AMF Mortgage Income Scheme

ARSN 166 066 842

Combined Financial Services Guide & Replacement Product Disclosure Statement

Dated 14/03/2019

Issued by Australian Mortgage Fund Ltd | Responsible Entity ACN 160 969 120 | AFSL 434533

Financial Services Guide

This Financial Services Guide (FSG) is an important document which provides you with information to help you decide whether to use our financial services.

Important Information About This FSG

This Financial Services Guide (**FSG**) is an important document and was prepared by Australian Mortgage Fund Limited (**ACN** 160 969 120, **AFSL** 434533) (**AMFL**, we, us or our). It tells you about us and the financial services we are authorised to provide under our Australian financial services licence (**AFSL**).

This FSG is part 1 of our Combined Financial Services Guide and Replacement Product Disclosure Statement (**Combined FSG and RPDS**). Some expressions used in this FSG have definitions given in the Glossary at the end of part 2 of our Combined FSG and RPDS.

Who Is AMFL?

AMFL is an unlisted public company that was incorporated in 2012. AMFL's directors have been lending on mortgages since 2002 and are extremely experienced in mortgage lending.

The Financial Products and Services we are Authorised to Provide to You

We hold AFSL no. 434533. Our AFSL authorises us to:

(a) operate the **AMF Mortgage Investment Scheme;** and

(b) provide financial product advice in relation to the Scheme.

When providing financial product advice, we will only provide you with general information in relation to the Scheme. You will need to determine if the Scheme is suitable to your personal objectives, financial situation and needs. If you require personal advice, a financial adviser can assist you in this assessment. If you do not have a financial adviser, you can contact the Financial Planning Association of Australia for a list of qualified advisers.

Before acting on any advice asked of, or given by, an employee of AMFL, you should carefully consider the appropriateness of the advice having regard to your personal objectives, financial situation and needs.

Replacement Product Disclosure Statements and Other Documents

Part 2 of our Combined FSG and RPDS is the Replacement Product Disclosure Statement (RPDS) which details the features, benefits, risks and general information about the Scheme. You will also receive a Supplementary Product Disclosure Statement (**SPDS**) which relates to investment into a Class of Units (used interchangeably with Sub-Scheme) within a specific contributory mortgage offer and provides information on the rights and obligations attaching, and the assets corresponding to, those Units and the Sub-Scheme.

Each part of the Combined FSG and RPDS and the relevant Sub-Scheme SPDS must be read in conjunction with the other part. Neither part of the Combined FSG and RPDS or Sub-Scheme SPDS will be distributed without the other Part.

Costs, Fees & Charges

We do not charge investors any fees in relation to the provision of financial product advice. We may pay commissions or other benefits to financial advisers who recommend that their clients invest in the Scheme. If we do this will be disclosed to the investor.

We do charge fees and other costs from the services we provide to you, paid from Scheme's assets in connection with the performance of our duties as Responsible Entity of the Scheme. A description of the costs, fees and charges for our services are as set out in the RPDS at part 2 of this Combined FSG and RPDS.

Privacy Policy

We value the privacy of your personal information. Please refer to our Privacy Policy available via our website, and part 2 of this Combined FSG & PDS for information on how we collect, use, disclose and handle your personal information in compliance with the Privacy Act 1988 (Cth) and the Schedule 1 Australian Privacy Principles.

Complaints Handling

Please refer to the RPDS at part 2 of this Combined FSG and RPDS for information on our dispute resolution policy.

Contact Us

If you have any queries or would like further information, you can contact us on:

Australian Mortgage Fund Ltd

AMF
AUSTRALIAN
MORTGAGE
FUND LIMITED

Registered & Business Address:
28106 Ephraim Island Parade,
Paradise Point QLD 4216

Postal Address:
PO Box 313
BIGGERA WATERS QLD 4216

Phone:	1800 263 263
Fax:	1800 220 412
Email:	info@amfl.com.au
Website:	https://amfl.com.au

Contents

Important Information

This Replacement Product Disclosure Statement (or **RPDS** for short) is dated 14/03/2019 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. This RPDS replaces the original Product Disclosure Statement lodged with ASIC on 15 February 2016 (**Original PDS**).

This RPDS is part 2 of our Combined FSG and RPDS.

The RPDS is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this RPDS or the Combined FSG and RPDS generally.

AMF Mortgage Investment Scheme ARSN 166 066 842 (**Scheme**) is an Australian managed investment scheme structured as a unit trust and registered under the Corporations Act 2001 (Cth), referred to in this RPDS as the 'Corporations Act'.

This document is a replacement product disclosure statement for the purposes of Part 7.9 of the Corporations Act and has been issued by Australian Mortgage Fund Ltd ACN 160 969 120 (**AMFL**, **we**, **us** and **our**).

Purpose of Document

This document is part 2 of the Combined FSG and RPDS for the Scheme, and the Supplementary Product Disclosure Statement (**SPDS**) with which it is distributed, make up the Combined FSG and RPDS for the issue of units in the Scheme (**Units**).

The RPDS details the features, benefits, risks and general information about the Scheme and the SPDS relates to investment of a Class of Units (used interchangeably with Sub-Scheme) within a specific contributory mortgage investment opportunity and provides information on the rights and obligations attaching, and the assets corresponding to, those Units and the Sub-Scheme.

Each part of this Combined FSG and RPDS and the relevant Sub-Scheme SPDS must be read in conjunction with the other part. Neither part of the Combined FSG and RPDS and the SPDS will be distributed without the other part.

Responsible Entity and Issuer

AMFL is the issuer of, and solely responsible for, the Combined FSG and RPDS. We are licensed by ASIC (AFSL No. 434533) to act as Responsible Entity of the Scheme. ASIC take no responsibility for the content of this Combined FSG and RPDS.

An electronic version of this Combined FSG and RPDS appears at AMFL's website: https://amfl.com.au. If this Combined FSG and RPDS is received electronically, then you should ensure that a complete version of the Combined FSG and RPDS, including the relevant Sub-Scheme SPDS and a full Application Form, has been received. A hard copy version of the Combined FSG and RPDS is available by contacting us.

Information in this part 2 RPDS of the Combined FSG and RPDS is current as at its issue date and may change from time to time. Where changes are not materially adverse, the information may be updated on our website at https://amfl.com.au. If information changes that is materially adverse in this part 2 RPDS, AMFL will issue a supplementary or replacement product disclosure statement.

No Financial Product Advice

The information contained in this RPDS is general information only and does not take into account the individual objectives, financial situation, needs or circumstances of investors.

Accordingly, before you invest you must read this Combined FSG and RPDS and the relevant Sub-Scheme SPDS, in full. We also recommend you talk to a financial adviser or other professional adviser before making an investment decision.

Investors should consider the prospects of the Scheme in light of their own individual objectives, circumstances or needs.

Capital and Investment Returns not guaranteed

The Scheme is subject to investment risks, which could include delays in repayment, and loss of income and capital invested. Neither the Responsible Entity, or their directors, nor any person, firm or corporation associated with the Scheme or their professional advisers and appointed authorised representatives, guarantees, warrants or underwrites any dividend distributions, taxation deductions, capital invested or the performance of the Scheme to investors.

An investment in the Scheme is not a bank deposit, bank security or other bank liability. There is no guarantee of the repayment of capital from the Scheme or the investment performance of the Scheme.

Reliance on RPDS only

No person is authorised by us to provide any information or to make any statement in connection with the offer of Units to you that is not contained in this Combined FSG and RPDS and the relevant Sub-Scheme SPDS, or in Updated Information provided by us. You should only rely on the information contained in this Combined FSG and RPDS, the relevant SPDS or any Updated Information in deciding to invest in the Scheme.

