM, setting out the terms of the



investment, the Target Return of the investment, key dates, and information about the Borrower and the security.

By pledging to invest, the Investor is authorising the Manager to redeem Cash Units and subscribe to the equivalent dollar amount of Mortgage Investment Units. As investments are sometimes oversubscribed, the acceptance of an amount pledged in a particular Mortgage Investment Unit remains, at all times, at the discretion of the Manager. Investors are notified when pledges are accepted or rejected. This notification will include details of the amount accepted and the Funds Required date.

If the Investor does not hold sufficient Cash Units in their Cash Unit Account to cover the equivalent dollar amount of Mortgage Investment Units, then the Investor is responsible for transferring additional funds to their Cash Unit Account by the Funds Required date.

Unit Class Ranking and Creation of Additional Units

Unless otherwise stated in the relevant Supplementary IM, all Units issued will be A Class Units. Any subsequent Unit Classes created will rank below existing classes for both principal and interest repayments.

The Manager reserves the right to establish additional Unit Classes at its discretion. Such classes may have different risk profiles, returns, or rights, but will not alter the priority ranking of existing Unit Classes.

3.6 INVESTMENT TERM

Cash Units

An investment in Cash Units has no minimum term. Investors may request a withdrawal of their Cash Units at any time, subject to the Fund's withdrawal policy as outlined in this Information Memorandum (IM). Cash Units are intended to provide Investors with a flexible holding account within the Fund, allowing them to maintain liquidity while earning a variable return comparable to major bank cash management accounts.

Term Income Investment Units

An investment in Term Income Investment Units is for a fixed term as specified in the relevant Supplementary IM. Notwithstanding the specified term, the actual investment period may vary and is subject to the liquidity of the Term Income Investment Units at the time a redemption is due to be actioned.

Each new investment and any subsequent investment amounts will be subject to their own term, as outlined in the applicable Supplementary IM. The Manager may, in its absolute discretion, defer the payment of redemptions where it is deemed necessary to manage Fund liquidity in the best interests of all Investors.

Mortgage Investment Units

An investment in Mortgage Investment Units generally aligns with the term of the underlying Loan and will be specified in the relevant Supplementary IM. The typical term is between 6 and 24 months, though the actual duration may be longer or shorter depending on factors such as the progress of the underlying project, Loan repayment timing, or other relevant circumstances.

If an investment is made after the commencement of a Loan, the Investment Term applies from the Loan commencement date, not the Investor's subscription date. The expected Investment Term is a forecast only and may vary as follows:

- **Shorter Than Forecast:** the Borrower may repay, or partially repay, the underlying Loan prior to the documented Loan expiry, in which case Investors will receive principal and interest up to the date of repayment. If a minimum interest period is specified in the Supplementary IM, it will apply when calculating returns.



- **Longer Than Forecast:** the Borrower may repay the Loan after the scheduled expiry date due to factors such as delays in construction, the issuance of occupancy certificates or titles, sale or refinance of the asset, or other project-related factors. In such cases, Investors' entitlement to interest will continue to accrue until repayment of the Loan. Where applicable, default interest collected by the Fund may be distributed between the Manager and Investors.

The Manager may, in its discretion, vary the term of Mortgage Investment Units where it believes such variation is necessary to facilitate full repayment of the underlying Loan or to protect the interests of Investors.

3.7 INCOME / DISTRIBUTIONS

Distributions are made to Investors holding Cash Units, Term Income Investment Units and Mortgage Investment Units from Trust income derived from:

- interest received from the Cash Management Account, currently with ANZ;
- cash management trusts through other licenced fund managers; and
- interest received from Borrowers in respect of Loans held by the Fund.

Investors are entitled to receive income distributions which relate to income received for the class of Units they hold and for the duration of their investment in that class.

Cash Unit Distributions

The return on Cash Units is expressed as an annualised interest rate calculated and accrued daily based on the number of Units held by an Investor. The interest rate applicable to Cash Units may vary from time to time, reflecting changes in the Official Cash Rate (OCR).

Distributions on Cash Units are made monthly in arrears and are automatically re-invested into additional Cash Units in the name of the Investor.

Example:

If an Investor holds \$100,000 in Cash Units (100 Units) and earns \$300 of income for the month, this amount will be re-invested into additional Cash Units. At the beginning of the next month, the Investor will hold 100.300 Cash Units (valued at \$100,300).

Term Income Investment Unit Distributions

The interest on Term Income Investment Units is expressed as an annualised interest rate calculated and accrued daily based on the number of Units held by an Investor.

The Target Return is specified in the relevant Supplementary IM and is typically calculated as a margin above the OCR. The actual interest distributed to Investors may differ from the Target Rate due to various factors, including but not limited to:

- the level of liquidity held within the Fund at any given time; and
- the composition and performance of the underlying Loan portfolio.

Accordingly, the Target Return is an indicative benchmark only and not a guaranteed rate of return.

Distributions on Term Income Investment Units are automatically re-invested into the Investor's Cash Unit Account. Subject to the Manager's approval, Investors may request in writing for these distributions to be subsequently transferred from their Cash Unit Account to a nominated external bank account.

Mortgage Investment Unit Distributions

The interest on Mortgage Investment Units is expressed as an annualised interest rate calculated and accrued daily based on the number of Units held by an Investor.



The Target Return for each class of Mortgage Investment Units is disclosed in the relevant Supplementary IM and reflects the characteristics of the underlying investment. The rate may be:

- fixed for the term of the investment; or
- variable, set as a margin over a benchmark rate (e.g. the Bank Bill Swap Rate (BBSW)) and reviewed periodically.

Where additional Investor raisings occur during the term of a Loan, the applicable interest rate for subsequent investments may differ from the initial Supplementary IM due to changes in market conditions, Investor demand, or funding requirements.

The frequency of interest distributions is specified in the Supplementary IM and may be:

- upfront;
- monthly or quarterly in arrears;
- at the end of the Investment Term; or
- a combination of the above.

Interest distributions are automatically re-invested into the Investor's Cash Unit Account unless otherwise approved by the Manager.

Example:

- An Investor holds \$100,000 in Mortgage Investment Units (100 Units).
- During a 12-month term, \$8,000 (8 Units) of interest is paid, or \$666.67 (0.667 Units) per month.
- At maturity, 100 Mortgage Investment Units are redeemed and returned to the Cash Unit Account as 100 Cash Units (\$100,000).
- The Investor's Cash Unit Account will then reflect 108 Cash Units (\$108,000) in total, plus any interest earned from the Cash Unit Account during the 12 months.

Subject to the Manager's approval, an Investor may request in writing for distributions from Mortgage Investment Units be subsequently transferred from their Cash Unit Account to a nominated external bank account.

3.8 UNIT PRICING

Cash Units

Unless there is an impairment on the underlying cash investment held by the Trust, the value of Cash Units is expected to remain at \$1,000 per Unit.

Term Income Investment Units

The value of Term Income Investment Units is expected to remain at \$1,000 per Unit, unless:

- there is an impairment in the underlying investments held by the Trust;
- Scheme Assets are required to be revalued as per section 601FC(1)(j) of the Corporations Act; or
- the Trustee determines that a revaluation is appropriate to reflect the performance of the underlying investments.

Mortgage Investment Units

The value of Mortgage Investment Units is expected to remain at \$1,000, unless:

- there is an impairment in the underlying Loan made by the Trust;
- Scheme Assets are required to be revalued as per section 601FC(1)(j) of the Corporations Act; or
- the Trustee causes Scheme Assets to be revalued to reflect the performance of the underlying Loan.



3.9 ADDING TO YOUR INVESTMENT

Cash Units

Investors may increase their investment in Cash Units at any time by logging into the TierONE Capital Investor Portal and selecting “Deposit Funds”. This action notifies the Manager that funds are being transferred. Investors will then be provided with EFT and BPAY payment instructions and can proceed to transfer funds to their Cash Unit Account.

Term Income Investment Units

Investors may add to their Term Income Investment Units at any time by submitting a pledge through the TierONE Capital Investor Portal. Each new investment amount and any subsequent investment amounts will be subject to their own Investment Term as specified in the relevant Supplementary IM.

The Manager reserves the right, in its absolute discretion, to limit, reject or amend any request to subscribe for additional Term Income Investment Units, in order to meet the Fund’s product objectives, portfolio diversification, and investment guidelines.

Mortgage Investment Units

Investors may add to their Mortgage Investment Units within the relevant underlying mortgage Loan, subject to availability and terms set out in the applicable Supplementary IM.

3.10 WITHDRAWALS, REDEMPTIONS, AND TRANSFERS

Cash Units

Investors may make withdrawals from the Fund by redeeming their investment in Cash Units. Withdrawals can be made at any time provided the Investor has sufficient Cash Units available.

To request a withdrawal, Investors can log onto the TierONE Capital Investor Portal and select “Withdraw Funds”. Withdrawal proceeds will be credited to the Investor’s nominated bank account within five business days of the withdrawal request being made.

Term Income Investment Units

Investments in Term Income Investment Units are illiquid and can only be redeemed back to Cash Units at the end of the term specified in the relevant Supplementary IM. Investors may submit a redemption request through the Investor Portal in accordance with the process and notice period detailed in the relevant Supplementary IM.

- **Notice Period for Withdrawals:** for investments in Term Income Investment Units, Investors are required to provide the Manager with written notice of their intention to redeem their investment in accordance with the terms of the Supplementary IM. Redemption requests received after this period are at the absolute discretion of the Manager and subject to available liquidity.

If the Manager does not receive written notice within the required timeframe, the Investor’s Term Income Investment Units will be automatically re-invested for a further term on the same or substantially similar terms as the original investment, or as otherwise specified in the relevant Supplementary IM.

- **Redemption Processing and Priority:** Where multiple redemption requests are received for Term Income Investment Units maturing at the same time and available liquidity is limited, the Manager will process redemption payments on a pro-rata basis or in the order requests were received, as it considers equitable and appropriate in the circumstances. Any unfulfilled portion of a redemption request will be carried forward and processed as soon as sufficient liquidity becomes available. Investors will be notified promptly if such measures are implemented.



Mortgage Investment Units

Investments in Mortgage Investment Units are illiquid and can only be redeemed back to Cash Units in accordance with the terms and conditions set out in the relevant Supplementary IM. Redemption generally occurs when:

- the underlying Loan is repaid in full or in part;
- the underlying asset has been liquidated; or
- the Manager, in its absolute discretion, determines that redemption is appropriate.

There is no secondary market for Mortgage Investment Units and no financial hardship withdrawal provisions apply. Once Mortgage Investment Units have been issued, Investors cannot withdraw from the investment prior to maturity (or repayment of the Loan, whichever is the latter), except in circumstances expressly permitted under the relevant Supplementary IM.

Transfers

Although Term Income Investment Units and Mortgage Investment Units cannot be redeemed during their specified terms, the Trustee may, in certain circumstances, facilitate off-market transfers of Units (including Cash Units) – for example, to the beneficiary of a deceased estate or another eligible transferee.

Any transferee must be registered as an Investor in the Fund in accordance with the registration process outlined in Section 3.1. The Trustee and Manager accept no responsibility for the preparation or execution of transfer documentation, nor for tax or legal consequences arising from the transfer of Units.

Investor Caution

Investors should carefully consider their liquidity needs before investing in the Fund.

Term Income Investment Units and Mortgage Investment Units are not readily redeemable and may be repaid later than expected due to liquidity, market, project, or Borrower-specific factors.

An investment in the Fund is not capital protected, and early withdrawal is not available except as expressly permitted under the Fund's governing documents.

3.11 REPORTING AND KEEPING YOU INFORMED

Reports and information relating to your Cash Units, Term Income Investment Units and Mortgage Investment Units are accessible at any time via the TierONE Capital Investor Portal. Where online access is not available, reports may be provided to Investors by email.

Investors may also request the following documents by contacting the Manager on 1800 287 346 or emailing info@tieronecapital.com.au:

- the most recent annual audited financial report lodged with ASIC; and
- the Trust Deed.

The Manager may also provide periodic updates on Fund performance, new investment opportunities, and other material information relevant to Investors through the Investor Portal or by direct communication.

