

INFORMATION MEMORANDUM

Newlink Credit Fund

**Issued by Newlink Capital Pty Ltd
(ACN 651 503 427 – AFS Representative number 001297602)
as Fund Manager of the Newlink Credit Fund.**

**Trustee: Newport Private Wealth Pty Ltd
(ACN 166 931 960 – AFSL - number 451820).**

TABLE OF CONTENTS

1	IMPORTANT NOTICES AND DISCLAIMER.....	4
2	KEY FEATURES OF THE FUND.....	7
3	ABOUT THE NEWLINK CREDIT FUND.....	10
3.1	The Fund (Newlink Credit Fund).....	10
3.2	Fund Manager (Newlink Capital Pty Ltd).....	10
3.3	Key Personnel & Investment Team	11
3.4	Trustee Background & Role	11
3.5	Fund Administrator.....	12
4	HOW THE NEWLINK CREDIT FUND WORKS.....	13
4.1	Structure and Investor Eligibility	13
4.2	Units.....	13
4.3	Unit Pricing.....	14
4.4	Initial and Subsequent Investments.....	14
4.5	Withdrawal Requests	14
4.6	Transfers of Units.....	15
4.7	Income Distributions	15
4.8	Keeping you informed.....	16
5	RISKS OF INVESTING IN THE FUND	17
5.1	Performance and Fund Manager risk	17
5.2	Credit risk.....	17
5.3	Property Development Risk.....	18
5.4	Valuation Risk.....	18
5.5	Market and economic risk.....	18
5.6	No guarantee of performance	19
5.7	Fund risk.....	19
5.8	Key person risk	19
5.9	Limited operating history	19
5.10	Tax risk.....	19
5.11	Liquidity risk.....	19
5.12	Counterparty risk.....	20
5.13	Leverage risk.....	20
5.14	Regulatory change risk	20
5.15	External factors risk.....	20
5.16	Information not complete or accurate	20
5.17	Operating history	20

5.18	Fees and expenses	21
5.19	General Risk.....	21
5.20	Risk mitigation strategy	21
6	HOW WE INVEST YOUR MONEY	22
6.1	Investment strategy	22
6.2	Investment process	22
6.3	Targeted returns.....	22
7	FEES AND COSTS	23
7.1	Fees and Costs	23
7.2	Further Information on Fees	24
8	ADDITIONAL INFORMATION FOR INVESTORS	26
8.1	Trustee.....	26
8.2	Investment Management Agreement.....	26
8.3	Fund Administration Agreement	27
8.4	Fund Trust Deed	27
8.5	Termination of the Fund	28
8.6	Indemnity	28
8.7	Cooling off rights	28
8.8	Privacy	28
9	TAXATION INFORMATION	29
9.1	Tax Summary	29
9.2	The Fund and the Sub-Schemes of the Fund.....	29
9.3	Income Tax Provisions.....	29
9.4	Income Tax.....	30
9.5	Additional Income Tax Issues	31
9.6	Disposal of Units	31
9.7	Non-Resident Investors.....	32
9.8	Annual Reporting.....	33
9.9	Tax File Number (TFN) and Australian Business Number (ABN)	33
9.10	Goods and Services Tax (GST)	33
9.11	Stamp Duty.....	33
9.12	Foreign Account Tax Compliance Act (FATCA)	33
9.13	Common Reporting Standard (CRS).....	34
10	HOW TO APPLY	35
11	CONTACT DETAILS	36
12	GLOSSARY.....	37

1 IMPORTANT NOTICES AND DISCLAIMER

This Information Memorandum is issued by Newlink Capital Pty Ltd (ACN 651 503 427 - AFS Representative Number 001297602), the Fund Manager of the Newlink Credit Fund ("Fund"), on 13 July 2022. It must be read in conjunction with any supplementary information memorandum ("SIM") that is issued for the Fund.

The trustee of the Fund is Newport Private Wealth Pty Ltd, ACN 166 931 960, AFSL Number 451820, (trading as Newport Asset Management) ("Trustee"). Newlink Capital Pty Ltd is an authorised representative of the Trustee.

The Fund, at the date of this Information Memorandum ("IM"), is not required to be, and is not, registered as a managed investment scheme pursuant to section 601ED of the *Corporations Act 2001* (Cth) ("Act"). The Disclosure Document(s) are not a product disclosure statement for the purposes of Part 7.9 of the Act.

Interests in the Fund will primarily be issued as units in the Fund ("Units"). The Fund's trust deed ("Trust Deed") provides for different Classes of Units. Under the Trust Deed, the different Classes of Units may have different rights and obligations. The performance of different Classes of Units may also differ depending on the investments of that Class. Holders of different Classes of Units will be treated fairly.

Interests in the Fund will be issued only on receipt of a validly completed Application Form issued together with this IM, and the receipt of cleared funds. This invitation to subscribe for interests in the Fund is subject to the terms and conditions described in the Disclosure Documents.

Any invitation to invest contained in the Disclosure Documents is only available for acceptance by Wholesale Clients, and is not available to Retail Clients, all within the meaning of the Act.

The distribution of the Disclosure Documents and an invitation or offer of interests in the Fund may be restricted in certain jurisdictions. No recipient of the Disclosure Documents in any jurisdiction may treat it as constituting an invitation or offer to them to apply for interests in the Fund unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that recipient in compliance with applicable law.

Prospective applicants should inform themselves as to the legal requirements and consequences of applying for, holding, transferring and disposing of Units and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, domicile or place of business. It is the responsibility of a prospective investor outside Australia to obtain any necessary approvals in respect of applying for, or being issued with, Units.

Unless otherwise agreed with the Trustee, any person applying for Units will by virtue of the person's application be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in the Disclosure Documents, and are not acting for the account or benefit of a person within such jurisdiction.

The Fund, the Trustee and the Fund Manager do not bear any liability or responsibility to determine whether a person is able to apply for Units pursuant to the Disclosure Documents.

The Disclosure Documents do not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Fund.

The Trustee reserves the right to evaluate any applications and to reject any or all applications submitted, without giving reasons for rejection. The Fund, the Trustee and the Fund Manager are not liable to compensate the recipient of a Disclosure Document for any costs or expenses incurred in reviewing, investigating or analysing any information in relation to the Fund, in submitting an application or otherwise.

No cooling off period applies to the issue of Units.

The Disclosure Documents must be read in conjunction with the Trust Deed. Prospective investors should review the Trust Deed for further information regarding the rights and obligations of investors of the Fund. To the extent there are any inconsistencies between the Trust Deed, this IM and any SIM, the Trust Deed will prevail.

In providing the Disclosure Documents, the Trustee has not taken into account the recipient's objectives, financial situation or needs and accordingly the information contained in this IM and each SIM does not constitute personal advice for the purposes of section 766B(3) ("personal advice") of the Act. None of the Trustee, the Fund Manager, or their related parties, officers, employees, consultants, advisers or agents warrant that an investment in the Fund is a suitable investment for the recipient.

None of the Trustee, the Fund Manager, or their related parties, officers, employees, consultants, advisers or agents have carried out an independent audit or independently verified any of the information contained in the Disclosure Documents, nor do they give any warranty as to the accuracy, reliability, currency or completeness of the information or assumptions contained in the Disclosure Documents, nor do any of them, to the maximum extent permitted by law, accept any liability whatsoever however caused to any person relating in any way to reliance on information contained in the Disclosure Documents or any other communication or the issue of Units.

