

Information Memorandum



ASCF Managed Investments Pty Ltd
(ABN 67 628 059 567)
(Issuer)

**Issue of Class A Australian Dollar \$28,000,000 9.0% Fixed Rate Secured Notes due 14
September 2023**

**Issue of Class B Australian Dollar \$4,000,000 12.0% Fixed Rate Secured Notes due 14
September 2023**

Lead Manager
Acacia Partners Pty Limited
(ABN 49 607 046 391)

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Important Notice

Introduction

This Information Memorandum relates solely to a proposed issue of Class A Notes and Class B Notes (together, the **Offered Notes**) by ASCF Managed Investments Pty Ltd (ABN 67 628 059 567) (**Issuer**). Although this Information Memorandum also contains information relating to the Class C Notes (together with the Offered Notes, the **Notes**), Class C Notes are not Offered Notes for the purposes of this Information Memorandum. No offer or invitation for subscriptions for Class C Notes is being made by this Information Memorandum.

The Notes have the benefit of the Security (as described in the section entitled “*Security Arrangements*” below).

The Issuer has appointed Acacia Partners Pty Limited (ABN 49 607 046 391) as Lead Manager (**Lead Manager**) in respect of the Offered Notes.

Prospective investors should read this Information Memorandum carefully prior to making any decision in relation to purchasing, subscribing for or investing in the Offered Notes. This Information Memorandum does not relate to, and is not relevant for, any purpose other than to assist the recipient to decide whether to proceed with a further evaluation of the Offered Notes.

References to the **Information Memorandum** are to this Information Memorandum and any other document incorporated by reference in the section entitled “*Documents Incorporated by Reference*” below collectively and to any of such documents individually.

Unless indicated otherwise, capitalised terms used in this Information Memorandum have the meaning given to them in the section of this Information Memorandum entitled “*Terms and Conditions*”.

Issuer’s responsibility

This Information Memorandum has been prepared and issued by the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers (each as defined in the section of this Information Memorandum entitled “*Summary*” below) in relation to their respective details in the sections of this Information Memorandum entitled “*Summary*” and “*Directory*” below.

Place of issuance

Subject to all applicable laws and directives, the Issuer will only offer and issue Notes in Australia.

Terms and conditions of issue

The Notes will be issued under the note trust deed dated 6 September 2018 (**Note Trust Deed**) between the Issuer and EQT Structured Finance Services Pty Ltd (ABN 54 152 197 825) (**Note Trustee**) and will comprise several tranches (each issue being a **Tranche**).

A pricing supplement (**Pricing Supplement**) will be issued for each Tranche of Notes in substantially the same form as set out in this Information Memorandum. Each Pricing Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest payable (if any) together with any other terms and conditions not set out in the section of this Information Memorandum entitled “*Terms and Conditions*” below that may be applicable to the Notes. The terms and conditions (**Terms and Conditions**) applicable to the Offered Notes are included in this Information Memorandum and may be supplemented, amended, modified or replaced by a Pricing Supplement.

Each Pricing Supplement or another supplement to this Information Memorandum may also supplement, amend, modify or replace any statement or information incorporated by reference in this Information Memorandum or in a supplement to this Information Memorandum.

No independent verification

The only role of the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer and the Sellers in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the section of this Information Memorandum entitled “*Summary*” and “*Directory*” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers have independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them, as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Notes. None of the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers have authorised, caused the issue of, or have any responsibility for any part of this Information Memorandum. While the Issuer believes the statements made in this Information Memorandum are accurate, neither it nor the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers assume any responsibility or liability for the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum or in any previous, accompanying or subsequent material or presentation.

The Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer and the Sellers expressly do not undertake to any holder of a Note to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Notes.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer and the Offered Notes, and does not purport to contain all the information a person considering subscribing for, purchasing or investing in the Offered Notes may require. Accordingly, this Information Memorandum should not be relied upon by intending subscribers or purchasers of the Offered Notes. Intending subscribers or purchasers of the Offered Notes should review, in conjunction with this Information Memorandum, the Transaction Documents (as described in the section entitled “*Documents Incorporated by Reference*” below) which contain the definitive terms relating to the Issuer and the Offered Notes, and the other documents which are deemed to be incorporated by reference in this Information Memorandum. If there is any inconsistency between this Information Memorandum and the Transaction Documents, the Transaction Documents should be regarded as containing the definitive information.

The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, any of its affiliates or any Offered Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer, the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Offered Notes or any rights in respect of any Offered Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Offered Notes or any rights in respect of any Offered Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer, any of its affiliates and the Offered Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax (including stamp duty) laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Offered Notes or rights in respect of them and each investor should consult their own professional adviser.

This Information Memorandum does not comprehensively describe the risks of an investment in any Offered Notes. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Offered Notes and the suitability of investing in the Offered Notes in light of their particular circumstances.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer and the Sellers (or, without limitation, their respective shareholders, subsidiaries, affiliates, related bodies corporate, officers, employees, representatives or advisors) to any person to subscribe for, purchase or otherwise deal in any Offered Notes.

Selling restrictions and no disclosure

EACH INVESTOR SUBSCRIBING FOR, PURCHASING OR OTHERWISE DEALING IN ANY OFFERED NOTES IS DEEMED TO HAVE REPRESENTED AND WARRANTED THAT IT IS A PERSON TO WHOM IT IS LAWFUL TO MAKE ANY OFFER OF OFFERED NOTES AND IT IS A PERSON TO WHOM AN OFFER OF OFFERED NOTES FOR ISSUE OR SALE MAY BE MADE WITHOUT DISCLOSURE UNDER PART 6D.2 OR CHAPTER 7 OF THE CORPORATIONS ACT 2001 (CTH) (CORPORATIONS ACT).

The distribution and use of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Offered Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any, such restrictions. None of the Issuer or any of its affiliates or the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers represent that this Information Memorandum may be lawfully distributed or that any Offered Notes may be lawfully offered in compliance with any applicable registration or other requirements in any jurisdiction, or under an exemption available in such jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer, the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers (nor, without limitation, their respective shareholders, subsidiaries, affiliates, related bodies corporate, officers, employees, representatives or advisors) which would permit a public offering of any Offered Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

Neither this Information Memorandum nor any other disclosure document in relation to the Offered Notes has been lodged with the Australian Securities and Investments Commission (**ASIC**). A person may not make or invite an offer of the Offered Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) or distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Offered Notes in Australia unless the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in another currency, in each case disregarding moneys lent by the offeror or its associates), the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and such action complies with all applicable laws and directives, the offer or invitation (including any resulting issue or sale) does not constitute an offer to a “retail client” as defined in section 761G of the Corporations Act and such action does not require any document to be lodged with ASIC.

The Offered Notes have not been and will not be registered under the Securities Act 1933 (as amended) of the United States of America (**U.S. Securities Act**) and the Offered Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (Regulation S) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Offered Notes, nor distribute or publish this Information Memorandum or any other offering

material or advertisement relating to the Offered Notes except if the offer or invitation complies with all applicable laws and directives.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer or any of its affiliates or the issue or sale of the Offered Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer or the Sellers.

Agency and distribution arrangements

The Issuer has agreed or may agree to pay to the Note Trustee, the Security Trustee, the Agents, the Servicer and the Originator for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes.

The Issuer may also pay a fee to the Lead Manager in respect of the Offered Notes subscribed by it, and may agree to reimburse the Lead Manager (in its capacity as the initial subscriber of the Offered Notes) for certain expenses properly incurred in connection with the Offered Notes and may indemnify the Lead Manager against certain liabilities in connection with the offer and sale of Offered Notes.

The Issuer, the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer and the Sellers, and their respective related entities, directors, officers and employees may have pecuniary or other interests in the Offered Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

For more information on the payment of fees, see the section entitled "*Payment of costs may reduce amounts available to pay principal and interest*" *Investment Risks* section below.

Currency

In this Information Memorandum, references to "\$", "A\$", "AUD" or "Australian dollars" are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Offered Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, none of the Issuer nor any of its affiliates is under any obligation to any person to update this Information Memorandum at any time after an issue of Offered Notes.

In this Information Memorandum, **Preparation Date** means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended, or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any annual reports and financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Documents Incorporated by Reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether to purchase any Offered Notes.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- The Note Trust Deed, copies of which may be obtained from the offices of the Issuer or the Note Trustee (as specified in the section entitled “*Directory*”) or such other person specified in a Pricing Supplement;
- Each Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum;
- All amendments and supplements to this Information Memorandum prepared by the Issuer from time to time and all documents stated in this Information Memorandum or any subsequent amendments or supplements to be incorporated in this Information Memorandum;
- The Product Disclosure Statement of the ASCF Mortgage Funds ASCF # 1 Fund (ARSN 616 367 410) and ASCF #2 Fund (ARSN 616 367 330) dated 31 January 2017, an electronic copy of which is available free of charge at www.australiansecurecapital.com.au/investors.html; and
- All other documents issued by the Issuer and stated to be incorporated by reference in this Information Memorandum.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies or supersedes such statement (including whether expressly or by implication).

Except as provided above, no other information, including any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of the Note Trust Deed, each Pricing Supplement, the Security Trust Deed, the Security, the Sale, Origination and Servicing Agreement (which, collectively with this Information Memorandum, form part of the **Transaction Documents**) and other documents incorporated by reference in this Information Memorandum may be obtained, without charge, from the offices of the Issuer or the Note Trustee specified in the section of this Information Memorandum entitled “*Directory*” during standard business hours.

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

Investors should review, amongst other things, the documents which are deemed to be incorporated by reference in this Information Memorandum when deciding whether or not to subscribe for, purchase or otherwise deal in any Offered Notes or any rights in respect of any Offered Notes.

Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Offered Notes, the applicable Terms and Conditions and any relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Terms and Conditions or in the section of this Information Memorandum entitled "Important Notice". A reference to a "Pricing Supplement" does not limit provisions or features which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to an issue of Offered Notes.

Issuer:	ASCF Managed Investments Pty Ltd (ABN 67 628 059 567).
Type:	The Notes are multi-class, secured debt securities and are issued with the benefit of, and subject to, the Note Trust Deed, the Security Trust Deed, the Security and the other Transaction Documents.
Classes:	The Notes will be divided into three classes: Class A Notes, Class B Notes and Class C Notes.
Offered Notes:	The Offered Notes comprise of: <ul style="list-style-type: none">• A\$28,000,000 aggregate principal amount of Class A Notes.• A\$4,000,000 aggregate principal amount of Class B Notes.
Lead Manager:	Acacia Partners Pty Limited (ABN 49 607 046 391).
Registrar:	EQT Australia Pty Ltd (ACN 111 042 132) or such other person appointed by the Issuer under an Agency and Registry Services Agreement to perform registry functions and establish and maintain a Register (as defined below) on the Issuer's behalf from time to time (Registrar).
Issuing Agent:	EQT Australia Pty Ltd (ACN 111 042 132) or any other person appointed by the Issuer under an Agency and Registry Services Agreement to act as issuing agent on the Issuer's behalf from time to time (Issuing Agent).
Paying Agent:	EQT Australia Pty Ltd (ACN 111 042 132) or any other person appointed by the Issuer under an Agency and Registry Services Agreement to act as paying agent on the Issuer's behalf from time to time (Paying Agent).
Calculation Agent:	EQT Australia Pty Ltd (ACN 111 042 132) or any other person appointed by the Issuer to act as calculation agent on the Issuer's behalf from time to time (Calculation Agent).
Agents:	Each of the Registrar, Issuing Agent, Paying Agent and Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or Series of the Notes (each an Agent and, together, the Agents).
Note Trustee:	EQT Structured Finance Services Pty Ltd (ABN 54 152 197 825) or such other person appointed under the Note Trust Deed as trustee from time to time (Note Trustee).
Security Trustee:	EQT Securitisation Services Pty Ltd (ABN 34 626 593 271) or such other person appointed under the Security Trust Deed as trustee from time to time (Security Trustee).
Servicer:	Australian Secure Capital Fund Ltd (ABN 38 613 497 635) or such other person appointed under the Transaction Documents as servicer from time to time (Servicer).
Delegate Servicer:	Mortgage Capital Australia Pty Ltd as trustee for the Mortgage Capital Australia Unit Trust (ABN 93 695 075 742) (Delegate Servicer).
Originator:	Australian Secure Capital Fund Ltd (ABN 38 613 497 635) or such other person appointed under the Transaction Documents as the originator from time to time (Originator).
Sellers:	Australian Secure Capital Fund Ltd as trustee for ASCF #1 Fund (ABN 23

889 585 480); and Australian Secure Capital Fund Ltd as trustee for ASCF #2 Fund (ABN 86 563 929 221) (**Sellers**).

Form of Notes: Notes will be issued in registered form and will be debt obligations of the Issuer which are constituted by, and owing under, the Note Trust Deed.

Notes take the form of entries in a register (**Register**) maintained by the Registrar.

No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or if certificates are required by any applicable law or regulation.

Negative pledge: Notes will have the benefit of a negative pledge given by the Issuer, as described in Condition 4.1 (Negative pledge).

Financial covenants: Notes will have the benefit of certain financial covenants as described in Condition 4.2 (Financial covenants).

SPV and Eligible Loan covenants: Notes will have the benefit of certain other covenants, including certain restrictions on Disposals, as described in Condition 4.3 (SPV covenants) and certain restrictions on Eligible Loans, as described in Condition 4.4 (Eligible Loan covenants).

Status of the Notes: The Notes constitute direct, secured and unconditional obligations of the Issuer ranking in priority to all unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.

The Notes of each class rank equally amongst themselves. The classes of Notes rank against each other in the following order of seniority, with the Class A Notes ranking senior in priority and in all other respects to the Class B Notes and Class C Notes and the Class B Notes ranking senior in priority and in all other respects to the Class C Notes but junior in priority and all other respects to the Class A Notes.

Therefore, the classes of Notes rank in seniority in the following order:

- Class A Notes;
- Class B Notes; and
- Class C Notes.

Security: The Notes will have the benefit of the Security granted by the Issuer as more fully described in the section of this Information Memorandum entitled "*Security Arrangements*".

Status and ranking of Security: Amounts due under the Notes and the Note Trust Deed are secured by first ranking Security (as defined in the Security Trust Deed). The Security Trustee holds the Security on trust for the Beneficiaries (as defined in the Security Trust Deed, and which includes the Note Trustee and the Noteholders) subject to the terms of the Security Trust Deed. By the Note Trustee being a party to the Security Trust Deed, the Noteholders receive, through the Note Trustee, the benefit of the Security Trust Deed and the Security.

For further information on the Security, see the section of this Information Memorandum entitled "*Security Arrangements*".

Interest: Each Offered Note bears interest on its outstanding principal amount from (and including) its Interest Accrual Date to (but excluding) its Maturity Date (unless redeemed earlier) at the applicable Interest Rate.

Interest is payable in arrears on each Interest Payment Date or such other date on which an Offered Note is redeemed, and adjusted, if necessary, in accordance with the Business Day Convention.

The relevant Pricing Supplement will set out all the relevant information for

determining the interest payable on the Offered Notes by the Issuer.

No interest is payable on the Class C Notes.

Currency: The Notes will be issued in Australian dollars.

Method of Issue: The Notes will be issued in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. The Class A Notes, the Class B Notes and the Class C Notes will each comprise of a separate Series of Notes. Each Series may be issued in tranches (each a **Tranche**) on the same or different issue dates. The specific terms of each Tranche (which will, save in respect of the issue date, issue price, first payment of interest (if applicable) and principal amount of the Tranche, be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement (**Pricing Supplement**).

Denomination: Notes will be issued in the single denomination of A\$1,000.

Minimum parcel size on initial issue: A\$50,000, subject to the selling and issue restrictions, the transfer restrictions and the procedures set out in this section.

Settlement Procedures: The Lead Manager will settle its purchase of Offered Notes on the Issue Date or may procure third party purchases are so settled through the Austraclear System in a manner consistent with the rules and regulations of the Austraclear System or as otherwise provided in the relevant Pricing Supplement.

Clearing Systems: Offered Notes may be transacted either within or outside a clearing system. The Issuer intends to apply to Austraclear for approval for the Offered Notes to be traded on the Austraclear System. Upon approval by Austraclear, the Offered Notes will be traded through Austraclear in accordance with the Austraclear Regulations. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Offered Notes.

On admission to the Austraclear System, interests in the Offered Notes may be held through Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, société anonyme (**Clearstream**). In these circumstances, entitlements in respect of holdings of interests in the Offered Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear while entitlements in respect of holdings of interests in the Offered Notes in Clearstream would be held in the Austraclear System by J.P. Morgan Nominees Australia Limited as nominee of Clearstream.

The rights of a holder of Offered Notes held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream and their respective nominees and the rules and regulations of the Austraclear System (in each case, the Regulations).

In addition, any transfer of interests in Offered Notes which are held through Euroclear or Clearstream and to the extent that such transfer will be recorded in the Austraclear System will be subject to the Corporations Act and such other requirements as set out in the Terms and Conditions.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

Title: Entry of the name of the person in the Register in respect of a Note constitutes the obtaining or passing of title to that Note and is conclusive evidence that the person so entered is the owner of that Note.

Notes which are held in the Austraclear System will be registered in the name of Austraclear. The rights of a person holding an interest in Notes held through Austraclear are subject to the rules and regulations of Austraclear.

Use of proceeds:

The Issuer will use the proceeds from the issue of the Notes to:

- fund the Acquisition or Origination of Eligible Loans and their Related Securities;
- pay for certain costs incurred in connection with the issuance of the Notes;
- pay interest on the Offered Notes; and
- fund the redemption of Notes.

Payments:

Payments to persons who hold Offered Notes through the Austraclear System will be made in accordance with the Terms and Conditions, subject to the Austraclear Regulations.

Payment Date:

A Payment Date for a Note is the Maturity Date, an Interest Payment Date (with respect to an Offered Note only) or any other relevant date on which a payment in respect of that Note is due, adjusted in accordance with the Business Day Convention specified in the applicable Pricing Supplement.

Record Date:

The Record Date is the close of business (in the place where the Register is maintained) on the eighth day before the Payment Date.

Maturity and redemption:

Subject to compliance with all relevant laws, regulations and directives, each Note will be redeemed on its Maturity Date at its outstanding principal amount, unless the Note has been previously redeemed or purchased and cancelled.

The Offered Notes are also redeemable prior to their scheduled maturity:

- at the option of the Issuer:
 - following certain tax events; and
 - on certain Optional Redemption Dates (as defined below); and
- at the option of the Noteholder following the occurrence of a Change of Control,

each as more fully set out in Condition 7 (Redemption and Purchase) and the relevant Pricing Supplement.

Class C Notes are redeemable prior to their scheduled maturity:

- at the option of the Issuer following certain tax events; and
- at the option of the Noteholder following the occurrence of a Change of Control,

each as more fully set out in Condition 7 (Redemption and Purchase) and the relevant Pricing Supplement.

Offered Notes held through the Austraclear System will be redeemed in a manner that is consistent with the Terms and Conditions and the Austraclear Regulations.

Open Market Redemption:

The Issuer may at any time purchase Notes in the open market or otherwise and at any price.

All Notes purchased by the Issuer must be cancelled immediately and may not be reissued or resold.

Selling and issue restrictions:

The Notes may only be issued or sold in or into Australia if:

- the amount subscribed for, or the consideration payable to the Issuer, by the relevant Noteholder is a minimum of A\$500,000 (or its equivalent in other currencies) (disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Parts 6D.2 and 7.9 of the Corporations Act)) unless the issue or sale is otherwise in circumstances that do not require disclosure under Parts 6D.2 and 7.9 of the Corporations Act;
- if the offer or invitation (including any resulting issue or sale) does not constitute an offer to a “retail client” as defined in section 761G of the Corporations Act;
- such action does not require any document to be lodged with ASIC; and
- the offer or invitation (including any resulting issue) complies with all other applicable laws and directives in the jurisdiction in which the offer, invitation or issue takes place.

For further information on selling restrictions, see the section of this Information Memorandum entitled “*Selling Restrictions*”.

Transfer restrictions and procedures:

Notes may only be transferred in whole and in accordance with the Terms and Conditions. Transfers of Offered Notes held in the Austraclear System will be made in accordance with the Austraclear Regulations.

Unless otherwise specified in a Pricing Supplement, the Notes may only be transferred if the offer or invitation for the sale or purchase of Notes:

- is for an aggregate consideration payable by each transferee of at least A\$500,000 (or its equivalent in an alternative currency and, in each case, disregarding moneys lent by the transferor or its associates to the transferee or its associates) or if the offer or invitation for the transfer otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act; and
- if the offer or invitation for the transfer complies with all other applicable laws and regulations in the jurisdiction in which the transfer takes place.

Taxes, withholdings, deductions and stamp duty:

All payments in respect of the Notes must be made without any withholding or deduction in respect of taxes, unless such withholding or deduction is required by law.

In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.

Holders of Notes who do not provide their Tax File Number or Australian Business Number (if applicable) or claim an exemption from interest withholding tax without providing proof of the exemption to the Issuer may have tax withheld from payments at the highest marginal rate plus Medicare levy (currently 47%). No additional amounts will be payable by the Issuer in respect of any such withholding.

Any stamp duty incurred on the issuance of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant Noteholder.

As at the date of this Information Memorandum, no stamp duty is payable under Australian law on the issuance, transfer or redemption of the Notes.

A brief overview of the Australian taxation treatment of payment of interest on Notes is set out in the section of this Information Memorandum entitled “*Australian Taxation*” below.

Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in any Offered Notes.

FATCA: Financial institutions through which payments on Notes are made may be required to withhold United States of America (U.S.) tax pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) or similar laws implementing an inter-governmental approach on FATCA.

FATCA is particularly complex and its application to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer, nor any other person would, pursuant to the Terms and Conditions, be required to pay additional amounts as a result of such deduction or withholding. Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Offered Notes.

For further information on FATCA, see Condition 9 (Taxation) of the Terms and Conditions.

Unwind Events: An Unwind Event occurs upon certain events and circumstances relating to the performance of the assets and service providers.

If an Unwind Event is not remedied within 30 days after the Issuer has been notified of such Unwind Event:

- the Originator must not Originate any further Loans and the Issuer and Servicer must not Acquire any further Loans;
- all amounts received by the Issuer in connection with the Loans must be deposited into the Collections Account to be applied towards payment of the Notes.

For further information on Unwind Events, see Condition 11 (Unwind Events and Events of Default) of the Terms and Conditions.

Events of Default: For further information on Events of Default, see Condition 11 (Unwind Events and Events of Default).

Listing: It is not intended that the Notes be listed or quoted on any securities exchange.

Rating: Neither the Issuer nor the Notes have been, nor is it intended that they will be, rated by any credit ratings agency.

Governing law: The Notes and all related documentation will be governed by the laws of Queensland, Australia.

The Issuer

The information in this section is a brief summary only of the Issuer and its businesses and does not purport to be, nor is it, complete.

This document contains only summary information concerning the Issuer and the Notes and should be read in conjunction with the documents which are deemed to be incorporated by reference in this Information Memorandum. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Notes and should not be considered or relied on as a recommendation or a statement of opinion (or a representation or report of either of those things) by any of the Issuer or any of its affiliates, the Lead Manager, the Note Trustee, the Security Trustee, the Agents, the Originator, the Servicer and the Sellers that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

This Information Memorandum does not describe the risks of an investment in any Notes. Prospective investors or purchasers should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

Description of the Issuer

The Issuer, ASCF Managed Investments Pty Ltd, is a special purpose vehicle incorporated on 9 August 2018.