Fees and Costs Information

As part of the disclosures of fees and costs required by the Corporations Act, certain fees and costs information disclosed within this RPDS is based upon AMFL's reasonable estimates of these fees and costs. Such fees and costs information is not indicative of the fees and costs that you may actually incur for your investment.

Offering Restrictions

The offer in this RPDS is available only to eligible persons as set out in this RPDS, who receive this Combined FSG and RPDS (including electronically) within Australia, or in other jurisdictions, as set out below.

It may also be available to investors who have received the relevant offer document in New Zealand and have completed the application form attached to that relevant offer document to make their initial investment. The offer will be made in accordance with the terms of the Trans-Tasman Mutual Recognition Scheme which allows the Responsible Entity to make the offer in New Zealand.

Jurisdictions outside Australia and New Zealand

This Combined FSG and RPDS is not intended to constitute an offer in any jurisdiction outside of Australia where, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the units in the Scheme or the offer of units in the Scheme, or otherwise to permit an offering of the units in any jurisdiction outside Australia or New Zealand. The distribution of this this Combined FSG and RPDS (electronically or otherwise) in jurisdictions outside Australia or New Zealand is limited and may be restricted by law. Anyone coming into possession of this this Combined FSG and RPDS should seek advice on its provision and distribution, and observe any relevant legal restrictions on using, providing or distributing it.

Failure to comply with such restrictions may constitute a violation of applicable securities law. It is your responsibility to comply with any laws of any country relevant to your application for units in the Scheme.

Limited Cooling-Off Rights

Investors in the Scheme should note that the "cooling off" rights DO NOT apply if the managed investment scheme is illiquid, pursuant to Regulation 7.9.64 of the Corporations Regulation 2001 (Cth), at the relevant time.

As at the date of this Combined FSG and RPDS, there are limited cooling-off rights for Applicants under a General Investment Authority and no cooling-off rights for Applicants under a Specific Investment Authority.

This means that, in most circumstances, you cannot withdraw your Application once it has been accepted as summarised in Section 5.3.

Rights and Obligations Attached to the Units

Details of the rights and obligations attached to each specific Class of Unit are provided in the relevant Sub-Scheme SPDS. The material provisions of the Scheme's Constitution providing information on the rights and obligations attaching, and the assets corresponding to Units, are summarised in **Section 8.5**. A copy of the Constitution is available, free of charge, on request from the Responsible Entity.

Risks

Some of the risks involved with an investment in the Scheme are considered in **Section 4** of this RPDS. Additional risks that relate to a Class of Units are set out more fully in the SPDS for that Sub-Scheme.

Forward-looking Statements

This RPDS contains forward-looking statements, statements identified by use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of AMFL, its directors and its management. While AMFL believes that expectations in forward-looking statements in this RPDS are reasonable, no assurance can be given that such expectations will prove correct. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

As set out above, AMFL does not make any representation, express or implied, in relation to forward-looking statements other than required by law and potential investors are cautioned not to place undue reliance on these statements. AMFL does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this RPDS, except where required by law.

These statements are subject to various risk factors that could cause the Scheme's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in **Section 4**. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this RPDS.

Past Performance

Past performance does not guarantee future results. You should not rely on any past performance as a guarantee of future investment performance. Unit values and investment returns will fluctuate. Investors are cautioned that data based on less than five (5) years' experience may not be sufficient to establish a track record on which investment decisions can be based.

Anti-money Laundering Legislation

We may require further information from you from time to time to comply with our obligations under the Anti- Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF**) or the United States Foreign Account Tax Compliance Act (**FATCA**). By applying for Units under this RPDS, you undertake to provide us with all additional information and assistance that we may reasonably require.

Privacy Act

Please read the privacy statement in **Section 10.6** of this Combined FSG and RPDS. By signing and returning the Application Form you consent to the matters outlined in that statement.

Glossary and Currency

Defined terms and abbreviations used in this RPDS are explained in the Glossary. References to '$' in this RPDS are to Australian dollars unless stated otherwise.

Diagrams

Diagrams used in this RPDS are illustrative only. Photographs shown on this RPDS are not assets of the Scheme unless stated otherwise stated.

Contact

If you have questions or require assistance with completing the Application Form or require additional copies of the Combined FSG and RPDS or the relevant Sub-Scheme SPDS, please contact us on 1800 263 263 or email info@amfl.com.au.

1 At a Glance

The following table summarises the key features of an investment in the Scheme and refers to the sections of the RPDS where you can find further information.

You should read this Combined FSG and RPDS and the relevant Sub-Scheme SPDS in full to properly understand your investment in the Scheme.

1.1 Investment Summary

Matter	Summary	Refer to Section
Scheme	AMF Mortgage Investment Scheme ARSN 166 066 842, is an Australian registered, unlisted, contributory mortgage managed investment scheme.	3
Responsible Entity & Product Issuer	Australian Mortgage Fund Ltd ACN 160 969 120.	8
AFS Licence No.	434533.	
Investment Objective	The Scheme lends funds to borrowers for most types of real estate and property developments within Australia in accordance with established lending criteria outlined in AMFL's Compliance Plan. AMFL seeks to generate a return to Unitholders in each Sub-Scheme from the interest charged to borrowers under a Mortgage Investment, secured by first and/or second registered mortgages and/or caveat/s over real property. **This is an objective not a forecast. No returns are guaranteed, and you risk capital loss.**	1.1, 7
Type of Investment	Contributory Mortgages.	3.1
Scheme Details	The Scheme is a contributory mortgage scheme whereby Investors can invest in a particular Mortgage Investment which generates income from loan repayments by borrowers and secured by a first and/or second registered mortgage and/or caveat/s over the borrower's real property. The Scheme comprises a Scheme Trust Account and a range of Mortgage Investments. All Member investments are made first to the Scheme's Trust Account. Investors will be offered the opportunity to invest in a range of Mortgage Investments offered by AMFL under various Sub-Scheme SPDS. Once a Mortgage Investment becomes available, AMFL will circulate to Scheme Members the relevant Sub-Scheme SPDS which contains full details about the particular Mortgage Investment. Member contributions are quarantined within Sub-Schemes so that Unitholders in each Sub-Scheme do not have recourse to the property and assets held in other Sub-Schemes.	3.1, 3.2 Investors should also refer to the relevant SPDS for specific details about the investments relevant to a particular Sub-Scheme.

Matter	Summary	Refer to Section
Scheme Characteristics	(a) Member selects and approves the Mortgage Investment; (b) Fixed term Mortgage Investment agreed to by the Member at the start of the investment; (c) An independent and qualified valuer values the borrower's Security Property prior to the Mortgage Investment being made by the Member; (d) Loans cannot exceed eighty percent (80%) of the LVR valuation of the Security Property at the time of investment (unless otherwise disclosed in the relevant Sub-Scheme SPDS); (e) The security for the Sub-Scheme is a registered first or second mortgage and/or caveat in favour of AMFL or its nominee held in trust on behalf of Unitholders, over real property in Australia.	3.3, 4.1
Investor Reporting	Members will receive: • confirmation of investment and redemptions; • monthly distribution statements; • an annual taxation statement of your investments; and • updates regarding each Sub-Scheme you have invested in. A copy of the Fund's annual report, which will be available on the website at https://amfl.com.au, will be sent on request, by email or by post.	5.6
Updated Information	Updated Information concerning key investment information will be made available on the AMFL's website at https://amfl.com.au.	5.7