The Trustee strongly recommends that potential investors read the Disclosure Documents in their entirety and seek independent professional advice as to the financial, taxation and other implications of investing in the Fund and the information contained in the Disclosure Documents.

None of the Trustee, the Fund Manager, or their related parties, officers, employees, consultants, advisers or agents, guarantee the repayment of capital invested in the Fund, the payment of income from the Fund or the performance of the Fund or an investment in the Fund generally. As with any investment there are inherent risks in investing in the Fund, including the risk that an investment in the Fund is speculative, that the investment may result in a reduction in, or total loss of, the capital value of the investment, loss of income and returns that are less than expected or delays in repayment of capital. See Section 5 (Risks Factors) for further information about the risks involved in making an investment in the Fund.

The contents of the Disclosure Documents are:

- not intended to be disclosed to any person other than the person to whom the Disclosure Document has been provided to by the Trustee;
- strictly confidential; and

- not to be reproduced, either in whole or in any part or parts, without the Trustee's prior written consent and, if such written consent is given, only in accordance with that consent.

The Disclosure Documents may include certain statements, estimates or projections with respect to the anticipated future performance of the Fund. Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Trustee and the Fund Manager. Those assumptions may or may not prove to be correct. No representation is made as to the accuracy of those statements, estimates or projections. The recipient should make its own enquiries and investigations regarding the assumptions, uncertainties and contingencies which may affect the future operations of the Fund and the impact that different future outcomes may have on the Fund and should not rely on those statements, estimates or projections.

It is important that potential investors read the entire IM and any applicable SIM before making any decision to invest in the Fund. In particular, it is important that potential investors consider the risks outlined in section 5 "Risks of Investing in the Fund" on page 17 that could affect the performance of an investment.

The Trustee has not authorised any person to give any information or make any representations in connection with the Fund which are not in the Disclosure Documents and if given or made such information or representations must not be relied upon as having been authorised by the Trustee. Any other parties distributing this product to investors are not the Trustee's agent or representative and are doing so on their own behalf. The Fund, the Trustee and the Fund Manager are not responsible for any advice or information given, or not given, to potential investors by any party distributing this product and, to the maximum extent permitted by law, accept no liability whatsoever for any loss or damage arising from potential investors relying on any information that is not in the Disclosure Documents when investing.

The primary language of this document is English. This document may be translated into different languages. Any translations provided are for reference purposes only. If there is any inconsistency or conflict between the English version of a Disclosure Document and versions of that Disclosure Document in any other language, the English version prevails.

All references to \$ amounts are references to Australian Dollars.

The information in the Disclosure Documents is general information only and does not take into account your financial situation, objectives or needs. The information can change, and may be updated or replaced from time to time. Unless the changed information is materially adverse, the Trustee may not always update or replace a Disclosure Document to reflect the changed information. Updated information can be obtained by contacting the Fund Manager or your adviser. You should check if there is any updated information before you invest.

A glossary of terms used in the Disclosure Documents is included in Section 12 on page 37 ("Glossary").

2 KEY FEATURES OF THE FUND

The following table provides a snapshot of the Fund. Please read the whole IM and any applicable SIM before deciding to invest.

Fund Name	Newlink Credit Fund
Investment Structure	<p>The Fund is an open-ended unit trust that is not currently registered with ASIC as a managed investment scheme.</p> <p>The Trustee intends to issue multiple Classes of Units in the Fund. The Trustee may create Classes of units which invest in pools of Loans, or Classes of units which invests in specific Loans.</p> <p>The gains, losses, assets and liabilities from one Class will not be shared with other Classes.</p> <p>Details of the terms of issue of each Class, and information about the underlying investments to be made from the capital raised with respect to the information regarding the investment of the Classes of Units, will be set out in the SIM for that particular Class.</p>
Investment Objective	The Fund seeks to provide Investors with risk-adjusted target returns by investing in Loans to Borrowers for the purpose of funding property development or commercial business activities.
Investment Description	Loans will be made in accordance with the terms set out in the relevant SIM for each Class of units.
Investment Strategy	The investment strategy in relation to the target Loans are set out in the SIMs.
Target Returns	<p>The target return of each Class of Units will be set out in each relevant SIM.</p> <p>Target returns are not a promise or a forecast of future returns. Neither the Trustee nor the Fund Manager guarantees any returns.</p>
Investor Eligibility	<p>The Fund is only available to "wholesale clients" as defined in the Act.</p> <p>The Fund is intended to provide Investors with risk-adjusted target returns by investing in Loans to Borrowers for the purpose of funding property development or commercial business activities.</p>
Targeted Fund Raise	The target fund raising for each Class will be set out in the relevant SIM.

	The specific minimum investment or Commitment amount for each Class of Units is specified in the relevant SIM.
Initial Issue Price	\$1.00 per unit.
Distributions	Distribution frequencies for each Class of units will be specified in the relevant SIM.
Fees	<p>Application Fee: 2.00% of the investment amount (plus GST). Management Fee: 1.25% per annum of the Fund's Net Asset Value (plus GST). Performance Fee: Nil Buy/Sell spread unit price adjustment: Nil</p> <p>Administration Fee:</p> <p>(a) \$25,000 per annum where the Trust has a Gross Asset Value of less than \$20 million and less than 50 Unitholders; and (b) \$35,000 per annum where the Trust has a Gross Asset Value of \$20 million or more, or where there are 50 or more Unitholders.</p> <p>Trustee Fees for the initial 3 year period from the Commencement Date:</p> <p>(a) 0.10% per annum on the Gross Asset Value of the Trust up to \$100 million; and (b) 0.05% per annum on the Gross Asset Value of the Trust, for those amounts of more than \$100 million but less than \$200 million; and (c) 0.03% per annum on the Gross Asset Value of the Trust, for those amounts of more than \$200 million.</p> <p>Trustee Fees following the initial 3 year period:</p> <p>Fee to be negotiated and agreed with the Trustee which may be up to 2.50% per annum on the Gross Asset Value of the Trust.</p> <p>For more information see section 7 (Fees and Costs).</p>
Redemptions	The fund is not liquid, and an Investor's ability to make a withdrawal request from the Fund will depend on the Class of Units held by the Investor in accordance with the terms set out in the relevant SIM. Any withdrawal request made by an Investor will be subject to a 6 month notice period and the Initial Holding Period. The Trustee will consider the withdrawal request and retains the discretion to determine whether to approve the withdrawal request in full, in part, or not at all. The Trustee will take into account all relevant factors including whether the Fund has sufficient liquid funds at that time to allow a withdrawal.

	<p>The Trustee may suspend or refuse redemption requests in certain circumstances.</p> <p>The Trustee may also redeem the Units of any Unitholder without the need for a withdrawal request in certain circumstances as set out in the Trust Deed.</p>
Initial Holding Period	The investment term of a Class is set out in the relevant SIM.
Reporting	Quarterly reporting of the performance and operation of the Fund. Annual taxation and distribution statements.
Fund currency	<p>Australian dollars ("AUD")</p> <p>The financial reports of the Fund will be maintained in Australian dollars.</p>
Cooling off period	No cooling off period will apply to applications.
Taxation	You are required to obtain your own taxation advice about an investment in the Fund.

3 ABOUT THE NEWLINK CREDIT FUND

3.1 The Fund (Newlink Credit Fund)

The Fund is an Australian Unit Trust for Wholesale Clients only.

The Fund seeks to provide Investors with risk-adjusted target returns by investing in Loans to Borrowers for the purpose of funding property development or commercial business activities.