The Issuer's investment strategy is to lend money to small to medium businesses, or individuals seeking finance for business purposes, in circumstances where traditional large financiers are too slow or unreasonably difficult to deal with. Loans made by or assigned to the Issuer are generally expected to be repaid from an identified business transaction and must always be secured by either a first or a second ranking mortgage over real property or a caveat pending first mortgagee consent to the registration of a second mortgage over real property.¹ The loans provided by the Issuer will be short-term in nature, usually between 1 and 12 months in length. In certain circumstances, loans may be extended for a further 12 months, but with no loan having a term exceeding 24 months in the aggregate.

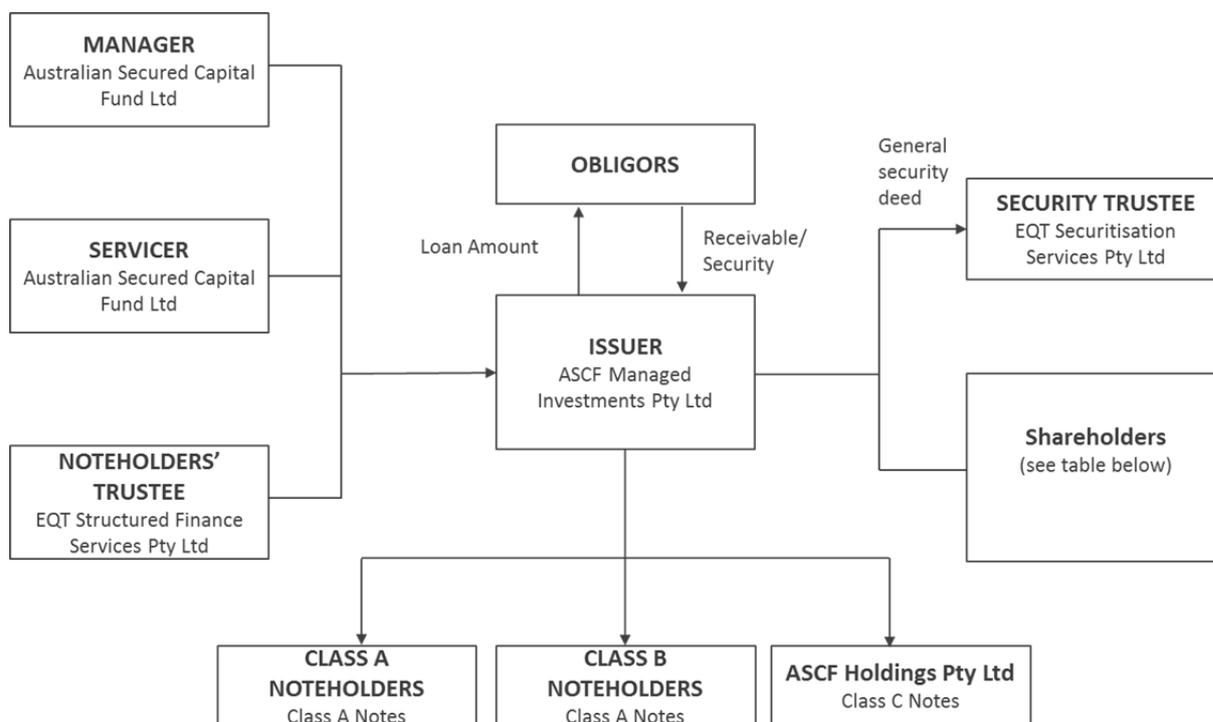
The purposes for which the Issuer will make the loans include the following:

- Acquisition or refinance of existing residential property including vacant land;
- Business purposes, such as:
 - purchasing additional stock;
 - payment of debts held in borrower's name (e.g. business credit card or short-term overdraft);
 - commercial investment;
 - working capital finance;
 - creditor payments (including payment of debts owing to the Australian Taxation Office);
 - funding of business investments or expansions;
 - refinancing existing business debt; and
 - buying out a shareholder or business partner.

¹ The registration of a second mortgage may be delayed in some circumstances, in which case the practice of the Originator is to register a caveat over the charged property. Refer to "Junior Lender Risk" in the risk section for further information.

Roles and Responsibilities of Relevant Entities

The Issuer does not have any subsidiaries, but has a number of related entities which each perform distinct roles within the ASCF business. Set out below is a diagrammatic representation of the different entities involved in the ownership, operation and financing of the Issuer and the issue of Notes.



The roles of the related entities are briefly described below:

- Australian Secure Capital Fund Ltd (ABN 38 613 497 635) (**ASCF**) is a Brisbane-based fund manager operating two pooled mortgage investment funds ASCF #1 and ASCF #2 (the **Funds**). It holds an AFS Licence (licence no. 491201). ASCF has been appointed as the Originator and the Servicer under the Sale, Origination and Servicing Agreement.
- ASCF #1 Fund (ABN 23 889 585 480) (**ASCF #1**) is a pooled mortgage fund. The objective of the ASCF #1 Fund is to provide regular monthly income through a selection of investments in short-term registered first ranking mortgage loans. ASCF as trustee for ASCF #1 has been appointed as a Seller under the Sale, Origination and Servicing Agreement.
- ASCF #2 Fund (ABN 86 563 929 221) (**ASCF #2**) is a pooled mortgage fund. The objective of the ASCF #2 Fund is to provide regular monthly income through a selection of investments in short-term registered first and second ranking mortgage loans. ASCF as trustee for ASCF #2 has been appointed as a Seller under the Sale, Origination and Servicing Agreement.
- Mortgage Capital Australia Pty Ltd (ABN 48 606 382 192) (**MCA**) is a related company to ASCF and provides some administration services to ASCF and the funds. It may also receive application and other fees from ASCF and/or the funds for loans approved by the funds. MCA as trustee for the Mortgage Capital Australia Unit Trust has been appointed as the Servicer Delegate under the Sub-Servicing Deed.

Set out below is a summary of the characteristics of the mortgage loans which form part of the assets of the ASCF #1 and ASCF #2 funds:

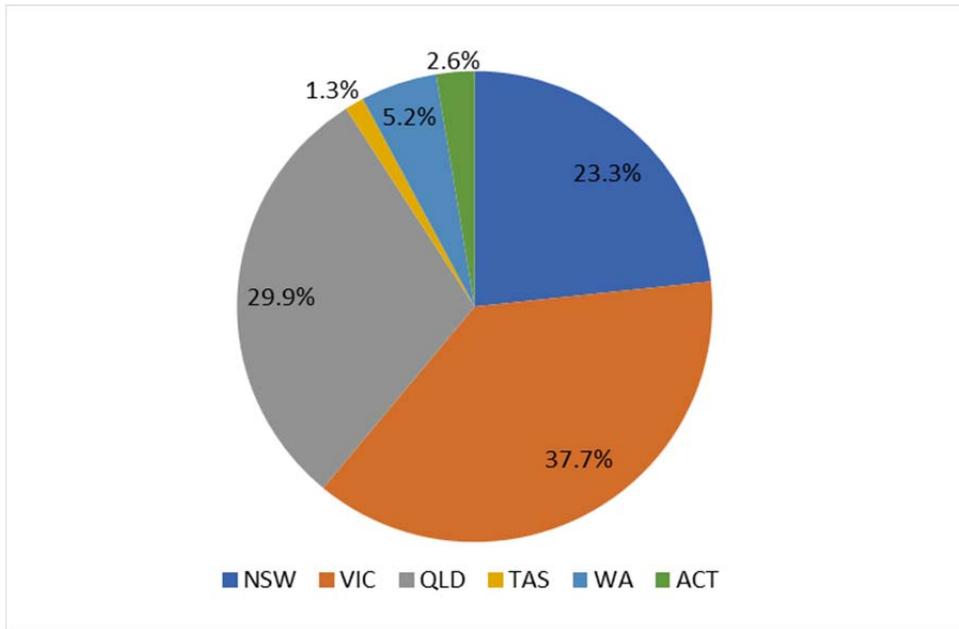
ASCF #1

Average weighted LVR	61.97%
Average loan size	\$658,282

ASCF #2

Average weighted LVR	62.42%
Average loan size	\$399,467
First mortgage loans	63.27%
Second mortgage loans	36.73%

ASCF #1 and ASCF #2 loans by State



Shareholder interests

The Issuer is a wholly owned subsidiary of Mortgage Capital Australia Pty Ltd as trustee for the Mortgage Capital Australia Unit Trust (ABN 93 695 075 742). The directors, shareholders and unitholders of Australian Secure Capital Fund Ltd, ASCF Holdings Pty Ltd and Mortgage Capital Australia Pty Ltd (personally and in its capacity as trustee of the Mortgage Capital Australia Unit Trust (ABN 93 695 075 742)) are described in the following table.

Director	Associated shareholder/ unitholder (as applicable)	Shareholding/Unitholding (as applicable)			
		Australian Secure Capital Fund Ltd	ASCF Holdings Pty Ltd	Mortgage Capital Australia Pty Ltd	Mortgage Capital Australia Unit Trust
Kosta Giovanos	Giovanos Trading Pty Ltd ATF Giovanos Family Trust	67,000	1,000	500	1
Richard Taylor	Richard John & Debra Taylor ATF Taylor Family Trust	67,000	1,000	500	1
Filippo Sciacca	FS Group Holdings Pty Ltd ATF FS Group Holdings Trust	67,000	1,000	500	1

Originator

The Issuer has appointed ASCF (in such capacity, the **Originator**) to originate Loans and Related Securities.

The Originator currently has approximately A\$60 million in funds under management, comprising approximately A\$40 million in its capacity as the responsible entity of the Funds and approximately A\$20m through management of funds for high net worth individuals. The Issuer proposes to lend in a manner that leverages the Originator's capability and experience in managing the Funds.

Each Fund is a pooled mortgage scheme which invests in short-term mortgages secured over real property. Loans provided by the Funds are usually between 1 and 12 months in length however, in certain circumstances and subject to the satisfactory conduct of the loan and compliance with valuation policy, loans may roll over for a further period of up to 12 months.

The Funds offer borrowers, being small to medium businesses or individuals seeking finance for business purposes, access to business finance with a fast, efficient and sensible lending approach whilst still adopting stringent lending criteria. The loans are typically repaid from an identified business transaction and are always secured by a mortgage over real property. This results in a balanced risk position for the Funds which ASCF believes distinguishes the Funds from other mortgage investment funds.

All loans issued by the ASCF #1 Fund are secured by first-ranking mortgages whereas loans issued by the ASCF #2 Fund are secured by a first-ranking mortgage, a second-ranking mortgages or solely by a caveat pending the registration of a second-ranking mortgage. Loans are not provided by either Fund where the total Loan to Value Ratio of all loans secured by the property (including any existing loans advance by lenders other than the Funds) exceeds 80.0%.

The interest rates charged to borrowers varies with first mortgage loans typically extended at approximately 15 per cent. per annum interest and second mortgage loans typically extended at approximately 24 per cent. per annum interest. Each loan is assessed on a case-by-case basis and actual interest rates may be higher or lower. The Funds are able to charge a higher rate of interest than usual for commercial lending due to the short-term nature of the loans and the ability of the Funds to assess most loan applications quickly and settle within two to three business days.

To date the Funds have not experienced loss of principal on any loans².

Richard Taylor, a director of the Originator has been offering short term business loans since 1997.

Origination of Loans and credit activities

Loans must be originated in accordance with the Sale, Origination and Servicing Agreement, the Eligibility Criteria (as defined in the Sale, Origination and Servicing Agreement), the Pool Parameters (as defined in the Sale, Origination and Servicing Agreement) and the Note Documents.

The Originator must exercise proper care, skill and diligence in performing the origination services. It must act in good faith and to:

- the standard of care expected of a responsible and prudent originator of similar assets in the markets in which the Originator operates having regard to the nature of the borrowers; and
- the standard of care the Originator would usually employ to originate similar assets to itself, its Related Body Corporates or its other customers.

² Any information on past performance of the Funds included in this Information Memorandum should not be considered as a reliable indication of future performance of Eligible Loans and Related Securities in which the Issuer will invest. There are differences between the Issuer's investment strategy and those pursued by each of the Funds and the performance of individual loans in different portfolios will vary.

Credit Assessment

Credit assessment is performed by the Originator and loan investment decisions will be based on the risk-adjusted returns over the term of the Loan. The Originator will assess the merits of each loan application and associated risks having regard to the following factors:

- the creditworthiness of borrowers and guarantors;
- the purpose of the loan;
- the character and appeal of the property over which security will be held;
- the quality and value of the loan investment, underlying secured property and the risk analysis process;
- the interest rate applicable to the loan and evidence of capacity to service the loan; and
- the exit strategy - the Originator will not approve a loan unless there is a clearly-defined exit strategy provided by the borrower in relation to the loan repayment. This may be through refinance of the Loan with a mainstream lender or an upcoming liquidity event such as the sale of an asset.

Loan Characteristics

In performing its duties under the Sale, Origination and Servicing Agreement, the Originator will make loans in accordance with the Eligibility Criteria and Pool Parameters summarised below and set out in full in Schedule 4 of the Sale, Origination and Servicing Agreement.

The Eligibility Criteria in respect of each Loan includes:

- the Loan is denominated in Australian Dollars;
- the Loan is governed by the laws of New South Wales, Queensland, the Australian Capital Territory, Victoria, South Australia, Tasmania or Western Australia;
- the terms of the Loan requires the Obligor to make periodic payments of interest;
- with respect to:
 - an Offered Loan, the Loan has a remaining contractual term that does not exceed 12 months; and
 - an Originated Loan, the Loan has an initial contractual term that does not exceed 12 months, except that in either case, the Issuer may, in its discretion, extend the remaining or initial contractual term for such further term or terms that do not in aggregate exceed 12 months so that the total term of any Loan does not exceed 24 months;
- the Loan is not in Arrears and is not otherwise in default under the terms of the Loan Document from which the Loan arises;
- the Loan relates to the financing of an asset in relation to which the sale of an equitable interest in, or the sale of an equitable interest in any other security in relation to that Loan, does not contravene any law;
- any security interest in relation to that Loan has been or will be stamped with all applicable duty;
- the Loan and Related Securities has been documented using the Issuer's standard form of Loan Documents, provided that such Loan Documents are customary and usual for similar assets in the markets in which the Originator operates having regard to the nature of the Obligors and the Related Securities;

- the Loan has an Obligor which is a person that is a citizen or permanent resident of Australia or an entity incorporated in Australia which, in each case, is carrying on a business in Australia;
- with respect to each Originated Loan, the Seller or the Issuer, or both the Seller and the Issuer (acting as joint lenders), are the sole lenders under the Loan;
- with respect to each Offered Loan, either the Seller or the Issuer is the sole lender under the Loan;
- the Loan is not an excluded Loan;
- the Issuer's right, title and interest, in the Loan is secured by a valid and enforceable Security Interest in favour of the lender under the Loan that has been validly perfected including by registration if applicable;
- the principal amount owing to the Issuer by an Obligor with respect to the Loan does not exceed A\$1,250,000 at any time; and
- the Loan to Value Ratio of the Loan does not exceed 77.5% at any time.

The Pool Parameters in respect of each Loan are as follows:

- the weighted average Loan to Value Ratio of all Eligible Loans does not exceed 72.5% at any time;
- no more than 33.0% of the value of Eligible Loans Originated or Acquired at any time are secured by a second ranking Mortgage; and
- the value of Eligible Loans that have been Acquired by the Issuer from the Sellers at any time is no more than 20.0% of the aggregate sum of the value of Eligible Loans Originated or Acquired at such time and the amount standing to the credit of the Collections Account at such time.

Depending on the structure of the Loans, mortgages may be taken as security over residential property including vacant land.

The interest rates charged will vary from approximately 15% per annum for loans secured by a first ranking mortgage to approximately 24% per annum for loans secured by a second ranking mortgage, with each Loan assessed on a case-by-case basis. The Issuer has the ability to set interest rates at levels higher or lower than the levels indicated.

Subject to a satisfactory credit assessment outcome, Loans will be approved and documented using the Issuer's standard form of Loan Documents.

Servicing of Loans

The Issuer has appointed ASCF (**Servicer**) to service the Loans and Related Securities.

Loans must be serviced in accordance with the Sale, Origination and Servicing Agreement and all express directions given by the Issuer.

The Servicer will conduct quarterly reviews of all Loans to ensure compliance with the Conditions and the Sale, Origination and Servicing Agreement and to assess the relative weighting and exposure of the Loans across borrowers, industry sectors, geographic locations and loan sizes to ensure that they are valid, current and appropriate at all times. The Servicer will also undertake annual audits of the Loans and prepare an annual report on the status and ongoing performance of the Loans.

The Servicer must exercise proper care, skill and diligence in performing the servicer services. It must act in good faith with the objective of making commercially reasonable efforts to maximise the return on the Loans and Related Securities on behalf of the Issuer. The Servicer must also perform the servicer services to:

- the standard of care expected of a responsible and prudent servicer of similar assets in the markets in which the Servicer operates having regard to the nature of the borrowers; and

- the standard of care the Servicer would usually employ to service and administer similar assets to itself, its Related Body Corporates or its other customers.

The Servicer must remit all Collections (as defined in the section in this Information Memorandum entitled “Cashflow Allocation Methodology” above) received by it in respect of the Loans to the Collections Account, which is subject to the Account Control Deed.

Delegate Servicer

The Servicer may appoint any appropriate qualified and competent person as its delegate to perform the servicer services from time to time provided the Issuer consents to such appointment.

MCA has been appointed as Delegate Servicer under the Sub-Servicing Deed. The Delegate Servicer must perform the servicer services to the same standard as required by the Servicer.

The Delegate Servicer must remit all collections received by it in respect of the Loans to the Collections Account, which is subject to the Account Control Deed.

Loan default management and enforcement

The Servicer will administer loans and disclose all defaults in reports circulated to the Issuer’s board of directors in order to determine whether enforcement action should be taken against any defaulting borrowers.

Where a borrower fails to make an interest payment on or before the due date, the Servicer will adopt the following approach:

- contact the borrower immediately after allowing a grace period of up to seven days, as appropriate, seeking payment within seven days to avoid further action being taken; and
- at its discretion, and dependent upon the terms of the loan documentation, apply a higher default rate of interest from the date of the last interest payment until the date the default is remedied.

Depending on the borrower’s response to the payment request, the Servicer may issue a default notice, and commence proceedings against the defaulting borrower.

If recovery action is issued against a borrower:

- the Issuer may become a mortgagee in possession;
- the Issuer may procure a new valuation in respect of the underlying secured property;
- the underlying secured property may be placed on the market for sale or, depending on the nature of the secured property, may be managed prior to commencing a sale process; and
- it is possible that the secured property may be sold at a price that is less than the amount required to satisfy the outstanding balance of the loan, interest and costs (including recovery fees). Should this occur, recovery action against the borrower and any guarantors will continue.

The Issuer will operate a provisioning policy in relation to losses on any individual loans. The Issuer will not maintain a reserve of funds to meet losses on loans which may occur from time to time. This means any loan losses caused as a result of borrower default or otherwise will have to be addressed from the Issuer’s capital.

Directors and key personnel

The Issuer’s directors and key personnel have considerable experience in operating managed investment schemes, mortgages and credit activities.

Richard John Taylor

Chief Executive Officer and Director – Finance

Mr Taylor has extensive experience in finance and credit industries having worked in those industries over the past 37 years.

Mr Taylor has a Bachelor of Economics from Bournemouth University, a Diploma in Commercial Management from Bournemouth University, a Diploma of Financial Services (Financial Planning) from Tribeca, a Certificate IV in Financial Services (Finance/Mortgage Broking) from Intellitrain and a Diploma of Financial Services (Finance/Mortgage Broking Management) from Intellitrain and a Certificate IV in Property Services (Real Estate) from the Australian School of Business & Law.

Mr Taylor is also an accredited Financial Broker (no. 16714) of the Mortgage and Finance Association of Australia and is a licensed Real Estate Agent, Qld (no.3981311).

Mr Taylor will be responsible for overseeing the general management of the issuer's business and of the funds being issued, including reviewing and determining whether to recommend approval of an application for a loan by the Issuing Entity.

Mr Taylor will also provide regular ongoing reports to the board in relation to the performance of the loans in accordance with the protocols established under the lending guidelines established for the bond issue.

Mr Taylor is also responsible for preparing and reviewing the funds' lending guidelines for consideration by the issuing entity.

Filippo Sciacca

Director – Investor Relations, Asset Management and Compliance

Mr Sciacca has worked across the property development industry for over 19 years, and has extensive property market expertise.

Mr Sciacca commenced his career as a property lawyer at Sciaccas Lawyers and Consultants in 1987 before pursuing a career in property development. Mr Sciacca was a director of Kozmic Developments, a property development group between 1997 and 2016, during which time the Kozmic group developed over 400 apartments in and around the Brisbane.

Mr Sciacca has a Bachelor of Laws from the Queensland University of Technology.

As Investor Relations Director Mr Sciacca will provide regular ongoing reports to the board and investors in relation to group performance of all funds under management. As Asset Manager and Compliance Director Mr Sciacca will primarily be responsible for reviewing, assessing and approving all property offered as security for the funds' loans to ensure they meet the funds' security criteria and also all aspects of compliance for the group.

Mr Sciacca will also oversee the day-to-day management of the Funds' Loans, including reviewing and determining whether to recommend approval of an application for a loan.

Kosta Giovanos

Director – Business Development

Mr Giovanos has extensive banking experience having worked in credit industries over the past 13 years.

Mr Giovanos commenced his career as a sales manager for home and investment lending for National Fidelity Mortgage, a residential mortgage lender operating in the United States of America before becoming a branch manager and private client manager of Bankwest.

Mr Giovanos has a Certificate IV in Finance and Mortgage Broking from the Finance and Related Services Training Academy and is a member of the Mortgage and Finance Association of Australia and the Credit and Investments Ombudsman.

Mr Giovanos is responsible for procuring and developing new business through the issuer's broker network of referrers.

Mr Giovanos will also oversee the day-to-day management of the funds' loans, including reviewing and determining whether to recommend approval of an application for a loan to the credit committee.

Mr Giovanos is also responsible for preparing and reviewing the issuer's lending guidelines.

Cashflow allocation methodology

This section contains a summary of the priority in which the Issuer will pay the amounts it receives before the occurrence of an Event of Default and enforcement of the General Security Deed.

All amounts received by the Issuer will be paid in accordance with the procedures described in this section (**Cashflow Allocation Methodology**). The Cashflow Allocation Methodology applies only in respect of payments to be made before the occurrence of an Event of Default and enforcement of the General Security Deed in accordance with its terms.

Collections

The Servicer is obliged to collect all Collections on behalf of the Issuer during each Collection Period. The Servicer and the Originator must remit all Collections they receive to the Collections Account within 3 Business Days of receipt, other than Collections comprised of application and loan settlement fees, to the extent these have been applied to fund certain Loan application expenses, fees, charges and commissions, or refunded to unsuccessful Loan applicants.

Collections means all amounts received by, or on behalf of, the Issuer in respect of the Loans (including proceeds recovered from any enforcement action, amounts received on a transfer of any Loans in accordance with the Transaction Documents, amounts received as damages in respect of a breach of any representation and warranty and any other amounts received in relation to the Loans) less:

- any amount debited during that period to the Obligors' accounts established in the Servicer's records for those Loans representing government fees or charges, bank accounts debits tax or similar governmental taxes or duties imposed (including tax or duty in respect of payments or receipts to or from bank or other accounts) or any Obligor taxes and any reversals made to such accounts where the original credit entry (or part thereof) was made in error or was made but subsequently reversed due to funds not being cleared; and
- any amount received by, or on behalf of, the Issuer during that period in respect of principal, interest and any other amounts payable by an Obligor to any Seller (in its capacity as lender) under an originated Loan whereby the Issuer and such Seller are both lenders of such originated Loan.