1.2 Investment Details

Matter	Summary	Refer to Section
Application for Investment in the Fund	In accordance with the Application Form that accompanies this RPDS.	Application Form
Application for Investment in the Sub-Scheme	In accordance with the Application Form that accompanies the relevant Sub-Scheme SPDS.	Sub-Scheme SPDS
Investment Offer	Investors will be offered the opportunity to invest in a range of mortgages offered by AMFL under various Sub-Scheme SPDS. Each Mortgage Investment will be secured against Security Property which may comprise a single residential, commercial and industrial property or vacant land for residential, commercial or industrial purposes, or more than one property of the same type or a combination of different types of property. The relevant Security Property/ies for any particular Mortgage Investment is detailed in the relevant Sub-Scheme SPDS.	Sub-Scheme SPDS
Investment Term	The term of each investment offer may range from one (1) month to twenty-four (24) months but may be up to a maximum of three (3) years. The term of a particular Mortgage Investment is as specified in the relevant Sub-Scheme SPDS.	3.5 Sub-Scheme SPDS
Interest Rate	Interest rates applicable to a particular Mortgage Investment are detailed in the relevant Sub-Scheme SPDS.	Sub-Scheme SPDS

Matter	Summary	Refer to Section
Issue Price	$1.00 per Unit in each Sub-Scheme.	10.2
Minimum Investment	$10,000.00	3.4 Sub-Scheme SPDS
Distributions	The intended timing of Distributions for a Mortgage Investment will be detailed in the relevant Sub-Scheme SPDS. Distributions of income to Unitholders of a Sub-Scheme are calculated monthly as at the same calendar day of each month as the day on which the Mortgage Investment is entered into, except where otherwise disclosed in the relevant Sub-Scheme SPDS. All Distributions of monthly returns to the Unitholder are made solely from the income received from Borrowers in respect of that Mortgage Investment. Each Unitholder has an immediate beneficial interest vested absolutely in the net income to the extent of the Unitholder's present entitlement to that share of the net income. AMFL anticipates that distributions will occur once a month after the interest payments are received from the Borrower.	3.6, 5.5, 9.2 Investors should also refer to the relevant SPDS for specific details about the investments relevant to a particular Sub-Scheme.
How Distributions are Paid	Your distribution is paid directly into your nominated bank account.	3.6, 9.2
Transfer	You may transfer your Units to another person but there will be no established secondary market (e.g. stock exchange) for the Scheme.	3.9
Redemptions	Generally, funds can only be withdrawn by Members on maturity of Mortgage Investments. However, in circumstances such as death or financial hardship, AMFL will consider requests for early redemption of all or part of a Mortgage Investment. If AMFL allows withdrawal, then a Withdrawal Fee may apply as outlined in **Sections 3.10** and **6.2** of this RPDS.	3.10
Cooling-Off Rights	Investors in the Scheme should note that the "cooling off" rights DO NOT apply if the managed investment scheme is illiquid, pursuant to Regulation 7.9.64 of the Corporations Regulation 2001 (Cth), at the relevant time. As at the date of this Combined FSG and RPDS, there are limited cooling-off rights for Applicants under a General Investment Authority and no cooling-off rights for Applicants under a Specific Investment Authority. This means that an initial investment in the Scheme under a **General Investment Authority** can only be cancelled within fourteen (14) day cooling-off period from investment by submitting a request to AMFL in writing or electronically. On receipt of a request, funds will be returned to the Investor within two (2) business days'. There is no cooling-off period for investment in the Scheme under a **Specific Investment Authority**. **This means that, in most circumstances, you cannot withdraw your Application once it has been accepted as summarised in Section 5.3.**	Important Information, 5.1, 5.3
Benefits of the Scheme	The benefits of investing in the Scheme include: • the Scheme comprises of Sub-Schemes that each have their own investors, and hold separate and distinct assets and security from each other; • you can select the Sub-Scheme in which you will hold a beneficial interest in and share in the rewards and risks of that Property; • fixed term agreed at the start of the investment; • a qualified and independent valuer values the Security Property; and • you have access to Mortgage Investments in a professionally managed investment scheme benefiting from the expertise and experience of our Board.	4.1

Matter	Summary	Refer to Section
Risks of the Scheme	As with all investments, an investment in the Scheme is subject to risks. We aim, where possible, to actively manage risks. Some of the key risks that may impact on the value of your investment in the Scheme include: (a) borrower default risk (b) valuation risk (c) developer risk (d) priority risk (e) enforcement / ligation risk (f) documentation risk (g) National Consumer Credit Protection Act (**NCCP Act**) regulated loans risk (h) external dispute resolution risk (i) income risk (j) security property risk (k) tenant risk (l) property market risk These and other risks are detailed in **Section 2** ASIC Benchmarks and **Section 4**. Any risks specific to a particular Sub-Scheme or Mortgage Investment will be detailed in the relevant Sub-Scheme SPDS. **An investment in the Scheme and in a particular Mortgage Investment is not an investment in a bank deposit. It is not capital guaranteed in any way. There is no guarantee of the investment result, the return of capital, or the amounts payable to Investors.**	4
Offer Structure	Combined FSG and RPDS Part 2 of this RPDS provides information about the Scheme's investment objectives and structure, details about us and our directors and the benefits and risks of investing in the Scheme. It also gives details on fees and expenses which may be payable by you as an Investor, a summary of the taxation implications of investing in the Scheme, summaries of the material terms of key documents and other information relevant for you as an investor. Sub-Scheme SPDS The relevant Sub-Scheme SPDS contains information about the particular Mortgage Investment including: • specific details of the Mortgage Investment; • the rights, obligations and term of the Sub-Scheme and Units offered; • the issue price of the Sub-Scheme Units offered; • the fees and expenses of the Sub-Scheme Units and Offer; and • projected returns to Investors. The Combined FSG and RPDS and the relevant Sub-Scheme SPDS together constitute the entire RPDS and you should read both documents in their entirety.	Important Information

1.3 Fees and Other Costs

Matter	Summary	Refer to Section
Establishment Fee	Nil	6.2(a)
Contribution Fees	Nil	6.2(a)
Withdrawal Fees	1% of the amount withdrawn in the case of early withdrawal ($100 per $10,000 invested).	6.2(a), 3.10
Termination Fees	Nil	6.2(a)
Management Costs	We are entitled to receive a management fee paid from the interest payments that are made by Borrowers for our management as Responsible Entity of the Scheme and as manager of each Mortgage Investment. This fee is an amount equal to the difference between the lower interest rate charged to the Borrower and the Distribution Rate paid to Unitholders in a Sub-Scheme SPDS. Details of our management fee are Sub-Scheme dependent and contained in the relevant Part 2 PDS for that Sub-Scheme. Other fees may be payable to the AMFL in certain circumstances. **See Section 6.4** for details. We are also entitled to a fee equal to any fee or charges charged to a Borrower in connection with a Mortgage Investment at the times provided in the Loan Documentation. The fees payable by a Borrower in relation to a particular Mortgage Investment are disclosed in the relevant Sub-Scheme SPDS. Generally, the day to day expenses in operating the Scheme (to the extent that they are not paid by borrowers) are paid by AMFL from its own resources, not by Members.	6, 6.2(b), 6.4, Sub-Scheme PDS

1.4 Additional Information

Matter	Summary	Refer to Section
Tax	The application of tax law depends on your individual circumstances. This part 2 RPDS is provided as a general statement of disclosure and does not take into consideration your personal circumstances. You should therefore consult your financial adviser or tax accountant, as to the likely taxation implications of an investment.	9
Investment Advice	AMFL does not provide any financial product advice, whether in the nature of personal advice or general advice, as to the suitability of an investment in the Scheme. It therefore does not advise potential investors. Investors should seek their own independent investment advice before making an investment in the Scheme or in a Mortgage Investment.	10.1
Complaints Resolution	Any complaints can be made by contacting us. Our contact details are set out below. Toll Free: 1800 263 263 Email:info@amfl.com.au	10.11

Please note, this is a summary only of the key features of an investment in the Scheme. Investment decisions are important. They often have long term consequences. You are urged to read this Combined FSG and RPDS, and the relevant Sub-Scheme SPDS, carefully consider them both, ask questions, and seek independent advice, before making a decision to invest.