The Fund Manager seeks to achieve these goals by lending funds to Borrowers that meet the requirements of the Lending Policy.

More detailed information concerning particular target lending of the Fund are set out in the SIMs which accompany this IM.

3.2 Fund Manager (Newlink Capital Pty Ltd)

Newlink Capital Pty Ltd ("Newlink") is the Fund's promoter and Fund Manager and responsible for undertaking due diligence to identify suitable investments for the Fund and ensure the continued growth of the funds under management.

Newlink specialises in land acquisitions and the delivery the successfully completed projects. We can assist the funding company to deal with the delivery of projects and provide more confidence and reliability to the investors.

Newlink Capital Group has considerable knowledge and experience in all aspects of the loan process, real estate and financial areas. We provide a comprehensive solution for borrows who require funding for any business purpose and investors who are looking for a secure low risk return on their investments.

The Fund offers investments in select registered first mortgage loans. We present investors with clearly defined investment strategies that have been engineered to offer opportunities for diversification. The fund holds a direct interest in the mortgage, which pays a regular income.

Newlink Capital Group's prudent investment approach places the focus on generating a stable income, preserving capital and mitigating downside risk, a philosophy born of an acute understanding of our low-growth, low-yield economic environment.

An investment in Newlink Capital group can produce a consistent income in the short-term, whilst making a solid contribution towards building your wealth for years to come.

The Fund offers investments in select registered first mortgage loans. We present investors with clearly defined investment strategies that have been engineered to offer opportunities for diversification.

3.3 Key Personnel & Investment Team

The Fund Manager will comprise an experienced Management team including:

Dorise Chen

Member of Lending Review Committee

Dorise has been in the accounting and financial industry for more than 15 years. Dorise is a CPA Accountant and also a qualified financial planner in Australia. Dorise is also the founder of Infinity Capital Group which provides services in general insurance, financial planning and also operates a family office in the Asia Pacific region. She has previously worked in Australia's Treasury department, AMP, Westpac and ANZ. Utilising her extensive experience in business management, asset management and capital-raising across many sectors, Dorise will be involved in transaction management from sourcing, analysis and due diligence evaluation through to settlement.

Rajeeva Jayasinghe

Founder & Member of Lending Review Committee

With over 15 years' experience across Business Banking and Retail Banking, Raj has demonstrated a consistent and long standing ability in delivering outstanding financial outcomes for clients and his employers. As a passionate finance professional, Raj sees Newlink Capital as a solution helping many individuals achieve their investment goals in a sustainable manner. Leveraging his experience throughout the Banking and Finance sector, Raj brings his knowledge of all facets of Residential and Commercial Lending to the Lending Review Committee as well as general oversight of Newlink Capital's business operations.

3.4 Trustee Background & Role

Newport Private Wealth Pty Ltd (trading as Newport Asset Management) is a professional trustee and investment manager, licensed by the Australian Securities & Investments Commission ("ASIC") to provide trustee services in relation to Wholesale Clients.

The Trustee has been appointed as trustee of the Fund to act on behalf of Investors and provide oversight in respect of compliance of the Fund with the Act and ASIC guidelines.

The Trustee is the holder of Australian Financial Services Licence No. **451820** ("AFSL") which permits it to advise and deal in a range of financial products and to provide custodial and depository services.

In exercising its powers and duties, the Trustee must:

- act honestly and in the best interests of Investors at all times;
- exercise a reasonable degree of care and diligence;
- treat each class of Unitholders equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to Unitholders;
- comply with the Fund's Trust Deed and all applicable laws;
- ensure Fund property is separated from the property of the manager and other entities; and
- assume ultimate responsibility for any complaints by Investors or enquiries by the Regulator.

3.5 Fund Administrator

The administrator of the Fund is Recap Management Pty Ltd ACN 612 074 307 AFS Authorised Representative Number 1242415.

Recap Management Pty Ltd is an associated company to Newport Private Wealth Pty Ltd.

These administrative activities include the following administrative functions, which may include "fund accounting" functions.

- Calculation of the Net Asset Value ("NAV"), including the calculation of the fund's income and expense accruals and the pricing of securities at current market value, is a core administrator task, because it is the price at which investors buy and sell shares in the fund. This involves trade capture; security valuation (for highly illiquid securities, considerations include whether counterparty valuations are available and/or appropriate and whether the securities can be valued by independent vendors); reconciliations; expense calculation; and NAV calculation and reporting. The accurate and timely calculation of NAV by the administrator is vital;
- Preparation of semi-annual and annual reports to shareholders;
- Maintenance and filing of the fund's financial books and records as the fund accountant, including reconciliation of holdings with custody and broker records;
- Payment of fund expenses;
- Settlement of daily purchases and sales of securities, ensuring collection of dividends and interests;
- Calculation and payment to the transfer agent of dividends and distributions (if required);
- Preparation and filing of other filings/reports;
- Calculation of the total returns and other performance measures of the fund;
- Investor relations & communications;
- Processing investor applications; and
- KYC/AML checks.

4 HOW THE NEWLINK CREDIT FUND WORKS

4.1 Structure and Investor Eligibility

The Fund is a unit trust, whereby your money is pooled with other Investor funds. This means that you have access to certain loans, investments and strategies that you may not otherwise be able to access on your own.

The Fund is only available to "wholesale clients" within the meaning of the Act. The Trustee may, in its absolute discretion, accept or refuse any application for Units in whole or in part, and it is not bound to give any reasons for such refusal. If an application is refused, then the Trustee must refund any money paid by that applicant to the applicant within ten Business Days after the refusal.

To qualify as a "wholesale client", you are generally required to satisfy one of the following:

- invest at least \$500,000 into the Fund (please note this option does not apply to Application Money that is sourced from superannuation);
- provide Newlink with a certificate given by a qualified accountant no more than six months before the application is made confirming you (and/or any relevant entity you control) have at least \$2.5 million in net assets or \$250,000 of gross income for the last two financial years; or
- confirm you are a 'professional investor', as that term is defined in the Act; or
- the offer is made to you through a Australian financial services licensee and the licensee provides a written statement (before or at the time when the offer is made) that it is satisfied on reasonable grounds that you have previous experience investing in securities that allows you to assess the merits of the offer, the value of the securities, the risks involved in accepting the offer, your own information needs and the adequacy of the information given.

The Fund is intended to provide Investors with risk-adjusted target returns by investing in Loans to Borrowers for the purpose of funding property development or commercial business activities.

4.2 Units

Investors will hold Units in the Fund, meaning that when you invest in the Fund, you purchase Units that represent a beneficial interest in the Fund's assets (but do not entitle you to ownership of any particular asset).

The Fund comprises of multiple separate Classes of Units. Pursuant to this IM, the Trustee intends to issue ordinary, A Class and B Class Units.

Specific disclosure about each Class of Units is outlined in the corresponding SIM and which will include the following information:

- Target returns;
- Distribution frequency;
- Withdrawal rights; and
- Summary of Loan terms.

Each Class of Units may have multiple Investors, each holding a beneficial interest in the Class assets which is equal to their proportionate holding of issued Units of that Class. The Trustee may, at its discretion, issue other classes of Units from time to time.

4.3 Unit Pricing

The unit price will vary as the market value of investments in the Fund rises or falls.