Determination and application of Collections

Prior to the occurrence of an Event of Default and enforcement of the General Security Deed, the Collections standing to the credit of the Collections Account must be determined by the Issuer on each Determination Date and applied by the Issuer on the immediately following Distribution Date, in the order of priority set out below:

- in or towards payments owing or payable to Noteholders prior to the next following Distribution Date, in accordance with the Transaction Documents;
- subject to ensuring there are sufficient funds for the Issuer to meet its principal and interest obligations in relation to the Notes on the next interest payment date, *pari passu* and rateably, in or towards payments owing or payable under the Transaction Documents to the Servicer, the Originator, the Security Trustee, the Note Trustee or each Agent prior to the next following Distribution Date (including without limitation their respective Costs);
- in or towards payments of any Costs that are expressly permitted by the other Transaction Documents, and that are payable by the Issuer prior to the next following Distribution Date,

including without limitation paying permitted up-front commissions and fees in relation to the Loans and Loan applications;

- in or towards satisfaction of any amounts payable by the Issuer prior to the next following Distribution Date to Acquire or Originate Eligible Loans in accordance with the Transaction Documents; and
- in or towards satisfaction of any outstanding Taxes payable by the Issuer, and any other amounts payable prior to the next Distribution Date that are expressly permitted by the Transaction Documents.

For this purpose, a Distribution Date means the 14th day of each month, and a Determination Date is the date which falls 3 business days prior to each Distribution Date.

In addition, the Issuer may apply the Collections between Distribution Dates in order to fund:

- amounts owing or payable to the Noteholders; or
- the Issuer's acquisition or origination of Eligible Loans provided that, after applying such Collections, the Issuer has sufficient funds to meet its principal and interest obligations in relation to the Notes on the next Payment Date.

Security Arrangements

*This section contains a summary of the Security Trust Deed dated 6 September 2018 between the Issuer, the Note Trustee and EQT Securitisation Services Pty Ltd (ABN 34 626 593 271) (**Security Trustee**) (**Security Trust Deed**) and the Security (as defined in the Security Trust Deed) (**Security**). This summary is qualified in its entirety by reference to the Terms and Conditions, the Note Trust Deed, the Security Trust Deed, each Security and the other underlying documents described below.*

Security

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted by the Issuer in favour of the Security Trustee over all of the Issuer's present (and after-acquired) assets, and includes anything in respect of which the Issuer has at any time a sufficient right, interest or power to grant a security interest. For the avoidance of doubt, the secured property includes the Issuer's right, title and interest in the Collections Account. This security interest secures amounts which the Issuer is or may become liable to pay to a Beneficiary in connection with a Transaction Document.

The Security described above is governed by the laws of Queensland, Australia.

The Issuer's principal assets are described in the section entitled "*The Issuer*". A key asset of the Issuer will be the equitable interest it may have in Loans that are assigned to it from time to time by Australian Secure Capital Fund Ltd as trustee for ASCF #1 Fund (ABN 23 889 585 480) or Australian Secure Capital Fund Ltd as trustee for ASCF #2 Fund (ABN 86 563 929 221) (each, a **Seller**). The equitable assignment of the Loans by a Seller to the Issuer will be a deemed security interest under the PPSA (as defined below) as the Loans are either "accounts" or "chattel paper". The Issuer will need to register its interest in the equitable assignment to ensure that its interest in the Loans has priority over another competing interest in the Loans (such as another security interest or the interest of a third party purchaser). For more information on this security interest, see the section entitled "*Personal Property Security Regime*".

Beneficiaries under the Security Trust Deed

The Security Interests described in this section have been granted in favour of the Security Trustee, who holds them on trust for the Beneficiaries (as defined in the Security Trust Deed) in accordance with the terms of the Security Trust Deed. The Security Trustee, the Note Trustee, the Agent and the Noteholders are the Beneficiaries for the purposes of the Security Trust Deed.

Instructions by Beneficiaries under the Security Trust Deed

The rights under the Security are granted in favour of the Security Trustee. The Security Trust Deed provides that, in the exercise of all such rights, the Security Trustee shall act in accordance with the instructions of the Note Trustee acting in accordance with the Note Documents.

When seeking instructions under the Security Trust Deed, the Security Trustee will request instructions from the Note Trustee. The Note Trustee will convene a meeting of the Voting Noteholders, or otherwise seek from the Voting Noteholders, instructions (in the form of an Ordinary Resolution or an Extraordinary Resolution) pursuant to the terms of the Note Trust Deed.

A Voting Noteholder is a person who holds a Ruling Note. The Ruling Notes are the Class A Notes, while any Class A Notes remain outstanding. Once no Class A Notes remain outstanding, the Class B Notes will be the Ruling Notes. Once no Class A Notes or Class B Notes remain outstanding, the Class C Notes will be the Ruling Notes until no Notes remain outstanding.

Under the Note Trust Deed, an “Ordinary Resolution” means a resolution passed at a meeting of Voting Noteholders by at least 50 per cent. of the votes cast and an “Extraordinary Resolution” means a resolution passed at a meeting of Voting Noteholders by at least 66⅔ per cent. of the votes cast.

Exercise of Enforcement Right

Except as described in the paragraph below, under the terms of the Security Trust Deed, the Security Trustee may not exercise an enforcement right except with the instructions of the Note Trustee acting in accordance with the Note Documents. The Note Trustee requires instructions by way of an Extraordinary Resolution of the Voting Noteholders in order to instruct the Security Trustee to take enforcement action. For more information on seeking instructions, see “*Procedures for seeking instructions under the Note Trust Deed*” paragraph below.

In the absence of instructions from the Note Trustee, the Security Trustee need not act. If an Administrator is appointed to the Issuer and the Security Trustee has not received instructions in time to enable it to appoint a Controller under the relevant Security within the ‘decision period’ (as defined in the Corporations Act), the Security Trustee must appoint a Controller within that decision period. Also, the Security Trustee may (but is not obliged to) act without instructions from the Note Trustee if, in the opinion of the Security Trustee, the delay required to obtain instructions from the Note Trustee would be materially prejudicial to the interests of the Beneficiaries.

Procedures for seeking instructions under the Security Trust Deed

Under the Security Trust Deed, when seeking instructions from the Note Trustee, the Security Trustee may specify in writing a period within which instructions are to be provided. Where an Event of Default has occurred and subsists in relation to the failure to pay principal or interest owing under the Notes or the insolvency of the Issuer, the period will be at least 5 Business Days but not more than 10 Business Days. In the case of other instructions, the period will be at least 10 Business Days or such longer period as required to take into account any requirements under the relevant Note Documents for the Note Trustee to convene and hold meetings in order to obtain instructions or directions.

Procedures for seeking instructions under the Note Trust Deed

Under the Note Trust Deed, if the Security Trustee requests instructions from the Note Trustee, the Note Trustee will:

- convene a meeting of the Voting Noteholders, or otherwise seek from the Voting Noteholders a direction (in the form of an Ordinary Resolution or Extraordinary Resolution or other resolution specified in the Terms and Conditions (as applicable) or otherwise);
- calculate the Outstanding Principal Amount; and
- provide instructions to the Security Trustee for such purposes by directing or instructing (or voting) the aggregate Outstanding Principal Amount of the Notes both for and against the taking of any action in the same proportion as the instructions the Note Trustee received from the Voting Noteholders.

Distribution of recovered moneys

Under the Security Trust Deed, the Security Trustee will apply all money received or recovered by it which is available for distribution to the Beneficiaries in the following order of priority:

- first, all amounts which, to the extent required by law, have priority over the payments below;
- second, all fees, costs, charges and expenses of the Security Trustee, Controller, an Attorney, the Note Trustee or any Agent incurred in or incidental to the exercise or performance or attempted exercise or performance of any Power (in that order) plus any interest which has

accrued with respect to such amounts calculated in accordance with the applicable Transaction Documents;

- third, to the Controller for its remuneration;
- fourth, to the holder of a security interest which has priority in relation to the Security;
- fifth, to each Noteholder of the Secured Moneys actually or contingently owing to it, to be paid to and applied by the Note Trustee in the following order in ratable proportions determined by the Security Trustee:
 - in payment of interest owing to the Class A Noteholders under the Class A Notes; and then
 - in payment of principal owing to the Class A Noteholders under the Class A Notes; and then
 - in payment of interest owing to the Class B Noteholders under the Class B Notes; and then
 - in payment of principal owing to the Class B Noteholders under the Class B Notes; and then
 - Class C Notes: in payment of principal owing to the Class C Noteholders under the Class C Notes; and
- sixth, to each Noteholder any other Secured Moneys owing to it;
- seventh, to the extent required by law, to other Security Interests of which the Security Trustee, Controller or Attorney has actual knowledge and which are due and payable; and
- eighth, to the Issuer.

Notwithstanding the above, amounts distributed in accordance with the Security Trust Deed to the extent payable in respect of Notes will be paid to the Note Trustee (as required under the Note Trust Deed) and distributed by it in the order described in the Note Trust Deed.

Release of security

The Security Trustee must not release any Security Interest existing for the benefit of a Beneficiary, without the consent of Note Trustee (other than as may be required by law or as may otherwise be permitted by the Transaction Documents).

Indemnity to Security Trustee

Under the Security Trust Deed, the Security Trustee and its Authorised Officers, directors and employees have the benefit of an indemnity from any money received from the Security or otherwise forming part of the Security Trust Fund against:

- all liabilities and expenses incurred by it under or in relation to any Transaction Document;
- all actions, proceedings, costs, claims and demands in relation to any Transaction Document; and
- amounts for which it is indemnified under any Transaction Document, subject to customary exceptions for fraud, wilful misconduct and negligence.

Limitation of liability of Security Trustee

Under the Security Trust Deed, the Security Trustee and its Authorised Officers, employees, directors, agents, successors or attorneys are not liable to the Beneficiaries for a broad range of matters, subject to customary exceptions for fraud, wilful misconduct and negligence. This includes any matter or thing done, or not done, by it or them in relation to any Transaction Document.

Investment Risks

By investing in the Offered Notes, the holders of the Offered Notes will be lending money to the Issuer and may be exposed to a number of risks which can be broadly classified as risks associated with an investment in the Offered Notes, with the market generally or with the Issuer's business. This section describes potential risks under these broad classifications, as well as other risks associated with an investment in the Offered Notes. It does not purport to list every risk that may be associated with an investment in the Offered Notes now or in the future and the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of the Issuer. The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur.

Prospective investors or purchasers should consult their own financial, legal and tax advisers about other risks associated with the Issuer's business, the Offered Notes or the market generally.

1. Risk factors relating to the Issuer's business

The material business risks that are likely to have an effect on the Issuer's financial performance and/or position and therefore its ability to pay interest and principal on the Notes include, but are not limited to the following risks set out below.

Operational risk

There is a risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology, or infrastructure changes, or through external events such as third-party failures or crisis events. The Issuer has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Key personnel

The Issuer is substantially reliant on the expertise and abilities of the key personnel of ASCF and MCA in overseeing the day-to-day business operations. There is a risk that the departure of key staff with particular expertise may have an adverse effect on the future performance of the Issuer.

Sourcing investments risks

Sourcing favourable loans may be difficult and the Issuer may not be able to fully invest the proceeds of the Offered Notes at acceptable prices. This may affect the Issuer's ability to implement its investment strategy, build or maintain the Required Subordination Amount or pay interest on the Notes.

Documentation risk

There is a risk that a problem in mortgage and other relevant documentation could, in certain circumstances, adversely affect the return on an investment. The Issuer will manage this risk by using qualified solicitors with professional indemnity cover to prepare documentation.

2. Risk factors relating to the Notes

The following summary, which is not exhaustive, outlines some of the major risk factors in respect of an investment in the Notes.

Modification and waivers binding

The Terms and Conditions contain provisions for calling meetings of the Voting Noteholders to consider matters affecting their interests and the interests of the Noteholders generally. A Voting

Noteholder is a holder of a Ruling Note. The Ruling Notes are the Class A Notes while any Class A Notes remain outstanding. Once no Class A Notes remain outstanding, the Ruling Notes will be the Class B Notes. Once no Class A Notes or Class B Notes remain outstanding, the Class C Notes will be the Ruling Notes until no Notes remain outstanding. Noteholders who do not hold Ruling Notes are not permitted to attend or vote at meetings of Voting Noteholders.

The provisions in the Terms and Conditions permit defined majorities of the Voting Noteholders to bind all Noteholders in respect of certain matters, including Voting Noteholders who did not attend and vote at the relevant meeting, Voting Noteholders who voted in a manner contrary to the majority and Noteholders who do not hold any Ruling Notes.

Conflicts of interest among various Classes of Notes

Among Noteholders, there may be conflicts of interest due to different priorities and terms. Prospective investors in Notes should be aware that certain decisions made by the Voting Noteholders may not be in the best interests of all Noteholders and that any conflict of interest among different Noteholders may not be resolved in favour of all Noteholders. For example, the Class A Noteholders may take action in accordance with the Transaction Documents which is not in the best interests of the Class B Noteholders or the Class C Noteholders.

Noteholders may only act through the Note Trustee

All of the rights against the Issuer in connection with the Notes are held by the Note Trustee on behalf of the Noteholders. Accordingly, no Noteholder is entitled to directly enforce any rights, powers or remedies in respect of the Notes, and instead these are exercisable and enforceable by the Note Trustee only. However, a Noteholder may proceed directly against the Issuer to enforce a right or remedy in respect of a Class of Note if the Note Trustee, having become bound to proceed, fails to do so within 5 days from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

Instructions to Note Trustee depends on voting rights and percentages of Notes held by a Noteholder

The Note Trustee need not exercise any of its rights under the Transaction Documents and is not bound to instruct the Security Trustee without receiving specific instructions from the Noteholders.

Limitation in ability to redeem Notes

The Issuer must redeem the Notes on the Maturity Date, on the request of a Noteholder following a Change of Control or on the occurrence of an Event of Default or in other certain limited circumstances set out in Condition 7 (Redemption and Purchase) of the Terms and Conditions. The Issuer cannot assure Noteholders that, if required, it would have sufficient cash or other financial resources at any such time or would be able to arrange financing to redeem the Notes in cash.

Change of law

The Terms and Conditions are based on Queensland law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Queensland or Australian law or administrative practice after the date of this Information Memorandum.

Limited credit enhancements

Credit enhancement is intended to enhance the likelihood of full payment of principal and interest due on the Notes and to decrease the likelihood that Noteholders will experience losses.

Payments of interest and principal on the Notes will be supported by the following forms of credit enhancement:

- the Class C Notes will be subordinated to the Class A Notes and the Class B Notes;
- the Class B Notes will be subordinated to the Class A Notes; and
- the Class A Notes will not be subordinated to any other Class of Notes.

Collections and all other funds available to the Issuer must be applied towards payments in respect of the Class A Notes in priority of the Class B Notes and the Class C Notes. Accordingly, if the Issuer does not receive sufficient funds, it may not be able to make full payments of interest and full repayments of principal to the Class B Noteholders or Class C Noteholders or both when due.

Also, no interest is payable on the Class C Notes.

The credit enhancement for the Notes will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance and accrued interest. If losses occur which exceed the amount covered by any credit enhancement or which are not covered by any credit enhancement, Noteholders will bear their allocated share of losses.

Ability to sell the Notes

There is currently no secondary market for the Notes and no assurance can be given that a secondary market in the Notes will develop, or, if one does develop, that it will provide liquidity of investment or will continue for the life of the Notes.

No assurance can be given that it will be possible to effect a sale of the Notes, nor can any assurance be given that, if a sale takes place, it will not be at a discount to the acquisition price or the invested amount of the Notes.

The market price of the Notes will be based on a number of factors, including:

- the prevailing interest rates being paid by companies similar to the Issuer;
- the overall condition of the financial and credit markets;
- prevailing interest rates generally and interest rate volatility;
- the financial condition, results of operation and prospects of the Issuer and its affiliates;
- general market and economic conditions;
- the publication of earnings estimates or other research reports and speculation in the press or investment community; and
- changes in the industry and competition affecting the Issuer and its affiliates.

Further, Notes may only be transferred in accordance with the Terms and Conditions.

Investments in Notes may not be suitable for all investors

The Notes are complex investments that should be considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyse the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

The Issuer may issue additional Notes

The Issuer may issue additional Notes on one or more Issue Dates, on conditions that are otherwise identical (other than, to the extent relevant, in respect of the Issue Price and date of the first payment of interest) as the conditions then applying to all other outstanding Notes, under the Terms and Conditions. Additional Notes must not have a Maturity Date that is earlier than the Maturity Date of the Notes issued on the initial Issue Date. The Issuer and the Lead Manager are under no obligation to offer such additional Notes to an existing Noteholder, and any such issuance may result in a decrease in the existing Noteholders' exposure in respect of the Notes as a whole.

Payment of costs may reduce amounts available to pay principal and interest

The Issuer has agreed or may agree to pay fees to the Note Trustee, the Security Trustee and the Agents for undertaking their respective roles and reimburse them for certain of their expenses properly incurred in connection with the Notes. The Issuer has also agreed to reimburse the Note Trustee, the Security Trustee and the Agents for certain of their expenses properly incurred in connection with their roles.

In addition, the Issuer has agreed to pay fees to the Originator and the Servicer for undertaking their respective roles, provided that the Issuer has sufficient funds to meet its principal and interest obligations in relation to the Notes on the next interest payment date. The Issuer has also agreed to reimburse the Originator and the Servicer for certain of their expenses properly incurred in connection with the Loans, including enforcement expenses.

The Originator is permitted to pay commissions and other fees from fees relating to Loan Applications and settlement of Loans.

The Issuer may also pay a fee to the Lead Manager in respect of the Offered Notes subscribed by it, and may agree to reimburse the Lead Manager for certain expenses properly incurred in connection with the Offered Notes and may indemnify the Lead Manager against certain liabilities in connection with the offer and sale of the Offered Notes.

The Issuer is liable for taxes due and payable by it in the ordinary course of business.

The payment of such taxes, fees and expenses may reduce the amounts available to pay principal and interest due under the Notes or impact the ability of the Issuer to comply with financial covenants under Condition 4.2. (Financial covenants).

3. Risk factors relating to the transaction parties

Management risks

The Servicer is responsible for managing the Issuer's investments on a day-to-day basis. If the Servicer fails to do so effectively, then this could negatively affect the Issuer's performance. In particular, there is a risk that the Servicer may fail to anticipate movements in the property market, fail to manage the investment risks appropriately or fail to properly execute the Issuer's investment strategies. These factors could have an adverse impact on the financial position and performance of the Issuer.

Termination of appointment of the Originator and Servicer by Issuer

The appointment of each of the Originator and the Servicer may be terminated in certain circumstances. If the appointment of one of them is terminated, a substitute will need to be found to perform the relevant role.

There is no guarantee that such a substitute will be found or that the substitute will be able to perform its duties with the same level of skill and competence as any previous originator or servicer (as the case may be).

To minimise the risk of finding a suitable servicer, the Issuer must act as Servicer if a substitute has not accepted the role Servicer, within 20 Business Days of termination of the Servicer, until the appointment of a replacement servicer.

Voluntary retirement of the Originator and Servicer

The Servicer may retire from its role as servicer of the Loans upon 30 days' prior written notice if it has found a replacement servicer (of which the Issuer and Note Trustee approves) to assume all its obligations and such replacement servicer is appointed as Servicer before the date on which the Servicer retires.

The Originator may retire from its role of originating Loans upon 30 days' prior written notice. There is no requirement for a replacement Originator to be appointed before the Originator retires.

There is no guarantee that a substitute Originator or Servicer will be found or that the substitute will be able to perform its duties with the same level of skill and competence as any previous originator or servicer (as the case may be).

An Unwind Event with respect to the Notes will occur if the Originator or Servicer voluntarily retires as originator or servicer of the Loans and is not replaced with a replacement originator or servicer, as applicable, acceptable to the Noteholders within a certain period of time. If an Unwind Event is not remedied within 30 days, the Issuer must cease to Originate Loans or Acquire Loans and amounts received in connection with the Loans must be applied to pay principal and interest on the Notes. If an Unwind Event is not remedied within 120 days, the Unwind Event will become an Event of Default.

Default under the Sale, Origination and Servicing Agreement

The Originator and Servicer have entered into the Sale, Origination and Servicing Agreement in relation to the services that the Originator and the Servicer will respectively perform from time to time.

The failure of the Originator or the Servicer to comply with certain obligations under the Sale, Origination and Servicing Agreement, together with certain other events such as the insolvency of the Originator or Servicer, may trigger an Unwind Event with respect to the Notes.

See "Voluntary retirement of the Originator and Servicer" for a description of the consequences of an Unwind Event.

4. Risk factors relating to the Loans and Related Securities

Limited assets of the Issuer

As a special purpose vehicle, the Issuer's assets consist primarily of Loans and Related Securities and cash.

If the Issuer's assets are not sufficient to make payments of interest or principal in respect of the Notes in accordance with the Transaction Documents, payments to Noteholders will be reduced.

A failure by the borrowers to make payments on the Loans when due may result in the Issuer having insufficient funds available to it to make full payments of interest and principal to the Noteholders in accordance with the Cashflow Allocation Methodology (see section in this Information Memorandum entitled "*Cashflow Allocation Methodology*" above). Consequently, the yield on the Notes could be lower than expected and Noteholders could suffer losses.

Risks of equitable assignment

Loans may be Originated or Acquired. When Acquired, they will initially be assigned by the Originator to the Issuer in equity. The Issuer may not take any steps to perfect legal title and, in particular, it will

not notify any Obligor of its interest in the Loans unless a Title Perfection Event occurs. A Title Perfection Event will occur if:

- the Seller is insolvent;
- if the Seller is the Servicer, the Servicer fails to comply with certain covenants in the Sale, Origination and Servicing Agreement; or
- the Seller fails to comply with certain covenants in the Sale, Origination and Servicing Agreement.

The consequences of the Issuer not holding legal title in the Loans include:

- until an Obligor has notice of the Issuer's interest in the Loans, such person is not bound to make payment to anyone other than the Originator, and can obtain a valid discharge from the Originator;
- rights of set-off or counterclaim may accrue in favour of the Obligor against its obligations under the Loans which may result in the Issuer receiving less money than expected from the Loans;
- the Issuer's interest in those Loans may become subject to the interests of third parties created after the creation of the Issuer's equitable interest but prior to it acquiring a legal interest; and

the Originator may need to be a party to certain legal proceedings against any Obligor in relation to the enforcement of those Loans.

5. Risk factors relating to Mortgage investment

Valuation risk

The valuation of a security asset may be inaccurate at the time of the loan and the amount realised on a forced sale may be less than would have been expected had the valuation been correct. There is also the risk that a valuer who provides an inaccurate valuation does not have or no longer has adequate professional indemnity insurance to cover the valuation on which the Issuer relied.

Interest rate risk

Rising market interest rates may increase the interest costs of a borrower with a variable rate loan, making it more difficult to make regular payments. Similarly, falling interest rates may lead a borrower of a fixed rate loan to repay the loan in order to refinance at a cheaper rate.