2

Summary Of ASIC Benchmark & Disclosure

2.1 Legislative Background

To make an informed investment decision, ASIC Regulatory Guide 45 – Mortgage schemes: Improving disclosure for retail investors (**RG45**) sets out eight benchmarks and eight disclosure principles that unlisted mortgage schemes, such as this Scheme, must address to assist Investors in comparing risks and returns across investments in the unlisted mortgage scheme sector.

The benchmarks and disclosure principles, including how AMFL and the Scheme measures against them as at the date of this RPDS are set out in this section. Where a benchmark or disclosure principle does not apply to AMFL or the Scheme, a statement is made to that effect.

A full copy of RG45 can be obtained from ASIC at http://download.asic.gov.au/media/4373735/rg45-published-13-july-2017.pdf. We encourage you to discuss the ASIC benchmarks and disclosure principles with your financial advisor.

The information below provides an overview of the benchmarks and disclosure principles.

2.2 Benchmark Disclosure

This RPDS will detail whether or not the Fund meets each benchmark. If the benchmark is not met, then we explain why not and how the risk is dealt with in another way:

ASIC BENCHMARKS	COMPLIANCE (YES/NO)	IF NOT, WHY NOT?
Benchmark 1: Liquidity		
For a pooled mortgage scheme, the Responsible Entity has cash flow estimates for the scheme that: (a) Demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; (b) Are updated at least every 3 months and reflect any material changes; and (c) Are approved by the Directors of the Responsible Entity at least every three months.	N/A	**This benchmark is not applicable.** The Scheme is NOT a pooled mortgage scheme. AMFL is the Responsible Entity of a contributory mortgage scheme and therefore is not required by ASIC to comply with this benchmark.
Benchmark 2: Scheme Borrowing		
The Responsible Entity does not have current borrowings and does not intend to borrow on behalf of the Scheme.	Yes	The Scheme **meets** this benchmark. AMFL complies, in that the Scheme does not undertake borrowings secured against its full portfolio of Mortgage Investments. Nor does AMFL set up Sub-Schemes with the intention of borrowing against the assets of individual Sub-Schemes. The Constitution does not permit AMFL to borrow against Sub-Scheme assets.
Benchmark 3: Loan Portfolio and Diversification		
For a pooled mortgage scheme, (a) The scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region; (b) The scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets; (c) The scheme has no single borrower who exceeds 5% of the scheme assets; and (d) All loans made by the Scheme are secured by first mortgages over real property (including registered leasehold title).	N/A	This benchmark is **not applicable.** The Scheme is NOT a pooled mortgage scheme. AMFL is the Responsible Entity of a contributory mortgage scheme and therefore is not required by ASIC to comply with this benchmark.

ASIC BENCHMARKS	COMPLIANCE (YES/NO)	IF NOT, WHY NOT?
Benchmark 4: Related Party Transactions		
The Responsible Entity does not lend to related parties of the Responsible Entity or to the scheme's investment manager.	Yes	The Scheme **meets** this benchmark. AMFL complies, however we and our related parties, have in the past and may in the future; (a) lend money to Sub-Schemes; (b) lend money to the Borrower; (c) invest in Sub-Schemes alongside other Unitholders (on identical terms). The law states that where a trustee (AMFL) makes a profit from activities related to its trust (the Scheme), it can only do so if the beneficiaries (the Members) give their informed consent. By completing the Scheme Application Form you will be deemed to have given your informed consented to us and our related parties profiting from the above activities. We, or our related parties, may invest alongside Investors in a Sub-Scheme (on identical terms), or assume a first loss position behind a Sub-Scheme (by providing subsequent priority loans to the Borrower). However, where we, or our related party, loans money to a Sub-Scheme, or to a Borrower, in priority to the Sub-Scheme, then we must: (a) only permit this if we reasonably believe it is in the interest of the Unitholders in the Sub-Scheme; and (b) only do so (without the express consent of the Unitholders in the relevant Sub-Scheme) if the interest rates charged under the loan are no higher than those charged under the Sub-Scheme's loan to the Borrower.
Benchmark 5: Valuation Policy		
In relation to valuations for the Scheme's mortgage assets and their security property, the board of the Responsible Entity requires: (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located; (b) a valuer to be independent; (c) procedures to be followed for dealing with any conflict of interest; (d) the rotation and diversity of valuers; (e) in relation to security property for a loan, an independent valuation to be obtained; (i.) before the issue of a loan and on renewal: A. for a construction or development property, on both an "as is" and "as if complete" basis; and B. for all other property, on an "as is" basis; and (ii.) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.	No	The Scheme **does not meet** this benchmark. AMFL does not comply with this benchmark because we believe that a rotation of valuers may not best serve the interests of the Members and that "tried and tested" valuers should instead be relied upon. Further, where the most recent valuation of a Security Property was conducted more than twelve (12) months ago; and it is a defaulting loan; or an extension of the term of the loan longer than three (3) months is sought; or an increase in the loan amount is sought, we may not order a fresh valuation. Instead, our Board will consider whether a fresh valuation needs to be obtained and if it determines that it is unnecessary, the explanations are minuted and put on the file. We will also exercise our discretion in determining whether a fresh valuation is required where a decrease in the value of Security Property may have occurred. However, our overriding obligation is to ensure that the Security Property is valued at regular intervals appropriate to the nature of the property.

ASIC BENCHMARKS	COMPLIANCE (YES/NO)	IF NOT, WHY NOT?
Benchmark 6: Lending Principles - Loan to Value Ratios		
If the scheme directly holds mortgage assets: (a) where the Loan relates to property construction or development – funds are provided to the borrower in stages based on independent evidence of the progress of the construction or development; (b) where the Loan relates to property construction or development – the scheme does not lend more than 70% on the basis of the latest "as if complete" valuation of property over which security is provided; and (c) in all other cases – the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.	Yes	The Scheme **meets** this benchmark, unless the relevant Sub-Scheme SPDS expressly provides for otherwise. It must be appreciated that the benchmark figures relate to a time when the loan is first entered into. It may be that a prolonged default or fluctuations in the market alter the LVR in an adverse manner. AMFL makes no warranty that this will not occur. If it does happen, then additional funds may be required in order to ensure the capital already invested can be recovered. If this is the case, it will be clearly disclosed in the relevant Sub-Scheme SPDS when the additional funds are raised.
Benchmark 7: Distribution Practices		
The Responsible Entity will not pay current distributions from scheme borrowings.	Yes	The Scheme **meets** this benchmark. AMFL complies with this benchmark as Distributions are paid to Unitholders in accordance with Section 5.5 from the following sources: 1. Prepaid Interest (see **Section 3.7.4**); 2. interest payments made by the Borrowers (see **Section 3.7.2** and **3.7.4**); 3. the sale of Security Property; and 4. the pursuit of Guarantors and Borrowers. If, from all viable sources, there are insufficient funds to: 1. pay any prior ranking charge (for example a higher ranking mortgage); 2. pay all the Management Costs (see Section 6); and 3. pay Unitholders all their interest and capital Distributions; then the available monies will be applied in the above order (first 1, then 2, then 3). This means there is a risk that Investors will suffer a shortfall on the payment of interest and/or capital Distributions **(Impairment).**

In relation to Benchmark 7, the following is a summary of the major factors that could have the most material impact on forecast distributions. See also **Section 4**.