The calculation of unit prices is set out in the Trust Deed for the Fund. Initial units will be issued at a price of \$1.00. Subsequent unit prices are calculated by:

- determining the gross asset value of the Fund as at the relevant valuation day for that Class of Units;
- deducting any liabilities (including accrued fees) for that Class of Units;
- allowing for transaction costs of buying or selling the Fund's assets for that Class of Units;
- dividing the resulting Net Asset Value by the number of Units on Issue in that Class of Units.

In accordance with the Trust Deed, the Fund Manager calculates both an issue price and a withdrawal price for units. The Fund Manager calculates the Fund's unit prices as and when required for the operation of the Fund. The Trustee may also set an issue price that differs from the price determined above in special circumstances (such as for income reinvestments).

4.4 Initial and Subsequent Investments

A completed Application Form and client identification form is required for both initial and subsequent investments in the Fund. These forms are available either online or in paper form from the Fund Manager.

When a completed application form is accepted, payment can be made via direct debit (bank details are provided on the application form). The Trustee reserves the right to refuse an application for Units in whole or in part, and it is not bound to give any reasons for such refusal.

Applications are processed monthly and must be received at least 2 Business Days before the end of the month to be considered for that month.

4.5 Withdrawal Requests

An Investor's ability to make a withdrawal request from the Fund will depend upon the Class of Units held by the Investor and will be outlined within the relevant SIM. Generally speaking, Investors will not be able to withdraw their Units in a Class until the end of the investment term.

Subject to the above, an Investor can withdraw some or all of their funds by sending the Fund Administrator a completed withdrawal request form either electronically or via hard copy (subject to a 6 month notice period and the Initial Holding Period). The Trustee will consider the withdrawal request and retains the discretion to determine whether to approve the withdrawal request in full, in part, or not at all. The Trustee will take into account all relevant factors including whether the Fund has sufficient liquid funds at that time to allow a withdrawal.

After the Fund Administrator has received and accepted a completed withdrawal form, withdrawals are normally paid within 40 days of the withdrawal date, although the Fund's Trust Deed allows for up to 60 days of receipt of the request.

Withdrawals are usually credited directly to your nominated account.

In certain circumstances, the Trustee has the right to suspend or refuse withdrawals from the Fund. Examples of these circumstances are:

- Investors will be required to hold their investment for an Initial Holding Period as set out in the relevant SIM;
- when the withdrawal represents more than 5% of the Fund's assets (noting that in this case the Trustee can also redeem the Units at such future time, or at times over such period, as it determines);
- where it is not in the best interests of Unitholders for a withdrawal to be made; or
- due to circumstances beyond the Trustee's reasonable control, it cannot calculate or pay the withdrawal price.

4.6 Transfers of Units

There will not be any established secondary market for the sale of Units. Investors wishing to transfer units to a different entity must complete a standard transfer form, available by contacting the Fund Administrator. The buying entity must be a "wholesale client" within the meaning of the Act and, unless it is an existing Investor, will be required to complete an initial Application Form and client identification form.

The Trustee may in its absolute discretion, refuse to accept or register, in whole or in part, any transfer of Units if, in the Trustee's opinion, it is not in the interests of the Trust to do so and the Trustee need not give reasons.

A transfer of units from one entity to another may have taxation implications and Investors should seek independent professional advice before proceeding with any such transfers or actions.

4.7 Income Distributions

The Fund may earn income such as interest, and may derive gains or losses on the sale of underlying assets. It is the Trustee's intention that the full amount of the Fund's taxable income that has been received by the Fund in each Financial Year will be distributed to Investors. The rate and frequency of distributions will depend upon the Class of Units held by the Investor and are set out in each relevant SIM.

The distribution amount for each Unitholder is derived by dividing the total distribution amount by the total number of Units on Issue at the distribution date, and multiplying the result by the number of units you hold on that date. If you withdraw units prior to the distribution date, you will not receive any distribution for the period you held those units in the relevant distribution period.

There will be no option to reinvest distribution payments. All distribution payments will be made to the Investor within ten Business Days of the distribution calculation period. However,

at the end of Financial Year, due to the time required to prepare annual investor statements and carry out tax and compliance obligations, the Trustee will endeavour to pay the final distributions (if any) for the Financial Year as soon as these requirements are met.

4.8 Keeping you informed

The Fund Manager (or the Fund Administrator) will provide periodical reports to Investors, along with updated Fund information. The reports provided to Investors include:

- quarterly valuation and performance reports;
- a transaction statement including a statement of unit holding at the time of any change in an Investor's unit holding;
- the annual audited financial statements of the Fund for each Financial Year; and
- annual distribution and tax statements.

5 RISKS OF INVESTING IN THE FUND

The purpose of this section is to inform you of the types of significant risks that may apply to an investment in the Fund and is a summary only which is not exhaustive. It does not purport to be a comprehensive statement of all the risks. The significant risks of the investment structure as well as those associated with the structure of this Fund are considered.

All investments carry risk including the potential for loss of income or capital, a less than expected rate of return or a delay in payment. Different investment strategies may carry different levels of risk, depending on the assets that make up the investment strategy.

Some significant risks of investing in the Fund are summarised below. Other specific risks in relation to particular target investments will be disclosed in the SIMs.

Prospective Investors should carefully consider the risk factors described in this section 5, together with the information contained elsewhere in this IM, with regards to their personal circumstances, including financial and taxation issues, and seek professional advice from their accountant, lawyer or other professional advisor before deciding whether to invest.

5.1 Performance and Fund Manager risk

The success of the Fund is dependent on the Fund Manager identifying suitable Loans for the Fund to make and then managing those Loans to ensure that the Loans are repaid. If the Fund Manager is unable to achieve this, then this may adversely affect the Fund's returns.

There is always a risk that the Fund Manager fails to identify and adequately manage the investment risks which may adversely affect the Fund's returns.

There is also a risk that the investment portfolio of the Fund may lack a diversification of assets. While the Fund aims to present investors with the opportunity to participate in a diverse range of Loans, it depends on the ability of the Fund Manager to originate quality Loans that meet the Lending Policy of the Fund.

The Fund Manager may elect to retire or may be replaced as the Fund Manager of the Fund, or the services of the key personnel of the Fund Manager may become unavailable for any reason.

5.2 Credit risk

A Borrower may become insolvent or face financial difficulties, they may fail to meet payment obligations or otherwise fails to meet the terms of the Loan or have other financial difficulties, including insolvency, which could be for a number of reasons, including:

- an inability to pay interest as a result of reduced income generally, including rental income;
- an environmental or demographic issue impacting on the ability of the security property to generate income;
- where the applicable interest rate is variable and an increase in the underlying interest rate causes a Borrower to be unable to meet the increased interest repayments; and/or
- cost increases and or time delays relating to a development.

These could adversely affect the income attributable to a Class of Units and the value of the Loan which will impact repayments of capital and distributions to Investors in respect of that Class of Units.

If the Borrower defaults under a Loan or corporate guarantee, the Fund may need to take enforcement action against the personal assets of the Borrower to recover amounts owing – and the costs incurred in doing so could be substantial.

Moreover, it is intended a significant number of Loans made by the Fund will be guaranteed by way of corporate guarantee by the Borrower. In the event that the Borrower is insolvent or unable to meet its obligations under a corporate guarantee, it may be unable to meet obligations under all other corporate guarantees it has entered into especially those guarantees provided to the Fund.

The Fund will not maintain a reserve of funds to meet losses on Loans, should they occur. This means any Loan losses and enforcement costs caused as a result of Borrower default or otherwise will have to be met from the Fund's capital, which may impact upon the Fund's unit price and may result in a capital loss being incurred by Investors.