Default and credit risk

A borrower or borrower's guarantor may not be able to meet their financial obligations. This may be for a wide range of reasons, including;

- a change in the financial or other circumstances of the borrower, or
- a change in the economic climate generally that adversely affects all borrowers.

The Issuer will seek to manage and minimise these risks by only making loans to borrowers that meet the lending criteria. Investments in the Notes are not capital guaranteed.

During the life of a mortgage investment, factors outside the control of the Issuer such as economic cycles, property market conditions, government policy, inflation and general business confidence can affect property values and a borrower's ability to continue to service a loan.

If a secured property is required to be sold to recover a debt, capital of Noteholders may be diminished or lost if the sale fails to realise sufficient funds to satisfy the loan balance and any

capitalised interest and costs. Enforcement costs may not be recoverable in part or in full, in these circumstances. Interest is charged to the time of repayment of the Loan.

The Issuer will manage capital risk by applying its lending policy and employing efficient collection and management systems. All loans and valuations will be subject to periodic review.

Security risk

The secured property may be damaged or destroyed and the insurance cover may prove to be insufficient to cover the full amount of the loan. This risk will be managed by ensuring certificates of currency for all insurances are provided by the borrower and that the insured sum is commensurate to asset valuation. Given that the underlying security is real property, which is illiquid, there is also a risk that delays could occur between a loan going into default and the sale of the secured property.

Term risk

A loan may not be repaid or refinanced in a timely fashion, which may cause a delay or potential loss of capital. The Issuer seeks to manage this risk through the initial loan approval process as well as managing maturing loans in a timely fashion.

Repossession and sale of mortgaged property may cause delays

If an Obligor defaults on payments to be made under a Loan and the Servicer seeks to enforce any Related Security and/or obtain repossession and/or sell the relevant property that is subject to such Related Security, various factors may affect the length of time before the proceeds of sale (if any) are obtained. In such circumstances, the sale proceeds may be less than if the sale was carried out by the obligor in the ordinary course. Any such delay and any loss incurred as a result of the realised sale proceeds being less than the Outstanding Balance of the relevant Loan may affect the ability of the Issuer to make payments under the Notes.

Delinquency and Default rates

There can be no assurance that delinquency and default rates affecting the Loans will remain in the future at levels corresponding to historic rates for assets similar to the Loans. In particular, if the Australian economy were to experience a downturn, an increase in unemployment, an increase in interest rates or any combination of these factors, delinquencies or default rates on the Loans may increase, which may cause losses on the Notes.

Enforcement risk

If a borrower defaults, the Issuer may have to enforce its security to recover the loan and any unpaid interest. Consequently, any enforcement delay may result in the Issuer temporarily having insufficient money to pay all distributions. Enforcement costs will be financed by the Issuer which may reduce the amounts available to pay principal and interest due under the Notes.

Junior lender risk

Depending on the structure of the Loans, a first or second ranking mortgage will be taken as security over residential property including vacant land. Where a Loan is secured by a first mortgage, the first mortgage is typically registered immediately after settlement.

Second ranking mortgages will rank in priority behind a senior lender's mortgage, making them a riskier investment. Therefore, in the event of a default by the borrower the ability to recover the amount owing under the loan agreement will be affected by the actions of the senior lender.

Generally, the senior lender will have the right to take possession of, and deal with, the security property and assets of the borrower if various covenants of the senior lender's loan facility are not met. Because the security will rank behind the senior lender, if the borrower defaults under any of the

loan facilities and the senior lender exercises its security, then the Issuer will not have day-to-day control over the borrower's assets. This will generally mean that the Issuer cannot exercise the security until the senior lender has been paid in full. In addition, any monies available in these circumstances would be limited to what is recovered after the senior lender has been paid in full.

Should a Loan be secured by a second mortgage there may be delays in obtaining production of the title documents or consent to registration from the first mortgagee, which could delay or, in limited cases under which such mortgagee consent is not forthcoming, prevent (as applicable) the registration of the second mortgage. In these circumstances, the practice of the Originator and the Sellers is to register a caveat over the Charged Property immediately after settlement, in order to prevent dealings in the Charged Property pending registration of the second mortgage. A caveat is a statutory injunction which effectively prevents the registration of most dealings in the property (without consent) until the caveat is formally withdrawn, removed or lapses. A proportion of the Loans will be secured by unregistered second mortgages, that are subject to these caveat arrangements, until the relevant Loan has been repaid.

If a borrower defaults under a Loan secured by an unregistered second mortgage, the mortgagee's enforcement powers are more limited than it would have if it were enforcing a fully registered second mortgage.

6. Risk factors relating to security interests

Enforcement of General Security Deed

If an Event of Default occurs while any Notes are outstanding, the Security Trustee may and, if directed to do so by the Note Trustee, acting in accordance with the Note Documents, must, declare all amounts outstanding under the Notes immediately due and payable and enforce the General Security Deed in accordance with the terms of the General Security Deed and the Security Trust Deed. That enforcement may include the sale of the Loans.

No assurance can be given that the Security Trustee will be in a position to sell the Loans for a price that is sufficient to repay all amounts outstanding in relation to the Notes and other secured obligations that rank ahead of or equally with the Notes.

Neither the Security Trustee nor the Note Trustee will have any liability to the Beneficiaries in respect of any such deficiency (except in the limited circumstances described in the General Security Deed).

Personal Property Security Regime

The Personal Properties Securities Register (**PPSR**) commenced operation throughout Australia on 30 January 2012 pursuant to the Personal Property Securities Act 2009 (**PPSA**) which established a national system for the registration of security interests in personal property and introduced rules for the creation, priority and enforcement of security interests in personal property. There is uncertainty on aspects of the PPSA regime because the PPSA significantly alters the law relating to secured transactions. There are issues and ambiguities in respect of which a market view or practice will evolve over time.

Security interests for the purposes of the PPSA include traditional securities over personal property such as charges and mortgages and other transactions that, in substance, secure payment or performance of an obligation but may not have previously been legally classified as securities under general law (for example, hire purchase agreements, leases such as finance leases and capital leases, retention of title arrangements, flawed asset arrangements and turnover trusts). Further, certain other interests are deemed to be security interests whether or not they secure payment or performance of an obligation (for example, the interest of a lessor under a lease of goods for a term of more than one year (**PPS lease**) or the assignee of certain receivables).

A person who holds a security interest under the PPSA is not obliged to register (or otherwise perfect) the security interest. However, if they do not do so:

- another security interest may take priority;
- another person may acquire an interest in the assets which are subject to the security interest free of their security interest; and
- except in limited cases, they may not be able to enforce the security interest against a grantor who becomes insolvent (because the security interest will vest in the grantor).

The assignment of the Loans by the Seller to the Issuer is a deemed security interest under the PPSA as the Loans are either “accounts” or “chattel paper”. The interest of a transferee under a transfer of an account or chattel paper is deemed to be a security interest whether or not the transaction secures payment or performance of an obligation. The Issuer will need to register the assignment to ensure that its interest in the Loans has priority over another competing interest in the Loans (such as another security interest or the interest of a third party purchaser). However, provided the assignment does not secure payment or performance of an obligation, a failure to register will not prevent the Issuer from being able to enforce against the Seller.

The security granted by the Issuer under the General Security Deed to the Security Trustee is also a security interest under the PPSA. The Security Trustee will need to register the security under the General Security Deed to eliminate priority, taking free and vesting risk.

Under the Security Trust Deed and the General Security Deed, the Issuer grants a security interest over all of its present and after acquired assets in favour of the Security Trustee to secure the payment of moneys owing to the Beneficiaries (including, among others, the Noteholders).

Under the General Security Deed, the Issuer has agreed to not do anything to create any encumbrances over the secured property other than in accordance with the Transaction Documents.

However, under Australian law:

- dealings by the Issuer with the Loans in breach of such undertaking may nevertheless have the consequence that a third party acquires title to the relevant Loans free of the security interest created under the General Security Deed or another security interest over such Loans has priority over that security interest; and
- contractual prohibitions upon dealing with the Loans (such as those contained in the General Security Deed) will not of themselves prevent a third party from obtaining priority or taking such Loans free of the security interest created under the General Security Deed (although the Security Trustee would be entitled to exercise remedies against the Issuer in respect of any such breach by the Issuer).

Whether this would be the case, depends upon matters including the nature of the dealing by the Issuer, the particular Loans concerned and the agreement under which it arises and the actions of the relevant third party.

Voting Noteholders must act to effect enforcement of the General Security Deed

If an Event of Default occurs and is continuing, the Security Trustee must seek the instructions of the Note Trustee. Following a request for instructions from the Security Trustee, the Note Trustee must convene a meeting of the Voting Noteholders to obtain directions as to what actions the Security Trustee is to take under the General Security Deed and the Security Trust Deed. Any meeting of the Noteholders will be held in accordance with the terms of the Note Trust Deed. However, only the Voting Noteholders are entitled to vote at a meeting of Voting Noteholders or to otherwise direct or give instructions or approvals to the Note Trustee in accordance with the Transaction Documents.

Accordingly, if the Voting Noteholders have not directed the Note Trustee to do so, the Note Trustee may not instruct the Security Trustee to effect enforcement. In such circumstances, enforcement of the General Security Deed will not occur, other than where in the opinion of the Security Trustee, the delay required to obtain instructions from the Note Trustee would be materially prejudicial to the

interests of the Noteholders and the Security Trustee has determined to take action (which may include enforcement) without instructions from them.

If at any time there is a conflict between a duty the Security Trustee owes to a Beneficiary, or a class of Noteholders, and a duty the Security Trustee owes to another Beneficiary, the Security Trustee must give priority to the duties owing to the Voting Noteholders.

7. Risk factors relating to legal and regulatory matters

Regulatory risk and government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia may have an adverse effect on the assets, operations and ultimately the financial performance of the Issuer and the market price of its securities. In particular, any changes to legislation or policy in financial services or credit lending may have an adverse effect on the assets, operations and ultimately the financial performance of the Issuer and the market price of its securities.

Australian Taxation

A summary of certain material tax issues is set out in the Section entitled “Australian Taxation”.

Consumer protection laws and codes

National Consumer Credit Protection Act

The National Consumer Credit Protection Act 2009 (Cth) (**NCCP**), which includes the National Credit Code as Schedule 1 to the NCCP, requires anyone that engages in a credit activity that relates to the provision of credit to which the National Credit Code applies, including by providing credit or exercising the rights and obligations of a credit provider, to be appropriately authorised to do so. This requires those persons to either hold an Australian Credit Licence (**ACL**), be exempt from this licensing requirement or be a credit representative of an ACL holder. Obligations under the NCCP extend to the Originator, the Sellers, the Servicer and, upon becoming a “credit provider” under the NCCP, the Issuer in respect of the Loans.

Loans in respect of which the NCCP applies will not be Eligible Loans under the Transaction Documents. However, to the extent any Loans are Originated in breach of the Eligibility Criteria and are Loans to which the NCCP applies, there are a range of disclosure and conduct obligations for the Originator, the Sellers, the Servicer and the Issuer, as applicable, to comply with.

For example, the Originator holds an ACL authorising it to engage in credit activities as a credit provider. ACL holders are subject to ongoing obligations, including management of internal systems, people and resources, as well as complying with the conditions on their ACL and relevant laws generally. ACL holders also have more specific obligations, such as meeting responsible lending requirements (verifying a consumer’s financial situation and assessing whether a credit contract is not unsuitable) and other disclosure and conduct obligations in the National Credit Code.

Failure to comply with the NCCP may mean that court action is brought by the borrower, guarantor, mortgagor or by the Australian Securities and Investments Commission (**ASIC**) to:

- grant an injunction preventing a regulated Loan from being enforced;
- order compensation to be paid for loss or damage suffered (or likely to be suffered) as a result of a breach;
- vary the terms of the Loan on the grounds of hardship or that it is an unjust contract;
- reduce or annul any interest rate payable on the Loan which is unconscionable;

- have certain provisions of the Loan or a related mortgage or guarantee which are in breach of the legislation declared void or unenforceable;
- obtain restitution or compensation from the credit provider in relation to any breaches of the NCCP in relation to the Loan; or
- seek various remedies for other breaches of the NCCP, such as punitive remedies and revocation of an ACL.

Applications may also be made to relevant external dispute resolution schemes which generally have the power to resolve disputes where the amount in dispute is A\$500,000 or less. There is no ability to appeal from an adverse determination by an external dispute resolution scheme, including on the basis of bias, manifest error or want of jurisdiction.

Any such order (by a court or external dispute resolution scheme) may affect the timing or amount of interest, fees or charges, or principal payments under the relevant Loan (which might in turn affect the timing or amount of interest or principal payments under the Notes).

Under the National Credit Code and the NCCP, when the Issuer is a “credit provider” with respect to regulated loans, it will be exposed to civil and criminal liability for certain breaches. These include breaches caused in fact by the Servicer. If for any reason the Servicer does not discharge its obligations to the Issuer, then the Issuer will be entitled to indemnification. Any such indemnification may reduce the amounts available to pay interest and repay principal in respect of the Notes.

If Loans in respect of which the NCCP applies are Acquired by the Issuer from any Seller, the relevant Seller will be required to purchase such Loans and any Related Securities from the Issuer within 5 Business Days of the relevant Seller or Issuer notifying the other parties that the NCCP applies to such Loans. The Issuer will also be entitled to indemnification from the Seller.

Unfair Terms

Under the Australian Consumer Law and the Australian Securities and Investments Commission Act 2001 (Cth) (**ASIC Act**), any term of a standard-form consumer contract or small business contract will be unfair, and therefore void, if it:

- causes a significant imbalance in the parties’ rights and obligations under the contract;
- is not reasonably necessary to protect the legitimate interests of the party who would be advantaged by the term; and
- would cause detriment (financial or otherwise) to a party if it were to be applied or relied on.

The provisions in the Australian Consumer Law and ASIC Act regarding unfair contract terms will apply to a term of the Loans to the extent that those contracts were entered into, are renewed, or the term is varied, after the commencement of those provisions.

For small business contracts, the unfair contract terms apply to contracts which were entered into or renewed on or after 12 November 2016 and where:

- at the time the contract is entered into, at least one party is a business that employs less than 20 people; and
- the upfront price payable under the contract is:
 - A\$300,000 or less; or
 - A\$1,000,000 or less, if the contract is for more than 12 months.

If any term of a Loan is found to be void, it may affect the timing or amount of interest, fees or charges, or principal repayments under the relevant Loan (which might in turn affect the timing or amount of interest or principal payments under the Notes).

Australian Anti-Money Laundering and Counter-Terrorism Financing Regime

An entity that provides “designated services” at or through a permanent establishment in Australia is a “reporting entity” and must comply with the obligations set out in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**) and the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (Cth) (**AML/CTF Rules**). The AML/CTF Act contains a range of designated services, including:

- making a loan, where the loan is made in the course of carrying on a loans business;
- opening or providing an account, allowing any transaction in relation to an account or receiving instructions to transfer money in and out of the account;
- issuing, selling, acquiring or disposing of a security; and
- exchanging one currency (whether Australian or not) for another (whether Australian or not), where the exchange is provided in the course of carrying on a currency exchange business.

The obligations imposed on a reporting entity under the AML/CTF Act and AML/CTF Rules include (among other things) registering with the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), implementing an Anti-Money Laundering and Counter-Terrorism Financing Program that complies with the requirements set out in the AML/CTF Rules, undertaking customer identification procedures before a designated service is provided to a customer and monitoring and reporting certain transactions.

Under the AML/CTF Act, there are three types of transaction reports which reporting entities must submit to AUSTRAC:

- suspicious matter reports – where a reporting entity forms a suspicion on reasonable grounds that a person is not who they claim to be, or information they have or the provision of a designated service would be relevant to an investigation or prosecution;
- threshold transaction reports – where a transaction involves the transfer of physical currency of A\$10,000 or more (or foreign currency equivalent); and
- electronic and international funds transfer instructions.

There are a variety of enforcement outcomes that AUSTRAC can pursue in the event of non-compliance with the AML/CTF Act, including:

- seeking civil penalty orders under the AML/CTF Act, including pecuniary penalties;
- including seeking enforceable undertakings;
- issuing infringement notices or remedial directions; and
- requiring reporting entities to take certain actions in relation to auditing.

The obligations placed upon a reporting entity could affect the services of that entity or the funds it provides and ultimately may result in a delay or decrease in the amounts received by a Noteholder of Notes.

US Foreign Account Tax Compliance Act (FATCA)

To the extent amounts paid to or from the Issuer are subject to FATCA withholding, see the Section entitled "Australian Taxation" for more detail.

Financial services regulation may have a negative impact on the Notes

The Originator and other key parties to the transaction may be subject to a number of financial services regulatory requirements. Unless an exemption applies, a person must have an Australian financial services licence (**AFSL**) to provide financial services. For example, the Originator holds an AFSL authorising it to provide general advice and deal in particular financial products.

AFSL holders are subject to ongoing obligations, including management of internal systems, people and resources, as well as complying with the conditions on their AFSL and financial services laws generally. There is also a prohibition on a person holding out that they have an AFSL or that they are exempt from the requirement, if that is not in fact the case.

If financial services are provided without an AFSL being held, and no exemption applies, relevant penalties may include pecuniary penalties or imprisonment, or both. ASIC may also take other enforcement action, including suspending or cancelling an AFSL, making a banning order and enforceable undertakings.

Changes in these requirements, or any failures by parties to comply with applicable financial services laws or regulation, may have an impact on the characteristics and performance of the Loans acquired by the Issuer, and therefore may affect the performance of the Notes.

No assurance can be given that any financial services regulation or reforms will not have a significant adverse impact on the Issuer's business or the regulation of the Issuer or any of the Noteholders.

Terms and Conditions

The following are the terms and conditions of the Notes (**Terms and Conditions**) which will apply to each Note issued by ASCF Managed Investments Pty Ltd (ABN 67 628 059 567) (**Issuer**), as supplemented, amended, modified or replaced by the relevant Pricing Supplement.

The Notes are constituted by, and owing under, the Note Trust Deed. Each Note will be issued in uncertificated form by inscription in the Register. The registered holders of Notes (and each person claiming through or under a Noteholder) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions contained in the Note Trust Deed and the Terms and Conditions. Each such person is also deemed to have notice of and be bound by the Information Memorandum and the relevant Pricing Supplement.

Copies of each of the documents referred to above are available for inspection by Noteholders during normal business hours at the following Office of the Registrar:

EQT Australia Pty Ltd
Level 19, 56 Pitt Street
Sydney NSW 2000
Attention: Corporate Trust – Senior Manager Structured Finance

Words and expressions defined or used in a Pricing Supplement shall have the same meaning where used in the Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between the relevant Pricing Supplement or the Terms and Conditions (as applicable), the relevant Pricing Supplement will prevail.

1 Interpretation

1.1 Definitions

The following words have these meanings in these Terms and Conditions unless the contrary intention appears:

Account Bank means Bank of Queensland Limited (ABN 32 009 656 740) or any successor bank with which the Issuer maintains the Collections Account.

Account Control Deed means the account control deed dated 12 September 2018 by the Issuer, the Account Bank and the Security Trustee.

Accounting Standards means, for a person, all accounting standards or principles that it is required to comply with by Australian law.

Acquisition means the acquisition of a Loan by the Issuer. **Acquire** and **Acquired** shall be construed accordingly.

Additional Amounts has the meaning given in Condition 9.2 (Additional payment).

Agency and Registry Services Agreement means the document entitled “Agency and Registry Services Agreement” dated 7 September 2018 and executed by the Issuer, the Issuing Agent, the Paying Agent, the Calculation Agent and the Registrar for the paying agency, calculation agency and registry services for the Notes and any other agreement for those services.

Asset Auditor means Grant Thornton Australia Ltd or another recognised firm of independent auditors of international standing reasonably acceptable to the Note Trustee.

Austraclear means Austraclear Ltd (ABN 94 002 060 773) or its successor.

Austraclear Regulations means the rules, regulations and operating manual of Austraclear from time to time.

Austraclear System means the system operated by Austraclear in accordance with the Austraclear Regulations.

Australian dollars or **A\$** means the lawful currency of Australia from time to time.

Authorised Officer means:

- (a) a director or secretary of the Issuer; or
- (b) the Chief Financial Officer of the Issuer.

Beneficiary has the meaning given in the Security Trust Deed and, for the avoidance of doubt, includes each Noteholder.

Business Day means a day on which:

- (a) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency markets) in Brisbane, Sydney and Melbourne;
- (b) if a Note held in the Austraclear System is to be issued or paid on that day, the Austraclear System is operating; and
- (c) if a Note is to be issued or paid on that day, each other relevant clearing system (including Euroclear and/or Clearstream) is operating.

Business Day Convention in respect of a Note, means the convention specified in the Pricing Supplement for that Note and recorded in the Register, for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term **Business Day Convention** and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if **Following** is specified, that date will be the following Business Day; and
- (b) if **Modified Following** or **Modified** is specified, that date will be the following Business Day unless that day falls in the next calendar month, in which case that date will be the preceding Business Day.

Calculation Agent means EQT Australia Pty Ltd (ABN 88 111 042 132) or such other person appointed by the Issuer pursuant to the Agency and Registry Services Agreement as calculation agent from time to time.

Charged Property means the property of an Obligor that is secured by a Related Security.

Class means, depending upon the context, the Class A Notes, the Class B Notes and Class C Notes (or any of them).

Class A Note means each Note described as such in the Pricing Supplement for that Note and forming part of the Class of Notes described in Condition 2.1(a) (Notes divided into Classes).

Class A Noteholder means the person whose name is, for the time being, entered in the Register as the holder of a Class A Note or, where such Class A Note is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Class A Note).

Class A Subordination Level means at any time the ratio, expressed as a percentage, calculated as follows:

$$\text{Class A Subordination Level} = 1 - \frac{A-B-C}{D}$$

where:

A = the aggregate amount of all liabilities of the Issuer as specified in the Issuer's current balance sheet, which has been prepared on the same basis as its most recent audited balance sheet;

B = the aggregate Outstanding Principal Amount of the Class B Notes and the Class C Notes at such time;

C = the balance of the Collections Account at such time; and

D = the aggregate Outstanding Balance of the Eligible Loans which are assets of the Issuer at such time.

Class B Note means each Note described as such in the Pricing Supplement for that Note and forming part of the Class of Notes described in Condition 2.1(b) (Notes divided into Classes).

Class B Noteholder means the person whose name is, for the time being, entered in the Register as the holder of a Class B Note or, where such Class B Note is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Class B Note).

Class B Subordination Level means at any time the ratio, expressed as a percentage, calculated as follows:

$$\text{Class B Subordination Level} = 1 - \frac{A-B-C}{D}$$

where:

A = the aggregate amount of all liabilities of the Issuer as specified in the Issuer's current balance sheet, which has been prepared on the same basis as its most recent audited balance sheet;

B = the aggregate Outstanding Principal Amount of the Class C Notes at such time;

C = the balance of the Collections Account at such time; and

D = the aggregate Outstanding Balance of the Eligible Loans which are assets of the Issuer at such time.

Class C Note means each Note described as such in the Pricing Supplement for that Note and forming part of the Class of Notes described in Condition 2.1(c) (Notes divided into Classes).

Class C Noteholder means the person whose name is, for the time being, entered in the Register as the holder of a Class C Note or, where such Class C Note is owned jointly by one or

more persons, the persons whose names appear in the Register as the joint owners of that Class C Note).