The Manager is committed to maintaining transparency and timely communication with Investors to ensure they are kept fully informed about their investment and the ongoing performance of the Fund.



4. About the Trust's Loans

4.1 KEY PARAMETERS OF A LOAN

The Manager will assess each Loan opportunity against the following principles:

| PARAMETER | COMMENT |
|-------------------------------------|--|
| Security | All Loans must be secured by a Registered Mortgage over Australian real property. Additional security may include charges over company assets, personal guarantees, subsequent mortgages, corporate guarantees, or any other security instruments deemed appropriate by the Manager or its legal advisers from time to time. |
| Sector | Primary security must be Australian real property which may include (without limitation) office, retail, industrial, residential, National Disability Insurance Scheme (NDIS) and boarding accommodation, specialist property, unimproved land and land intended for, or under development. |
| Loan-to-Value Ratio (LVR) | The total Loan amount extended to a Borrower (including capitalised interest) will typically not exceed 80% of the assessed value of the secured property. Valuations are undertaken by independent, qualified valuers on an "As Is" basis or "Gross Realisable Value" (GRV) basis, depending on the Loan purpose. |
| Minimum size of Loan | \$250,000 |
| Target Loan term | Generally, between 6 to 24 months, depending on the nature and complexity of the underlying project or transaction. |
| Target Borrower rate | The Borrower interest rate will reflect the risk profile of the Loan and prevailing market conditions including factors such as the Reserve Bank of Australia (RBA) Cash Rate, inflation, and competitor interest rates. |
| Purpose of Loan | Loans must be used for commercial purposes, including development, construction, or business-related property investments. |
| Servicing ability and exit strategy | Borrowers must demonstrate a clear capacity to service and repay the Loan. Acceptable exit strategies include sale of the secured property, third-party refinance, or realisation of other assets. |

4.2 INVESTMENT STRATEGY

The Manager's investment strategy is founded on the view that the Australian debt market has undergone a significant structural shift. Traditional banks have become increasingly reluctant to lend to commercial borrowers or against land assets, primarily due to Reserve Bank of Australia (RBA) imposed exposure limits and capital adequacy requirements.

This tightening of bank lending has created an opportunity for non-bank lenders such as TierONE Capital to serve high-quality borrowers who would previously have sourced funding from major banks. The Fund seeks to capitalise on this opportunity by providing tailored, risk-adjusted lending solutions to commercial borrowers in select sectors.

Typical Loan Types

- **Investment Loans:** secured over income-producing or non-income-producing real property assets.
- **Construction Loans:** facilities provided to fund the construction and development of property projects.



- **Pre-Development Loans:** facilities provided to secure land for redevelopment and provide early-stage working capital (e.g. for planning permits, architectural design, and consultant reports).
- **Residual Stock Loans:** facilities provided post-construction, secured against completed but unsold, individually titled properties, where sale proceeds are progressively applied to reduce the Loan balance.

Security Profile

Most Loans within the Fund are secured by first-ranking Registered Mortgages over real property. However, the Manager may, on occasion, consider Loans secured by a subsequent ranking mortgage where the credit and risk assessment justifies such an exposure. In all instances, the type and ranking of security will be clearly specified in the relevant Supplementary IM.

Objective

The Trustee's investment objective is to generate strong risk-adjusted returns for Investors through exposure to a diversified portfolio of commercial Mortgage Investments. These Loans are generally held by the Trust until repayment of the Loan and redemption of the corresponding Mortgage Investment Units.

Risk Management and Diversification

The Manager adopts a disciplined risk management framework designed to protect Investor capital and maintain consistent performance across market cycles. Key elements include:

- diversification across geographies, borrower types, and asset classes to minimise concentration risk;
- conservative Loan-to-Value Ratios (LVRs) to ensure adequate security coverage;
- rigorous credit assessment of each Borrower's financial position, experience, and exit strategy; and
- active monitoring of Loan performance and project milestones throughout the Loan term.

Through this approach, the Manager seeks to maintain a balanced portfolio that delivers stable income while preserving capital.

4.3 LOAN SELECTION, ASSESSMENT AND APPROVAL PROCESS

All Loans are assessed in accordance with TierONE Capital's Credit Policy. Each Loan opportunity undergoes a detailed evaluation process and must be reviewed and approved by the Manager's Credit Committee before proceeding.

1. Loan Origination

Loan opportunities are sourced through established referral networks, including mortgage brokers, financial intermediaries, and direct Borrower relationships. All Loan applications must satisfy the Fund's eligibility criteria, including Loan purpose, security, and Borrower creditworthiness.

2. Preliminary Assessment

An initial assessment is undertaken to determine whether the proposal aligns with the Fund's lending parameters. This includes a review of:

- the Borrower's financial position and repayment capacity;
- the proposed security and indicative Loan-to-Value Ratio (LVR);
- the Loan purpose and exit strategy; and
- the development or investment feasibility, where applicable.

2.1 Assessment Framework

When evaluating a Loan, the Manager undertakes a comprehensive due diligence process that considers a broad range of factors across asset risk, borrower risk, and servicing and exit risk.



| ASSET RISK | BORROWER RISK | SERVICING AND EXIT RISK |
|---|---|--|
| <ul style="list-style-type: none"> ▪ Market demand ▪ Site specific characteristics ▪ Location and demographics ▪ Zoning and permissible use ▪ Legal considerations (caveats and easements) | <ul style="list-style-type: none"> ▪ Borrower experience and business history ▪ Financial track record ▪ Current financial position and liquidity ▪ References and background checks ▪ If applicable, builder capability and performance | <ul style="list-style-type: none"> ▪ Borrower’s ability to refinance or exit ▪ Evidence of presales or lease commitments ▪ Viability and timing of asset sale or refinance ▪ Sensitivity to market conditions or project delays ▪ Alternative repayment sources |

This structured assessment process ensures that each Loan approved by the Fund reflects an appropriate balance between risk, return, and security, and aligns with the Fund’s overall investment and risk management objectives.

3. Due Diligence and Independent Verification

If a Loan proposal proceeds beyond preliminary assessment, comprehensive due diligence is undertaken. This may include:

- independent valuation by a certified valuer;
- quantity surveyor or cost-to-complete reports for construction or development Loans;
- review of planning and zoning approvals;
- verification of title searches and existing encumbrances;
- credit checks and background investigations on the Borrower and guarantors; and
- legal due diligence by a Fund panel solicitor.

4. Credit Committee Review and Approval

All Loan recommendations are presented to the Manager’s Credit Committee, which comprises the Manager’s directors and senior credit executives. The Committee assesses the Loan against the Fund’s lending criteria, risk ratings, and compliance with the Trust Deed and Management Agreement.

A Loan may only proceed once formal approval has been granted by the Credit Committee.

5. Documentation and Settlement

Following approval, all Loan documentation, including the Loan Facility Agreement, mortgage security, and any guarantees, is prepared and reviewed by a Fund appointed panel solicitor. The Manager ensures all pre-settlement conditions are satisfied before settlement occurs.

6. Ongoing Monitoring and Management

After settlement, the Manager actively monitors each Loan throughout its term (refer to Section 4.7), including regular reviews of Borrower performance, construction progress (if applicable), and security valuations. Any material change in Borrower circumstances or project conditions will trigger reassessment and potential action by the Fund’s Credit Committee.

4.4 VALUATIONS

The Manager follows a structured process for the review and acceptance of valuation reports used in assessing Loan security. Before a valuation is accepted, the Manager reviews the qualifications and experience of the valuer to ensure they meet TierONE Capital’s standards of independence and professional competence.

All valuations must be undertaken by independent, qualified valuers who hold no conflict of interest with the Borrower, the Manager, or any related party involved in the transaction.



Valuation reports relied upon for Loan assessment must generally be no more than three months old at the time of consideration. The Credit Committee may approve an exception where there are mitigating factors, such as where there has been no material change in the market or the Security Property since the date of valuation.

The valuation methodology, key assumptions, and underlying circumstances relevant to each investment opportunity will be outlined in the relevant Supplementary IM and will remain subject to the Trustee's internal Real Estate Valuation Policy.

4.5 LOAN AND SECURITY DOCUMENTATION

Proper Loan and security documentation is an essential component of risk management in the lending process. The Manager ensures that all Loan and security documentation is prepared, reviewed, and executed in accordance with industry best practices and relevant legal and regulatory requirements.

The Manager maintains a panel of approved solicitors with demonstrated expertise in commercial, construction, and mortgage lending to prepare Facility Agreements, mortgage instruments, and related security documentation.

All documentation is drafted to:

- clearly define the rights and obligations of the Borrower and Lender;
- ensure the Fund's Security Interests are properly registered and enforceable;
- incorporate appropriate representations, warranties, covenants, and events of default; and
- provide mechanisms to protect Investor principal in the event of Borrower default or enforcement action.

Where applicable, the Manager may engage independent legal review to verify that documentation accurately reflects the approved Loan terms and complies with the Fund's Credit Policy and risk management framework.

All Loan documentation must be fully executed, and all Security Interests perfected, before any Loan advance is made.

4.6 DEVELOPMENT LOANS

Most property development Loans are monitored on a cost-to-complete basis, with construction progress and costs independently assessed by a qualified quantity surveyor or other suitably qualified professional appointed by the Manager.

Loan drawdowns are made in stages, and funds are only released once works have been completed to the agreed stage and verified by the appointed assessor through a progress certificate or equivalent report. This ensures that advances remain consistent with the project's actual progress and approved budget, thereby protecting the Fund's position at all times.

Any cost overruns identified during construction must be funded by the Borrower before further drawdowns are approved.

This oversight framework ensures that all development Loans are monitored to an appropriate standard relative to their size, complexity, and risk profile, consistent with TierONE Capital's broader Credit Policy and risk management principles.

4.7 LOAN MANAGEMENT

The Manager is responsible for the ongoing management and monitoring of each Loan from settlement through to repayment. Core Loan management activities include:

- maintaining regular communication with the Borrower;
- monitoring interest payments where applicable;
- visiting development sites to inspect construction progress;



- reviewing progress against the approved construction program; and
- attending status meetings with the developer, builder, project manager, and quantity surveyor.

As Loans approach expiry, the Manager will review each facility with the Borrower and make the necessary arrangements for repayment. Loans are commonly repaid through refinance by a third-party lender or from the proceeds of property sales, whether that be the secured asset or other assets owned by the Borrower.

Changes to Forecast Repayment Dates

If a Loan repayment date differs from that stated in the relevant Supplementary IM, the Manager will promptly:

1. inform Investors of the revised date; and
2. provide details explaining the reason for the change and the steps being taken to address a delay, where applicable.

Repayment dates may vary for a range of reasons, including:

- **Investment Loans:** delays with incoming lenders completing refinance or settlement of the secured asset.
- **Construction Loans:** delays in construction programs, the issuance of occupancy certificates or titles, or settlement of completed lots.
- **Early Repayment:** Loans may be repaid earlier than the forecast due date, for instance, where the underlying Security Property has been sold.

Management of Loans Beyond Maturity

Where a Loan is not repaid by its due date, the Manager will assess the circumstances and determine the most appropriate course of action for the Fund. Possible actions include:

1. **New Loan:** offering the Borrower a new facility with a revised expiry date. Investors holding Mortgage Investment Units in the existing Loan will generally have first right of refusal to participate in the new facility. Participation is voluntary, and terms will be outlined in a new Supplementary IM.
2. **Forbearance Terms:** negotiating forbearance terms (typically up to three months) where the delay may be due to construction completion, title issuance, or document administration, which may not affect fundamental credit or risk concerns. Forbearance is only granted where it is expected to produce a better outcome for the Fund than immediate enforcement.
3. **Mortgagee-in-Possession:** where repayment is unlikely within a reasonable timeframe, but the Borrower agrees to cooperate, the Manager may take possession of the property and oversee construction completion and/or an orderly sale. This approach can reduce enforcement costs and preserve asset value, avoiding the adverse publicity associated with formal receivership.
4. **Appointment of Receiver and Manager:** if the Borrower ceases to cooperate or enforcement becomes necessary, the Manager will appoint a receiver and manager under the Fund's security instruments. The receiver will act on behalf of the Trustee to realise the secured asset, which may include construction completion. Sale proceeds are applied according to the Loan documentation, with the Fund holding priority for repayment after deducting the receiver's fees and enforcement costs.