FACTOR	RISK	SENSITIVITY ANALYSIS
If the Borrower defaults on interest payment obligations.	Loans will not be entered into by AMFL unless the risk that the Borrower will default is assessed by the Lending Committee as being acceptable. However, it must be understood that the primary consideration when entering into a loan is always the ability, in the final resort, to recover all outstanding monies through the sale of the Security Property.	If the Borrower does not pay interest, then no Distributions will be made until the Security Property can be sold and settled.
If the Borrower defaults and the recovery process is delayed or prolonged.	If the Borrower defaults on the loan, AMFL will follow its recovery process. However, it must be understood that from time to time Borrowers may adopt stalling or delaying tactics, example: involving the Australian Financial Complaints Authority or other actions that could delay the recovery, possession or sale of the Security Property.	Extended delays and costs associated with defending any claims, default interest, other charges associated with recovering the asset could lead to a shortfall in full recovery of funds.
If a tenant does not renew, becomes insolvent, or stops paying rent.	This is really a specific example of the preceding two risks. Sometimes the Borrower will be relying on the rent paid by a tenant of the Security Property to pay the interest.	If the tenant stops paying, the Borrower may have other resources from which to pay interest.
Development delay.	If the Sub-Scheme relates to a development loan, and the facility relies upon Prepaid Interest in order to fund Distributions, then a delay in the construction progress which causes the development to overrun the facility term will result in interest Distributions ceasing.	If the development is delayed, it will almost certainly result in Distributions ceasing. This is because developers, by the nature of their business, do not have cashflow other than from selling completed developments.

ASIC BENCHMARKS	COMPLIANCE (YES/NO)	IF NOT, WHY NOT?
Benchmark 8: Withdrawal Arrangements		
For non-liquid schemes, the Responsible Entity intends to make withdrawal offers to investors at least quarterly.	No	The Scheme **does not meet** this benchmark. Each Mortgage Investment will be illiquid. Unless you find a substitute investor, it is not possible to withdraw your investment during the term of a Mortgage Investment. If the loan is not repaid by the Borrower upon maturity, then your investment will not be repaid upon expiry of the stated term in the Sub-Scheme SPDS. Investments in a Sub-Scheme last as long as it takes to recover the investment from the Borrower and/or the sale of the Security Property. If a loan goes into default and the Security Property has to be realised there may be significant delay before the capital is available to repay Investors. For example, in the case of a development loan, if the builder becomes insolvent another builder may have to be found and this process will often significantly delay completion and sale of the development. Where monies have not yet been committed to a Sub-Scheme Members may withdraw all, or part, of their monies. **AMFL requires 48 hours email notice to process withdrawal requests.

2.2 Legislative Background

We are also required to disclose particular information about the Responsible Entity and the unlisted mortgage Scheme, as outlined in the disclosure principles, as follows:

Disclosure Principle 1 - Liquidity

As the Scheme is a contributory mortgage scheme, ASIC's liquidity disclosure principle does not apply to it.

Disclosure Principle 2 - Scheme Borrowing

The Scheme does not have any borrowings and does not intend to borrow.

Disclosure Principle 3 – Loan Portfolio and Diversification

As the Scheme is a contributory mortgage scheme, ASIC's loan portfolio and diversification disclosure principle does not apply to it.

Disclosure Principle 4 – Related Party Transactions

We may, from time to time, engage related parties to provide services to the Scheme. We do not make loans to related parties from Scheme property. We have policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction.

Related party transactions between AMFL and our related parties are reviewed, approved and monitored by senior management in accordance with our internal conflict of interest policy.

The risks associated with related party transactions are that they could be assessed and reviewed less rigorously than arrangements with third parties. We therefore intend to only enter into related party transactions on commercial arm's length terms.

Disclosure Principle 5 – Valuation Policy

The terms of our Compliance Plan stipulate that independent valuations in relation to Security Property for a loan are obtained:

(a) before the issue of a loan and on renewal:

(i) for development property, on both an 'as is' and 'as if complete' basis; and

(ii) for all other property, on an 'as is' basis; and

(b) within two (2) months after our directors form a view that there is a likelihood that a decrease in the value of Security Property may have caused a material breach of a loan covenant.

Disclosure Principle 6 – Loan-to-Valuation (LVR) Ratios

The maximum and weighted average LVR ratio for the Scheme as at 30 June 2018 is:

% as at 30 June 2018	
Maximum LVR	68%
Weighted* LVR	56%

*weighted by the value of loans of the Scheme.

Where a loan relates to property development, an independent quantity surveyor conducts an assessment of each stage of completion to ensure construction is being completed in accordance with the terms of the contract. Funds are provided to the Borrower in stages based on evidence of the progress of the development.

When funds are drawn, we aim to ensure that the amount that has not been drawn down under the loan is generally equal or more than equal to the cost-to complete as assessed by the quantity surveyor.

As at 30 June 2018 there were two property development loans valued at $319,909.78 which is equivalent to 1.84% of the Scheme's assets.

Disclosure Principle 7 – Distribution Practices

The Distribution Rate for each Mortgage Investment is set out in the relevant Sub-Scheme SPDS. Generally, all Distributions are sourced from income or Prepaid Interest received in the relevant Distribution period.

We intend to make Distributions monthly, except where otherwise disclosed in a particular Sub-Scheme SPDS. The timing of payments may be more frequent depending upon the Borrower and their internal repayment methods, however this is not guaranteed.

Please note, the payment of a Distribution is subject to the relevant Borrower making interest repayments on their loan.

Please refer to Section 5.5 for more information about Distributions.

Disclosure Principle 8 – Withdrawal Arrangements

The Scheme and each Mortgage Investment will be illiquid. Unless you find a substitute investor, it is not possible to withdraw your investment during the term of a Mortgage Investment. If a loan is not repaid by the Borrower upon maturity, then your investment will not be available for withdrawal upon expiry of its stated term in the relevant Sub-Scheme SPDS.

Investments in a Mortgage Investment last as long as it takes to recover the investment from the Borrower and/or the sale of the Security Property.

Please refer to Section 3.10 for more information about your withdrawal of investment monies prior to the stated Sub-Scheme SPDS term.

2.4 Valuation Policy

The Compliance Plan for the Scheme prescribes the manner in which AMFL is required to undertake valuations of each Security Property used as security by Borrowers for loans in each Mortgage Investment.

AMFL Policy

Our policy is to obtain an independent and professional valuation of each Security Property for Mortgage Investments prior to entering into a Mortgage Investment or renewing the term of an existing Mortgage Investment, unless our Board considers that a fresh valuation does not need to be obtained as outlined in Benchmark 5 at **Section 2.2**.

Approved Valuers

Valuations must be undertaken by approved independent valuers who are chosen from our panel. All valuers we instruct must adhere to our valuation guidelines.

Where a professional valuation is relied on, the valuer must be:

- a member of the Australian Property Institute or similar body, authorised under the law of the State or Territory in which the Security Property is located;
- have not less than 5 years' continuous experience in valuation;
- have experience in valuing properties similar to the Security Property;
- be independent of the borrowers and guarantors, and the introducing broker;
- must assess the value: for development property, on both an 'as is' and 'as if complete' basis; and for all other Security Property, on an 'as is' basis; and
- hold current and adequate professional indemnity insurance.

We are responsible for appointing valuers and may remove any valuer from our panel who ceases to meet our guidelines.

Rather than commissioning a valuation, we may accept the assignment of an existing independent valuation to us, provided that the valuation meets our requirements.

Valuation Requirements

A valuation must always be conducted on any potential Security Property, which is used for the calculation of the LVR disclosed in the relevant Sub-Scheme SPDS before a Mortgage Investment is made.