Clearstream, Luxembourg means Clearstream Banking, société anonyme or its successor.

Collections Account means the bank account of the Issuer with the Account Bank that is subject to the Account Control Deed.

Condition means the correspondingly numbered condition in these Terms and Conditions.

Consolidated Group has the meaning given in the Tax Act.

Corporations Act means the *Corporations Act 2001* of the Commonwealth of Australia.

Costs means the amounts in the nature of costs, charges, expenses, Taxes or fees calculated in accordance with the agreement under which those amounts are owing.

Day Count Basis means, in respect of the calculation of an amount of interest on any Note for any period of time (**Calculation Period**), the day count basis specified in the relevant Pricing Supplement and:

- (a) if **Actual/365** or **Actual/Actual** is specified, the actual number of days in the Calculation Period in respect of which payment is being made (being inclusive of the first day, but exclusive of the last day, of that Calculation Period) divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365); or
- (b) if **Actual/365 (Fixed)** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365; or
- (c) if **Actual/360** is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360; or
- (d) if **30/360**, **360/360** or **Bond Basis** is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Basis} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (e) if **RBA Bond Basis** is specified, one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); or
- (f) such other basis as may be specified in the relevant Pricing Supplement as being the applicable basis for the calculation of the amount of interest in respect of the Series of Notes.

Denomination means A\$1,000, being the notional face value of a Note.

Delegate Servicer means Mortgage Capital Australia Pty Ltd as trustee of the Mortgage Capital Australia Unit Trust (ABN 93 695 075 742).

Disposal means sell, assign, transfer, or otherwise dispose of or cease to hold, or part with possession of, or create a right to or an interest (including sub-leases) in an asset and **Dispose** has a corresponding meaning.

Distribution means any dividend, charge, interest, fee, payment or other distribution (whether cash or assets) or redemption, repurchase, defeasance, retirement or repayment on or in respect of any share capital of the Issuer.

Eligible Loan means any Loan which satisfies the Eligibility Criteria.

Eligibility Criteria has the meaning given in the Sale, Origination and Servicing Agreement.

Euroclear means Euroclear Bank S.A./N.V. or its successor.

Euroclear System means the system operated by Euroclear.

Event of Default means an event specified in Condition 11 (Events of Default).

Extraordinary Resolution means a resolution:

- (a) passed at a meeting of Voting Noteholders (at which the requisite quorum is present in accordance with the Meetings Provisions) by a majority consisting of not less than 66 2/3rds per cent. of the votes cast; or
- (b) made by way of Written Resolution by Voting Noteholders passed in accordance with the Meetings Provisions.

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised under any acceptance credit, or bill acceptance, discount or endorsement facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with any applicable generally accepted accounting practices, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any redeemable shares where the holder has the right, or the right in certain conditions, to require redemption;
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (h) consideration for the acquisition of assets (excluding inventory bought in the ordinary course of business) or services payable more than 90 days after acquisition;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) inclusive above.

For the purposes of these Terms and Conditions, any possible increase in Financial Indebtedness resulting from changes to accounting definitions will be disregarded.

First Optional Redemption Date means, in relation to a Note, the date so specified in the relevant Pricing Supplement applying to that Note.

Fixed Interest Amount means the amount specified in, or determined in accordance with, the Pricing Supplement.

Fourth Optional Redemption Date means, in relation to a Note, each date so specified in the relevant Pricing Supplement applying to that Note.

General Security Deed means the document entitled "General Security Deed" dated 7 September 2018 between the Issuer and the Security Trustee.

Government Agency means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange or other relevant authority.

GST means any goods and services or similar tax, together with any related interest, penalties, fines or other charge.

Information Memorandum means the Information Memorandum dated 11 September 2018 prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue

of the Notes, and such documents as are incorporated by reference into it, including any relevant Pricing Supplements, and any other amendments to it or supplements to such Information Memorandum.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has a controller appointed, is in liquidation, in provisional liquidation, under administration or wound up or has had a receiver appointed to any part of its property (each as defined in the Corporations Act);
- (c) it is subject to:
 - (i) any arrangement, assignment, moratorium or composition with its creditors in respect of or affecting all or a material part of (or of a particular type of) its debts; or
 - (ii) protected from creditors under any statute or dissolved,

in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by an Extraordinary Resolution of Voting Noteholders;
- (d) an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;
- (e) it ceases, suspends or threatens to cease or suspend the conduct of all or substantially all of its business, or disposes or threatens to dispose of substantially all of its assets;
- (f) it is taken (under section 459(F)(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (g) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Note Trustee or the Noteholders reasonably deduces it is so subject);
- (h) it is otherwise unable to pay its debts when they fall due; or
- (i) something having a substantially similar effect to paragraphs (a) to (h) above happens in connection with that person (including, for the avoidance of doubt, with respect to a Relevant Trust) under the law of any jurisdiction.

Interest Accrual Date means, in relation to a Class A Note or Class B Note, the Issue Date or such other date as may be specified as such in the relevant Pricing Supplement as the date on and from which interest accrues on that Note.

Interest Amount means, in relation to any Class A Note or Class B Note, the amount of interest payable in respect of such Note as determined under Condition 6.4 (Calculation of Interest Amount).

Interest Payment Date means, in relation to any Class A Note or Class B Note, each date specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement as a date on which a payment of interest on that Note is due and adjusted, if necessary, in accordance with the applicable Business Day Convention.

Interest Period means, in relation to any Class A Note or Class B Note, the period from and including an Interest Payment Date to but excluding the next Interest Payment Date, except that:

- (a) the first Interest Period commences on (and includes) the Interest Accrual Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date or, if redeemed prior to that date, the relevant Optional Redemption Date.

Interest Rate means, in relation to any Class A Note or Class B Note, the rate of interest (expressed as a per cent. per annum) payable in respect of that Note specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

Issue Date means, in relation to any Note, the date recorded or to be recorded in the Register as the date on which the Note is issued as specified in the relevant Pricing Supplement.

Issue Price means, in respect of a Note, the price of that Note as set out in the relevant Pricing Supplement.

Issuing Agent means EQT Australia Pty Ltd (ABN 88 111 042 132) in its capacity as issuing agent.

Loan to Value Ratio or **LVR** at any time, in relation to a Loan, means the ratio, expressed as a percentage, calculated as follows:

$$\text{LVR} = (A+B)/C$$

where:

LVR = the Loan to Value Ratio at a given time;

A = the Outstanding Balance of such Loan owing by the applicable Obligor at such time;

B = is the sum of all other amounts owing by the applicable Obligor to any person to the extent the obligation to pay such amounts is secured by a Security Interest over the Charged Property; and

C = the value of the Charged Property of the applicable Obligor at such time as set out in the Quarterly Asset Report most recently delivered by the Issuer to the Note Trustee in accordance with Condition 4.4(a)(i) (Covenant testing).

Loan means the right, title and interest in, to and under any loans or monetary obligations Originated or Acquired by the Issuer or specified in an Origination Notice or Sale Notice, including, without limitation:

- (a) a commercial line of credit or other commercial revolving facility, commercial loan or debt finance facility, where debt is provided to a person trading with an ABN or a body corporate; or
- (b) the Related Securities and other rights in respect of such an asset,

and Loan will be construed accordingly.

Maturity Date means, in relation to any Note, the date specified in the relevant Pricing Supplement as the Maturity Date for that Note.

Meeting Provisions means the provisions for the convening of meetings and passing of resolutions by Voting Noteholders set out in Schedule 2 to the Note Trust Deed.

Mortgage in relation to a Loan means each registered mortgage over land situated in any State or Territory of Australia and securing, amongst other things, the repayment of the Loan and the payment of interest and all other moneys owing in respect of the Loan notwithstanding that by its terms the mortgage may secure other liabilities.

Note means a medium term debt obligation of the Issuer issued in registered form evidencing the rights of a Noteholder to be paid certain moneys under the Note Trust Deed, constituted by, and owing under the Note Trust Deed and title to which is recorded in and evidenced by an inscription in the Register.

Noteholder means, in relation to a Note, the person whose name is, for the time being, entered in the Register as the holder of that Note or, where such Note is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Note.

Note Document means the Note Trust Deed, these Terms and Conditions and each Pricing Supplement.

Note Trust has the meaning given in the Note Trust Deed.

Note Trustee means EQT Structured Finance Services Pty Ltd (ABN 54 152 197 825) in its capacity as trustee of the Note Trust or such other person appointed under the Note Trust Deed as trustee of the Note Trust.

Note Trust Deed means the document entitled "Note Trust Deed" dated 6 September 2018 and executed by the Issuer and the Note Trustee.

Obligor has the meaning given in the Sale, Origination and Servicing Agreement.

Offshore Associate means an associate (as defined in section 128F(9) of the Tax Act) that is either:

- (a) a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia.

Optional Redemption Date means each of the First Optional Redemption Date, the Second Optional Redemption Date, the Third Optional Redemption Date or the Fourth Optional Redemption Date, as applicable.

Ordinary Resolution means a resolution:

- (a) passed at a meeting of Voting Noteholders (at which the requisite quorum is present as set out in the Meetings Provisions) by a majority consisting of more than 50 per cent. of the votes cast; or
- (b) made by way of Written Resolution by Voting Noteholders passed in accordance with the Meetings Provisions.

Origination means the making, creating, funding or writing of a Loan by the Issuer. **Originate** and **Originated** shall be construed accordingly.

Origination Notice has the meaning given in the Sale, Origination and Servicing Agreement.

Originator means Australian Secure Capital Fund Ltd (ABN 38 613 497 635).

Originator Default has the meaning given in the Sale, Origination and Servicing Agreement.

Outstanding Balance in relation to a Loan at any time means the sum of:

- (a) the principal outstanding in respect of that Loan at that time; and
- (b) the then unpaid amount of all finance charges, interest payments, fees and other amounts accrued on, or payable under or in connection with, that Loan or its Related Security at that time.

Outstanding Principal Amount means, in relation to a Note, the principal amount outstanding on that Note from time to time.

Paying Agent means EQT Australia Pty Ltd (ABN 88 111 042 132) in its capacity as paying agent or such other person appointed by the Issuer pursuant to the Agency and Registry Services Agreement as paying agent from time to time.

Payment Date means, in respect of a Note, its Maturity Date, an Interest Payment Date (if applicable) or any other relevant date on which a payment in respect of that Note is due, adjusted in accordance with the applicable Business Day Convention.

Permitted Distribution means any Distribution that is declared or paid, provided that:

- (a) no Event of Default or Unwind Event exists and is continuing at the time such Distribution is declared and paid;
- (b) the declaration and payment of such Distribution does not result in the Issuer breaching the Required Subordination Level; and
- (c) after such Distribution is paid, the Issuer shall have sufficient funds to meet its principal and interest obligations in relation to the Notes for the three months following the date such Distribution is declared or paid, as applicable.

Permitted Financial Indebtedness means:

- (a) Financial Indebtedness under Notes issued on or after the initial Issue Date, provided that such Notes:
 - (i) either:
 - (A) comprise part of an existing Series of Notes; or
 - (B) have a Maturity Date no earlier than the Maturity Date of the Notes issued on the initial Issue Date; and
 - (ii) do not result in the Issuer breaching the Required Subordination Level; or
- (b) any other Financial Indebtedness approved by the Voting Noteholders by way of Extraordinary Resolution pursuant to the Meeting Provisions.

Permitted Security Interest means:

- (a) the Security; and

- (b) any Security Interest approved by the Voting Noteholders by way of Extraordinary Resolution pursuant to the Meeting Provisions.

PPSA means the *Personal Properties Securities Act 2009* of the Commonwealth of Australia.

Pricing Supplement means each Pricing Supplement executed by the Issuer and prepared in relation to the Notes of the relevant Tranche or Series (substantially in the form set out in the Information Memorandum) as a supplement, modification or replacement of these Terms and Conditions and giving details of that Tranche or Series.

Quarterly Asset Report in relation to a Quarterly Period means a report prepared by the Asset Auditor for such Quarterly Period, certifying that:

- (a) as of the date of the report, the Issuer is in compliance in all material respects with the covenants set out in Condition 4.2(c) (Financial covenants) and Condition 4.4 (Eligible Loan covenants);
- (b) all Loans Originated or Acquired prior to the date of such report satisfied the Eligibility Criteria in all material respects on the date of their Origination or their Acquisition, as applicable; and
- (c) each condition precedent to the obligation of the Issuer to fund the Origination or Acquisition of a Loan has been satisfied in all material respects by the Originator or the relevant Seller, as applicable, with respect to each Funding Request delivered to the Issuer in such Quarterly Period.

Quarterly Period means each three month period ending on 31 March, 30 June, 30 September and December 31 of each calendar year.

Record Date in relation to a Payment Date means the close of business in the place where the Register is maintained on the date which is the eighth calendar day before the relevant Payment Date, or any other date so specified in the relevant Pricing Supplement.

Redemption Amount in relation to a Note means, unless otherwise specified in the relevant Pricing Supplement, the Outstanding Principal Amount in respect of that Note as at the date of its redemption, and includes any other amount in the nature of a redemption amount specified in, or determined in accordance with, the relevant Pricing Supplement or these Terms and Conditions.

Register means a register of Noteholders maintained by the Registrar on behalf of the Issuer pursuant to the Agency and Registry Services Agreement in which is inscribed the information set out in Condition 10.1(b) (Registrar's role).

Registrar means EQT Australia Pty Ltd (ABN 88 111 042 132) in its capacity as registrar of the Notes or such other person appointed by the Issuer pursuant to the Agency and Registry Services Agreement to establish and maintain the Register on the Issuer's behalf from time to time.

Regulations mean the Austraclear Regulations or the terms and conditions and operating procedures of Euroclear or Clearstream from time to time.

Required Subordination Level means:

- (a) at any time after the date that is 30 days after the initial Issue Date and before the date that is one year after the initial Issue Date:
 - (i) the Class A Subordination Level must not be less than 15.0%; and

- (ii) the Class B Subordination Level must not be less than 5.0%; and
- (b) at any time after the date that is one year after the initial Issue Date:
 - (i) the Class A Subordination Level must not be less than 20.0%; and
 - (ii) the Class B Subordination Level must not be less than 8.57%.

Related Body Corporate has the meaning it has in the Corporations Act.

Related Securities means, in respect of a Loan:

- (a) any:
 - (i) Mortgage;
 - (ii) other Security Interest;
 - (iii) guarantee, indemnity or other assurance; or
 - (iv) asset,

which, in either case, secures or otherwise provides for the repayment or payment of the amount owing under the Loan; and

- (b) any insurance policy both present and future in respect of the Loan.

Relevant Member has the meaning given in Condition 5.1(c) (Notes lodged in Austraclear).

Relevant Period means, as at any date of determination, the period of twelve months most recently ended prior to the date of determination.

Responsible Entity means Australian Secure Capital Fund Ltd in its capacity as the responsibility entity for the ASCF #1 Fund and the ASCF #2 Fund.

Ruling Notes means:

- (a) while any Class A Notes remain outstanding, the Class A Notes;
- (b) if no Class A Notes remain outstanding, the Class B Notes; and
- (c) if no Class A Notes or Class B Notes remain outstanding, the Class C Notes until no Notes remain outstanding.

Sale Notice has the meaning given in the Sale, Origination and Servicing Agreement.

Sale, Origination and Servicing Agreement means the Sale, Origination and Servicing Agreement dated 10 September 2018 between the Issuer, the Note Trustee, the Originator, each Seller and the Servicer.

Second Optional Redemption Date means, in relation to a Note, each date so specified in the relevant Pricing Supplement applying to that Note.

Secured Moneys means all debts and monetary liabilities of the Issuer (whether alone or not) to or for the account of any of Beneficiary (whether alone or not) in any capacity under or in relation to any Transaction Document, irrespective of whether the debts or liabilities:

- (a) are present or future;
- (b) are actual, prospective, contingent or otherwise;
- (c) are at any time ascertained or unascertained;
- (d) are owed or incurred by or for the account of the Issuer alone, or severally or jointly with any other person;
- (e) are owed to, or incurred for the account of, any Beneficiary, alone, or severally or jointly with any other person;
- (f) are owed to any other person as agent (whether disclosed or not) for or on behalf of any Beneficiary;
- (g) are owed or incurred as principal, interest, fees, charges, Taxes, damages (whether for breach of contract, tort or incurred on any other ground), losses, costs or expenses, or on any other account;
- (h) would have been payable to a Beneficiary but remains unpaid by reason of the Issuer being Insolvent; or
- (i) are the subject of a right of indemnity from any trust assets in respect of which the Issuer acts as trustee or responsible entity.

Security has the meaning given in the Security Trust Deed.

Security Interest includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including under sections 12(1) and (2) and (3) of the PPSA) or any other right of, or arrangement with, any creditor to have its claims satisfied in priority to other creditors with, or from the proceeds of, any asset. It includes retention of title other than in the ordinary course of day-to-day trading and a deposit of money by way of security but it excludes a charge or lien arising in favour of a government agency by operation of statute unless there is default in payment of moneys secured by that charge or lien.

Security Trust has the meaning given in the Security Trust Deed.

Security Trust Deed means the document entitled "Security Trust Deed" dated 6 September 2018 between, among others, the Issuer, the Note Trustee and the Security Trustee.

Security Trust Deed Accession Deed has the meaning given in the Security Trust Deed.

Security Trustee means EQT Securitisation Services Pty Ltd (ABN 34 626 593 271) in its capacity as trustee of the Security Trust constituted by the Security Trust Deed or such other person appointed under the Security Trust Deed as trustee of the Security Trust.

Seller means each of Australian Secure Capital Fund Ltd as trustee for ASCF #1 Fund (ABN 23 889 585 480) and Australian Secure Capital Fund Ltd as trustee for ASCF #2 Fund (ABN 86 563 929 221).

Series means Notes made up of one or more Tranches which are expressed to be consolidated and form a single Series and are issued on the same Terms and Conditions except that the

Issue Price, Issue Date and Interest Accrual Date may be different in respect of a different Tranche of a Series.

Servicer means Australian Secure Capital Fund Ltd (ABN 38 613 497 635) or such other person appointed as the servicer under the Sale, Origination and Servicing Agreement.

Servicer Default has the meaning given to it in the Sale, Origination and Servicing Agreement.

Specified Office means the office specified in the Information Memorandum or any other address notified to Noteholders from time to time.

Sub-Servicing Deed means the Sub-Servicing Deed dated 10 September 2018 between the Servicer and the Delegate Servicer.

Subsidiary has the meaning given in the Corporations Act, but an entity will also be taken to be a Subsidiary of an entity if it is controlled by that entity as determined by the Accounting Standards and, without limitation:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (b) an entity may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, GST or withholding (including stamp and transaction duties) which is levied or imposed by a Tax Authority, and any related interest, penalty, charge, fee, fine, expenses or other amount in connection with them except if imposed on, or calculated having regard to, the net income of a Noteholder.

Tax Act means the *Income Tax Assessment Act 1936* (Cth) and, where applicable, the *Income Tax Assessment Act 1997* (Cth).

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes.

Test Date means each date on which:

- (a) Permitted Financial Indebtedness has been incurred by the Issuer;
- (b) a Permitted Security Interest has been created or permitted to subsist by the Issuer; or
- (c) any Distribution has been declared or paid by Issuer.

Third Optional Redemption Date means, in relation to a Note, the date so specified in the relevant Pricing Supplement applying to that Note.

Tranche means an issue of Notes specified as such in the relevant Pricing Supplement issued on the same Issue Date, and on the same Terms and Conditions.

Transaction Document means:

- (a) each Note Document;
- (b) the Agency and Registry Services Agreement;
- (c) the Sale, Origination and Servicing Agreement;

- (d) the Sub-Servicing Deed;
- (e) the Account Control Deed;
- (f) the Security Trust Deed;
- (g) each Security Trust Deed Accession Deed;
- (h) the General Security Deed and any other document comprising the Security; and
- (i) any other document which is agreed by the Issuer and the Note Trustee to be a Transaction Document for the purpose of the Notes.

Transfer and Acceptance Form means such form as the Registrar adopts in line with the then current market practice to effect a transfer of Notes.

Unwind Date has the meaning given in Condition 11.2 (Consequences of an Unwind Event).

Unwind Event means an event specified in Condition 11.1 (Unwind Events).

Voting Noteholder means each person whose name is, for the time being, entered in the Register as the holder of a Ruling Note or, where such Ruling Note is owned jointly by one or more persons, the persons whose names appear in the Register as the joint owners of that Ruling Note.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Terms and Conditions to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) anything (including an amount) is a reference to the whole and each part of it;
- (d) a document includes any variation or replacement of it;
- (e) “law” includes common law, principles of equity and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (f) a time of day is a reference to Brisbane time;
- (g) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- (h) the word “person” includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity;
- (i) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

- (j) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (k) an Event of Default or an Unwind Event is "subsisting" if it has not been remedied or waived in writing by the Note Trustee in accordance with the Note Documents;
- (l) the “principal” amount of a Note at any time is to be taken to be its Denomination less any Redemption Amounts paid in respect of that Note; and
- (m) "interest" is taken to include any additional amounts and any other amount in the nature of interest payable in respect of the Notes under these Terms and Conditions.

1.3 Number

The singular includes the plural and vice versa.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms and Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the relevant Pricing Supplement as having a defined meaning have the same meaning when used in these Terms and Conditions but if the relevant Pricing Supplement gives no meaning or specifies that a definition is "Not Applicable", then that definition is not applicable to the Notes.

1.6 GST

- (a) All payments to be made by the Issuer in respect of the Notes are to be made without regard to GST. If all or any part of such payment is the consideration for a taxable supply for GST purposes then, when the Issuer makes that payment, it must pay to the relevant Noteholder an additional amount equal to that payment (or part) multiplied by the appropriate rate of GST (currently 10 per cent.).
- (b) To the extent that GST is payable under paragraph (a) and the relevant Noteholder is registered for GST, that Noteholder will promptly provide to the Issuer a tax invoice complying with the relevant GST legislation.

1.7 Terms

- (a) The Issuer will issue the Notes on the terms set out in these Terms and Conditions as supplemented, amended, modified or replaced by the relevant Pricing Supplement to those Notes.
- (b) In relation to a Note, if there is any inconsistency between these Terms and Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement applying to that Note prevails in respect of that Note.

1.8 Class C Notes

References to interest in these Terms and Conditions are not applicable to the Class C Notes.

2 Form, title and terms

2.1 Notes divided into Classes

The Notes are divided into three Classes as follows:

- (a) the Class A Notes;
- (b) the Class B Notes; and
- (c) the Class C Notes.

Notes comprising a Class of Notes are consolidated and form a single Series separate from each other Series comprised of each other Class of Notes.

2.2 Constitution under the Note Trust Deed

- (a) The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Trust Deed.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Note Trust Deed.

2.3 Form

- (a) Each Note is issued in registered uncertificated form by entry in the Register.
- (b) Each Note is a separate debt obligation of the Issuer and may (subject to compliance with Condition 5 (Transfers of Notes)) be transferred separately from any other Note.