This structured Loan-management framework ensures that all Loans are actively monitored, with appropriate intervention strategies applied to protect Investor principal and maximise recovery outcomes in the event of repayment delays or default.

4.8 MANAGEMENT OF LOANS IN DEFAULT

The Manager adopts a proactive approach to identifying and managing Loans at risk of default to protect Investor principal and optimise recovery outcomes. Regular monitoring, early intervention, and structured recovery processes ensure that any deterioration in Loan performance is promptly



identified, addressed, and managed in accordance with the Fund's Credit Policy and governance framework.

Monitoring of Loans

The performance of all Loans is regularly monitored by the Manager to identify and manage emerging risks early. Ongoing monitoring activities include:

- tracking interest payments and arrears;
- monitoring market conditions and material changes in property values; and
- for development Loans:
 - reviewing requests to use contingencies without support from the quantity surveyor or authorised assessor;
 - monitoring delays in construction progress; and
 - identifying lengthy gaps between progress claims or site activity.

Management of Underperforming Loans

When a Loan begins to underperform, the Manager takes proactive steps to protect the Fund's interests.

Examples of actions include:

Investment and Residual Stock Loans

- Ordering a new valuation of the Security Property to reassess the Loan-to-Value Ratio (LVR).
- If the updated valuation indicates an increased LVR, the Borrower will be required to either:
 - reduce the Loan balance to restore the LVR within approved limits; or
 - provide additional, acceptable security to achieve the approved LVR.
- If the Borrower fails to comply to the Manager's satisfaction, the Manager will initiate appropriate action in accordance with Section 4.7 – Loan Management, which may include appointing solicitors to commence recovery procedures or enforcement actions, including the appointment of a receiver and manager.

Construction Loans

- Upon the occurrence of a Default Event, the Manager will assess the cause and determine the most appropriate course of action under Section 4.7 – Loan Management.
- It is acknowledged that liquidation of incomplete or partially constructed assets typically results in lower market value than total project costs, as full value (Gross Realisable Value) is only achieved once the development is completed and occupancy certificates and titles are issued.
- Each situation will be considered on its own merits. The Manager may decide to either liquidate the asset as is, or continue funding the project where doing so is expected to maximise recovery.
- Following a detailed review and input from independent property, development, and construction experts, the Manager may elect to step in and complete the project under one of the recovery options outlined in Section 4.7.
- Upon completion, the property will be marketed for sale, and net proceeds applied to repay the Loan.

Default Interest

Upon the occurrence of a Default Event under the Loan or security documentation, the Borrower may be charged interest at the applicable default rate.

Application of default interest or default management fees is at the sole discretion of the Manager, who reserves the right not to apply additional fees, charges and/or default interest where it is considered commercially or strategically appropriate.



Any default interest received from a Borrower may be passed on to the Investor, at the discretion of the Manager.

Distribution of Investor Interest

The Manager intends to make all Investor distributions in accordance with the relevant Supplementary IM. However, distributions may be delayed or suspended in circumstances such as:

- non-receipt of interest payments from the Borrower;
- insufficient funds held in the Interest Reserve Account; or
- delays in refinancing or liquidation of the underlying asset.

At the Manager's discretion, any unpaid interest may accrue, until paid by the Borrower or recovered from the sale of the Security Property or other assets of the Borrower. Any default interest received from a Borrower may be passed on to the Investor, at the discretion of the Manager.

Redemption of MIUs, including accrued interest, will be subject to the availability of funds upon repayment, refinance, or liquidation of the underlying Loan.

Default and Recovery Process

If a Loan enters default and the Borrower fails to repay the outstanding balance following a demand for payment, the Manager will take steps to recover the debt, including enforcing security, appointing external controllers where appropriate, and where necessary, commence legal proceedings against the Borrower and any guarantors.

All recovery proceeds are applied in accordance with the following Priority Waterfall:

1. **Prior-Ranking Charges and Statutory Claims**

Before any amount is returned to the Fund or Investors, the following must be paid:

- all prior-ranking mortgages or statutory interests;
- statutory authority claims, and amounts due to government bodies (such as rates, taxes, or levies); and
- fees, costs and disbursements of any Receiver or external controller appointed to the Borrower of the secured property.

2. **Costs Incurred in Recovery**

Any borrowings or expenses, or outlays incurred by the Manager in undertaking recovery action, including legal, enforcement, and asset-management costs, will be reimbursed prior to Investor distributions.

3. **Manager's Fees and Charges**

Any unpaid fees, costs or charges owing to the Manager, whether arising under investor documentation or borrower loan documentation relevant to the investment, will be paid in full before any distributions are made to Investors.

4. **Investor Principal and Interest**

Funds available after payment of the above amounts will be distributed in accordance with Unit Class Rankings, in the following order:

1. **A Class Units – Principal:** return of principal owed to A Class Unit holders.
2. **A Class Units – Interest:** payment of any interest due to A Class Unit holders.
3. **Subsequent Unit Classes – Principal and Interest:** Once A Class entitlements are satisfied, principal and any interest owing to any subsequent Unit Classes (e.g. B Class Units) will be paid. See definition of Unit Class Rankings for further information.

Repurchase of Higher Ranking Units

Subsequent Unit Classes may elect to improve their priority by purchasing A Class Units:



- Any such election is subject to availability and must be offered to A Class Unit holders on equal terms.
- A Class Units purchased under this mechanism will assume the same rights and ranking as all other A Class Units.

If insufficient funds are available to repay all Investors in full, available funds will be distributed on a pro-rata basis among Investors within each Unit Class according to their Unit Class Ranking.

No Guarantee of Returns or Principal

The Manager does not guarantee the payment of income distributions or the return of Investor principal. Returns are dependent on the performance of the underlying Loans and assets held by the Fund.

4.9 AMOUNTS PAID TO LOAN INTERMEDIARIES

The Manager may pay up-front and/or ongoing commissions to external advisers and intermediaries, including mortgage brokers and referrers, in connection with the referral, origination, or introduction of Loans to the Fund.

Where a party refers a Loan opportunity to the Manager, that party may be entitled to receive a commission or referral fee. These commissions are paid by the Manager from income received from the Borrower and do not reduce target Investor returns, as outlined in the relevant Supplementary IM.

All such payments are made in accordance with applicable laws, disclosure requirements, and the Manager's internal conflict-of-interest and governance policies.

All commissions are commercially negotiated and do not influence the Manager's independent credit assessment or Loan-approval process.

4.10 CO-LENDING AND INVESTMENT BY THE MANAGER AND RELATED PARTIES

Co-Lending

Where a Loan involves multiple lenders, it will be governed by a Creditors' Agreement (or equivalent Co-Lender Deed) and administered through a Securities Trustee. The Securities Trustee acts on behalf of all secured creditors to administer, manage, and enforce the terms of the Creditors' Agreement, including the realisation of security where required.

The Manager may arrange for other lenders to participate as co-lenders on a Loan. Co-lenders may include registered or unregistered managed investment schemes, institutional or private investment entities, or, in some cases, related parties of the Manager.

Any co-lending arrangement must meet the lending criteria and investment parameters set out in this Information Memorandum. Each co-lender will typically have its Security Interest registered on title in accordance with the agreed Loan structure and documentation.

Prior to entering into any co-lending arrangement, all related documentation will be independently reviewed and approved by the Fund's legal advisers to ensure that the Fund's interests are appropriately protected and consistent with its investment mandate.

Manager Co-Investment

The Manager and its related parties may, from time to time, invest in the Fund as Unit holders in the Trust, participating on the same terms and conditions as other Investors holding the same class of Units.

Investors should refer to Section 10.8 – Related Party Disclosures for further details regarding potential conflicts of interest and the Manager's policy for identifying and managing them.



Investment in Mezzanine Funding

Mezzanine funding refers to a form of subordinated debt that ranks behind senior secured lenders but ahead of equity Investors in the capital structure. It generally carries a higher risk profile due to its junior position and is typically secured by a second-ranking mortgage or other subordinated Security Interest.

The Manager may participate in mezzanine funding only under the following circumstances:

1. **As additional security support** – where the mezzanine position enhances the overall security position of the Fund and contributes to an improved Loan-to-Value Ratio (LVR); or
2. **As a residual security position** – where, following a refinance or partial repayment, there are insufficient funds to fully discharge the Fund’s Loan, and the Manager elects to secure the residual balance by way of a subordinate Security Interest over the Borrower’s property or another acceptable asset.

The Manager will not originate mezzanine funding as an initial or primary Loan, nor will it advance mezzanine debt where it constitutes the sole or principal security for the investment.

Governance and Compliance

All co-lending and related-party investment arrangements are subject to the Manager’s Conflicts of Interest Policy and the Trustee’s oversight to ensure transparency, fair dealing, and alignment with the Fund’s investment mandate and the best interests of Investors.



5. Fees and Costs

5.1 NO ENTRY FEE

No entry fee is payable by an Investor to the Manager or Trustee unless otherwise expressly disclosed in the relevant Supplementary IM.

5.2 TRUSTEE FEES

The Trustee is not paid any fees out of the assets of the Trust.

The Trustee receives a monthly payment from the Manager, representing a reimbursement of operational costs incurred by the Trustee. These costs include compliance consulting, custodial arrangements, ASIC lodgement fees, audit fees, and bank charges.

These costs are borne entirely by the Manager and do not reduce Investor returns.

5.3 CUSTODIAN FEES

Custodian fees and charges are commercially negotiated between the Trustee and the appointed Custodial Service Provider. These fees generally comprise both a fixed component and a variable component, with the variable portion typically calculated as a percentage of the Fund's total Funds Under Management (FUM).

The fixed component is currently a minimum annual fee of \$20,000, which is paid by the Trustee.

These fees are borne entirely by the Trustee and do not reduce Investor returns.

5.4 MANAGER FEES

Cash Units

The Manager does not charge any fees on investments in Cash Units. All interest income received on Cash Unit investments is paid directly to Unit holders.

Term Income Investment Units

The Manager is entitled to a management fee (inclusive of GST) equal to the surplus income earned by the Term Income Investment, in excess of the target monthly distribution amount specified in the relevant Supplementary IM.

If the income received for any given month is less than the target monthly distribution amount, no management fee will be payable for that period.

In addition, no accrual of management fees will occur in any month where a management fee is not paid.

Mortgage Investment Units

The Manager is entitled to be paid a Residual Return Fee, calculated as the difference between the Target Return offered to Investors on a particular Loan and the standard interest paid by the Borrower on that Loan.

The Residual Return Fee is payable to the Manager at the same frequency that Investors receive distributions and only when both:

1. the Borrower has paid interest; and
2. Investors have received their corresponding interest payments.

The amount payable to the Manager under this fee arrangement is generally capped at 2% per annum of the total Loan amount.

5.5 OPERATING COSTS AND EXPENSES

The Trustee and Manager are entitled to be paid or reimbursed for all costs and expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Trust.



Such expenses include, but are not limited to:

- administration and accounting costs;
- distribution of income and Investor servicing;
- asset management and Loan monitoring activities;
- costs associated with the management of Borrower defaults and arrears; and
- fees payable to external service providers, including auditors, legal advisers, compliance consultants, and other professional experts.

Expenses may be charged specifically to a Loan or pro rata across all Loans at the discretion of the Trustee, having regard to the nature of the expense and the principle of fairness between Investors.

All operating expenses are disclosed in the Fund's audited financial statements and are subject to Trustee oversight to ensure they are properly incurred and consistent with the Fund's investment objectives.

5.6 CHANGE TO FEES AND OTHER COSTS

The Trustee may change the above fees and expenses, subject to any fee limits in the Trust Deed.

5.7 GOODS AND SERVICES TAX

Unless otherwise stated, all fees quoted in this IM are quoted exclusive of GST.

5.8 WAIVER, DEFERRAL OR REBATE OF FEES

The Trustee or Manager may, at their discretion, waive, defer, rebate, or accept lower fees than those to which they are otherwise entitled under the Trust Deed.

The Trustee or Manager may also defer payment of any such fees for any period of time. Where payment is deferred, the fee will accrue until paid, unless otherwise determined by the Trustee or Manager.