If the most recent valuation of the Security Property was conducted more than 12 months ago and:

(a) it is a defaulting loan; or

(b) an extension of the term of the loan longer than 3 months is sought; or

(c) an increase in the amount of the loan is sought,

then the AMFL Board must consider whether a fresh valuation needs to be obtained and if it determines that it is unnecessary our justification must be minuted and put on the loan file.

As Responsible Entity of the Scheme, we have an overriding obligation to ensuring that the Security Property is valued at regular intervals appropriate to the nature of the property.

The valuer is to prepare the valuation report in a format which clearly sets out the primary methodology used and a secondary check valuation methodology and in accordance with the instructions given by AMFL. The report must comment as to whether the Security Property represents a good security for mortgage and lending purposes as appropriate.

2.5 Loan-to-Value Ratio Policy

It is the policy of AMFL that the amount of the loan for a Mortgage Investment will not exceed eighty percent (80%) of the valuation of the Security Property unless otherwise stated in the relevant Sub-Scheme SPDS.

The relevant Sub-Scheme SPDS will disclose the LVR applicable to the relevant Mortgage Investment.

2.6 Unit Pricing Policy

We have implemented a Unit Pricing Policy which provides that investments will be valued at cost, unless we consider that the relevant Sub-Scheme has changed in value. Thus, every Unit in a Sub-Scheme will be valued at $1.00 and every dollar invested will buy 1 Unit.

2.7 Insurance

Before settling a loan, AMFL must also ensure that the property is adequately insured to a minimum of 'as is' at market value as stated in the valuation for the relevant Sub-Scheme SPDS.

2.8 Labour standards and social, ethical and environmental considerations

AMFL does not take into account labour standards, environmental, social or ethical considerations when making investment decisions relating to the Scheme.

3

Scheme Overview

3.1 What is a Contributory Mortgage Scheme?

The Scheme offers investment in loans, which are secured by first or second registered Nominee Mortgages and/or caveats over legal interests in real property in Australia.

Each Investment Opportunity approved by AMFL is known as a Sub-Scheme and is separate and distinct from other Sub-Schemes.

Each Member or investor contributes their funds in one or more of the Mortgage Investments and your entitlement to income or capital is based only on your investment in a specific Sub-Scheme.

You have no right to the income or capital of other Sub-Schemes.

3.2 What is a Mortgage Investment?

A Mortgage Investment through the Scheme is any loan or debt, secured by a legal mortgage (or caveat) over real property. The type of loan may include advances in relation to residential, commercial and industrial properties, and includes constructing or development activities by the Borrower.

By default, the Scheme Constitution provides for the Investment Mortgage to be registered in the name of AMFL as Responsible Entity for the Scheme as mortgagee or lender (**Nominee Mortgage**) with AMFL having entered into a Trust Declaration that the Mortgage is held on trust for the Investor(s) (in this capacity, AMFL is acting as **Trustee**).

The Mortgage is registered with the relevant State Authority and provides the Unitholder with a power of sale over the Security Property and with priority over subsequent registered and unregistered mortgages and any other non-secured creditors of the Borrower.

AMFL must operate within its approved and prudent guidelines in terms of investment selection, Borrower assessment, the valuation of Security Property and the management of the Mortgage Investment.

These guidelines, and the method in which AMFL operates, are detailed in one or more of the following documents:

(a) this RPDS;

(b) the relevant Sub-Scheme SPDS, which will contain matters such as the details of the Borrower, the due diligence undertaken, the amount of the loan, the repayments terms, the duration of the loan, the Security Property and valuation, and the LVR;

(c) the Constitution, which is further described **Section 8.5**; and

(d) the Compliance Plan, which is further described **Section 8.6.**

3.3 Scheme structure

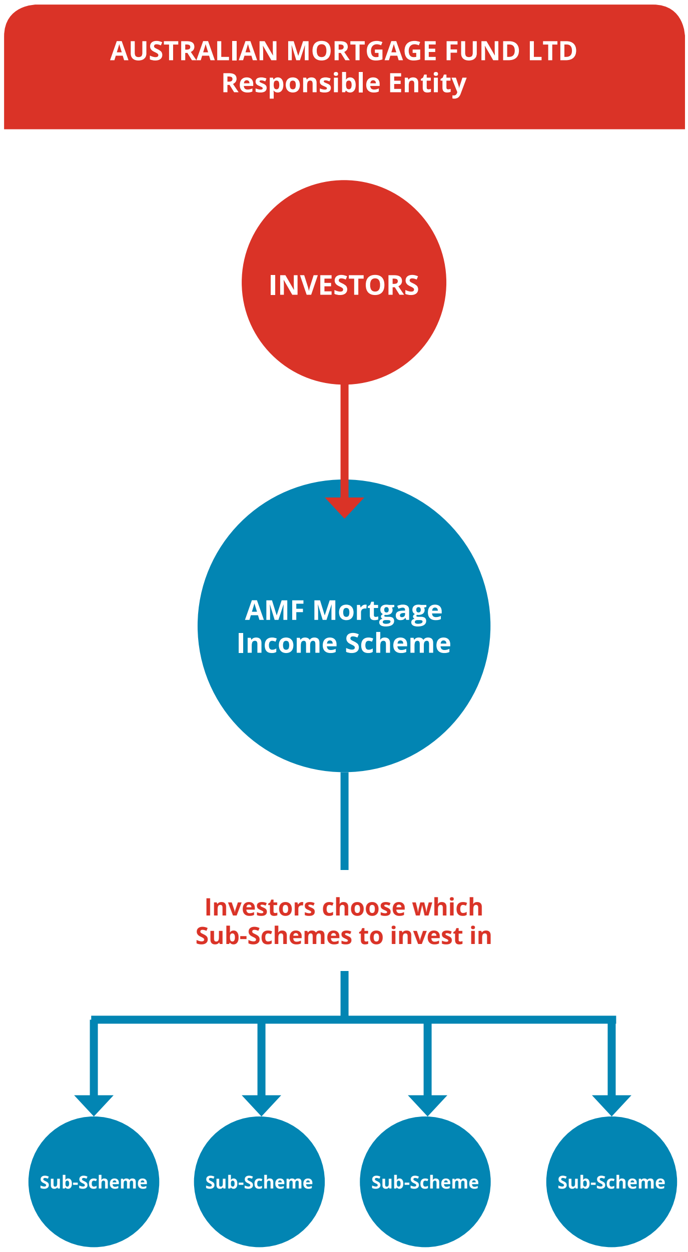
The Scheme is a unit trust established by the Constitution. It is a managed investment scheme which has been registered with ASIC, having its own Australian registered scheme number (**ARSN**)

As a 'contributory mortgage scheme', the Scheme seeks to provide investors with a selection of Mortgage Investments in order to provide regular income from the interest payments received from the Borrower. Investors receive the investment outcome, including rate of return, duration and capital security relating to the specific Mortgage Investments in which they invest.

Investors do not invest in a pool or collective of mortgages. Under a "pooled" managed investment scheme, investors' funds are pooled with those of other investors to facilitate larger scale investments. Investors hold units in the scheme which represent a proportional entitlement in the total assets of the scheme based on the amount invested and the issue price of the units at the time of entry to the scheme.

In a contributory mortgage scheme, like the AMF Mortgage Income Scheme, the process is to hold each of the loans to Borrowers in separate Sub-Schemes (or sub-trusts) and investors receive a class of Unit which relates to the Sub-Scheme that holds the Mortgage Investment in which they have chosen to invest. The Unit price reflects the value of the assets in the Sub-Scheme and may increase or decrease over time with the value of the Sub-Scheme's underlying assets (i.e., the loan and security). When you redeem your investment, the Units you hold in the Sub-Scheme are redeemed by the Responsible Entity on the stated term in the relevant Sub-Scheme SPDS.