2.4 Currency and amounts

- (a) Notes will be issued in Australian dollars in a single denomination of A\$1,000.
- (b) Notes may only be issued or sold in or into Australia:
 - (i) if the amount subscribed for, or the consideration payable to the Issuer, by the relevant Noteholder is a minimum of A\$500,000 (or its equivalent in other currencies) (disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Parts 6D.2 and 7.9 of the Corporations Act)) unless the issue or sale is otherwise in circumstances that do not require disclosure under Parts 6D.2 and 7.9 of the Corporations Act;
 - (ii) if the offer or an invitation (including any resulting issue or sale) does not constitute an offer to a “retail client” as that term is defined in section 761G of the Corporations Act; and
 - (iii) such action does not require any document to be lodged with the Australian Securities and Investments Commission.
- (c) Subject to Condition 2.4(b) (Currency and Amounts), Notes may be issued or sold in Australia if the amount subscribed for, or the consideration payable to the Issuer, by the relevant Noteholder is a minimum of A\$50,000 (or its equivalent in other currencies).

- (d) Notes to be sold outside of Australia must be sold in compliance with all applicable laws and regulations of the jurisdiction in which the sale is to take place.

2.5 Note owners

- (a) Subject to paragraph (c) below, the person whose name is inscribed in the Register as the registered owner of any Note from time to time will be treated by the Issuer, the Paying Agent and the Registrar as the absolute owner of such Note for all purposes whether or not any payment in relation to such Note is overdue and regardless of any notice of ownership or any other interest inscribed in the Register. Two or more persons registered as Noteholders are taken to be joint holders with right of survivorship between them.
- (b) Subject to paragraph (c) below, upon a person acquiring title to a Note by virtue of becoming registered as the owner of that Note, all rights and entitlements arising by virtue of the Note Trust Deed in respect of that Note vest absolutely in the registered owner of the Note, so that no person who has previously been registered as the owner of the Note nor any other person has or is entitled to assert against the Issuer or the Registrar or the registered owner of the Note for the time being and from time to time any rights, benefits or entitlements in respect of the Note.
- (c) None of the Issuer nor the Registrar nor any other person is, except as required by order of a court of competent jurisdiction, or as required by law, obliged to take notice of any other claim to or in respect of Notes.
- (d) Without limitation, except as provided by statute or as required by order of a court of competent jurisdiction, no notice of any trust (whether express, implied or constructive) may be inscribed in the Register in respect of a Note and the Registrar is not obliged to recognise any trust.

2.6 Inscription conclusive

Each inscription in the Register in respect of a Note is:

- (a) sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered owner of the Note;
- (b) evidence for the benefit of the relevant Noteholder, that a separate and individual acknowledgement by the Issuer of its indebtedness to that person is constituted by and owing under the Note Trust Deed and of the vesting in such person of all rights vested in a Noteholder by the Note Trust Deed; and
- (c) evidence that the person whose name is so inscribed is entitled to the benefit of an unconditional and irrevocable undertaking by the Issuer constituted by the Note Trust Deed that the Issuer will make all payments of principal and interest (if any) in respect of the Note and otherwise comply with its obligations under and in accordance with these Terms and Conditions (and, for the avoidance of doubt, the Issuer is not obliged to make any payment in respect of a Note to any person who is not inscribed in the Register as the holder of that Note).

2.7 Manifest errors

The making of, or the giving effect to, a manifest error in an inscription into the Register will not avoid the constitution, issue or transfer of a Note. The Registrar must correct any manifest or proven error of which it becomes aware.

2.8 No certificate

- (a) Except as permitted under paragraph (b), no certificate or other evidence of title shall be issued by or on behalf of the Issuer to evidence title to a Note unless the Issuer determines that certificates should be made available or that it is required to do so under any applicable law or regulation.
- (b) The Issuer agrees, on request by a Noteholder, to procure the Registrar to provide (and the Registrar agrees to provide) to the Noteholder a certified extract of the particulars inscribed on the Register in relation to that Noteholder and the Notes held by it.

2.9 Austraclear System

If the Notes are held in the Austraclear System, the rights of a person holding an interest in those Notes are subject to the Austraclear Regulations. The Issuer is not responsible for anything the Austraclear System does or omits to do, provided that this does not affect a Noteholder's ability to enforce its rights in respect of any applicable Notes arising under, and in accordance with, these Terms and Conditions.

3 Status of the Notes and Security

3.1 Status of the Notes

- (a) The Notes constitute direct, secured and unconditional obligations of the Issuer.
- (b) The Notes rank in priority to all unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.
- (c) The Notes of each Class rank equally amongst themselves.
- (d) The Classes of Notes rank against each other in the following order of seniority, with the Class A Notes ranking senior in priority and all other respects to the Class B Notes and Class C Notes and the Class B Notes ranking senior in priority and all other respects to the Class C Notes but junior in priority and all other respects to the Class A Notes:
 - (i) Class A Notes;
 - (ii) Class B Notes; and
 - (iii) Class C Notes.

3.2 Security

- (a) Amounts due under the Notes and the Note Trust Deed are secured on a first ranking basis by the Security. The Security Trustee holds the Security on trust for the Beneficiaries (as defined in the Security Trust Deed, and which includes the Note Trustee and the Noteholders) subject to the terms of the Security Trust Deed. By the Note Trustee being a party to the Security Trust Deed, the Noteholders receive, through the Note Trustee, the benefit of the Security Trust Deed and the Security.
- (b) The Issuer shall make or cause to be made all filings, registrations, recordings or notices and take all other actions, as may be reasonably necessary, in any jurisdiction, to perfect the Security Interest of the Security Trustee in the Security (unless otherwise provided in the Security Documents).

- (c) The Issuer shall maintain the Security as required by Security Documents and shall otherwise comply with all of its obligations under the Security Documents.

4 Negative Pledge and Financial and SPV Covenants

4.1 Negative pledge

The Issuer will not create or permit to subsist any Security Interest upon the whole or any part of its present or future assets other than a Permitted Security Interest.

4.2 Financial covenants

- (a) The Issuer will not:
 - (i) incur any new Financial Indebtedness after the initial Issue Date; and/or
 - (ii) refinance, amend, amend and restate or extend any Financial Indebtedness after the Issue Date,other than Permitted Financial Indebtedness.
- (b) The Issuer will not:
 - (i) declare or pay any Distribution other than a Permitted Distribution;
 - (ii) reduce, return, purchase, repay, cancel or redeem any of its share capital or buy back any of its shares including under Chapter 2J of the Corporations Act; or
 - (iii) pay any interest or other amounts in respect of any Financial Indebtedness other than the Notes.
- (c) Unless otherwise approved by an Extraordinary Resolution of Voting Noteholders in accordance with the Meeting Provisions, the Issuer must maintain the Required Subordination Level at all times.

4.3 SPV covenants

- (a) The Issuer will ensure that it will not (whether in a single transaction or a series of related transactions) Dispose of any assets (other than, for the avoidance of doubt, cash), other than as approved by an Extraordinary Resolution of Voting Noteholders in accordance with the Meeting Provisions.
- (b) The Issuer will do everything necessary to maintain its corporate existence.
- (c) The Issuer will comply with all laws binding on it where a failure to comply would have a material adverse effect on the ability of the Issuer to comply with its obligations under the Notes and/or the Security (as applicable).
- (d) The Issuer will not carry on any business or other activity other than as contemplated by the Transaction Documents and it will not acquire any assets other than Loans and Related Securities or incur any liabilities other than as contemplated by the Transaction Documents.
- (e) The Issuer will not enter into a partnership or joint venture with another person.

- (f) The Issuer will not advance money or make available financial accommodation to or for the benefit of or give a guarantee or Security Interest in connection with an obligation or liability of any other person.
- (g) The Issuer will not create or acquire a Subsidiary.
- (h) The Issuer will not amend its constitution.
- (i) The Issuer will not issue any shares or agree to do so or grant a person a right to take up any shares whether exercisable now or in the future or if a contingency occurs, except to any party who was a shareholder of the Issuer on the initial Issue Date.
- (j) It will ensure that it is not at any time liable for Tax other than in respect of its own assets and activities (including as a result of any tax consolidation or any tax sharing agreement).
- (k) It will not become a member of a Consolidated Group.

4.4 Eligible Loan covenants

Unless otherwise approved by an Extraordinary Resolution of Voting Noteholders in accordance with the Meeting Provisions, the weighted average LVR of all Loans Acquired or Originated by the Originator, the Servicer or the Issuer must not exceed 72.5% at any time.

4.5 Covenant testing

- (a) The Issuer will provide the following to the Note Trustee no later than 45 days after the end of each Quarterly Period:
 - (i) a Quarterly Asset Report with respect to such Quarterly Period; and
 - (ii) a certificate signed by an Authorised Officer of the Issuer which certifies that there has been no Unwind Event or Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be an Unwind Event or Event of Default under the Transaction Documents.
- (b) The Issuer will provide the Note Trustee not later than 30 days after each applicable Test Date with a certificate signed by an Authorised Officer of the Issuer which certifies whether, in the Authorised Officer's opinion and after having made all reasonable enquiries, the Issuer has where applicable:
 - (i) in respect of a Test Date arising under paragraph (a) or (b) of the definition of 'Test Date' complied with the covenants set out in Conditions 4.1 (Negative Pledge), 4.2 (Financial covenants) and 4.3(c) (SPV covenants) on that Test Date; and
 - (ii) in respect of a Test Date arising under paragraph (c) of the definition of 'Test Date':
 - (A) complied with the covenants set out in Conditions 4.2(b) (Financial covenants) and 4.3(c) (SPV covenants) on that Test Date; and
 - (B) sufficient funds to meet its principal and interest obligations in relation to the Notes on the next Interest Payment Date.
- (c) In the case of any certificate to be provided under paragraphs (a) and (b) above, in the event that the Issuer is not in compliance with any such covenant or an Unwind Event, an

Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing) be an Unwind Event or Event of Default has occurred, such certificate will give reasonable detail of such non-compliance or event or circumstance (including any relevant figures and calculations) and the steps being taken to remedy the same.

- (d) Upon the written request of a Noteholder (but not otherwise), the Note Trustee will provide a copy of any certificate provided to it under this Condition 4.5 (Covenant testing).
- (e) If the Note Trustee (acting either on its own discretion or upon receipt of a written request of a Noteholder) requests, within 10 Business Days of the Issuer providing a certificate pursuant to Condition 4.5(a) (Covenant testing), the Issuer will provide (at its own cost), any document or other information that the Note Trustee may reasonably request that is necessary or desirable to allow the Note Trustee or a Noteholder to determine whether or not the Issuer is in compliance with each of the covenants set out in Conditions 4 (Negative Pledge and Financial and SPV Covenants) as at the relevant Test Date.

4.6 Use of proceeds

The Issuer will only use the proceeds of any Notes to:

- (a) fund the Acquisition or Origination of Eligible Loans and their Related Securities in accordance with the Transaction Documents;
- (b) pay for Costs incurred in connection with the issuance of the Notes;
- (c) pay interest on the Notes; and
- (d) fund the redemption of Notes,

in each case, in accordance with these Terms and Conditions.

5 Transfers of Notes

5.1 Notes lodged in Austraclear

- (a) Unless the relevant Pricing Supplement otherwise provides, the Notes will be lodged into the Austraclear System.
- (b) If the Notes are lodged into the Austraclear System, the Registrar will inscribe Austraclear in the Register as the Noteholder of those Notes. While those Notes remain in the Austraclear System:
 - (i) all payments and notices required of the Issuer or the Registrar in relation to those Notes will be made in accordance with the Austraclear Regulations; and
 - (ii) all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the Austraclear Regulations.
- (c) If Austraclear is inscribed in the Register in respect of a Note, despite any other provision of these Terms and Conditions, that Note is not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of that Note, and the relevant member of the Austraclear System to whose security account the Note is credited in respect of that Note (**Relevant Member**) has no right to request any registration or any transfer of that Note, except that:

- (i) for any repurchase, redemption or cancellation (whether on or before the Maturity Date of the Note), a transfer of that Note from Austraclear to the Issuer may be inscribed in the Register; and
- (ii) either:
 - (A) Austraclear gives notices to the Registrar stating that the Relevant Member has stated to Austraclear that it needs to be registered in relation to the Note in order to pursue any rights against the Issuer; or
 - (B) Austraclear purports to exercise any power it may have under the Austraclear Regulations from time to time or these Terms and Conditions, to require Notes to be transferred on the Register to the Relevant Member,

the Note may be transferred on the Register from Austraclear to the Relevant Member, in any of these cases, the Note will cease to be held in the Austraclear System.
- (d) On admission to the Austraclear System, interests in the Notes may be held through the Euroclear System or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, or any successor appointed from time to time, while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by J.P. Morgan Nominees Australia Limited as nominee of Clearstream, Luxembourg, or any successor appointed from time to time.
- (e) The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg and their respective nominees and the rules and regulations of the Austraclear System.
- (f) In addition, any transfer of interests in Notes which are held through Euroclear or Clearstream, Luxembourg (to the extent such transfer will be recorded in the Austraclear System and is in respect of offers or invitations received in Australia) will be subject to the Corporations Act and the other requirements set out in the Notes.
- (g) For so long as any Note is lodged in the Austraclear System the right of a relevant Noteholder to be registered as the Noteholder of that Note, and the transfer of that Note, shall be governed by the relevant Regulations.

5.2 Transfers of Notes not held in Austraclear

Notes which are not held in the Austraclear System are transferable without the consent of the Issuer or the Registrar.

5.3 Compliance with law

- (a) Notes may only be transferred in accordance with all applicable laws and regulations of each relevant jurisdiction.
- (b) Without limiting Condition 5.3(a), Notes which are transferred in respect of offers or invitations received in Australia must be transferred for a consideration of not less than A\$500,000 (or its equivalent in other currencies) (disregarding amounts, if any, lent by the Issuer or other person offering the Notes or its associates) unless the transfer does not require disclosure under Parts 6D.2 and 7.9 of the Corporations Act.

5.4 Transfers in whole

A Note is transferable in whole (but not in part).

5.5 Transfer and Acceptance Forms for Notes

A Note may be transferred by a duly completed and (if applicable) stamped Transfer and Acceptance Form obtainable from the Registrar. Unless a contrary intention is expressed in a Transfer and Acceptance Form, all contracts relating to the transfer of Notes are governed by the laws applicable to the Notes. The Issuer is not obliged to stamp the Transfer and Acceptance Form.

5.6 Registration requirements for transfer

Every Transfer and Acceptance Form in respect of Notes must be:

- (a) signed by the transferor and the transferee;
- (b) delivered to the office of the Registrar for registration;
- (c) accompanied by such evidence as the Registrar may reasonably require to prove the title of the transferor or the transferor's right to transfer those Notes; and
- (d) duly stamped, if necessary.

5.7 Registration of transfers

Subject to this Condition 5 (Transfers of Notes), the Registrar must register a transfer of Notes. Upon inscription of the name, address and all other required details of the transferee in the Register, the Issuer must recognise the transferee as the Noteholder entitled to the Notes that are the subject of the transfer. Entry of such details in the Register constitutes conclusive proof of ownership by that transferee of those Notes subject to correction for manifest error. The transferor remains the owner of the relevant Notes until the required details of the transferee are inscribed in the Register in respect of those Notes. Subject to Condition 5.9 (Marking of transfer), the Registrar must register the transfer of a Note whether or not the Transfer and Acceptance Form to which the transfer relates has been marked by the Registrar.

5.8 No fee

No fee or other charge is payable to the Issuer or the Registrar in respect of the transfer or registration of any Note.

5.9 Marking of transfer

The Registrar may mark any Transfer and Acceptance Form in its customary manner. Such marking prohibits a dealing with the relevant Notes as specified in the marking notation for a period from the date of marking to the earliest of:

- (a) 15 days from the date of marking;
- (b) the date the Registrar cancels the marking notation on the Transfer and Acceptance Form; and
- (c) the date the Registrar receives notification of the execution of the marked Transfer and Acceptance Form by the transferee.

5.10 Destruction

Any Transfer and Acceptance Form may, with the prior written approval of the Issuer, be destroyed by the Registrar after the inscription in the Register of the particulars set out in the form. On receipt of such approval, the Registrar must destroy the Transfer and Acceptance Form as soon as reasonably practicable and promptly notify the Issuer in writing of its destruction.

5.11 Deceased persons/bankrupt persons/unincorporated associations

- (a) A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may transfer the Note or, if so entitled, become registered as the Noteholder of the relevant Note upon producing such evidence as to that entitlement or status as the Registrar considers sufficient.
- (b) The Registrar may decline to give effect to a transfer of any Notes inscribed in the Register in the name of a deceased person who has two or more personal representatives unless the Transfer and Acceptance Form is executed by all of them.
- (c) A transfer to an unincorporated association is not permitted.

5.12 Stamp duty

- (a) The Issuer will bear any stamp duty payable on the issue, subscription or redemption of the Notes.
- (b) The Noteholder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or any other dealing with Notes.

5.13 Restrictions on transfers

Transfers of Notes which are not lodged in the Austraclear System cannot be made between a Record Date and the relevant Interest Payment Date if a redemption of such Note is to occur during that period in accordance with these Terms and Conditions.

6 Interest

6.1 Application

- (a) The Class A Notes and Class B Notes must bear a fixed rate of interest as specified in the relevant Pricing Supplement.
- (b) Class C Notes will not bear any interest.

6.2 Period of accrual of interest

- (a) Interest accrues on the Outstanding Principal Amount of the relevant Notes from the relevant Interest Accrual Date at the applicable Interest Rate. Interest ceases to accrue on such Notes from the relevant Maturity Date unless default is made in the payment of any principal amount in respect of such Notes.
- (b) In the event default is made in the payment of any principal amount in respect of the Class A Notes or Class B Notes, any overdue principal of a Class A Note or a Class B Note will bear interest at the sum of the Interest Rate and the default rate specified in the

relevant Pricing Supplement , both before and after any demand or judgment, until the date on which payment is made in full to the relevant Noteholder.

6.3 Interest Payment Dates

Interest is payable on the Class A Notes and Class B Notes on the relevant Interest Payment Dates, or as otherwise specified in the relevant Pricing Supplement.

6.4 Calculation of Interest Amount

The Interest Amount must be calculated by the Calculation Agent named as such in the relevant Pricing Supplement by applying the Interest Rate to the Outstanding Principal Amount of each relevant Note, multiplying such sum by the relevant Day Count Basis for the relevant Interest Period. The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

6.5 Notification of Interest Rate and Interest Amount

The Issuer will procure that the Calculation Agent will, if requested in writing by a Noteholder, notify that Noteholder of the Interest Rate, the Interest Amount and the relevant Interest Payment Date. In relation to any Note, the Interest Amount and the Interest Payment Date (but in no event, the Interest Rate) so notified may be subsequently amended (or appropriate alternative arrangements made by the Calculation Agent by way of adjustment) without notice if and to the extent that the Interest Period is extended or shortened.

6.6 Notification, etc to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (Interest) by the Calculation Agent are (in the absence of manifest or proven error) binding on the Paying Agent, the Registrar, the Note Trustee and all Noteholders.

6.7 Business Days

In the event that any Interest Payment Date or Maturity Date on a Note is not a Business Day, interest on such Note will be paid on the next succeeding Business Day without any additional interest.

6.8 Rounding

For the purposes of any calculations required under these Terms and Conditions (unless otherwise specified in the relevant Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

6.9 Fixed Interest Amount

The amount of interest payable on each Note on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Interest Amount unless interest is due on a date that is

other than an Interest Payment Date, in which case Condition 6.4 (Calculation of Interest Amount) shall apply to calculate the amount of interest payable for that period.

7 Redemption and Purchase

7.1 Redemption on maturity

The Issuer agrees to redeem each Note on its Maturity Date by payment of 100 per cent. of the Outstanding Principal Amount of each Note unless:

- (a) the Note has been previously redeemed; or
- (b) the Note has been purchased and cancelled.

7.2 Early redemption at the option of Noteholders (Noteholder put)

Upon the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem all or some of its Notes at a redemption price equal to 101 per cent. of the Outstanding Principal Amount of each Note being redeemed (together with any accrued interest, if any, to the date of redemption) (**Change of Control Redemption Price**) in accordance with this Condition 7.2 (Early redemption at the option of the Noteholders (Noteholder put)). Within 30 days' after a Change of Control, the Issuer shall deliver a notice to the Registrar and the Note Trustee requesting that the Note Trustee promptly notifies Noteholders stating:

- (a) that a Change of Control has occurred and that such Noteholder has the right to require the Issuer to redeem such Notes at the Change of Control Redemption Price;
- (b) the proposed redemption date (which shall be no earlier than 30 days' nor later than 50 days' from the date on which such notice is delivered) (**Change of Control Redemption Date**) and setting out a form of the exercise notice to be provided by the Noteholders to the Issuer (with a copy to the Note Trustee, the Paying Agent and the Registrar) (**Change of Control Event Exercise Notice**), together with instructions on how to submit that notice; and
- (c) that the last day on which the Noteholder may provide the Change of Control Exercise Notice in respect of all of its Notes to the Issuer (with a copy to the Note Trustee, the Paying Agent and the Registrar) is the day falling 10 days' prior to the Change of Control Redemption Date (**Change of Control Exercise Date**).

To exercise its right under this Condition 7.2 (Early redemption at the Option of Noteholders (Noteholder put)), a Noteholder must deliver a duly completed and signed Change of Control Event Exercise Notice to the Issuer (with a copy to the Note Trustee, the Paying Agent and the Registrar) (or as otherwise directed) on or before the Change of Control Exercise Date.

If on or before the Change of Control Exercise Date, Noteholders representing 90 per cent. or more of the then aggregate Outstanding Principal Amount of all Notes then outstanding, have provided a Change of Control Event Exercise Note to the Issuer indicating that they require the Issuer to redeem their Notes, the Issuer must redeem all remaining Notes outstanding on the Change of Control Redemption Date at the Change of Control Redemption Price.

In this Condition, "**Change of Control**" means, on any date, an event where a party which held (directly or indirectly) 50 per cent. or less of the issued shares of the Issuer or Australian Secure Capital Fund Ltd (ABN 38 613 497 635) (**Responsible Entity**) (other than a party that was a shareholder of the Issuer or the Responsible Entity on the initial Issue Date), subsequently holds (directly or indirectly) more than 50.1 per cent. of the issued shares of the Issuer or the

Responsible Entity, as applicable, on that date. For the avoidance of doubt, a Change of Control will not be triggered by a transfer of issued shares of the Issuer or the Responsible Entity between any parties who were shareholders of the Issuer or the Responsible Entity, as applicable, on the initial Issue Date.

7.3 Early redemption at the option of the Issuer (Issuer call)

- (a) Subject to Condition 7.3(c) (Early Redemption at the option of the Issuer (Issuer call)), the Issuer may redeem all (but not some) of the Class A Notes before their Maturity Date as follows:
- (i) on the Second Optional Redemption Date and each Interest Payment Date that occurs after the Second Optional Redemption Date but before the Third Optional Redemption Date, by payment of 103 per cent. of the Outstanding Principal Amount of each Note being redeemed;
 - (ii) on the Third Optional Redemption Date and each Interest Payment Date that occurs after the Third Optional Redemption Date but before the Fourth Optional Redemption Date, by payment of 102 per cent. of the Outstanding Principal Amount of each Note being redeemed; and/or
 - (iii) on the Fourth Optional Redemption Date and each Interest Payment Date that occurs after the Fourth Optional Redemption Date but before the Maturity Date, by payment of 101 per cent. of the Outstanding Principal Amount of each Note being redeemed;

in each case, together with any accrued interest, if any, to the date of redemption.