Any decision to waive, defer, or rebate fees will be made in accordance with the Fund's governance framework and disclosed in the Fund's financial statements where relevant.

5.9 INVESTOR REFERRERS

The Manager may pay commissions or other remuneration to Investor referrers under an agreement between the Manager and the referrer. It is the responsibility of the referrer to disclose to their client (the Investor) any such agreements, payments, commissions, or benefits the referrer may receive from the Manager.

Where a fee or commission payable to a referrer is deducted from the Investor's principal or distribution, this will be clearly disclosed to the Investor by the Manager.

Any additional fees, charges, or commissions payable to a referrer that would reduce the Investor's principal balance or distribution entitlement will only be applied with the prior written consent of the Investor.

The payment of referrer commissions or remuneration does not affect the Fund's overall returns or the distributions to Investors who invest directly in the Fund.

All referrer remuneration arrangements are made in accordance with applicable laws and the Fund's governance framework to ensure transparency and Investor protection.



6. Trust and Manager Income

The Trust and the Manager derive income from the provision and administration of Loans to Borrowers.

All Borrower-related fees and charges are governed by the Loan Facility Agreement entered into between the Trust (on behalf of the Fund) and the Borrower.

These fees are designed to reflect the commercial and operational costs associated with originating, managing, and enforcing Loans. They are not intended to be punitive, excessive, or predatory in nature.

Loan Interest and Line Fees

Borrowers are charged interest on their Loans and, in some cases, a line fee. These charges represent the cost of providing credit and are typically calculated with reference to either the approved facility limit or the outstanding Loan balance. The Manager may also be entitled to a Residual Return Fee payable by the Trustee, being the difference between the standard interest rate paid by the Borrower and the Target Return for Investors.

Loan Establishment and Management Fees

Borrowers may be charged establishment and management fees by the Trustee or the Manager. These fees cover the administrative, legal, and operational costs associated with assessing, documenting, settling, and managing the Loan throughout its term.

Default Management Fees

If a Loan enters default, the Manager may charge a Default Management Fee to recover the additional operational costs incurred in managing the default process.

These costs may include:

- Communicating and coordinating with Investors;
- Engaging and liaising with legal advisors, valuers, receivers, and other third parties; and
- Managing recovery actions, asset realisations, or enforcement steps.

Default Management Fees are not punitive and exist only to solely recover the Manager's costs in protecting Investor's interests and maximising recovery outcomes.

Forbearance Management Fees

Where the Manager elects to grant forbearance – that is, temporarily delaying enforcement to allow the Borrower to complete construction works or refinance – a Forbearance Management Fee may be charged.

This fee compensates the Manager for the additional monitoring, negotiation, and administrative oversight required to manage the forbearance period effectively.

As with Default Management Fees, Forbearance Management Fees are not penalty charges, and reflect the additional time, effort, and professional input required to achieve the best commercial outcome for the Fund and its Investors.

Other Fees and Charges

From time to time, the Borrower may be charged other fees and charges to reimburse the Manager for specific administrative or property-related costs. These may include (but are not limited to):

- updated valuation reports requested during the Loan term;
- site inspections conducted by the Manager or its appointed property assessors;
- title searches, credit checks, or other due diligence costs;
- requests for consent to subdivisions, subsequent mortgages and encumbrances; and
- preparation and management of title releases associated with presale or progressive lot settlements.

All such fees and charges will be fully disclosed in the Borrower's Loan documentation and are payable by the Borrower, not by the Fund or its Investors.



Application of Fees

All Borrower-paid fees and charges are collected by and for the benefit of the Manager, whilst interest forms part of the gross income received by the Fund. After deducting applicable costs, the net Fund income benefits Investors through distributions and overall Fund performance. Borrower fees ensure the Manager can effectively administer, monitor, and recover Loans.

For further details on the Manager's fee entitlements, refer to Section 5.4 – Manager Fees.



7. Risks

Investors should be aware that an investment in the Fund involves a range of risks. This section outlines some of the major risks associated with:

- an investment in the Fund; and
- investments in Mortgage Investments generally.

There may also be specific risks associated with individual Loans or projects.

In addition, Investors should be aware of general investment risks that are not unique to the Fund or Mortgage Investments. For example, changes in the regulatory, financial services, or taxation environments may adversely affect the Fund’s operations or Investor returns. Similarly, Government policy changes, economic conditions, and political factors can influence property values, Borrower performance, and ultimately the returns distributed to Investors. These external factors are beyond the control of the Manager and Trustee.

This section is intended as a guide only and does not represent an exhaustive list of all risks that may apply. Investors are strongly encouraged to seek independent financial, taxation and legal advice before making an investment decision.

7.1 RISKS TO CONSIDER BEFORE INVESTING IN THE FUND

PRINCIPAL RISK

Description

An investment in the Fund is not capital guaranteed. The value of Units in the Fund may fluctuate and decrease over time depending on the performance of the underlying Loans, property market conditions, Borrower repayment capacity, and other external factors.

Impact

If a Borrower defaults, or if the proceeds from the sale of secured properties are insufficient to fully repay outstanding Loans, Investors may suffer a partial or total loss of their invested principal. Similarly, adverse movements in property values or delays in Loan recovery may reduce Investor returns or extend repayment timeframes.

Mitigation

The Manager seeks to mitigate this risk through disciplined credit assessment processes, including independent valuations, Borrower due diligence, and conservative Loan-to-Value Ratios (LVRs). The Manager also monitors portfolio performance on an ongoing basis and takes proactive action – such as enforcing security or restructuring facilities – when necessary to protect Investor principal.

However, the Manager does not guarantee the performance of the Fund, the payment of income distributions, or the return of Investor principal. All investments carry inherent risk, and Investors should carefully consider their individual risk tolerance before investing.

INCOME / DISTRIBUTION RISK

Description

Income distributions to Investors are dependent on the income the Trust receives from its underlying Loans. Forecasted or suggested returns outlined in this IM or any Supplementary IM represents Target Returns only. The Fund does not guarantee or underwrite the performance of any Loan or the achievement of Target Returns.

Impact

Income distributions are typically sourced from interest payments made by Borrowers, the repayment of Loans, or the liquidation of assets securing those Loans. If a Borrower defaults, delays payment, or if the realised value of the security is insufficient, there may be insufficient income to meet the forecast distribution levels or to pay distributions at all.

In addition, the Manager may withdraw an investment opportunity after Investors have pledged funds but before Loan settlement if there has been a material change to the Borrower’s risk profile or



project circumstances. In such cases, the Investor's pledge will be rescinded, and their funds will remain in their Cash Unit Account until reallocated or redeemed.

Mitigation

The Manager seeks to reduce income volatility by maintaining a diversified Loan portfolio, applying strict credit assessment and monitoring processes, and exercising discretion to withdraw from Loans that no longer meet the Fund's risk criteria. All Target Returns are based on reasonable forecasts and are reviewed periodically in line with prevailing market and borrower conditions.

DOCUMENTATION RISK

Description

If there is a deficiency, error, or omission in the documentation – such as the Loan Facility Agreement, mortgage, or related security documentation – this could adversely affect the enforceability of monies invested by the Trust, potentially reducing the value of the investment.

Impact

A documentation defect may impair the Trust's ability to enforce its security or recover the full Loan amount, potentially resulting in financial loss or reduced Investor returns.

Mitigation

The Manager requires all Loan documentation to be prepared or reviewed by a solicitor from its approved legal panel, ensuring compliance with industry best practice and legal standards prior to settlement.

INSURANCE RISK

Description

There is a risk that a Borrower may hold inadequate insurance over a secured property or may allow coverage to lapse or be cancelled without notifying the Trustee or the Manager.

Impact

Inadequate or absent insurance may result in an inability to recover outstanding Loan balances in the event of damage, destruction, or other insurable events. Even where insurance is in place, claim proceeds may not fully cover the Loan balance, leading to a potential shortfall.

Mitigation

The Manager requires Borrowers and project builders to maintain appropriate insurance policies, noting the Custodian's interest as mortgagee, and may periodically verify that coverage remains current and adequate. As part of the Manager's standard valuation instructions, it requests the valuer to provide a recommendation as to the level of insurance cover required on a full replacement basis (for completed properties).

OPERATIONS RISK

Description

There is an element of operational risk associated with investing in the Fund. The Manager and the Trustee are exposed to the risk of system failures, human error, fraud, cyber incidents, or other operational disruptions that may affect their ability to effectively manage the Fund. These risks may also arise from the use of third-party service providers for functions such as custody, administration, or technology support.

Impact

Operational failures or disruptions may lead to delays in Loan settlements, distributions, or reporting, and could potentially impact Fund performance or Investor confidence. In severe cases, fraud, cybercrime, or administrative errors may result in financial loss to the Fund or its Investors, or regulatory breaches affecting the Fund's operations.



Mitigation

The Manager and Trustee maintain robust governance, compliance, and risk management frameworks to manage operational risks. This includes:

- implementation of internal controls, segregation of duties, and audit processes;
- maintenance of cybersecurity and data protection protocols; and
- engagement of reputable third-party service providers who meet industry standards and are subject to ongoing oversight.

These measures are designed to minimise operational disruption and ensure the continued integrity of Fund management activities.

TRUSTEE AND MANAGER RISK

Description

There is a risk that the Trustee or Manager may fail to effectively manage the Fund's operations, risks, or investment strategy. The Trustee or Manager may also retire, be replaced, or experience a loss of key personnel, which could impact the continuity and performance of the Fund's management. Additionally, the Trustee or Manager may become involved in disputes or litigation, which could divert resources and attention away from the management of the Fund.

Impact

Any of these events could result in operational disruption, delays in decision-making, or a decline in Investor confidence, potentially affecting the value or performance of the Fund. Loss of experienced management or key personnel may reduce the Fund's ability to effectively originate, monitor, and recover Loans, which could negatively impact Investor returns.

Mitigation

The Fund's operations are supported by established governance frameworks, documented procedures, and a delegation of responsibilities across qualified personnel to ensure continuity of management. The Trustee and Manager maintain appropriate succession planning, professional indemnity insurance, and access to external legal, accounting, and compliance advisors to manage key personnel and operational risks. In the event of a change of Trustee or Manager, the Fund's governing documents provide for the orderly transition to ensure the continued protection of Investor interests.

RELATED PARTY RISK

Description

Some investment opportunities offered by the Fund may be originated, arranged, or managed by related parties of the Trustee or the Manager. In certain cases, Borrowers or counterparties may also be related to the Trustee, the Manager, or their associated entities. Such relationships have the potential to create conflicts of interest between the interests of Investors, the Fund, and those of the related parties.

Impact

If related party transactions are not properly managed, there is a risk that decisions may not be made on an arm's length or purely commercial basis, potentially leading to unfavourable terms, reduced transparency, or diminished Investor returns. Failure to appropriately manage conflicts may also result in regulatory or reputational consequences for the Fund, the Trustee, or the Manager.

Mitigation

The Trustee and Manager maintain a Conflicts of Interest Policy (including related party transactions, self-dealing, and conflicted remuneration) that governs how such matters are identified, disclosed, and managed. All related party transactions must be undertaken on commercial, arm's length terms, and are subject to independent legal and/or compliance review prior to approval.



Any related party involvement or conflict of interest will be clearly disclosed to Investors on a transaction-by-transaction basis in the relevant Supplementary IM, ensuring transparency and informed Investor decision-making.

TAX RISK

Description

The Fund and its Investors are subject to taxation laws and regulations that may change over time. Amendments to income tax, capital gains tax, GST, or other relevant taxation legislation may impact the Fund's operations, distributions, or the after-tax returns received by Investors.

Impact

Changes in taxation law, interpretation by regulators, or administrative practice may result in higher tax liabilities, reduced Investor returns, or unanticipated tax consequences for the Fund or its Investors. The Fund does not control these external factors, and tax outcomes may vary depending on each Investor's personal financial position, residency, and structure.

Mitigation

The Manager monitors taxation and regulatory developments relevant to the Fund and engages qualified tax and accounting professionals where necessary. Investors are strongly encouraged to obtain independent tax, legal, and financial advice tailored to their individual circumstances prior to investing, as the Fund and Manager do not provide tax advice.