The Scheme is structured in this manner. The structure of the Scheme can be diagrammatically represented as follows:



3.3.1 The Scheme

The Scheme derives its income by investing in mortgages. This means it loans money to Borrowers and the obligations of those Borrowers are secured by first and/or second registered mortgage/s and/or caveat/s over real property which are provided as Security Property by either the Borrowers or Guarantors of the loan.

The Scheme comprises a holding account operated by AMFL as a Trust Account where your investment is held (without interest) pending allocation to a specific Mortgage Investment. Members of the Scheme invest in individual Sub-Schemes. An investor in a Sub-Scheme is known as a 'Unitholder'. Members do not invest in the Scheme as a whole.

3.3.2 Sub-Schemes

The Scheme is comprised of multiple Sub-Schemes that each have their own Unitholders and hold separate and distinct assets and security from each other. Investors join by registering to become a Member of the Scheme, and then apply to participate in a specific Sub-Scheme as a Unitholder.

Unitholders derive income from each Sub-Scheme in which they are an Investor in proportion to their share of contribution to the Sub-Scheme through the payment of Distributions.

A particular Mortgage Investment involves a single loan to a specific Borrower (or group of co-Borrowers) secured over real property. Each Sub-Scheme derives its income from interest payments made by the Borrower, or in the case of default by the Borrower, from the proceeds of sale of the Security Property belonging to that Sub-Scheme. By investing in a particular Sub-Scheme, Member's contributions to a particular Mortgage Investment are quarantined within the Sub-Scheme as Unitholders in each Sub-Scheme do not have recourse to the property held in other Sub-Schemes.

3.4 Minimum Investment

The minimum application is $10,000 which provides flexibility for Investors to choose the level of capital investment into various Sub-Scheme products with a view to diversifying their investment portfolio. AMFL may also increase the minimum investment for a particular Mortgage Investment which will be set out in a Sub-Scheme SPDS.

3.5 Investment Term

The term of an investment in a Sub-Scheme is disclosed in the relevant Sub-Scheme SPDS. Most loans are contracted for a term of six (6) to twenty-four (24) months. However, the duration of the loan can be much shorter (if the Borrower discharges the loan early) or much longer (if the Borrower defaults by failing to repay on time) than the term disclosed in the Sub-Scheme SPDS.

As not all loans are repaid on the due date we strongly advise Investors against committing their funds elsewhere until the funds have actually been returned.

Where the Mortgage Investment is a development or construction loan the principal may be recovered progressively as apartments or lots in the development are progressively sold in stages. Where this occurs, we will return the repaid capital to the Unitholders pro rata according to the amount they invested in the relevant stages.

3.6 What return will I receive on my investment?

The Distribution rate payable on your investment will depend on the particular Sub-Scheme you have invested in as disclosed in the relevant Sub-Scheme SPDS. The interest rate, which is stated in the SPDS prior to commencement of your investment is fixed with the Borrower according to the terms of the particular Mortgage Investment selected.

Past performance is not indicative of future performance.

There may be delays in receiving interest payments if the Borrower does not repay the loan (or the interest) in full within the time stipulated in the lending documentation. Notwithstanding, interest at the higher rate will continue to accrue in this event, although not paid to AMFL, and in these circumstances would not be available for Distribution to Unitholders until recovered from the Borrower.

Distributions to Investors are made from interest payments received from the Borrower or where interest is pre-paid within the facility from loan funds withheld from the Borrower to meet Investor interest payments. There is no obligation on AMFL to meet or subsidise Distributions to Investors from other assets of the Scheme or from other schemes controlled by AMFL.

Distributions are paid (subject to money being available) monthly in arrears, within thirty (30) days after the due date for payment of interest by the Borrower. Payments are made by electronic transfer, into the bank account you nominated on your Scheme Application Form. Distributions cannot be paid by cash or cheque.

3.7 AMFL Lending Procedures and Policies

Prior to a loan being advanced to a Borrower, as part of the loan approval process, AMFL undertakes due diligence on the Borrower, its Guarantor and the Security Property to assess the risk profile of the Mortgage Investment and the Borrower's general creditworthiness. This due diligence includes:

STEP ONE	Loan Application Received
STEP TWO	Preliminary Assessment and Screening – Approval from Lending Committee
STEP THREE	Preliminary legal searches conducted
STEP FOUR	Indicative Letter of Offer Issued to Borrower
STEP FIVE	Independent Valuation Ordered from AMFL Panel Valuer
STEP SIX	Further Assessment and Screening by Lending Committee
STEP SEVEN	Sub-Scheme SPDS issued to Investors
STEP EIGHT	Mortgage and Other Loan Documents Prepared
STEP NINE	Fund loan to borrower

Before any loan is advanced, the Borrower (and Guarantors) is required to execute security documents which may include: a letter of offer, the mortgage or caveat, a commercial loan agreement, security documents, and in some circumstances a deed of guarantee (the **Loan Documents**). Other documents may be obtained where deemed necessary. These Loan Documents regulate the terms and conditions of the Mortgage Investment as between AMFL and the Borrower. The terms of the Loan Documents for each Mortgage Investment will be summarised in the applicable Sub-Scheme SPDS.

3.7.1 Standard Loans

Individuals, companies or trusts seeking to borrow money will, from time to time, approach AMFL and submit an application for funding. These applications are submitted to AMFL's Lending Committee for consideration and possible approval. Once AMFL is satisfied of the creditworthiness of the Borrower and that all conditions precedent have been fulfilled, we arrange for the loan funds to be transferred to the Borrower.

3.7.2 Interest on Standard Loans

If the loan does not involve Prepaid Interest, then its terms will require the payment of monthly interest payments by the Borrower. This money is deposited into the Scheme Trust Account, allocated to the relevant Sub-Scheme to which it applies, and used to pay Management Costs. The residual is retained by AMFL to pay Distributions to Investors each month.

Some Sub-Schemes involve Prepaid Interest, which means that a portion of the loan principal is retained by us (in the Scheme Trust Account) and used to meet the Borrower's interest obligations. This money is used to pay Distributions to Unitholders. The residual, and any interest earned, is retained by AMFL to pay Management Costs and pursuant to **Section 6.4(a)(c)**.

Whether Borrower interest on the loan is Standard or Pre-Paid will be disclosed in the relevant Sub-Scheme SPDS.

3.7.3 Development Loans

Where the loan involves funding a property development, the funds are not advanced at one time. Instead they are advanced progressively in stages, as required to fund the construction.

To that end, we will raise the funds for development loans progressively, also in stages. When money is needed to meet progress payments an updated SPDS is distributed seeking additional contributions.

The first advance usually funds the purchase of, or refinances, the development site. The subsequent advances are progress payments.

This means that some Unitholders will join the Sub-Scheme from the beginning, while others join part way through. Generally, all Unitholders receive the same Distribution Rate, and are otherwise treated the same, however there are circumstances when the Unitholders in different stages are treated differently. Refer to **Section 4.5**.

Our policy is to only make a progress payment if the Borrower's quantity surveyor certifies that the required progress has been made.

3.7.4 Interest on Development Loans

Development loans may involve Prepaid Interest. For these loan types, AMFL funds the Prepaid Interest progressively (as funds for the stage are raised) based on the projected building drawdown program, loan term, and Cost to Complete, as stated in the relevant Sub-Scheme SPDS.