5.3 Property Development Risk

Loans for property development include a degree of additional risk compared to those that are used to fund investments. This risk is associated with the timing, completion and sale of the Project particularly if a Borrower is unable to complete the property development works as required.

Furthermore, during property development process, a downward shift in the property market can affect the ability to recover the amount owing under the Loan at the completion of the Project.

Third parties engaged to perform works on a Project could become insolvent or default under their contracts which may lead to delays or impact on the viability of a Project.

The Fund Manager will identify key items or milestones when determining the pre-funding and post-funding conditions of each Loan. The parameters of the terms of the Loan will be set out within the relevant SIM.

5.4 Valuation Risk

The valuation of the security property for a Loan may be inaccurate or not accurately reflect its true value at the time the valuation is undertaken. If the valuation of the security property for a Loan is incorrect, then the amount realised on the sale of a security property may not cover the amount lent to the Borrower.

5.5 Market and economic risk

Market risk is the risk that an entire market, country or economy changes in value or becomes more volatile, including the risk that the country's credit rating is downgraded. This may be because, amongst other things, there are adverse changes in economic, financial, climate, technological, political or legal conditions, natural and man-made disasters, conflicts and shifts in market sentiment.

Changes in interest rates can also have a direct or indirect impact (negative or positive) on investment opportunities, returns and consequently the amount of income paid to Investors.

5.6 No guarantee of performance

The Fund seeks to deliver target returns to Investors which are intended to be greater than the interest paid on basic deposit and saving products offered by a bank. However, as a general rule, higher potential returns have higher levels of uncertainty (high-risk) than investments with lower potential returns and low levels of uncertainty (low-risk).

Target returns are not a forecast and the Fund may not be successful in meeting its objectives. None of the Trustee, the Fund Manager or any other person or entity guarantees any income or capital return from the Fund.

Neither the money that an Investor has invested in the Fund or the returns earned from their investment are guaranteed. A lack of performance by the Fund may mean there is insufficient income for the Fund to meet its investment objectives, in particular its yield objective.

Investors should also note that an investment in the Fund is not an investment in an entity regulated by APRA and an investment in the Fund carries greater risk than an investment in a bank.

5.7 Fund risk

The Fund could be terminated, the fees and expenses could change, the Fund Manager could be replaced, and other key personnel could change.

5.8 Key person risk

There is the risk that key individuals will no longer be able to fulfil their obligations in respect of the investment or administration of the Fund. The performance of the Fund may be dependent on the management skill of one or more individuals. If key personnel are no longer able to fulfil their obligations there is a risk that the Trustee or the Fund Manager may not be able to find suitably qualified replacement personnel and the performance of the Fund may suffer as a result.

5.9 Limited operating history

The Fund is a newly formed fund with no operating history upon which Investors can evaluate its likely performance. There can be no assurance the Fund will achieve any of an Investor's investment objectives.

5.10 Tax risk

Tax and duty laws, and the regulatory interpretation or enforcement of laws can change and changes can be adverse. Investors should consider their own circumstances before investing.

5.11 Liquidity risk

The risk that, due to the lack of marketability of an investment, the investment cannot be bought or sold quickly enough to prevent or minimise a loss or make a profit.

The objective of the Fund is to invest in Loans secured by mortgages over real property. As such the Fund's assets may not be able to be converted into cash in a timely manner. This liquidity risk may impact the ability of the Fund to pay withdrawal requests.

Investments in the Fund have an Initial Holding Period and Investors will not be able to withdraw their investment within that period.

5.12 Counterparty risk

Counterparty risk represents the loss that would be recognised if counterparties (i.e. the other parties to the contracts such as custodians, securities dealers or derivative counterparties, stock or crop lease originators) fail to perform as contracted.

5.13 Leverage risk

The Fund has the ability to borrow money to invest. The use of leverage may magnify the potential gains and losses achieved by the Fund, thus impacting on the value of the units in the Fund.

5.14 Regulatory change risk

This is the risk that the value or tax treatment of either the Fund itself or investments of the Fund, or the effectiveness of a Fund's trading or investment strategy, may be adversely affected by changes in government (including taxation) policies, regulations and laws affecting registered managed investment schemes, or changes in accounting policies or valuation methods.

5.15 External factors risk

Investors should be aware that the Fund may be influenced by various factors external to the Trustee and the Fund Manager's control, including but not limited to: changes in the Australian and international economic outlook; changes in the government fiscal and regulatory policies; changes in interest rates and inflation; and investor sentiment in these markets.

5.16 Information not complete or accurate

The Fund Manager is not in a position to confirm the completeness, genuineness or accuracy of any information or data included in this IM. A significant amount of the material provided in this IM was supplied by third parties. This information has not been audited or independently reviewed.

5.17 Operating history

The Fund has no operating history upon which Investors may base an evaluation of its likely performance. The success of the Fund's investment activities will depend almost entirely on

the Fund Manager's ability to carry out the proposed investment strategy successfully. While the principals of the Fund Manager have previous experience making and managing investments of the type contemplated by the Fund, there can be no assurance that the Fund's investments will achieve the targeted rate of return.

5.18 Fees and expenses

The Fund will incur fees and expenses regardless of whether it is successful. The Fund must therefore ensure that sufficient liquidity is maintained in order to meet its expenses. The Trustee and the Fund Manager expect to incur significant costs and expenses in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment including, but not limited to, financial, legal, technical, regulatory, commercial advisers, engaged to assist the Trustee and the Fund Manager in seeking to source, evaluate, structure, negotiate, close, monitor and exit the investment. There can be no assurance that the Fund will be successful in being able to recover these fees and expenses from a successfully closed investment. These amounts may be significant and could have an adverse impact on the return that Investors might otherwise realise.

5.19 General Risk

The significant risks of investing in managed investment schemes generally include the risks that:

- The value of the investments will vary;
- The level of returns will vary, and future returns will differ from past returns;
- Returns are not guaranteed and Investors may lose some of or all of their money; and
- Laws change.

5.20 Risk mitigation strategy

As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable. Whenever Loans are made, the potential for returns in light of the likely risks are assessed.

Risk is considered throughout the lending process. As far as is practicable, risk is managed at the Fund level in the selection of the various Loans. However, many risks are difficult or impracticable to manage effectively and some risks are beyond the Fund Manager's control altogether. Investing involves risk, and you can lose as well as gain money. Neither returns nor the money you invest in the Fund is guaranteed.

The Fund Manager will seek to mitigate risk in the manner set out in the Lending Policy.

It is important to note that not all risks can be foreseen. It is therefore not possible for the Trustee or the Fund Manager to protect the value of the Fund's investment from all risks. You should consult with your financial adviser to properly understand the risks associated with the Fund and your attitude to investment risk.

Neither the Trustee or the Fund Manager guarantees the repayment of money invested, the payment of income or the Fund's investment performance.

6 HOW WE INVEST YOUR MONEY

6.1 Investment strategy

The Fund seeks to provide Investors with risk-adjusted target returns by investing in Loans to Borrowers for the purpose of funding property development or commercial business activities.

The Fund Manager seeks to achieve these goals by lending funds to Borrowers that meet the requirements of the Lending Policy.

More detailed information concerning particular target lending of the Fund are set out in the SIMs which accompany this IM.

6.2 Investment process

The Fund's investment process is set out in the Lending Policy which accompanies and forms part of this IM.