CYBER RISK

Description

Cyber risk refers to any threat or incident involving unauthorised access, misuse, or failure of information technology systems that may compromise data integrity, confidentiality, or availability. These events can arise from cyber-attacks, system failures, human error, or malicious activity, and may affect the Fund, the Manager, or the Trustee, as well as their third-party service providers.

Impact

A cyber incident could result in financial loss, operational disruption, or reputational damage to the Fund or its related parties. It may also lead to unauthorised disclosure of Investor information, delays in Loan settlements or distributions, and increased costs to restore systems and maintain compliance with regulatory obligations.

Mitigation:

The Trustee and Manager regularly monitor cyber risk and its impact on systems and processes, including external monitoring by experienced third party service providers. Personnel are trained on how to identify and manage potential cyber intrusions, malicious emails, and other cyber risks. The Trustee and Manager implement and maintain industry standards and insurance to minimise cyber risks.

7.2 RISKS TO CONSIDER BEFORE INVESTING IN MORTGAGE INVESTMENTS

PROPERTY MARKET RISK

Description

The value of property securing a Mortgage Investment may decline due to changes in market conditions, including shifts in interest rates, supply and demand dynamics, construction activity, or broader economic factors. A downturn in the property market, or in a specific property sector or geographic area, may reduce the value of the underlying security and impair the Borrower's ability to repay the Loan.

Impact

A significant fall in property values or a slowdown in sales may reduce the recoverable amount available to the Fund if a Borrower defaults and the Security Property is sold. This could result in partial or total loss of principal, delayed repayments, or lower distributions to Investors. Market



volatility may also affect refinance opportunities, leading to extended Loan terms or reduced liquidity for the Fund.

Mitigation

The Manager mitigates property market risk by:

- imposing conservative Loan-to-Value Ratios (LVRs) on all loans made by the Trust;
- assessing asset values using multiple independent sources, including:
 - a sworn valuation report, typically less than three months old at the date of Loan settlement, prepared by a certified valuer;
 - a bona fide arm's-length contract of sale (presale for development loans) supported by a deposit of at least 5% of the sale price;
 - opinions from qualified and experienced real estate agents in the relevant market; and
 - municipal or council valuations as a secondary reference; and
- including Loan covenants requiring Borrowers to maintain sufficient security margins to withstand potential market downturns.

Unless otherwise stated in a Supplementary IM, the LVR stated for each Loan will be calculated using the sworn valuation report as the basis for determining asset value.

CONSTRUCTION RISK

Description

When the Fund invests in construction or development Loans, it is exposed to a range of risks inherent in the property development process. These include rising construction costs, labour shortages, delays caused by weather, supply chain disruptions, or regulatory approvals, and planning or compliance issues. The success of such projects also depends on the financial stability and performance of the developer, builder, and key contractors.

Impact

If development costs exceed initial estimates, or if the developer, Borrower, or builder becomes insolvent or unable to complete the project, the Manager may be required to intervene and take control of the development to protect Investors' interests. This can lead to delays, increased holding costs, and reduced sale proceeds, which may in turn diminish Investor returns or result in a loss of Investor principal. Broader market conditions, such as falling property prices or reduced buyer demand, can further compound these impacts.

Mitigation

The Manager mitigates construction risk by:

- requiring fixed-price or guaranteed maximum price (GMP) building contracts wherever practicable;
- conducting thorough due diligence on the developer, builder, and key consultants, including solvency and experience checks;
- engaging independent quantity surveyors to certify progress payments and monitor cost-to-complete;
- ensuring appropriate insurances, permits, and approvals are in place prior to Loan drawdown; and
- maintaining regular site inspections and progress reviews to detect potential issues early.

These measures are designed to safeguard the Fund's position and enhance the likelihood of timely and successful project completion.

BORROWER RISK

Description

Borrowers may default on their Loan obligations for a range of reasons, including changes in their financial circumstances, a downturn in the broader economy or specific market sectors, or



unfavourable property market conditions. The capacity of each Borrower to service and repay their Loan depends on the strength of their income sources, cash flow, and access to refinance options.

Impact

If a Borrower fails to make interest payments or repay the principal, Investor returns may be reduced or delayed. In cases of default, the Manager may need to enforce security or liquidate assets, which can extend repayment timeframes and increase recovery costs.

Additionally, Borrowers may repay Loans earlier than expected, for example, following a refinance or property sale, which may reduce the total amount of interest earned and impact forecast returns for the Fund and its Investors.

Mitigation

The Manager mitigates Borrower risk through comprehensive due diligence and credit assessment prior to Loan approval, including analysis of the Borrower's financial position, serviceability, credit history, and security structure. The Manager also undertakes ongoing monitoring of each Borrower's financial performance throughout the Loan term. Loan Agreements may include protective covenants, personal or corporate guarantees, and regular reporting obligations, allowing the Manager to identify potential issues early and take prompt action to protect Investor interests.

LIQUIDITY RISK

Description

Investors should be aware that there is no secondary market for Units in the Fund or for the underlying mortgage Loans. This means that investments in Mortgage Investment Units are inherently illiquid for the duration of the Loan term, unless otherwise specified in the relevant Supplementary IM. The underlying property assets may also require an extended period to sell in the event of enforcement or liquidation, further impacting liquidity.

Impact

Because investments in the Fund are not readily tradeable or redeemable before Loan maturity, Investors may not be able to access their principal on demand. Delays in property sales, Borrower repayments, or legal recovery processes may extend the time required to return Investor principal or make distributions. This lack of liquidity may limit an Investor's ability to rebalance or exit their investment before maturity.

Mitigation

The Manager seeks to reduce liquidity risk by:

- offering Investors a diversified range of Mortgage Investments with varying terms and Maturity Dates;
- actively monitoring Loan settlements, repayments, and refinancing pipelines to manage cash flow timing; and
- maintaining Cash Unit Accounts, which Investors may redeem at any time, to provide flexibility and liquidity.

VALUATION RISK

Description

There is a risk that a valuer may overstate or otherwise incorrectly assess the value of a Security Property, meaning the property is worth less than the amount stated in the valuation report relied upon by the Manager. Valuations are inherently based on assumptions and prevailing market conditions at the time of assessment, both of which may change over the term of the Loan.

Impact

If a valuation proves inaccurate or overstated, the Loan-to-Value Ratio (LVR) of the underlying Loan may be higher than intended, exposing the Fund to a greater risk of loss if the Borrower defaults. Additionally, if a valuer who provided an inaccurate valuation does not hold, or no longer maintains, adequate professional indemnity insurance, the Manager may have limited recourse to recover losses.



arising from a negligent valuation. This can adversely affect Investor returns and the ability to recover the full amount owing on the Loan.

Mitigation

The Manager reduces valuation risk by:

- maintaining LVRs within an acceptable range adopted by the Fund's Credit Policy and approved by the Credit Committee;
- obtaining independent sworn valuation reports prepared by certified valuers;
- ensuring valuations are current at the time of Loan settlement, typically no more than three months old;
- cross-referencing valuations with comparable sales data, market intelligence, and agent feedback; and
- maintaining oversight of valuer accreditation and standards.

Where a valuation becomes outdated or materially inconsistent with market conditions, the Manager may commission an updated valuation or reassess Loan exposure to ensure the Fund remains appropriately secured.

DIVERSIFICATION RISK

Description

Investments in the Fund are concentrated in property finance transactions, meaning there is limited sector diversification. The Fund's performance is therefore linked to conditions in the property and construction markets, rather than being spread across multiple asset classes such as equities, fixed income, or infrastructure.

Impact

A downturn in the property market, or adverse conditions affecting a particular geographic region, Borrower group, or project type, may have a material impact on Investor returns. Because most investments are not pooled (other than those in Term Income Investments), an Investor's exposure is directly tied to the performance of the individual Loans they have selected. This concentration may increase the volatility of returns and the risk of principal loss if a specific Loan or property underperforms.

Mitigation

The Manager seeks to reduce diversification risk by offering Investors a range of investment opportunities across different locations, Borrowers, and property types. Investors are encouraged to achieve broader diversification by investing in multiple Loans within the Fund or through other complementary investments. The Manager recommends that Investors seek independent financial advice to determine an appropriate diversification strategy within their overall investment portfolio.



8. Online Account Management

8.1 ONLINE REGISTRATION

Investors can register to invest in the Fund by completing a Registration Form at www.tieronecapital.com.au/register-online.

Investors may submit a registration to invest as:

- an individual;
- a joint account (that is, two or more individuals);
- an Australian company;
- a trust, including a self-managed super fund; or
- other approved legal entity.

Before an Investor's registration can be finalised, and a Cash Unit Account established, they must first complete the onboarding process administered by the Manager's Investment Services Team.

This process involves the identification and verification of the investing entity, and in the case of corporate or trust Investors, the individuals who benefit, direct or control that entity. Investor verification is typically conducted through a secure electronic process. Electronic verification generally takes less than five minutes to complete. Alternatively, the Investment Services Team can arrange manual verification of identity documents, if required.

8.2 ONLINE ACCOUNT MANAGEMENT

Investors can manage their investment in the Fund through TierONE Capital's secure Investor Portal, accessible at www.tieronecapital.com.au via the "Account Login" button.

Upon successful registration and verification, Investors will receive an email containing their login credentials. The Investor Portal allows Investors to:

- notify the Manager of a proposed deposit of funds into their Cash Unit Account;
- view and select Term Income Investment opportunities;
- view and select individual Mortgage Investment opportunities;
- track and manage their investment portfolio and performance; and
- redeem Cash Units, directing proceeds to their nominated bank account.

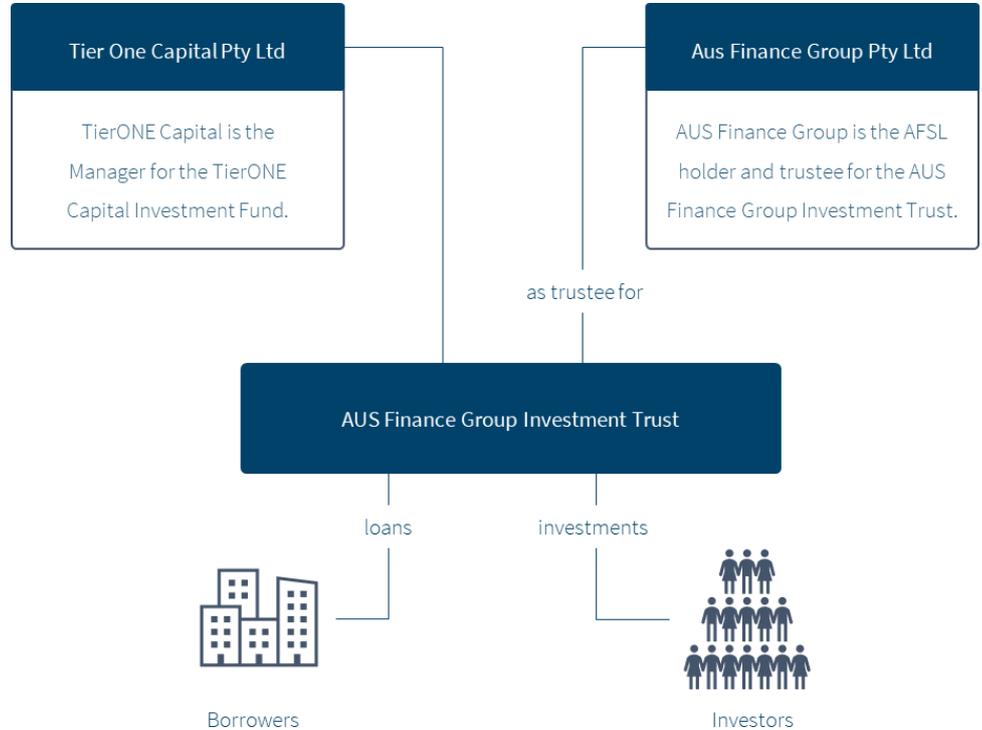
TierONE Capital's Investment Services Team is available to assist Investors by email, phone or in person (virtually or at our offices). Investors can schedule an appointment or make an enquiry by calling 1800 287 346 or emailing info@tieronecapital.com.au.