- (b) Subject to Condition 7.3(c) (Early Redemption at the option of the Issuer (Issuer call)), the Issuer may redeem all (but not some) of the Class B Notes before their Maturity Date as follows:
- (i) on the First Optional Redemption Date and each Interest Payment Date that occurs after the First Optional Redemption Date but before the Second Optional Redemption Date, by payment of 102 per cent. of the Outstanding Principal Amount of each Note being redeemed;
 - (ii) on the Second Optional Redemption Date and each Interest Payment Date that occurs after the Second Optional Redemption Date but before the Third Optional Redemption Date, by payment of 101.5 per cent. of the Outstanding Principal Amount of each Note being redeemed; and/or
 - (iii) on the Third Optional Redemption Date and each Interest Payment Date that occurs after the Third Optional Redemption Date but before the Fourth Optional Redemption Date, by payment of 101 per cent. of the Outstanding Principal Amount of each Note being redeemed; and/or
 - (iv) on the Fourth Optional Redemption Date and each Interest Payment Date that occurs after the Fourth Optional Redemption Date but before the Maturity Date, by payment of 100.5 per cent. of the Outstanding Principal Amount of each Note being redeemed; and/or

in each case, together with any accrued interest, if any, to the date of redemption.

- (c) The Issuer may only redeem Class A Notes or Class B Notes in accordance with this Condition 7.3 (Early redemption at the option of the Issuer (Issuer call)) if the Issuer has

given at least 10 days' (and not more than 60 days') prior notice to the Registrar, the Note Trustee, the Noteholders and the Paying Agent.

- (d) For the avoidance of doubt, the Issuer may redeem the Class B Notes regardless of whether the Class A Notes remain outstanding.

7.4 Early redemption for tax reasons

The Issuer may redeem all (but not some) of the Notes, at any time before their Maturity Date at a redemption price equal to the Outstanding Principal Amount of each Note (together with any accrued interest, if any, to the date of redemption) if, as a consequence of an amendment to or a change in, or announced amendment to or prospective change in:

- (a) the law or a binding judicial decision, directive, ruling or determination; or
- (b) an administrative decision (with which the Issuer is required to comply, or habitually complies) interpreting, applying or clarifying those laws or judicial decisions, directives, rulings or determinations,

occurring after the Issue Date, the Issuer is required, or is likely to be required, to pay an additional amount in respect of a Note under Condition 9 (Taxation).

However, the Issuer may only do so if the Issuer obtains (and provides copies to the Note Trustee and the Registrar to be made available to each Noteholder upon request):

- (i) a certificate signed by an Authorised Officer stating that such amendment or change has occurred or there is an announced amendment or prospective change (irrespective of whether such amendment or change is then effective) describing the facts leading thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it; and
- (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that such amendment or change has occurred or there is an announced amendment or prospective change (irrespective of whether such amendment or change is then effective) and that the Issuer has or will become obliged to pay such Additional Amounts as a result of such amendment or change or announced amendment or prospective change; and

has given not less than 30 days' (nor more than 60 days') prior notice to the Registrar, the Note Trustee, the Noteholders and the Paying Agent that it wishes to redeem the Notes early.

7.5 Partial redemption

If only some of the Notes are to be redeemed under Condition 7.2 (Early redemption at the option of the Noteholders), the Notes to be redeemed will be specified in the notice and selected by the Issuer:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law or directive.

7.6 Effect of notice of redemption

Any notice of redemption given under this Condition 7 (Redemption and Purchase) is irrevocable.

7.7 Late payment

If an amount payable is not paid under this Condition 7 (Redemption and Purchase) when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the relevant Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made in full to the relevant Noteholder.

7.8 Purchase

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased under this Condition 7.8 (Purchase) by the Issuer must be cancelled immediately and may not be reissued or resold.

8 Payments

8.1 Payment of principal

Payments of the principal in respect of a Note will be made to each person registered at 10.00 am on the Maturity Date or other date on which payment of principal is due as the Noteholder of the Note (or to the first person registered in the case of joint Noteholders).

8.2 Payment of interest

Payments of interest in respect of a Note will be made to each person registered at the close of business on the Record Date as the Noteholder of that Note (or to the first person registered in the case of joint Noteholders).

8.3 Payments to Noteholders and Paying Agent

All payments under a Note must be made by the Issuer:

- (a) if the Notes are lodged in the Austraclear System by crediting, on the relevant Interest Payment Date, Maturity Date or other date on which a payment is due, the amount then due to the account of the Noteholder, in accordance with the Austraclear Regulations; or
- (b) if the Notes are not lodged in the Austraclear System, to the account notified by the relevant Noteholder to the Registrar or, in the absence of that notification, in the manner (if any) specified in the relevant Pricing Supplement,

and in either case, without set-off or counterclaim or any other deduction unless required by law.

8.4 Payments by cheque to a Noteholder

- (a) In the event that a Noteholder has failed to notify the Registrar of an account to which payments can be made, the Issuer may make payments by cheque in respect of Notes held by that Noteholder.
- (b) Any such cheque will be sent by prepaid ordinary post on the Business Day immediately preceding the relevant Interest Payment Date, Maturity Date or other date on which payment is due to the address of the Noteholder appearing in the Register at the close of business on the Record Date. Where two or more persons are inscribed in the Register on such date as joint Noteholders of the relevant Note, the Issuer will make payment to the first named holder in the Register.

- (c) Any cheque sent to a Noteholder is sent at the Noteholder's risk and is taken to be received by the Noteholder on the due date for payment. Where payments are made by cheque the Issuer will not be required to pay any additional amounts as a consequence of any Noteholder not receiving payment on the due date in immediately available funds.

8.5 Business Days

- (a) If a payment is due under a Note on a day which is not a Business Day the date for payment will be adjusted according to the Business Day Convention applicable to that Note.
- (b) If payment is to be made to an account on a Business Day on which banks are not open for general banking business in the city in which the account is located, the Noteholder is not entitled to payment of such amount until the next Business Day on which banks in such city are open for general banking business and is not entitled to any interest or other payment in respect of any such delay.

8.6 Payments subject to fiscal laws

All payments are subject to Condition 9 (Taxation) and to any applicable fiscal or other laws and regulations.

8.7 Variation or termination of Paying Agent

The Issuer is entitled to vary or terminate the appointment of the Paying Agent and to appoint a new Paying Agent and approve any change in the Specified Office through which the Paying Agent acts, provided that there will at all times be a Paying Agent.

8.8 Notice of Change

Notice of any such change or change in the Specified Office of the Paying Agent will be given to Noteholders in accordance with Condition 14 (Notices).

9 Taxation

9.1 Payments made free and clear without set-off, counterclaim or deductions

All payments under the Notes must be made free and clear of, and without withholding or deduction for, or by reference to any Tax, unless such withholding or deduction is required by law.

9.2 Additional payments

If the Issuer is obliged by a law to make a deduction in respect of Tax from any payment under the Notes it shall promptly pay the relevant Noteholder on the due date for payment such additional amounts (**Additional Amounts**) as may be necessary so that the relevant Noteholder receives a net amount (after allowance for any further deduction) equal to the amount it would have received if no deduction had been made, except that no Additional Amounts shall be payable under this Condition 9 (Taxation):

- (a) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of any Note by reason of the Noteholder having some connection with the Commonwealth of Australia (or a political subdivision of it) other than the mere holding of such Note or receipt of payment (whether in respect of principal, Redemption Amount, interest or otherwise) in respect of it;

- (b) to, or to a third party on behalf of, a Noteholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any Tax Authority in the place where payment under the Note is made;
- (c) where the Note is presented to a particular paying agent, if the Note could have been presented to another paying agent without any such deduction or withholding;
- (d) where the Note is presented for payment more than 30 days after the due date except to the extent that a Noteholder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Business Day;
- (e) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of the Noteholder being an "Offshore Associate" of the Issuer not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (f) to, or to a third party on behalf of an Australian resident Noteholder or a non-resident Noteholder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an Australian business number, a tax file number or exemption details as may be necessary to enable the payment to be made without such withholding or deduction; or
- (g) in such other circumstances as may be specified in the relevant Pricing Supplement.

In addition, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (**Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (**FATCA Withholding**). The Issuer will not be required to pay additional amounts on account of any FATCA Withholding.

10 Register

10.1 Registrar's role

The Issuer agrees, subject to the relevant Pricing Supplement, to procure that the Registrar does the following things:

- (a) establish and maintain the Register in Sydney or such other city in New South Wales as the Issuer and the Registrar may agree;
- (b) inscribe or cause to be inscribed in the Register:
 - (i) the principal amount of the Note;
 - (ii) the full name and address of the Noteholder;
 - (iii) any declaration of non-residence, tax file number or Australian business number or exemption details;

- (iv) the Issue Date, Maturity Date and any interest rate and payment details of the Note;
 - (v) the Tranche and Series of the Note;
 - (vi) a copy of the relevant Pricing Supplement executed and provided to the Registrar by the Issuer in connection with the Tranche of Notes;
 - (vii) any payment instructions notified by the Noteholder or provided by the Issuer or the Paying Agent in respect of a Noteholder;
 - (viii) all subsequent transfers and changes of ownership of the Note;
 - (ix) the details of any marking which has been provided in respect of the Note; and
 - (x) such other information as is required by all applicable laws or as the Issuer and Registrar agree; and
- (c) comply with the obligations expressed in the Note Trust Deed and the Agency and Registry Services Agreement to be performed by the Registrar.

10.2 Registrar

- (a) In acting under the Agency and Registry Services Agreement in connection with the Notes, the Registrar acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- (b) The Issuer reserves the right at any time to terminate the appointment of the Registrar and to appoint successor or additional registrars, provided, however, that the Issuer must at all times maintain the appointment of a registrar with its Specified Office in the Commonwealth of Australia.

Notice of any such termination of appointment will be given to the Noteholder in accordance with Condition 14 (Notices).

10.3 Multiple Noteholders

- (a) Subject to the Corporations Act, if more than four persons are the Noteholders of a Note, the names of only four such persons will be inscribed in the Register.
- (b) Subject to the Corporations Act, if more than one person is the holder of a Note, the address of only one of them will be inscribed on the Register. If more than one address is notified to the Registrar, the address recorded in the Register will be the address of the Noteholder whose name appears first in the Register.

10.4 Noteholder change of address

A Noteholder must promptly notify any change of address to the Registrar.

10.5 Closing of Register

The registration of the transfer of a Note may be suspended by the Registrar (and the Register shall be closed for the purpose of determining entitlements to payment under a Note) after the close of business on the Record Date or other day in accordance with the Austraclear Regulations prior to each Interest Payment Date (if any) and each Maturity Date (or other date on which payment of principal on the Notes is to be made) of the Notes or such other number of

days as may be agreed by the Issuer and the Registrar and not contrary to the Austraclear Regulations and notified promptly by the Issuer to the Noteholders.

11 Unwind Event and Events of Default

11.1 Unwind Events

Each of the following is an Unwind Event in respect of the Notes:

- (a) **(non-compliance)** the Issuer fails to comply with any of the covenants specified in Condition 4.2(c) (Financial covenants), Condition 4.4 (Eligible Loan covenants) and Condition 4.5(a) (Covenant Testing);
- (b) **(Cannot Conduct Business)** the Originator or any of its Subsidiaries, for any reason, ceases to or are unable to, or it becomes illegal for the Originator to conduct origination and servicing activities for Loans within Australia;
- (c) **(Originator Default)** an Originator Default occurs;
- (d) **(Servicer Default)** a Servicer Default occurs;
- (e) **(Voluntary retirement of Originator)** the Originator voluntarily retires as originator of the Loans and is not replaced with a replacement originator acceptable to the Noteholders within 30 days of the occurrence of such retirement; and
- (f) **(Voluntary retirement of Servicer)** the Servicer voluntarily retires as servicer of the Loans and is not replaced with a replacement servicer acceptable to the Noteholders within 20 Business Days of the occurrence of such retirement.

11.2 Notification of an Unwind Event

If an Unwind Event occurs, the Issuer must promptly (and in any event within 2 days') after becoming aware of it, notify the Note Trustee, the Registrar and the Noteholders of the occurrence of the Unwind Event (specifying details of it).

11.3 Consequences of an Unwind Event

- (a) If an Unwind Event is not remedied by the date that is 30 days after the date that notice of such Unwind Event shall have been given to the Issuer by the Note Trustee (such date, the "**Unwind Date**"):
 - (i) the Originator must not Originate any further Loans and the Issuer and Servicer must not Acquire any further Loans, in each case, after the Unwind Date; and
 - (ii) all amounts received by the Issuer after the Unwind Date in connection with payments of principal and interest in respect of the Eligible Loans must be deposited by the Issuer into the Collections Account.
- (b) If the Note Trustee is notified of an Unwind Event in accordance with Condition 11.2 (Notification of an Unwind Event) or otherwise has knowledge of an Unwind Event which is subsisting and, in each case, the Unwind Date has occurred, the Note Trustee must, or to the extent Condition 11.7(b)(Enforcement through Note Trustee) applies, any Noteholder may:
 - (i) convene a meeting of the Voting Noteholders; and

- (ii) if and only if so directed by way of an Extraordinary Resolution of Voting Noteholders in accordance with the Meeting Provisions:
 - (A) the Note Trustee, acting in accordance with the Note Documents, may instruct the Security Trustee to direct the Account Bank to deal with the Collections Account only in accordance with the Security Trustee's instructions;
 - (B) the Note Trustee, acting in accordance with the Note Documents, may, at the expense of the Issuer, appoint an investigative accountant to investigate this event and the affairs of the Issuer; and
 - (C) the Note Trustee, acting in accordance with the Note Documents, may direct the Issuer to, and upon such direction the Issuer must, remove the Servicer in accordance with the Transaction Documents as if a Servicer Default had occurred and replace the Servicer with a new Servicer selected by the Note Trustee, acting in accordance with the Note Documents.

11.4 Events of Default

Each of the following is an Event of Default in respect of the Notes:

- (a) **(non-payment of principal)** the Issuer fails to pay any principal in respect of the Notes when due, unless that default is caused by a technical or administrative error by a bank or financial institution in the transmission of funds and is remedied within 2 Business Days' of its occurrence;
- (b) **(non-payment of interest)** the Issuer fails to pay any interest in respect of the Notes when due and the failure to pay continues for a period of 3 Business Days';
- (c) **(other non-compliance)** the Issuer:
 - (i) fails to comply with any of its obligations in connection with a Note or any Transaction Document, other than:
 - (A) any obligation for the payment of money referred to in paragraphs (a) and (b) above, or
 - (B) any obligation whereby the failure to comply with such obligation is, or will be (with the expiry of a grace period, the giving of notice, the making of any determination under the Transaction Documents or any combination of the foregoing), an Unwind Event; and
 - (ii) if the non-compliance is capable of remedy, it is not remedied within 10 Business Days' after notice of such default shall have been given to the Issuer by the Note Trustee specifying such non-compliance;
- (d) **(cross default)** any Financial Indebtedness of the Issuer for amounts totalling more than A\$500,000 (or its equivalent in any other currency) in aggregate:
 - (i) is not satisfied on the later of their due date or the end of any applicable grace period; or
 - (ii) has become due and payable before its scheduled maturity by reasons of a default or, event of default;

- (e) **(insolvency)** the Issuer:
 - (i) is, or under legislation is presumed or taken to be, Insolvent; or
 - (ii) stops or suspends or threatens to stop or suspend payment of all or a class of its debts.
- (f) **(obligations unenforceable)** any Transaction Document is or becomes (or is claimed to be by the Issuer or anyone on their behalf) wholly or any part of a material provision of it void, voidable or unenforceable or any Transaction Document ceases to wholly or in relation to any part of a material provision of it have full force and effect or the whole or any part of a material provision of it is declared by any court of competent jurisdiction to be void or unenforceable;
- (g) **(no judgment)** any judgement or award, or judgements or awards, in an amount exceeding in aggregate A\$500,000 (or its equivalent in any other currency) are obtained against the Issuer or any of its assets and are not set aside or satisfied within 30 days unless the Issuer is diligently and in good faith pursuing an appeal;
- (h) **(Unwind Event)** an Unwind Event:
 - (i) has occurred; and
 - (ii) if non-compliance is capable of remedy, it is not remedied within 120 days after notice of such Unwind Date shall have been given to the Issuer by the Note Trustee;
- (i) **(cessation of business)** the Issuer ceases to carry on business generally and no other body corporate assumes the business of that person; and
- (j) **(enforcement against assets)** any expropriation, attachment, sequestration, distress or execution is levied or enforced against any asset or assets of the Issuer worth (in aggregate) more than A\$500,000.

11.5 Notification of Event of Default

If an Event of Default occurs, the Issuer must promptly (and in any event within 2 days') after becoming aware of it notify the Note Trustee, the Registrar and the Noteholders of the occurrence of the Event of Default, as applicable, (specifying details of it).

11.6 Consequences of an Event of Default

If the Note Trustee is notified of an Event of Default in accordance with Condition 11.5 (Notification of Event of Default) or otherwise has knowledge of an Event of Default which is subsisting, the Note Trustee must or, to the extent Condition 11.7(b) (Enforcement through Note Trustee) applies, any Noteholder may:

- (a) in the case of an Event of Default under Condition 11.4(a) (non-payment of principal), Condition 11.4(b) (non-payment of interest) or Condition 11.4(e) (insolvency), give written notice to the Security Trustee of that Event of Default in accordance with the Security Trust Deed;
- (b) convene a meeting of the Voting Noteholders; and
- (c) if and only if so directed by way of an Extraordinary Resolution of Voting Noteholders in accordance with the Meeting Provisions:

- (i) by written notice (an **Acceleration Notice**), declare the Redemption Amount in respect of the Notes (together with all accrued interest and all other amounts payable under each Note) to be due and payable immediately or on such other date specified in the Acceleration Notice, in which case those amounts will become due and payable immediately or on such other date specified in the Acceleration Notice, as applicable; and
- (ii) give written notice to the Security Trustee of the delivery of the Acceleration Notice in accordance with clause 7.2(c) (Acceleration and Enforcement) of the Security Trust Deed; and
- (iii) if permitted to do so in accordance with the Security Trust Deed, give an instruction to the Security Trustee under clause 7.2(d) (Acceleration and Enforcement) of the Security Trust Deed.

11.7 Enforcement through Note Trustee

- (a) Subject to paragraph (b), the Noteholders hold all rights through the Note Trustee and do not have any direct rights to enforcement against the Issuer.
- (b) Subject to the terms of the Security Trust Deed, a Noteholder may enforce its rights directly against the Issuer to enforce any right or remedy under or in respect of any Note or the Note Trust Deed if the Note Trustee, having become bound to do so, fails to enforce its rights against the Issuer within five days' from the date that the Note Trustee is notified by a Noteholder of the failure, and such failure is continuing.

11.8 Obligations of Note Trustee on occurrence of Unwind Event or Event of Default

The Note Trustee:

- (a) is under no obligation to monitor or make enquiries as to whether an Unwind Event or Event of Default has occurred;
- (b) will rely only on the direction of the Noteholders, notification by the Security Trustee or notification by the Issuer in determining whether an Unwind Event or Event of Default has occurred, and the Note Trustee is not to be regarded as having knowledge of the occurrence of an Unwind Event or Event of Default in the absence of such direction or notification;
- (c) must promptly notify the Noteholders if it becomes aware of the occurrence of an Unwind Event or Event of Default under paragraph (b) above;
- (d) will rely only on the direction of the Voting Noteholders in determining whether to declare the Redemption Amount due and payable in accordance with Condition 11.6 (Consequences of an Event of Default);
- (e) is not responsible to the Issuer or any other party for the consequences of any action it takes, upon the resolutions of the Voting Noteholders given in accordance with these Terms and Conditions or pursuant to an Extraordinary Resolution or an Ordinary Resolution; and
- (f) is not taken to have knowledge or to be aware of the passing of a resolution referred to in Condition 11.2(b) (Consequences of an Unwind Event) or Condition 11.6(c) (Consequences of an Event of Default) or passing of an Extraordinary Resolution or an Ordinary Resolution referred to in paragraph (e) unless:
 - (i) it has convened or attended the meeting at which such resolution was passed; or

- (ii) it receives a copy of such resolution certified as true and correct by the chairman of the meeting at which such resolution was passed; or
- (iii) in the case of such a resolution passed in writing, it has been presented with the instrument or instruments by which the resolution was passed within the Notification Period (as such term is defined in the Meetings Provisions) for entry into the minute books.

12 Prescription

The Notes will become void unless claims in respect of principal and/or interest (as applicable) are made within a period of ten years (in the case of principal) and five years (in the case of interest) of the due date for that payment.

13 Amendments

- (a) Each of these Terms and Conditions and the relevant Pricing Supplement may be amended, without the consent of any Noteholder if, in the reasonable opinion of the Note Trustee, the amendment:
 - (i) is of a formal, minor or technical nature;
 - (ii) is made to correct a manifest error;
 - (iii) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision;
 - (iv) is to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
 - (v) is for any other purpose which the Issuer and the Note Trustee deem necessary or desirable,

and, in each case, is not otherwise materially prejudicial to the interests of the Noteholders.

- (b) Each of these Terms and Conditions and the relevant Pricing Supplement may otherwise be varied by the Note Trustee and the Issuer if:
 - (i) except as otherwise provided in Condition 13(b)(ii) (Amendments) below, such amendment is authorised by the Voting Noteholders by way of an Ordinary Resolution passed in accordance with the Meeting Provisions; and
 - (ii) in the case of an amendment to this Condition 13 (Amendments) or any Condition or clause providing for Voting Noteholders to instruct the Note Trustee by way of an Extraordinary Resolution, if an Extraordinary Resolution is passed by the Voting Noteholders in favour of such amendment in accordance with the Meeting Provisions.
- (c) Any such modification or amendment shall be binding on all Noteholders and shall be notified to the Noteholders in accordance with Condition 14 (Notices) as soon as practicable after it has been made.
- (d) In this Condition 13 (Amendments), “amend” includes modify, vary, cancel, amend, waive or add to and “amendment” has a corresponding meaning.

14 Notices

14.1 Notices to or by the Issuer, the Note Trustee, the Security Trustee and the Agents

Subject to Condition 14.2 (Notices to Noteholders), a notice or other communication to or by the Issuer, the Note Trustee, the Security Trustee or an Agent must be in writing and may be sent by:

- (a) prepaid post or delivered to the address of the addressee or by email to the email address of the addressee, in each case, as specified in the section entitled “*Directory*” in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified by them to the Noteholders.

14.2 Notices to Noteholders

A notice or other communication to a Noteholder must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review or any other newspaper having general circulation in Australia or if an additional or alternate newspaper is specified in the relevant Pricing Supplement, that newspaper;
- (b) prepaid post or delivery to the address of the Noteholder as shown in the Register at the close of business seven days prior to the despatch of the relevant notice or communication; or
- (c) if the relevant Note held by that Noteholder is lodged with and settled through the Austraclear System, the Issuer to the Registrar, who will in turn forward such notice or other communication to the operator of the Austraclear System for communication by that operator to the relevant member of the Austraclear System in whose security record the Note is recorded.

14.3 When effective

Communications take effect from the time they are received or taken to be received under Condition 14.4 (When taken to be received) (whichever happens first) unless a later time is specified in the communication.

14.4 When taken to be received

Communications are taken to be received:

- (a) if delivered in person or sent by recorded delivery or courier, on the date it is delivered to the address specified in the section entitled “*Directory*” in the Information Memorandum;
- (b) if sent by post, 6 Business Days after posting (or 10 days after posting if sent by airmail from one country to another) to the address specified in the section entitled “*Directory*” in the Information Memorandum;
- (c) if sent by email, to the email address specified in the section entitled “*Directory*” in the Information Memorandum, as specified in Condition 14.6. (Email communication); and
- (d) if published in a newspaper, on the date of first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

14.5 Receipt outside business hours

Despite anything else in Condition 14.4 (Notices), if communications are received or taken to be received under Condition 14.4 (When taken to be received) after 5.00pm on a Business Day or a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the address of the recipient and the time of recipient is the time in that place.