6.3 Targeted returns

The target return of each Class of Units will be set out in each relevant SIM.

Target returns are not a promise or a forecast of future returns. Neither the Trustee nor the Fund Manager guarantee any returns.

7 FEES AND COSTS

7.1 Fees and Costs

The following table shows the fees and costs you may be charged when investing in the Fund. Fees and costs may be deducted directly from your money, from the returns on your investment or from the Fund's assets as a whole.

All the fees and costs shown in this section exclude GST unless otherwise stated.

TYPE OF FEE OR COST	AMOUNT
Transaction Costs – Cost applied when your money moves in or out of the Fund	
Application fee (once off)	2.00% of the investment amount (plus GST).
Buy/Sell Spread	At the date of this IM, the estimated buy/sell spread unit price adjustment is nil.
Management Costs - Fees while your money remains in the Fund	
Management Fee	1.25% per annum (plus GST) of the Fund's Net Asset Value.
Performance Fee	Nil.
Estimated ordinary and every day recoverable expenses (% of Funds Under Management – based on \$20m FUM)	Nil. The Fund Manager does not presently recover ordinary and every day expenses relating to the operation of the Fund. These are all paid for by the Fund Manager out of its own resources. However, the Fund Manager reserves the right to recover any abnormal expenses from the Fund. See section 7.2 for further details.
Administration Fee	\$25,000 per annum where the Fund has a Gross Asset Value of less than \$20m and there are less than 50 unitholders. \$35,000 per annum where the Fund has a Gross Asset Value of greater than \$20m, or where there are 50 or more unitholders.
Trustee Fee	In relation to the initial 3 year period from the Commencement Date, the Trust is entitled to be paid a trustee fee, being the sum of: (a) 0.10% p.a. on the Gross Asset Value of the Trust up to \$100 million; (b) 0.05% p.a. on the Gross Asset Value of the Trust, for those amounts of more than \$100 million but less than \$200 million; or

	(c) 0.03% p.a. on the Gross Asset Value for funds of the Trust, for those amounts of more than \$200 million. Following the initial 3 year period, the fee is to be negotiated and agreed with the Trustee which may be up to 2.50% per annum on the Gross Asset Value of the Trust.
Other Ongoing Costs - Fees while your money remains in the Fund	
Tax returns	\$3,000 - \$5,000 per annum (plus GST).
Audit fees (if required)	\$3,000 - \$5,000 per annum (plus GST).

7.2 Further Information on Fees

Management fees are accrued on a daily basis. They are paid monthly in arrears to the Fund Manager from the Fund's assets.

Recoverable expenses

The Fund Manager reserves the right to recover any abnormal expenses from the Fund. Abnormal expenses are expected to occur infrequently and may include (without limitation) costs of litigation to protect Investors' rights, costs to defend claims in relation to the Fund, Investor meetings and termination and wind up costs. In addition, the Fund Manager may also pay commissions to parties who introduce Investors or assets to the Fund, and these will be paid from the Fund's assets.

The Fund Manager pays its personal costs from its own moneys, including premises, research, wages and director fees, insurance, its own accounting and any audit and licensing costs directly related to the Fund Manager.

Transaction costs

When the Fund acquires or disposes of assets it incurs operational and transactional costs such as brokerage (including research), external due diligence, legal and accounting fees, transactional taxes and settlement costs. These will vary from year to year depending upon the volume and value of trades undertaken.

To cover these costs a Buy/Sell spread is applied to the unit price. The Buy/Sell Spread is an additional cost to Investors when investing in or withdrawing from the Fund and the proceeds from it are retained by the Fund. At the date of this IM, there is no buy/sell spread unit price adjustment expected.

The net transaction costs of the Fund represent the total operational costs of the Fund less the total amount recovered through the Fund's buy/sell spread. Net transaction costs are not included in the management costs of a Fund. Instead they are recovered from the assets of the Fund.

Borrower fees

The interest payable by Borrowers in relation to a Loan will be collected by the Trustee.

In addition to this amount, the Borrower may also pay an establishment fee, loan administration fees and/or line fees or other fees to the Fund Manager or the Fund. The Fund Manager is entitled to any establishment fees, line fees, administration fees or other fees paid by the Borrower. Such fees will be set out in the relevant SIM. The Borrower and a corporate guarantor will be jointly and severally liable for the Fees and Costs in relation to the Loans.

Variation of fees

Please refer to any supplementary information memorandum for the specific class of units held by you. All fees and expenses can change. Reasons might include changing economic conditions and changes in regulations. The Fund will generally give you 30 days' notice of any change to fees and expenses.

The Trust Deed for the Fund sets the maximum amount that can be charged for all fees. There is no specific limit in the Trust Deed on the level of expense recovery. A copy of the Trust Deed is available free on request from the Trustee.

Other fees and charges

All government fees, duties and bank charges will apply to your applications and withdrawals as appropriate.

8 ADDITIONAL INFORMATION FOR INVESTORS

8.1 Trustee

Newport Private Wealth Pty Ltd, ACN 166 931 960, AFSL Number 451820, (trading as Newport Asset Management) is the trustee of the Fund.

The Trustee has been appointed as trustee of the Fund to protect Investors and ensure compliance of the fund as legislated by the Act. The Trustee must undertake the following in exercising its powers and duties:

- act honestly and in the best interests of the Investors at all times;
- exercise a reasonable degree of care and diligence;
- comply with the Fund's Trust Deed and applicable law; and
- assume ultimate responsibility for any complaints by Investors or enquiries by the Regulators.

The Trustee may, at any time, retire as Trustee of the Fund in accordance with the relevant laws and the Trust Deed, which requires the Trustee to give at least 30 Business Days' notice in writing to Unitholders, or a shorter notice period agreed to by a Unitholder Resolution. The Trustee must notify the investment manager as soon as possible after it decides to retire.

The Unitholders may, on any date after the third anniversary of the Commencement Date, call a meeting and pass a Unitholder Resolution, which requires the Trustee to retire. The Trustee must retire within 90 days of such a Unitholder Resolution.

Where the Fund is not a registered scheme (as defined in section 9 of the Act), the Trustee will retire as Trustee of the Fund as soon as reasonably practicable after being requested to do so by the investment manager (or such longer period as is agreed between the Trustee and the investment manager), provided that:

- (a) if such request to retire occurs within the initial minimum term of 3 years, the investment manager must pay the Trustee a termination fee of \$10,000;
- (b) the investment manager has nominated another entity to perform the role of trustee and such entity holds an Australian financial services licence under the Act, which authorises that entity to carry on a financial services business as trustee of the Fund;
- (c) the Trustee, acting reasonably, considers that such retirement is appropriate having regard to its duties under the Relevant Law or any other law and subject to the requirements set out in the Trust Deed; and
- (d) such retirement occurs in accordance with the procedures set out in the Relevant Law to the extent required or applicable.

8.2 Investment Management Agreement

The Investment Management Agreement is between the Fund Manager and the Trustee under which the Fund Manager provides investment management services to the Fund.

The Investment Management Agreement will remain in force until the Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. The agreement can be terminated by the Trustee if the Fund Manager is in material breach of the agreement and that breach has not been remedied after a reasonable period specified by the Trustee in a notice to do so. There are also provisions allowing the Trustee to terminate if, for example, the Fund Manager becomes insolvent.

Please refer to section 7.1 of this IM for details of the management fee payable.