9. Structure

9.1 THE TRUST

The Trust is governed by a Constitution, also known as a Trust Deed, which sets out, amongst other things, the rights attached to Units. Those rights are, in certain circumstances, also regulated by the Act and general law.



9.2 THE TRUSTEE

The role of AUS Finance Group Pty Ltd in acting as the Trustee of the Trust is to ensure that Trust assets are managed and dealt with in accordance with the Trust Deed, the Act and this IM. The directors of AUS Finance Group Pty Ltd are Frank Durso and Kevin Said, who are also directors of the Manager.

9.3 THE MANAGER

The Trustee has entered into a Management Agreement with its related party, Tier One Capital Pty Ltd. Under this agreement, Tier One Capital Pty Ltd acts as the Manager, and is responsible for the day-to-day administration of the Fund, including:

- sourcing and assessing suitable investment opportunities;
- conducting Loan due diligence and managing the credit approval process;
- overseeing Loan administration, operations, and management of default events;
- managing the Fund's compliance, governance and complaints-handling functions; and
- funding transactions and maintaining ongoing Investor relations.

The Manager's Credit Committee is comprised of the directors and senior managers of TierONE Capital. The Committee is responsible for the credit assessment, structuring, and approval of all Loans made by the Fund, ensuring that each investment aligns with the Fund's investment objectives and strategies.



9.4 DIRECTORS OF TIERONE CAPITAL

Kevin Said, Director and Chief Investment Officer

Kevin's career spans over 30 years in banking and finance with senior roles in lending, wealth management and risk with Citibank, ANZ and Deloitte in Australia and Singapore. Kevin's expertise covers development finance, financial re-engineering, investor syndication, private equity, joint venture and mezzanine finance. Kevin is an AFSL Responsible Manager and a member of Australian Institute of Company Directors and Law Institute of Victoria.



Frank Durso, Director

Formerly with Citibank, holding both state and national senior lending roles, Frank has over 40 years of industry experience encompassing all aspects of lending. Frank specialises in credit structuring and managing complex transactions. He has a deep understanding of real estate as an asset class, having worked as Loan originator, lender, property manager, real estate investor and developer.



9.5 KEY PERSONNEL

The Manager has a team of experienced professionals responsible for the management, origination, and administration of the Fund's Loans and investments. This includes senior personnel overseeing credit assessment, Loan origination, risk management, compliance, Investor relations, finance, and technology operations.

Details of the Manager's current key personnel, including their experience and qualifications, are available on the TierONE Capital website at www.tieronecapital.com.au/about-tierone-capital.

The Manager ensures that all key personnel possess the appropriate expertise, industry accreditation, and experience relevant to their areas of responsibility and that appropriate succession, training, and oversight arrangements are in place to ensure continuity of operations.



10. Additional Information

10.1 MANAGED INVESTMENT TRUST AND ATTRIBUTION MANAGED INVESTMENT TRUST

Managed Investment Trust

The Trust qualifies as a Managed Investment Trust (MIT).

The Trust does not intend to carry on a trading business or be treated as a public trading trust for tax purposes. A trust may be a public trading trust where the trust carries on a business of property investment activity that extends beyond receiving rent pursuant to Division 6C of Part III of the Income Tax Assessment Act (Cth) 1936 (ITAA). Where a trust is held to be a public trading trust, the trust will broadly be taxed as a company and distributions will be made to Investors on an after-tax basis.

As the Trust does not intend to fall within the public trading trust provisions, the Trust will instead be taxed on a flow through basis under Division 6 of Part III of the ITAA 1936. This will mean distributions will be made on a pre-tax basis, whereby you will be liable for the annual income tax liability in accordance with your applicable rates.

The tax status of the Trust may change over time. We will inform you if the taxation status of the Trust changes.

The following summary has been prepared on the basis that the Trust will be taxed as a trust on a flow through basis.

Attribution Managed Investment Trust

The Trust has opted into the Attribution Managed Investment Trust (AMIT) regime, which means:

- The Trust is a fixed trust.
- The Unit holders have a vested and indefeasible interest in a share of the income and capital of the sub-Trust proportionate to their Unit holding in the class of the particular sub-Trust.
- Amounts related to income and tax offsets of the sub-Trust determined by the Manager to be of a particular tax character (e.g. assessable income, exempt income, non-assessable non-exempt income, tax losses, capital gains, net capital losses, tax offsets, discount capital gains, gross up for franking credits), are attributed to the Unit holders and generally retain that tax character in the hands of the Unit holder.
- Each Unit holder is treated as if the above amounts had been derived, received, made by or paid to them directly, rather than through the sub-Trust, and in the same circumstances as the Manager to the extent those circumstances gave rise to the particular tax character.
- As a result, the Unit holder will be taxable in respect of the attributed amounts in the Unit holder's own right, rather than as a Unit holder of the sub-Trust.
- Cost base adjustment rules apply to increase (as well as decrease) the cost base of Units for CGT purposes.

10.2 TAX

The following information is of a general nature only and is not intended to constitute financial or taxation advice. Investors should seek independent professional advice regarding the taxation consequences of investing in the Fund, taking into account their individual financial circumstances and residency status.

The Manager will provide Unit holders with an Annual Tax Statement within three months of the end of each financial year, summarising the Investor's share of income earned through the Fund.

Distributions

Investors are generally required to pay tax on their proportionate share of both realised (paid) and unrealised (accrued but unpaid) interest income earned from their investment in the sub-Trust. Neither the Trustee nor the Manager will pay tax on behalf of Investors.



The annual tax statement issued by the Trustee will provide a breakdown of the various categories of distribution income to assist Investors and their tax advisers in determining their tax obligations.

Disclosure of Tax File Number (TFN)

Investors will be asked to provide a Tax File Number (TFN) or exemption details during the registration process. If a TFN or exemption is not provided, the Trustee is required by law to withhold tax at the highest marginal rate plus the Medicare levy and other applicable Government charges from income distributions.

The collection and use of TFNs is authorised under Australian tax legislation and regulated by both the Income Tax Assessment Act and the Privacy Act. While Investors are not legally obliged to provide a TFN or exemption, choosing not to do so will result in withholding tax being deducted from distributions.

Non-Resident Investors

If an Investor has a registered address outside Australia or directs payments to a bank account located overseas, withholding tax may be deducted from income distributions in accordance with Australian tax laws.

Where withholding tax has been deducted, non-resident Investors may be entitled to claim a credit or offset for that tax in their country of residence, depending on the terms of any applicable double-tax agreement between Australia and that jurisdiction.

Non-resident Investors are strongly encouraged to seek independent professional taxation advice before investing in the Fund to understand the specific tax consequences that may apply to them.

10.3 FOREIGN TAX COMPLIANCE DISCLOSURES

The Trust is required to comply with international tax reporting obligations under:

- the Foreign Account Tax Compliance Act (FATCA);
- the Tax Laws Amendment (Implementation of the Common Reporting Standard (CRS)) Act 2016.

FATCA is a United States (US) tax law that imposes due diligence and reporting obligations on non-US financial institutions and intermediaries, to help identify and prevent tax evasion by US citizens and US tax residents who hold investments outside the US.

CRS is a global standard developed by the Organisation for Economic Co-operation and Development (OECD) requiring financial institutions to report information on foreign Investors and their investments to the Australian Taxation Office (ATO).

To meet these obligations, the Trustee and Manager may collect certain information and documentation from Investors during the registration process and throughout the Investment Term. This may include details of an Investor's country of tax residence, tax identification number(s) and other identifying information relating to entities and individuals associated with the investment.

The Trustee is required to report relevant information about certain Investors and their holdings in the Trust to the ATO. The ATO may then exchange this information with the US Internal Revenue Service (IRS) and other foreign tax authorities in jurisdictions that are parties to the OECD CRS regime.

10.4 PRIVACY POLICY

TierONE Capital is committed to protecting the privacy and confidentiality of Investor information. The Manager is bound by the Privacy Act 1988 (Privacy Act) and complies with the Australian Privacy Principles (APPs) as amended from time to time.



The Manager collects, uses, and stores personal information only for the purposes related to the administration and management of investments in the Fund and in accordance with its legal and regulatory obligations.

A copy of TierONE Capital's full Privacy Policy which outlines how personal information is managed, Investor's rights to access and correct their information, and how privacy complaints are handled, is available online at www.tieronecapital.com.au.

10.5 COMPLAINTS POLICY

Investors may lodge complaints in relation to the Fund by contacting TierONE Capital via:

- email: info@tieronecapital.com.au; or
- in writing to: Level 7, 256 Queen Street, Melbourne VIC 3000.

Upon receipt of a complaint, the Manager will acknowledge the complaint, investigate the matter, and provide a response in accordance with the Fund's Complaints and Dispute Resolution Policy.

TierONE Capital is committed to managing all complaints fairly, efficiently, and transparently.

Details of the Manager's Complaints Management process are available online at www.tieronecapital.com.au.

10.6 ANTI-MONEY LAUNDERING

The Trustee is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).

As part of AML/CTF compliance, Investors will be required to provide identification, personal information, and supporting documentation for both the investing entity and any beneficial owners associated with the investment in the Fund. In certain circumstances, the Trustee or Manager may need to re-verify this information or request additional information to satisfy ongoing AML/CTF obligations.

By applying to invest in the Fund, Investors acknowledge that the Trustee and Manager may delay, block or refuse to process any request or transaction if they reasonably believe that doing so is necessary to comply with the AML/CTF Act, or avoid committing or participating in an offence under that law. In such circumstances, the Trustee, Manager, or any of their related bodies corporate, affiliates, associates or officers will not be liable for any resulting loss incurred by the Investor.

10.7 SERVICES PROVIDED BY RELATED PARTIES

Various related parties provide services to the Trustee and Manager in connection with the operation and management of the Fund. These services are provided on normal commercial terms and may include:

- Fund accounting and administration;
- compliance and risk management;
- human resources, communications, marketing and distribution support; and
- strategic, operational, or investment and property advisory services.

Certain directors, executives or employees of the Trustee, the Manager, or their related entities may hold interests in the entities that receive fees directly or indirectly from the Fund, and therefore may be said to benefit from such fees.

Employees of the Manager or its related parties may also be eligible to receive incentives or performance-based remuneration linked to the growth of the Fund or the Manager's revenue. This may include being paid a percentage of the Manager's remuneration.



10.8 OTHER RELATED PARTY DISCLOSURES

Directors, employees and related parties of the Trustee and Manager may hold Units in the Fund either directly or indirectly. Employees of related entities may also hold Units in the Fund.

All such investments are made on the same terms and conditions as those offered to other Investors and are subject to the Fund's governing documents, policies and applicable regulatory requirements.

10.9 KEY DOCUMENTS

The Trust Deed is the primary governing document of the Fund. It outlines the rights and obligations of the Investors, the powers and duties of the Trustee and Manager, and the framework for the management and administration of the Fund.

A copy of the Trust Deed, along with any Supplementary IM or other governing documents are available to Investors upon request from TierONE Capital.