14.6 Email communication

- (a) Subject to Condition 14.2 (Notice to Noteholders), any communication or document under or in connection with this document may be made by or attached to an email and will be effective or delivered only:
 - (i) in the case of a notice of an Event of Default, when actually opened in legible format by the recipient party;
 - (ii) in all other cases, on the first to occur of the following:
 - (A) when it is dispatched by the sender to each of the email addresses specified by the recipient, unless for each of the addresses, the sender receives an automatic notification that the e-mail has not been received (other than an out of office greeting for the named addressee) and it receives the notification before 2 hours after the last to occur (for all addresses) of:
 - (I) dispatch if in business hours in the city of the address; or
 - (II) if not, the next opening of business in such city;
 - (B) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and
 - (C) the email being available to be read at one of the email addresses specified by the sender; and
 - (iii) the email is in an appropriate and commonly used format, and any attached file is a pdf, jpeg, tiff or other appropriate and commonly used format.
- (b) In relation to an email with attached files:
 - (i) if the attached files are more than 10 MB in total, then:
 - (A) at the time of dispatch the giver of the e-mail must send a separate email without attachments notifying the recipient of the dispatch of the email; and
 - (B) if the recipient notifies the sender that it did not receive the email with attached files, and the maximum size that is able to receive under its firewalls, then the sender shall promptly send to the recipient the attached files in a manner that can be received by the recipient; and
 - (ii) if the recipient of the email notifies the sender that it is unable to read the format of an attached file or that an attached file is corrupted, specifying appropriate and commonly used formats that it is able to read, the sender must promptly send to the recipient the file in one of those formats or send the attachment in some other manner; and

- (iii) if within two hours of:
 - (A) dispatch of the email if in business hours in the city of the recipient; or
 - (B) if not, the next opening of business in the city of the recipient,
- the recipient notifies the sender as provided in subparagraph (i)(B) or (ii), then the relevant attached files will be taken not to have been received until the sender complies with that subparagraph.

15 Further Issues

The Issuer may from time to time and without the consent of the Noteholders or the Note Trustee create and issue further Notes or securities or other similar instruments. The Issuer may issue further Notes which comprise a tranche which forms part of the Class A Notes, Class B Notes or Class C Notes.

16 Meetings of Voting Noteholders

Meetings of Voting Noteholders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Noteholders, including, without limitation, the variation of the terms of the Notes to the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

17 Governing law and submission to jurisdiction

17.1 Governing law

The Notes are governed by, and shall be construed in accordance with, the laws of the State of Queensland, Australia.

17.2 Jurisdiction

The Issuer submits irrevocably and unconditionally to the non-exclusive jurisdiction of the courts of the State of Queensland, Australia and courts of appeal from them. The Issuer waives any right it has to object to a suit, action or proceedings being brought in those courts of the State of Queensland, Australia, including by claiming that the proceedings been bought in an inconvenient forum or that those courts do not have jurisdiction.

Form of Pricing Supplement

The Pricing Supplement to be issued in respect of the Notes will be substantially in the form set out below, with the relevant modifications as indicated for each Class of Notes.

Series No.:

Tranche No.:

ASCF Managed Investments Pty Ltd
(ABN 67 628 059 567)
(Issuer)



ASCF
Australian Secure Capital Fund

[Issue of Class A Australian Dollar [●] Fixed Rate Secured Notes due 2023]
[Issue of Class B Australian Dollar [●] Fixed Rate Secured Notes due 2023]
[Issue of Class C Australian Dollar [●] Fixed Rate Secured Notes due 2023]

The Notes have not been nor will be, registered under the U.S. Securities Act of 1933 as amended (Securities Act) or the securities laws of any state of the United States or any other jurisdiction. The Notes may not be offered or sold at any time within the United States or to, or for the account or benefit of, U.S. persons (within the meaning of Regulation S under the Securities Act), unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available and other than in accordance with all applicable securities laws of any state of the United States and each other jurisdiction in which the Notes are offered or sold.

The date of this Pricing Supplement is [●] 2018.

This document constitutes the Pricing Supplement (as referred to in the Information Memorandum dated 12 September 2018 (**Information Memorandum**)) relating to the issue of the Tranche of Notes referred to above. This Pricing Supplement is supplementary to, and should be read in conjunction with the Terms and Conditions (**Terms and Conditions**) of the Notes set out in the Information Memorandum and the Note Trust Deed made by the Issuer and the Note Trustee and dated 6 September 2018, a copy of which is available for inspection during normal business hours at the office of the Registrar specified in the Information Memorandum.

Terms used in this Pricing Supplement which are not defined in it have the meaning given to them in the Terms and Conditions.

The obligations of the Issuer under the Tranche of Notes issued by it pursuant to this Pricing Supplement are secured by the Issuer pursuant to the Security.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1. Issuer: ASCF Managed Investments Pty Ltd (ABN 67 628 059 567)
2. Type of Notes: [Fixed Rate Secured Notes]
3. Lead Manager: Acacia Partners Pty Limited (ABN 49 607 046 391)
4. Place of offering: Inside Australia only
5. Issue Date: [Specify]
6. Maturity Date: [Specify] 2023
7. Issue Price: [Class A Notes: A\$99.00]/[Class B Notes: A\$99.00]/[Class C Notes: A\$0]
8. Aggregate Principal Amount of Tranche: A\$[●]
9. Currency of Denomination and Payment: Australian dollars
10. Denomination: A\$1,000
11. Minimum parcel size on initial issue: A\$50,000, subject to compliance with Condition 2.3(b) (Currency and amounts)
12. Status of Notes: Condition 3 applies
13. Record Date: As per the Terms and Conditions
14. Note Trustee: EQT Structured Finance Services Pty Ltd (ABN 54 152 197 825)
15. Issuing and Paying Agent: EQT Australia Pty Ltd (ACN 111 042 132)
16. Registrar: EQT Australia Pty Ltd (ACN 111 042 132)
17. Calculation Agent: EQT Australia Pty Ltd (ACN 111 042 132)
18. Security Trustee: EQT Securitisation Services Pty Ltd (ABN 34 626 593 271)

19. **[interest provisions apply to Class A Notes and Class B Notes only.** Condition 6
- No interest is payable on Class C Notes]**
- [PROVISIONS RELATING TO INTEREST**
- (a) Interest Accrual Date: Issue Date
 - (b) Interest Rate: [●] per cent. per annum payable quarterly in arrears to (but excluding) the Maturity Date
 - (c) Default Rate: [●] per cent.
 - (d) Interest Accrual Date: Issue Date
 - (e) Interest Payment Dates: [●] in each year, commencing on [●] up to and including the Maturity Date
 - (f) Fixed Interest Amounts: \$[●] per A\$1,000 denomination
 - (g) Applicable Business Day Convention: (See definition of Business Day Convention in Condition 1.1)
 - for Interest Payment Dates: Following Business Day Convention will apply
 - for any other date: Following Business Day Convention will apply
 - (h) Definition of Business Day: As per Terms and Conditions
 - (i) Day Count Basis: Actual/365 (Fixed)
(See Condition 1.1)
 - (j) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
 - (k) Party responsible for calculating Interest Rate and Interest Amount: Calculation Agent
20. **PROVISIONS RELATING TO REDEMPTION** Condition 7
- (a) Noteholder put: Yes, the Notes may be redeemable before their Maturity Date at the option of the Noteholders on a Change of Control as set out in Condition 7.2

(b)	Issuer call:	[Class A Notes and Class B Notes: Yes, the Notes may be redeemable before their Maturity Date at the option of the Issuer as set out in Condition 7.3.] [Class C Notes: The Notes are not redeemable before their Maturity Date at the option of the Issuer.]
(c)	[Class A Note: Optional Redemption Date]	Second Optional Redemption Date means [●]. Third Optional Redemption Date means [●]. Fourth Optional Redemption Date means [●]. (See Condition 7.3)
(d)	[Class B Note: Optional Redemption Date]:	First Optional Redemption Date means [●]. Second Optional Redemption Date means [●]. Third Optional Redemption Date means [●]. Fourth Optional Redemption Date means [●]. (See Condition 7.3)
(e)	Redemption for Tax reasons:	Applicable
(f)	Redemption Amount	As per the Terms and Conditions
21.	Unwind Events:	Condition 11 applies.
22.	Events of Default:	Condition 11 applies.
23.	GENERAL PROVISIONS	
24.	Listing:	Not Applicable
25.	Clearing System:	[Class A Notes and Class B Notes: Austraclear System, Euroclear and Clearstream] [Class C Notes: Not applicable]
26.	Minimum transferable principal amount:	Condition 5.3 applies
27.	Australian interest withholding tax:	[Class A Notes and Class B Notes: It is the Issuer's intention that the Notes will be issued in a manner which will comply with the public offer test under section 128F of the <i>Income Tax Assessment Act 1936 (Cth)</i> .] [Class C Notes: It is the Issuer's intention that the Notes will not be issued in a manner which will comply with the public offer test under section 128F of the <i>Income Tax Assessment</i>

Act 1936 (Cth).]

- 28. Other terms or special conditions: Not Applicable
- 29. Austraclear Code: [Class A Notes and Class B Notes: Specify]/[Class C Notes: Not applicable]
- 30. ISIN: [Class A Notes and Class B Notes: Specify]/[Class C Notes: Not applicable]

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Date: [●] 2018.

CONFIRMED

Issuer

For and on behalf of
ASCF Managed Investments Pty Ltd
(ABN 67 628 059 567)

By:

Name:

Title:

Selling Restrictions

*Under the Subscription Agreement in respect of the Offered Notes dated on or about 11 September 2018 between the Issuer and the Lead Manager (**Subscription Agreement**) and subject to the Terms and Conditions contained in the Information Memorandum, the Offered Notes will be offered by the Issuer through the Lead Manager. The Issuer will have the sole right to accept any offers to purchase Offered Notes and may reject any such offer in whole or (subject to the terms of such offer) in part.*

The Lead Manager has agreed to comply with any applicable law, regulation or directive in any jurisdiction in which it subscribes for, offers, sells or transfers Notes and that it will not, directly or indirectly, subscribe for, offer, sell or transfer Offered Notes or distribute any Information Memorandum or other offering material in relation to the Offered Notes, in any jurisdiction, except in accordance with these selling restrictions, any additional restrictions which are set out in the Pricing Supplement and any applicable law, regulation or directive of that jurisdiction.

Neither the Issuer nor the Lead Manager has represented that Offered Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

The following selling restrictions apply to the Offered Notes.

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Offered Notes, or possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer and the Lead Manager to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Offered Notes or have in their possession or distribute or publish the Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Offered Notes under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor the Lead Manager has responsibility for such matters. In accordance with the above, any Offered Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Offered Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Offered Notes in the United States of America, Australia, the European Economic Area and Hong Kong, as set out below.

United States

The Offered Notes have not been and will not be registered under the Securities Act and the Offered Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (Regulation S) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Offered Notes has been, or will be, lodged with the Australian Securities and Investments Commission (**ASIC**). In addition it is intended that:

- neither this Information Memorandum nor any other offering material or advertisement relating to the Offered Notes will be distributed or published in Australia; and
- no offer or applications will be made or invited for the purchase, issue or sale of Offered Notes in Australia (including an offer or invitation which is received by a person in Australia),

unless in each case (a) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates), or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act, (b) such action complies with all applicable laws, regulations and directives in Australia (including without limitation, the licencing requirements set out in Chapter 7 of the Corporations Act), (c) such action does not require any document to be lodged with ASIC, and (d) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

Offered Notes issued pursuant to this Information Memorandum may not be offered for sale (or transferred or assigned) to any person located in, or a resident of, Australia for at least 12 months after their issue, except in circumstances where the person is a person to whom disclosure is not required to be given under Part 6D.2 or Chapter 7 of the Corporations Act.

For the purposes of this selling restriction, the Offered Notes include interests or rights in the Offered Notes held in the Austraclear System.

The Lead Manager has represented in the Subscription Agreement that it has offered the Offered Notes to at least 10 persons whom:

- is carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
- was not known, or suspected, by its employees or officers to be an Associate (as defined in section 128F of the Tax Act) of any of the 10 persons.

As a result, payments of interest or amounts in the nature of interest on the Offered Notes will be exempt from Australian withholding tax under section 128F of the Tax Act, as amended.

Hong Kong

The Offered Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in Hong Kong, by means of any document other than:

- to "professional investors", as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or
- in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (as amended) of Hong Kong (**Companies Ordinance**) or which do not constitute an offer to the public within the meaning of the Companies Ordinance.

In addition, the Lead Manager may not issue or hold in its possession for the purposes of issue, (whether in Hong Kong or elsewhere) any advertisement, invitation, other offering material or other document relating to the Offered Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offered Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

European Economic Area

The Offered Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes:

- the expression "retail investor" means a person who is one (or more) of the following:
 - a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - not a qualified investor as defined in Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant EEA State; and
- the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Notes so as to enable an investor to decide to purchase or subscribe for the Offered Notes.

Variation

These selling restrictions may be amended, varied, replaced or otherwise updated from time to time in accordance with the Subscription Agreement. Any change may be set out in a Pricing Supplement or in another supplement to this Information Memorandum.

Australian Taxation

Australian Taxation Summary

The following taxation summary is of a general nature only and addresses only some of the key Australian tax implications that may arise for a prospective Noteholder as a result of acquiring, holding or transferring Notes issued by the Issuer. The following is not intended to be and should not be taken as a comprehensive taxation summary for a prospective Noteholder.

The taxation summary is based on the Australian taxation laws in force (including the *Income Tax Assessment Act 1936 (Cth)* and *Income Tax Assessment Act 1997 (Cth)* (together, the **Tax Act**)) and the administrative practices of the Australian Taxation Office (**ATO**) generally accepted as at the date of this Information Memorandum. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated and may have retroactive effect.

Prospective Noteholders should consult their professional advisers in relation to their tax position.

Taxation of interest on Notes

In certain circumstances the Notes may be redeemed at a redemption price for an amount greater than the Outstanding Principal Amount of the Notes. The difference between the redemption price and the Outstanding Principal Amount may be treated as interest for Australian income tax purposes.

Australian Noteholders

Noteholders who are Australian tax residents that do not hold the Notes in carrying on business at or through a permanent establishment outside Australia, or who are non-residents that hold the Notes in carrying on business at or through a permanent establishment in Australia, will be assessed for tax in respect of any interest income derived in respect of the Notes. Such Noteholders will generally be required to lodge an Australian income tax return. The timing of assessment of the interest (e.g. a cash receipts or accruals basis) will depend upon the tax status of the particular Noteholder, the Pricing Supplement for the Notes and the potential application of the "Taxation of Financial Arrangements" provisions of the Tax Act.

Tax at the current rate of 47% may be deducted from payments on the Notes if the Noteholder of the Notes does not provide a Tax File Number (**TFN**) or an Australian Business Number (**ABN**) (where applicable), or proof of a relevant exemption from interest withholding tax.

Offshore Noteholders

Interest (which for the purposes of withholding tax is defined in section 128A(1AB) of the Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts, including premiums on redemption or, for a Note issued at a discount the difference between the amount repaid and the issue price) paid by the Issuer on debentures and certain other debt interests will, subject to certain exemptions, be subject to interest withholding tax at a current rate of 10%, where the interest is paid to a non-resident of Australia and not derived in carrying on business at or through an Australian permanent establishment, or to an Australian resident who derived the interest in carrying on business at or through a permanent establishment outside Australia.

Depending on their terms, Notes could in some cases be characterised as equity interests for tax purposes and be subject to different rules (e.g. Notes with returns contingent on the Issuer's (or associate's) performance or discretion, or convertible into shares in the Issuer (or associate)). The Issuer does not intend to issue any Notes that would be characterised as equity interests for tax purposes.

Various exemptions are available from interest withholding tax, including the "public offer" exemption, tax treaty exemptions, and the superannuation fund for foreign residents exemption (each discussed further below).

Possible exemption 1: Public offer exemption

An exemption from Australian interest withholding tax will be available under section 128F of the Tax Act in respect of any Notes issued by the Issuer if the Issuer remains an Australian resident company both at the time it issues the relevant Notes and at the time interest is paid in respect of the Notes, and the Notes are issued in a manner which satisfies the "public offer test".

Broadly, the issue of the Notes by the Issuer should satisfy the public offer test where the Notes are offered for issue:

- to 10 or more unrelated persons carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- to 100 or more persons whom it was reasonable for the Issuer to regard as acquiring debt interests in the past or being interested in acquiring debt interests;
- as a result of being listed on a stock exchange;
- as a result of being negotiations initiated publicly in electronic or other information sources; and
- to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding 4 methods.

The public offer test will not be satisfied where at the time of the issue, the Issuer knew, or had reasonable grounds to suspect that the Notes would be acquired by an Offshore Associate of the Issuer.

Accordingly, Notes issued by the Issuer should not be offered to any Offshore Associate of the Issuer.

Even if the public offer test is initially satisfied in respect of the Notes, if such Notes later come to be held by an Offshore Associate of the Issuer, and at the time of payment of interest on those Notes, the Issuer knows or has reasonable grounds to suspect that such person is an Offshore Associate of the Issuer, the exemption under section 128F does not apply to interest paid by the Issuer to such Offshore Associate in respect of those Notes.

For the purposes of this section, an "**Offshore Associate**" is an "associate" of the Issuer as defined in section 128F(9) of the Tax Act who is:

- a non-resident of Australia that does not acquire the Notes or an interest in the Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- a resident of Australia that acquires the Notes or an interest in the Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

The definition of "**associate**" in the Tax Act captures, among others, persons who have a majority voting interest in the Issuer, or persons who are able to sufficiently influence or control the Issuer, and persons in whom the Issuer has a majority voting interest, or whom the Issuer is able to sufficiently influence or control (however this is not a complete statement of the definition).

The Issuer has represented and warranted to the Lead Manager (in its capacity as the initial subscriber of the Offered Notes) that it does not have an “Offshore Associate” for the purpose of section 128F(9) of the Tax Act.

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to this Information Memorandum):

- the Issuer intends to issue the Offered Notes in a manner which will satisfy the requirements of section 128F of the Tax Act; and
- the Issuer does not intend to issue the Class C Notes in a manner which satisfies the requirements of section 128F of the Tax Act.

Possible exemption 2: Tax treaty exemption

Various Australian tax treaties, including those with the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, Switzerland, the Republic of South Africa and New Zealand (each a **Specified Country**), include exemptions from interest withholding tax for interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country, and which are dealing wholly independently with the Issuer (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption).

The Australian government is progressively amending its other tax treaties to include similar kinds of interest withholding tax exemption. Prospective Noteholders should obtain their own independent tax advice as to whether any of the exemptions under the relevant tax treaties may apply to their particular circumstances.

Possible exemption 3: Superannuation fund for foreign residents exemption

An exemption from interest withholding tax is available in respect of interest paid to a non-resident superannuation fund where that fund is a superannuation fund maintained solely for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which such superannuation fund is resident. It should be noted that draft legislation has been released which if passed, is expected to limit the availability of this particular exemption.

Prospective Noteholders should obtain their own independent tax advice as to whether the superannuation fund for foreign residents exemption may apply to their particular circumstances.

Payment of additional amounts

As set out in more detail in the Terms and Conditions, if the Issuer is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of those Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If there is a change in law or regulation as set out in Terms and Conditions, requiring the Issuer to pay such additional amounts in relation to any Notes, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' prior notice to the Noteholders.

Taxation of gains on disposal or redemption

Australian Noteholders

Noteholders who are Australian tax residents, or who are non-residents that hold the Notes in carrying on business at or through a permanent establishment in Australia, will be required to include any gain or loss on disposal or redemption of the Notes in their assessable income.

The determination of the amount and timing of any gain or loss on disposition or redemption of the Notes may be affected by the Traditional Securities rules or the "Taxation of Financial Arrangements" provisions of the Tax Act, which provide for a specialised regime for the taxation of financial instruments, and, where the Notes are denominated in a currency other than Australian Dollars, the foreign currency rules. Prospective Noteholders should obtain their own independent tax advice in relation to the determination of any gain or loss on disposal or redemption of the Notes.

Offshore Noteholders

A Noteholder who is a non-resident of Australia and who has never held the Notes in the course of carrying on a business through a permanent establishment in Australia will not be subject to Australian income tax on gains realised on the disposal or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia, should generally not be regarded as having an Australian source. However, the source of income for Australian taxation purposes is ultimately a question of fact.

Special rules can apply to treat a portion of the purchase price of Notes issued by the Issuer as interest for withholding tax purposes where deferred-return Notes (for example, Notes which pay a return that is deferred by more than 12 months) are sold to an Australian Noteholder. Any deemed interest under these rules is able to qualify for exemption from withholding tax as described above.

Collection powers

The Australian Taxation Office and other revenue authorities in Australia have wide powers for the collection of unpaid tax debts. This can include issuing a notice to an Australian resident requiring a deduction from any payment to Noteholder in respect of unpaid tax liabilities of that Noteholder.

Death duties

The Notes will not be subject to death, estate or succession duties imposed by Australia or by any political subdivision or authority therein having power to tax if held at the time of death.

Stamp duty

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of the Notes.

Goods and Services Tax (GST)

Neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest on the Notes would give rise to a GST liability.

US Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (**FATCA**) were enacted in March 2010 in an effort to assist the United States Internal Revenue Service (**IRS**) in enforcing U.S. taxpayer compliance. U.S. Treasury Regulations (**Regulations**) (as amended) to implement the FATCA provisions in countries that do not enter into an Inter-Governmental Agreement (**IGA**) with the U.S. Government were issued in January 2013.

In general, FATCA imposes a 30% withholding tax on certain payments to non-US financial institutions (which may include financial institutions such as the Issuer) which do not comply with their obligations to identify and/or report, either directly to the IRS (in the case where the Regulations apply) or through their local tax authority (in the case where an IGA applies), certain information in respect of U.S. taxpayers, which includes holdings of debt or equity interests (other than debt or equity interests that are regularly traded on an established securities market and of which the holder is not registered on the books of the financial institution).

The Australian Government and U.S. Government signed an IGA on 28 April 2014. The obligations imposed on Australian financial institutions under the IGA were implemented into Australian law on 30 June 2014 under the Tax Laws Amendment (Implementation of the FATCA Agreement) Act 2014 (Cth) (**Act**). With effect from 1 July 2014, Australian financial institutions which are Reporting Australian Financial Institutions under the IGA that maintain U.S. Reportable Accounts (as defined in the IGA) must follow specific due diligence procedures to identify their account holders and provide information about certain accounts as specified in the IGA and the Act to the Commissioner of Taxation. The Commissioner of Taxation will provide that information to the IRS. Under the IGA, an Australian financial institution, which may include the Issuer, which is in compliance with its obligations under the Act should not generally be subject to withholding under FATCA on any payments it receives. Further, a Reporting Australian Financial Institution would generally not be required to withhold under FATCA from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary,” “withholding foreign partnership,” or “withholding foreign trust” regimes). To the extent amounts paid to or from the Issuer are subject to FATCA withholding, there will be no “gross up” (or any additional amount) payable by way of compensation to any Noteholders for the deducted amount.

Issuer

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