The Fund Manager is permitted to terminate the agreement in certain circumstances, such as if the Trustee ceases to be the trustee for the Fund.

From time to time, the Trustee or Fund Manager may encounter conflicts in respect of its duties in relation to the Fund, its duties to other funds that it manages and its own respective interests. The Trustee and Fund Manager will manage any conflicts in accordance with its conflicts of interest policies and procedures, the Trust Deed, ASIC policy and the law.

8.3 Fund Administration Agreement

The Fund Administration Agreement is between the Administrator and the Trustee under which the Administrator provides registry and administration services to the Fund. The Fund Administration Agreement sets out the Administrator's obligations to the Trustee and to the Fund.

8.4 Fund Trust Deed

The Fund was established under the Trust Deed, which sets out provisions for:

- the establishment of the Fund as a unit trust;
- the Fund's duration and vesting;
- rights of Investors;
- applications, issues of units and withdrawal from the Fund;
- the Trustee's powers and management responsibilities;
- retirement or removal of the Trustee;
- investment powers and permitted investments;
- liabilities and indemnities;
- unit registry and transfers;
- fees and outgoings;
- income distributions;
- meetings of Investors;
- change of trustee;
- amendments to the Trust Deed; and
- other related matters.

The Trust Deed also contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both the Trustee and Investors. Some of the provisions of the Trust Deed are discussed elsewhere in this IM.

Copies of the Trust Deed are available to Investors, free of charge, on request to the Trustee.

8.5 Termination of the Fund

The Fund may be terminated by the Trustee in accordance with the Fund's Trust Deed.

Upon termination and after conversion of Fund assets into cash and payment of, or provision for, all proper costs and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata to all Investors according to the number of units each holds in the Fund. The Trustee may, at its discretion instead of or in addition to converting Fund assets to money, distribute Fund assets in specie in satisfaction of a whole or part of the beneficial interest of any Investor in the Fund.

8.6 Indemnity

The Trustee is indemnified out of the Fund against all liabilities and expenses incurred by it in properly performing any of its duties, exercising any of its powers, or omitting to act in relation to the Fund, or attempting to do so. For the avoidance of doubt, this indemnity does not apply to the extent that the liability is incurred because of the improper performance of duties by the Trustee.

8.7 Cooling off rights

There is no cooling off period or cooling off rights in relation to an investment in the Fund as cooling off rights which are provided under the Act are not available to Wholesale Clients.

8.8 Privacy

When processing an application for units, the Trustee will be collecting personal information. The Trustee may also request additional personal information in the future.

Please refer to the Trustee's privacy policy available from their website (www.newportpw.com) or available from the Trustee upon request.

9 TAXATION INFORMATION

9.1 Tax Summary

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

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

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

9.2 The Fund and the Sub-Schemes of the Fund

9.2.1 General

The Fund has been established so that, under the Trust Deed, selected assets can be held for the benefit of Investors holding specific Classes of Units with respect to those selected assets ("Sub-Schemes").

For income tax and GST purposes, the Trustee will treat each of those Sub-Schemes as a separate trust and therefore a separate entity ("Trust"), with the beneficiaries of each Trust being the Investors holding the relevant Unit Class. The Trustee will register each Trust as a tax entity and lodge separate returns for each entity.

The following sections provide a summary of the tax treatment applicable to each Sub-Scheme and the Investors of those Sub-Schemes (as separate trusts and tax entities for tax purposes).

9.3 Income Tax Provisions

9.3.1 Provisions that apply

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

The Trustee has not made a decision in regard to the application of the AMIT provisions. Accordingly, the section below outlines the general income tax treatment where the AMIT provisions do not apply to the Fund. The Trustee will provide an update to the extent that the Fund makes an election to apply the AMIT provisions in the future.

9.4 Income Tax

9.4.1 General

An Investor's investment in the Fund will comprise of Units in a Unit Trust. Each Investor will be regarded as a beneficiary of the Fund and both the Fund and the Investors will apply the trust taxation provisions, as outlined below.

9.4.2 Income tax treatment of the Fund

As the Fund is a Unit Trust, the Fund will effectively be treated as a flow-through vehicle for income tax purposes provided that the Fund distributes all of its income to the Fund's Investors on an annual basis. This means that the 'Net Income' of the Fund retains its character (for example, interest, dividend, capital gains etc) depending on the underlying income earned by the Unit Trust.

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

9.4.3 Income Tax treatment of Investors

Provided that the Fund is treated as a flow-through vehicle, Investors will be assessed on the taxable income derived by the Fund, based on their proportionate share of the annual income of the Fund that is distributed to them in that income year. The Fund's Investors will be required to include their share of taxable income in their tax return.

9.4.4 Tax deferred distributions

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

9.4.5 Public trading trust provisions

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

Eligible investment business activities include passive investments such as in shares, units and loans.

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

Initially, the Trustee does not believe that the Fund will satisfy the definition of being a public unit trust and therefore does not believe that the provisions should apply. However, in the future, the Fund may become public.

9.5 Additional Income Tax Issues

9.5.1 Accruals taxation

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

9.5.2 Tax losses

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

9.5.3 Dividends

Investors in the Fund may receive, as part of their distribution, franking credits attached to franked distributions received by the Fund. Franking credits received will not represent part of your cash distribution but must be included as assessable income in your tax return.

You may be eligible for a tax offset for franking credits received, which can reduce your tax liability. The extent to which you will receive franking credits will be subject to relevant franking credit integrity provisions, such as the 45-day holding rule.

However, to the extent that the Fund is not an AMIT, these provisions require the Fund to be a fixed trust. As this requires the ATO to exercise a discretion, the Fund will seek to obtain certainty on this issue.

9.6 Disposal of Units

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

An Investor may make a capital loss in respect of the disposal of their Units to the extent that the capital proceeds are less than the tax cost base of the Units. Alternatively, an Investor may make a capital gain to the extent that the capital proceeds exceed the tax cost base of the Units. In ascertaining the tax cost base, tax adjustments from tax-deferred distributions will need to be taken into account.

A CGT discount may be available on the capital gain on units held for 12 months or more by individuals, trusts or complying superannuation entities. Companies are not eligible for CGT discount. For individuals and trusts, the discount is 50%. For complying superannuation entities, the discount is 33.33%.

9.7 Non-Resident Investors

This section provides a general outline of the Australian income tax requirements of the Fund to withhold on distributions made to non-resident Investors by the Fund and the Australian income tax consequences of a non-resident Investor disposing of units in the Fund.

9.7.1 Withholding tax

Where an Investor is a non-resident Investor or provides details to the Trust that indicate that they are residing outside of Australia for tax purposes, withholding tax may be deducted from distributions at the applicable rate. The rates may vary according to whether the Trust qualifies as a Withholding MIT, the residency or address of the Investor and the components of the distribution. Non-resident Investors may also be subject to tax in the country of their residence (but may also obtain a credit for Australian withholding tax paid).

9.7.2 Interest

To the extent that the interest income is derived by the Fund from an Australian source (either directly or indirectly), the Trustee will generally be liable to withhold 10% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

9.7.3 Dividends

To the extent that franked dividend income is derived from an Australian source by the Fund, the distribution will not be subject to Australian withholding tax. To the extent that an unfranked dividend is derived from an Australian source, the Trustee will generally be liable to withhold 30% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

9.7.4 Foreign income

To the extent that a distribution to a non-resident Investor consists of foreign sourced income, the distribution will not be subject to Australian withholding tax.