11. Glossary

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| AFSL | <p>Means Australian Financial Services Licence, an authorisation issued by the Australian Securities and Investments Commission (ASIC) under the Corporations Act 2001 (Cth).</p> <p>An AFSL permits the licence holder to carry on a financial services business and provide specified financial services, such as managing investment schemes, advising, or dealing in financial products, in accordance with its licence conditions.</p> |
| AML/CTF Act | <p>Means Anti-Money Laundering and Counter-Terrorism Financing, referring to the legislative and regulatory framework established under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (<i>AML/CTF Act</i>).</p> <p>The AML/CTF regime requires the Trustee and Manager to implement policies, procedures, and controls designed to identify Investors, verify their identity, monitor transactions, and report suspicious activities to relevant authorities such as AUSTRAC.</p> |
| “As Is” Value | <p>Means the market value of a property in its current physical and legal condition at the date of valuation, assuming no further development, construction, or material change occurs.</p> <p>The “As Is” Value represents the current value of the asset without regard to any future improvements, development potential, or forecasted income.</p> |
| ASIC | <p>Means the Australian Securities and Investments Commission, the Australian Government agency responsible for regulating companies, financial markets, and financial services organisations. ASIC administers the Corporations Act 2001 (Cth) and oversees the conduct of entities holding an Australian Financial Services Licence (AFSL).</p> |
| Borrower | <p>Means a person or entity approved by the Manager to receive a Loan advanced by the Fund, provided that the Loan is not a regulated credit contract under the National Consumer Credit Protection Act 2009 (Cth) (<i>NCCP Act</i>).</p> <p>Accordingly, the Fund will only lend to non-regulated borrowers, such as companies, trusts, or individuals borrowing predominantly for business or investment purposes (other than residential owner-occupation).</p> <p>Each Borrower is bound by the terms of a Loan Agreement or Facility Agreement and is obligated to repay principal, interest, and any associated fees in accordance with that documentation.</p> |
| Cash Management Account | <p>Means the at-call account established and maintained by the Trustee with a major Australian licensed bank currently Australia and New Zealand Banking Group Limited (ANZ), for the purpose of holding Investor funds associated with Cash Unit Accounts.</p> <p>The Manager does not charge Investors any fees or charges in relation to the Cash Management Account. All interest earned on funds held in the Cash Management Account is credited to the Investor’s Cash Unit Account as additional Cash Units.</p> <p>Funds held in the Cash Management Account earn variable interest, are held on trust for Investors, and may be redeemed at any time by Investors holding Cash Units, subject to the Fund’s standard withdrawal and verification procedures.</p> <p>The Cash Management Account is not subject to the Investment Term or repayment conditions that apply to Term Income Investments or Mortgage Investments.</p> |
| Cash Unit | <p>Means a class of Unit issued to Investors who hold a positive balance in their Cash Unit Account. Holders of Cash Units have investment exposure to the Fund’s Cash Management Account only and do not participate in, or receive returns from, other investment classes within the Fund.</p> |



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| Cash Unit Account | <p>Means the individual account maintained by the Trustee on behalf of each Investor in the Fund, recording the balance of funds held for that Investor in the Cash Management Account.</p> <p>Funds in a Cash Unit Account represent at-call Investor funds that have not yet been allocated to a specific Term Income Investment or Mortgage Investment. Investors may deposit or redeem funds from their Cash Unit Account at any time, subject to standard processing and verification requirements.</p> <p>All interest earned on funds held in the Cash Management Account is credited proportionately to each Investor's Cash Unit Account balance as additional Cash Units.</p> |
| Contributory Mortgage | <p>In a Contributory Mortgage product, investors can be the sole contributor or contribute collectively with other investors. Investors have the flexibility to choose which specific Mortgage Investment to invest in and will receive distributions based only on the income derived from those specific loans, in which they invest.</p> |
| Credit Committee | <p>Means the internal committee established by the Manager to oversee the credit assessment, approval, and ongoing management of all Loans advanced by the Fund.</p> <p>The Credit Committee comprises the directors and senior managers of Tier One Capital Pty Ltd and operates under an approved Credit Committee Charter. Its responsibilities include:</p> <ul style="list-style-type: none">▪ reviewing and approving proposed Loans in accordance with the Fund's credit and risk parameters;▪ monitoring the performance and compliance of existing Loans; and▪ ensuring that all credit decisions are made in the best interests of Investors and consistent with the Fund's investment objectives. |
| Custodian | <p>Means Perpetual Corporate Trust Limited (ABN 99 000 341 533), an independent external custodian appointed by the Trustee to hold the assets of the Trust on trust for Investors.</p> <p>The Custodian's role is limited to holding and safeguarding the Fund's assets in accordance with the Trust Deed, custody agreement, and applicable law. The Custodian does not make investment decisions, nor does it guarantee the performance of the Fund, the repayment of principal, or the payment of income distributions.</p> |
| Default Event | <p>Means any event, omission, or circumstance that constitutes a breach of the Facility Agreement or Loan Agreement by the Borrower, or that otherwise entitles the Trustee or Manager (on behalf of the Fund) to enforce its rights under the Loan and security documentation.</p> <p>Upon the occurrence of a Default Event, the Manager may, in its discretion and in accordance with the Trust Deed and Loan documentation, take appropriate action including but not limited to charging default interest, entering into forbearance arrangements, taking possession of the secured property, or appointing a receiver and manager to protect the Fund's interests.</p> |
| Facility Agreement / Loan Agreement | <p>Means the binding legal agreement between the Trustee (on behalf of the Fund) and the Borrower, which sets out the terms and conditions governing the Loan facility advanced by the Fund.</p> <p>The Facility Agreement (or Loan Agreement) typically includes details relating to:</p> <ul style="list-style-type: none">▪ the Loan amount, interest rate, and repayment terms;▪ the Loan purpose and any conditions precedent to funding;▪ the Security Interests granted in favour of the Trustee (including mortgages, guarantees, or other collateral);▪ the Borrower's representations, warranties, and undertakings;▪ events of default and the Manager's rights in the event of breach; and▪ any fees, charges, or enforcement costs payable by the Borrower. <p>Each Facility Agreement is negotiated and executed on arm's length commercial terms, prepared by or reviewed through the Fund's panel solicitors, and must comply with the Fund's lending criteria and risk management policies.</p> |



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| Gross Realisable Value (GRV) | <p>Means the estimated total market value of a property or development upon completion, assuming it is fully developed, sold, or leased under normal market conditions.</p> <p>GRV is typically used for construction or development Loans to assess the potential realisation value of the Security Property once all works are completed and all titles or leases have been finalised.</p> |
| Information Memorandum or IM | <p>Means this document, issued by the Manager to provide information about the Fund to eligible Investors for the purpose of assisting them in assessing and considering an investment in the Fund.</p> <p>The Information Memorandum is not a Product Disclosure Statement and is intended solely for Sophisticated Investors and Wholesale Clients as defined under the Corporations Act 2001 (Cth). It should be read in conjunction with any applicable Supplementary IM and the Trust Deed.</p> |
| Investment Term | <p>Means, in respect of each investment:</p> <ul style="list-style-type: none">▪ Cash Units: funds held in Cash Unit Accounts are invested in an at-call Cash Management Account with ANZ. Investors may redeem Cash Units at any time, subject to standard processing and verification requirements. Cash Units are not subject to the Investment Term or repayment constraints that apply to Term Income Investments or Mortgage Investments.▪ Term Income Investment Units: as specified in the relevant Supplementary IM.▪ Mortgage Investment Units: the forecast term of the Mortgage Investment Unit as set out in the Supplementary IM. <p>The Investment Term represents the anticipated duration of the underlying Loan or investment; however, it is not a fixed or guaranteed period for the repayment of an Investor's principal.</p> <p>Repayment of principal is dependent on the Borrower repaying the Loan, whether through refinance, sale of the secured asset, or the Manager stepping in to realise or liquidate the security in accordance with the terms of the Loan.</p> <p>Accordingly, the expiry of an Investment Term does not constitute an automatic liquidation event, and Investors should not rely on the Investment Term as a definitive timeframe for the return of their funds, except in the case of Cash Units, which remain at-call.</p> |
| Investor | <p>Means a person who holds an open Cash Unit Account, Cash Units, Term Income Investment Units or Mortgage Investment Units in the Fund.</p> <p>An Investor must also qualify as a Sophisticated Investor or Wholesale Client within the meaning of sections 708(8) or 761G(7) of the Corporations Act 2001 (Cth), and must have provided satisfactory certification or evidence of that status as required by the Trustee and Manager prior to investing in the Fund. The Manager reserves the right to request updated certification or evidence at any point in time.</p> <p><i>See also:</i> Sophisticated Investor; Wholesale Client and Professional Investor.</p> |
| Investor Portal | <p>Means the secure, web-based platform provided by TierONE Capital that allows Investors to access and manage their investments in the Fund.</p> <p>Through the Investor Portal, Investors can view account balances, deposit or redeem funds, review investment opportunities, track portfolio performance, and access investment documentation and reports.</p> <p>The Investor Portal can be accessed via www.tieronecapital.com.au.</p> |
| Lender | <p>Means AUS Finance Group Pty Ltd as Trustee for AUS Finance Group Investment Trust.</p> |
| Loan | <p>Means a financial facility advanced by the Fund to an approved Borrower for a specified purpose, term, and interest rate, as set out in the Loan Agreement or Facility Agreement.</p> |



All Loans made by the Fund are non-regulated Loans, meaning they are not regulated credit contracts under the National Consumer Credit Protection Act 2009 (Cth) (*NCCP Act*).

A non-regulated Loan is typically provided to a company, trust, or individual where the predominant purpose of the borrowing is for business, investment, or commercial use, and not for personal, domestic, or residential owner-occupied purposes.

All Loans advanced by the Fund are non-regulated Loans and therefore fall outside the scope of consumer credit lending under the *NCCP Act*.

Each Loan is typically secured by a Registered Mortgage over Australian real property and may also include other forms of registrable security, such as corporate or personal guarantees.

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| Loan-to-Value Ratio (LVR) | <p>Means the ratio of the Loan facility amount to the assessed value of the Security Property, expressed as a percentage.</p> <p>The value of the Security Property may be assessed on either an “As Is” Value or a Gross Realisable Value (GRV) basis, depending on the stage of the project and the nature of the Loan.</p> <p>LVR is used by the Manager to assess the risk profile of a Loan and determine the Fund’s lending exposure. It is typically calculated by dividing the total Loan amount (including capitalised interest, approved costs, and contingencies) by the independently assessed value of the secured property.</p> <p><i>See also:</i> “As Is” Value and Gross Realisable Value (GRV).</p> |
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| Management Agreement | <p>Means the agreement between the Trustee and the Manager under which the Manager is appointed to manage the operations, investments, and administration of the Fund on behalf of the Trustee.</p> <p>Under the Management Agreement, the Manager is responsible for:</p> <ul style="list-style-type: none">▪ sourcing, assessing, and managing Loans and other investments of the Fund;▪ administering Investor relations, including onboarding, distributions, and reporting;▪ managing compliance, governance, and operational functions in accordance with applicable laws; and▪ performing all other duties as set out in the Trust Deed and Information Memorandum. <p>The Management Agreement also specifies the remuneration, powers, duties, and termination rights of the Manager and the circumstances in which the Trustee may remove or replace the Manager.</p> |
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| Manager | <p>Means Tier One Capital Pty Ltd, the entity appointed by the Trustee under a Management Agreement to act as the Manager of the Fund.</p> <p>The Manager acts in accordance with the Trust Deed, Management Agreement, and Information Memorandum, and is required to exercise its duties in the best interests of Investors.</p> <p><i>See also:</i> Management Agreement and Trust Deed.</p> |
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| Maturity Date | <p>Means the anticipated repayment date or forecast end of the Investment Term for a particular investment, as specified in the relevant Supplementary IM.</p> <p>For Mortgage Investment Units, the Maturity Date represents the expected date for repayment of Investor principal, however, repayment is dependent on the Borrower repaying the underlying Loan, whether by refinance, sale of the Security Property, or liquidation managed by the Manager. The Maturity Date does not constitute a guaranteed repayment date, and repayment may occur before or after the stated date depending on Borrower performance and Loan outcomes.</p> <p>For Term Income Investment Units, the Maturity Date corresponds to the fixed term of the investment as specified in the Supplementary IM, after which the Manager will seek to return capital and any accrued distributions to Investors, subject to available funds.</p> |
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Cash Units are not subject to a Maturity Date, as funds held in the Cash Management Account are at-call and may be redeemed by the Investor at any time.