9.7.5 All other income

If any income from the Fund is not interest, dividend or royalties income, non-resident Investors may either be subject to the general trust withholding provisions (whereby tax maybe deducted at the non-resident withholding rates) or the MIT withholding provisions. Investors should seek their own advice on these matters.

9.7.6 Disposal of units

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

9.8 Annual Reporting

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

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

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

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

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

9.10 Goods and Services Tax (GST)

The acquisition and disposal of units in the Fund by the Fund's Investors will not be subject to GST.

However, GST may apply if fees are charged to the Fund by the Trustee or the Fund Manager. In such a case, the Fund may be eligible to claim a reduced input taxed credit of either 75 per cent or 55 per cent of the GST paid on some of the fees charged to the Fund, depending on the type of fee.

9.11 Stamp Duty

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in stamp duty consequences (for example, if the change in unitholding occurs at a time when the unit trust holds dutiable property, such as real property, or certain debts in Queensland). Investors should confirm the duty consequences of their dealings in units with their taxation advisers.

9.12 Foreign Account Tax Compliance Act (FATCA)

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

The Fund is intending to register for FATCA purposes and to conduct its appropriate due diligence (as required). Where the Fund's Investors do not provide appropriate information to the Fund, the Fund will also be required to report those accounts to the ATO.

9.13 Common Reporting Standard (CRS)

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

10 HOW TO APPLY

Complete the Application Form

To invest in the Fund, you will need to complete and sign the Fund's Application Form and provide all supporting identification documentation and applicable certificates.

Application Forms are available from the Fund Manager. Please send an email indicating that you would like to be sent an application form.

You can also apply online through the Fund Administrator. Please email the Fund Administrator at andrew@newportpw.com and they will advise you of the steps to complete the Application Form.

Please contact the Fund Manager if you need assistance in providing the appropriate evidence documentation to demonstrate that you are a Wholesale Client.

11 CONTACT DETAILS

Fund Manager – Newlink Capital Pty Ltd

Newlink Capital Pty Ltd
Suite 1G, 437 St Kilda Road, Melbourne 3004

Phone 03 9252 3300 (Australia)
+61 3 9252 3300 (International)
Email info@newskycapital.com.au
Website <https://newskygroup.com.au/>

Trustee – Newport Private Wealth Pty Ltd

Newport Private Wealth Pty Ltd
Level 2, 120 Collins Street, MELBOURNE VIC 3000

Phone 03 9069 5870 (Australia)
+61 3 9069 5870 (International)
Email andrew@newportpw.com
Website <https://www.newportpw.com/>

Fund Administrator – Recap Management Pty Ltd

Recap Management Pty Ltd
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Phone 03 9069 5870 (Australia)
+61 3 9069 5870 (International)
Email andrew@newportpw.com
Website <https://www.newportpw.com/>

12 GLOSSARY

Act means the *Corporations Act 2001* (Cth), and any regulations, declarations or orders made or issued under it or any replacement or additional legislation in respect of the regulation of managed investment schemes and financial services (including the provision of financial advice).

AMIT has the meaning given to that term in section 995-1 of the Tax (1997) Act.

AML Act means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and any regulations, rules or other instruments made under it or any replacement or additional legislation in respect of the regulation of anti-money laundering and counter terrorism financing.

Application Form means an application form for Units in the Trust.

Application Money means any form of valuable consideration received by the Trustee for a Unit, but excluding any amount the Investor directs the Trustee to pay to a third person on account of service fees or other fees associated with the acquisition of Units.

ASIC means the Australian Securities and Investments Commission.

ASIC Policy means regulatory guides, class orders and Legislative Instruments issued by ASIC.

Borrower means the borrower under a Loan.

Business Day means a day other than a Saturday or a Sunday on which banks are open for general banking business in Melbourne.

Class means a class of Units in the Fund.

Commencement Date means the day on which the first Trust Asset vests in the Trustee.

Disclosure Document means a document pursuant to which invitations to acquire Units are made, which includes this IM, each SIM and any supplementary or replacement document issued in respect of any such disclosure document.

Financial Year means the period of twelve months ending on 30 June in each year.

Fund Administrator means any person appointed by the Trustee to provide administrative services in respect of the Trust.

Gross Asset Value means the total value of the Trust Assets.

GST means a tax, impost or duty on goods, services or other things imposed by any fiscal, national, state, territory or local authority or entity and whether presently imposed or novel, together with interest or penalties.

IM means this information memorandum.

Initial Holding Period means the minimum time which a Unitholder must own a unit as set out in the relevant SIM.

Investor means a prospective investor in the Fund or holder of Units.

Lending Policy means the "Credit and Collection Policy" issued by the Fund Manager (and as amended from time to time) and which forms part of this IM.

Loan means a loan made by the Fund to the Borrower.

Managed Investment Trust has the meaning given to that term in Section 995-1 of the Tax (1997) Act.

Net Asset Value means the total value of the Trust Assets less the Trust Liabilities.

Net Income means the total assessable income of the Trust less all deductions of the Trust determined in accordance with the Tax Act, which may be reduced or increased by the amount of any reserves, provisions or amounts that, in the determination of the Trustee, need to be made. If the total amount is less than zero, then the total amount is taken to be zero.

Newport Asset Management means the trading name of Newport Private Wealth Pty Ltd (ACN 166 931 960).

Project means a project to which the Fund has made a Loan.

Relevant Law means any requirement of any present or future law of the Commonwealth of Australia or any State or Territory to which the governing rules of the Fund are subject or with which the Trustee, investment manager or the Fund must comply; or for the Trustee or investment manager to avoid a relevant penalty, detriment or disadvantage in connection with the Fund and includes, without limitation:

- (a) the Act;
- (b) the *Australian Securities and Investments Commission Act 2001* (Cth);
- (c) the AML Act; and
- (d) ASIC Policy.

Register means the register of Unitholders.

Regulator means ASIC and such other governmental agency with authority to regulate the operation of the Trust.

SIM means a supplementary information memorandum that is issued for a Class.

Tax Act means the Tax (1936) Act, Tax (1997) Act, or both as appropriate.

Tax (1936) Act means the *Income Tax Assessment Act 1936* (Cth).

Tax (1997) Act means the *Income Tax Assessment Act 1997* (Cth).

Trust means the unit trust named Newlink Credit Fund.

Trust Assets includes all property, rights and income of the Trust, but excludes:

- (a) Application Money or property paid in respect of which Units have not been issued;
- (b) proceeds from withdrawal which have not yet been paid; and

(c) any distributable amount awaiting payment to Unitholders.

Trust Deed means the trust deed dated 18 June 2022 that sets out the conditions, terms and rules for operating the Newlink Credit Fund, as amended from time to time.

Trust Liabilities means all liabilities of the Trust, including any provisions the Trustee considers should be taken into account in determining liabilities. Where any amounts representing Unitholders' funds are to be classified as a liability, then for the purposes of calculating Net Asset Value for this Trust, Unitholders' funds are not to be treated as a liability.

Unit means an undivided share in the beneficial interest in the Trust and which are divided into Classes.

Unitholder means a person who holds a beneficial interest in the Trust Assets.

Unitholder Resolution has the meaning given to that term in the Trust Deed.

Units on Issue means the number of Units that have been issued less the number that have been redeemed.

Wholesale Client has the same meaning as 'wholesale client' as defined in the Act.

Withholding MIT has the meaning given to that term in Section 995-1 of the Tax (1997) Act.