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| Mortgage Investment | <p>Means an investment in a Loan facility that is secured by a Registered Mortgage over Australian real property.</p> <p>Investors in a Mortgage Investment select a specific mortgage in which they wish to invest and receive income distributions solely from the interest generated by that underlying Loan.</p> <p>Each Mortgage Investment is governed by the terms set out in the relevant Supplementary IM, which details the Loan, Borrower, Security Property, Target Return, and Investment Term.</p> <p>Mortgage Investments are not pooled, and Investor returns are directly linked to the performance and repayment of the particular Loan or Loans in which they have invested.</p> |
| Mortgage Investment Unit | <p>Means a class of Unit issued to Investors who have elected to participate in a specific Mortgage Investment made by the Fund, as described in the relevant Supplementary IM.</p> <p>Holders of Mortgage Investment Units have direct investment exposure to the performance of the underlying mortgage Loan, including all associated interest, fees, recovery outcomes. Returns and repayment of principal are dependent on the Borrower's performance and the realisation of the secured property or other Loan security.</p> <p>Each Mortgage Investment Unit is governed by the terms set out in the corresponding Supplementary IM, including details of the Loan facility, security position, Target Return and repayment structure.</p> |
| Priority Waterfall | <p>The Priority Waterfall for a Mortgage Investment establishes the sequence in which distributions are made to cover costs, fees, and Investor entitlements, typically as follows:</p> <ol style="list-style-type: none">1. prior-ranking charges and statutory costs, including payments to any superior mortgagee, government authority, or receiver (if appointed);2. recovery and management costs, including legal fees and disbursements incurred by the Manager or Trustee in managing the recovery;3. other unpaid Manager's fees or charges; and4. Investor principal and interest, applied in accordance with the Unit Class Ranking provisions, with A Class Unit principal and interest repaid before subsequent Unit Classes in order of seniority. <p>The Priority Waterfall ensures transparent and consistent allocation of recovered funds, protecting the integrity of the Fund's capital structure and Investor ranking hierarchy.</p> <p><i>See also:</i> Unit Class Ranking.</p> |
| Professional Investor | <p>Means an Investor who meets the definition of a Professional Investor under section 9 and section 761G(7) of the Corporations Act 2001 (Cth).</p> <p>A Professional Investor includes (but is not limited to):</p> <ul style="list-style-type: none">▪ the holder of an Australian Financial Services Licence (AFSL);▪ a person who controls at least A\$10 million (including amounts held by associates or under trust);▪ a superannuation fund trustee, approved deposit fund, or pooled superannuation trust with net assets of at least A\$10 million;▪ a listed entity, or a related body corporate of a listed entity; or▪ an entity that is a body regulated by APRA, other than a trustee of a small superannuation fund. <p>A Professional Investor is deemed to possess the financial experience and capability to assess investment opportunities without the need for a regulated disclosure document.</p> |



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| Registered Mortgage | <p>Means a legal charge or interest registered over real property under the applicable State or Territory land titles legislation to secure the repayment of a Loan or the performance of an obligation by a Borrower.</p> <p>A Registered Mortgage provides the mortgagee (the Custodian on behalf of the Fund) with a legal right to take possession, sell, or otherwise deal with the property in the event of Borrower default, in accordance with the terms of the Loan and relevant legislation.</p> |
| Registration Form | <p>Means the form that must be completed by an applicant to become an Investor in the Fund. The Registration Form collects information necessary for Investor identification, verification, and onboarding in accordance with the AML/CTF Act and compliance requirements.</p> <p>The Registration Form is available online at www.tieronecapital.com.au.</p> |
| Residual Return Fee | <p>Means a monthly fee the Manager is entitled to charge the Trustee, calculated as any surplus between the standard interest income received from a Borrower and the Target Return for Investors holding Mortgage Investment Units.</p> |
| Scheme Assets | <p>Means all property, rights, and income of the Trust, including (without limitation):</p> <ul style="list-style-type: none">▪ all Loans, mortgages, and Security Interests held by or on behalf of the Fund;▪ all cash, bank deposits, and receivables;▪ all income, interest, and proceeds derived from those assets;▪ all fees, charges, and recoveries payable to the Trust or Manager under Loan documentation;▪ any rights under contracts, deeds, or agreements entered into by the Trustee or Manager in connection with the operation of the Fund; and▪ any other property or rights acquired, held, or received by the Trustee or Manager on behalf of the Fund, whether tangible or intangible, vested or contingent, and whether located in or outside Australia. <p>For the avoidance of doubt, Scheme Assets are held by the Custodian (on behalf of the Trustee) for the benefit of Investors in accordance with the Trust Deed and the Corporations Act 2001 (Cth).</p> |
| Securities | <p>Has the meaning given in section 92(1) of the Corporations Act 2001 (Cth) and includes shares, debentures, interests in managed investment schemes, and other financial products as defined under the Act.</p> <p>For the purpose of this Information Memorandum, Securities refers to the Units in the Fund offered to Sophisticated Investors and Wholesale Clients, representing an interest in the assets and income of the Fund.</p> |
| Security Interest | <p>Means a legal or equitable interest in, or a charge over, property or assets that secures the payment or performance of an obligation by a Borrower or guarantor.</p> <p>A Security Interest may include, but is not limited to, a Registered Mortgage, fixed or floating charge, PPSR registration, personal or corporate guarantee, or any other enforceable right held by the Trustee or Custodian (on behalf of the Fund) to secure repayment of the Loan.</p> |
| Security Property | <p>Means the real property or properties over which the Custodian, on behalf of the Trustee of the Fund, holds a Registered Mortgage or other registrable Security Interest to secure repayment of a Loan made to a Borrower.</p> <p>The Security Property represents the primary source of recovery in the event of Borrower default and may include additional collateral, such as personal guarantees, corporate guarantees, or other forms of security accepted by the Manager.</p> <p>The value of the Security Property is typically determined by an independent, certified valuer, based on its “As Is” Value or Gross Realisable Value (GRV), as appropriate to the nature of the Loan.</p> |
| Sophisticated Investor | <p>Means an Investor who satisfies the requirements of section 708(8) or section 761GA of the Corporations Act 2001 (Cth), allowing them to invest without a regulated disclosure document.</p> |



To qualify, the Investor must provide a certificate issued by a qualified accountant (which must be no older than six months at the time of acceptance by the Manager) confirming that they have:

- Net assets of at least A\$2.5 million; or
- Gross income of at least A\$250,000 per annum over the last two financial years.

A Sophisticated Investor is considered capable of evaluating the merits, risks, and suitability of an investment in the Fund without the need for a formal prospectus or Product Disclosure Statement.

Supplementary Information Memorandum or Supplementary IM

Means a document issued by the Manager that forms part of, and should be read together with, this Information Memorandum. A Supplementary IM provides specific details of an individual investment opportunity offered by the Fund, including:

- the Borrower and Loan purpose;
- the Investment Term, Target Return, and security details;
- the class of Units being offered; and
- any special conditions or risks associated with that investment.

The Supplementary IM, together with this Information Memorandum and the Trust Deed (incorporating the Deed of Memorandum of Terms of Issue), forms the complete offer documentation governing an Investor's participation in that specific investment.

Target Return

Means the forecast rate of return (expressed as an annualised percentage) that the Manager seeks to achieve for a particular investment or class of Units, as specified in the relevant Supplementary IM.

The Target Return represents a non-guaranteed objective based on the expected performance of the underlying Loan or pool of Loans, after allowing for estimated fees, costs, and expenses. The actual return achieved may be higher or lower than the Target Return, depending on the performance of the Borrower, the timing of Loan repayments, and prevailing market and economic conditions.

The Manager and Trustee do not guarantee the achievement of any Target Return, nor the payment of income or the return of Investor capital.

Term Income Investment

Investment in Cash Units, Mortgage Investment Units, and other approved investments via a pool of funds from Investors who request, and are allocated, Term Income Investment Units. Term Income Investments will invest in cash via Australian bank accounts, and Mortgage Investments via mortgage Loans managed by the Manager and other approved investments, pursuant to Term Income Investments objectives and investment parameters set out in the Term Income Investment Supplementary IM.

Term Income Investment Unit

Means a class of Unit issued to Investors who have elected to participate in a specific Term Income Investment offered by the Fund, as detailed in the relevant Supplementary IM.

Holders of Term Income Investment Units have investment exposure to a portfolio of Loans, cash, and cash styled investments for a defined Investment Term. Returns to Investors are derived from the interest paid by the Borrowers associated with the portfolio of Loans and interest received from cash and cash styled investments.

Each Term Income Investment Unit is governed by the terms set out in the corresponding Supplementary IM, including the Target Return, Investment Term, distribution, and re-investment and redemption arrangements.

TierONE Capital Investment Fund (Fund)

The Fund comprises three distinct investment products: a cash product, a Term Income Investment product and a Contributory Mortgage product.

The Manager, on behalf of the Trust, sources capital from suitably qualified Investors and allocates, pools, or syndicates those funds into one or more Loans advanced to approved Borrowers.



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| | <p>All Loans are secured by Registered Mortgages over Australian real estate and may also include other forms of registrable security, such as corporate or personal guarantees provided by the Borrower or related entities.</p> |
| Trust | <p>Means the trust structure established under the AUS Finance Group Investment Trust Deed, under which the Custodian holds the Fund’s assets on behalf of the Trust and its Investors.</p> <p>The Trust is the legal entity through which the Fund operates, with the Manager responsible for investment management, Loan origination, and administration in accordance with the terms of the Trust Deed, Information Memorandum, and any applicable Supplementary IMs.</p> |
| Trust Deed | <p>Means the Constitution (Trust Deed) of AUS Finance Group Investment Trust dated 15 December 2023.</p> |
| Trustee | <p>Means the entity appointed as Trustee of the Trust to administer the Trust in accordance with the Trust Deed, this Information Memorandum, and applicable laws.</p> <p>The Trustee is responsible for ensuring that the Fund is operated in the best interests of Investors, maintaining proper records, and overseeing compliance with the Trust’s governance and reporting obligations.</p> |
| Unit | <p>Means any Unit of any class issued in the Trust, limited to Mortgage Investment Units, Term Income Investment Units, and Cash Units.</p> <p>Units represent an Investor’s beneficial interest in the Fund and its assets and are issued pursuant to the Trust Deed, this Information Memorandum, and any relevant Supplementary IM.</p> <p>Each class of Unit confers the rights and entitlements specified in the Trust Deed and the relevant Supplementary IM, which may differ in respect of income distributions, ranking, and repayment priority.</p> |
| Unit Class | <p>Means a category or class of Units within the Trust, each conferring specific rights, entitlements, and obligations as set out in the Trust Deed (incorporating the Deed of Memorandum of Terms of Issue) and the relevant Supplementary IM.</p> <p>Different Unit Classes may vary in respect of:</p> <ul style="list-style-type: none">▪ priority of repayment of principal and interest;▪ Target Return or distribution rate;▪ investment exposure to a particular Loan or pool of Loans; and▪ voting or decision-making rights, if any. <p>Unit Classes currently offered under the Fund include Cash Units, Term Income Investment Units, and Mortgage Investment Units (which contains sub classes as specified in the relevant Supplementary IM).</p> |
| Unit Class Ranking | <p>Means the priority order of repayment and distribution that applies between different Unit Classes within the Fund, as specified in the Trust Deed (incorporating the Deed of Memorandum of Terms of Issue) and other governance documents.</p> <p>In the event of a Loan default and subsequent repayment (whether through asset liquidation or refinancing), distributions will be applied in the following order of priority:</p> <ol style="list-style-type: none">1. A Class Units – Principal: Principal amounts owing to A Class Unit holders will be repaid in full before any payments are made to subsequent Unit Classes.2. A Class Units – Interest: Any interest owing to A Class Unit holders will be paid in full before any payments are made to subsequent Unit Classes.3. B Class Units – Principal: Following repayment of A Class Unit holder’s principal and any interest in full, principal owing to any B Class Unit holders will be repaid.4. B Class Units – Interest: |



Following payment of B Class Unit holder's principal, any interest owing will be paid to B Class Unit holders.

5. Subsequent Unit Classes - Principal and Interest:

Any Unit Classes subsequent to A and B Unit Classes will be repaid in order of seniority, in the same manner as above.

This Priority Waterfall ensures that A Class Units rank ahead of B Class Units, and that any future Unit Classes will rank below B Class Units, unless otherwise specified in the applicable Supplementary IM.

See also: Priority Waterfall.

Wholesale Client

Means an Investor who qualifies as a Wholesale Client under section 761G(7) or section 761GA of the Corporations Act 2001 (Cth).

This includes:

- Sophisticated Investors (as defined above);
- Professional Investors (as defined above);
- other persons or entities who satisfy the Wholesale Client criteria set out in the Corporations Act and ASIC Corporations (Wholesale Equity Scheme Derivatives) Instrument 2016/1109 (as amended); and
- other persons or entities who satisfy the Trustee that they have the financial experience to be classified as a Wholesale Client.