3.7.5 Discharge

We will discharge the Borrower, Guarantors and Security Property upon repayment of all monies owing under the loan. All monies received will be banked into the Scheme Trust Account and allocated to the relevant Sub-Scheme. From there, funds will be used to pay Management Costs, return Unitholders capital, and pay interest Distributions.

3.7.6 Defaulting loans

A loan is considered to be in "default" if either the payment of interest is more than thirty (30) days in arrears or the loan has not been repaid within thirty (30) days after the due date for repayment subject to the terms of the relevant Loan Documents unless otherwise agreed or waived by AMFL. In any case, AMFL will notify the relevant Sub-Scheme Unitholders.

We will also notify Unitholders within thirty (30) days after the commencement of any enforcement action taken against a Borrower and of the outcome of those proceedings. As at 1 July 2018, there were 3 loans on 1st mortgage security where loans terms had expired (more than 30 days). No loans were in interest payment arrears.

If a Borrower defaults on their loan, then we will act commercially to recover monies owing under the loan. Initially, this may commence as negotiations to extend the loan repayment date on mutually agreed terms, however, in the case of a Borrower's inability or failure to pay, we will undertake the following:

(a) Recovery of the Security Property

- (i) initiating legal proceedings to obtain possession of the Security Property;
- (ii) taking possession of the Security Property;
- (iii) conducting building and improvement works on the Security Property; and
- (iv) selling the Security Property.

(b) Recovery from Borrowers and Guarantors

We will generally seek judgment against Borrowers and/or Guarantors if it is necessary to commence proceedings for possession. However, Borrowers and Guarantors are generally only liquidated or bankrupted if we regard it as commercially viable to do so. If requested to do so, we will assign our legal right to recovery of the Unitholder's investment to the Unitholder so the Unitholder can pursue the Borrowers and Guarantors.

(c) Recovery from third parties

If there are good prospects of success we may commence proceedings against valuers, quantity surveyors, brokers or any other culpable party. This will only be done at the cost of consenting Unitholders. Non-consenting Unitholders will be deemed to have assigned their rights to recovery pro rata to those Unitholders wishing to run (and finance) such proceedings.

For Distribution practices in the event of a defaulting loan, see **Section 3.6**.

Since each Sub-Scheme is separate from any other Sub-Scheme, a default under one Mortgage Investment is borne by the relevant Sub-Scheme Unitholders and is not shared by the Unitholders of any other Sub-Scheme.

3.8 Rights under the Scheme

Generally, a Member's right to Scheme property is confined to the extent of the Member's contribution to individual Mortgage Investments.

A Member has a right to:

(a) participate in any Mortgage Investment(s) offered by AMFL;

(b) participate in Distributions of interest collected by AMFL in respect of the Mortgage Investments to which that Member's funds have been applied;

(c) have their capital investments redeemed on the later of a Mortgage Investment's maturity or repayment date and/or the date upon which a Borrower repays the loan to which their Mortgage Investment relates;

(d) inspect the Constitution which will be made available by AMFL upon written request by a Member; and

(e) have the Scheme operated by AMFL in accordance with its legal obligations.

3.9 Transfer of a Member's interest in the Scheme

No Member can dispose of his or her interest in the Scheme except as provided in the Constitution. The Constitution permits the transfer of a Member's interest provided such transfer is in accordance with the Act and is done with the consent of AMFL in its capacity as Responsible Entity of the Scheme. In the event that such a request is granted, any cost of transferring the Member's investment will be borne by that Member, as disclosed in **Section 6.2**.

3.10 Withdrawal of Investment prior to the term

A Mortgage Investment by an Investor is made for a fixed term. A Member does not have the right to withdraw from a Mortgage Investment before the term date specified in the relevant Sub-Scheme SPDS. However, subject to availability of funds and market conditions, AMFL will seek to accommodate a written redemption request by an investor for the early withdrawal of their funds, in the event the Member suffers financial hardship, death or total and permanent disability. If such a request is granted, any cost of replacing the Member's investment will be borne by that Investor, as disclosed in **Section 6.2**.

3.11 Termination from the Sub-Scheme

Upon termination of the Sub-Scheme, each Sub-Scheme Unitholder ceases to be a Unitholder and the proceeds of realisation of the Mortgage Investment, including capital and interest Distributions, are distributed to the Unitholder of that Sub-Scheme.

3.12 Withdrawal from the Sub-Scheme

For investors who may be unhappy with the performance of AMFL, the Scheme Constitution provides that Unitholders in a Sub-Scheme may withdraw from the Scheme.

As a result of withdrawal from the Sub-Scheme, Unitholders will convert their investment from a Nominee Mortgage managed investment into a contributory mortgage, AMFL will cease to manage the Mortgage Investment, the Sub-Scheme Members themselves will manage the process of enforcement and the Sub-Scheme will no longer be part of the Scheme.

In accordance with the Constitution, for Sub-Scheme withdrawal to take place:

(a) the Mortgage Investment must be in default;

(b) all outstanding Management Costs (up to the date of Sub-Scheme withdrawal) must be paid;

(c) AMFL's legal costs associated with the Sub-Scheme withdrawal must be paid; and

(d) the decision to withdraw the Sub-Scheme must be by unanimous consent of all Unitholders in the Sub-Scheme.

In order to obtain unanimity a Unitholder must accept the offer of another Unitholder to buy their Units if the full redemption value (as defined by the Scheme Constitution) is offered. In the case of conflicting offers the offer first notified to AMFL will prevail.

When Unitholders in a Sub-Scheme withdraw from the Scheme we will transfer the Mortgage into the name of the Unitholders' nominated solicitor or accountant (as trustee of the Unitholders) or into the Unitholders names (as contributory mortgagees) and register the transfer on the appropriate Land Titles Register.

4

Investment Benefits & Risks

IMPORTANT NOTES

In preparing this Combined FSG and RPDS and any Sub-Scheme SPDS, AMFL has not taken into account your investment objectives, financial position or particular needs.

Before making an investment decision on the basis of this RPDS or any Sub-Scheme, you need to consider or obtain advice about whether this investment is suitable in light of your personal circumstances. As indicated above, an investment in the Scheme is subject to investment and other risks. They could result in delays in the repayment of, or loss of, income or capital invested.

INVESTORS SHOULD ALSO NOTE

an investment in a Mortgage Investment is an equity investment, not an investment in a bank deposit. There is a higher risk of losing some or all of their investment than is the case with a bank deposit.

AMFL is not a bank and investors do not have the benefit of any government guarantee of the amounts invested.

None of AMFL, its directors or associates, or any of the parties providing services to the Scheme, guarantees the investment.

4.1 Investment Benefits

Contributory Mortgage	The offer is a Contributory Mortgage Scheme which means that Investors can select which Mortgage Investment best suits their risk profile. Investments are not pooled with other Investors' money and each Investor holds a beneficial interest in the mortgage in which they choose to invest. In pooled schemes, investors do not have an interest in a particular loan, but have an interest in scheme property as a whole.
Easy to Understand	A Mortgage Investment is an easily understandable investment as most people have had a mortgage themselves.
Fixed Income	The Scheme seeks to provide to its investors a regular and fixed income for a fixed period, with the capital risk minimised by the repayment of the moneys advanced to the Borrower being secured by way of a registered mortgage or caveat over real property.
Short Term	Funds will be invested for a relatively short term (generally 6-24 months) (subject to the Borrower repaying on time).
Mortgage Security	The Scheme provides for mortgage investments secured by a variety of real estate such as metropolitan residential property with a mix of commercial and suitable regional, rural, coastal or industrial properties.
Quarantined Risk	The performance or characteristics of other Mortgage Investments made through the Scheme, which may not suit the investor's particular objectives or tolerance for risk, do not impact on the investors in any other Mortgage Investments.
No Fees and Costs Payable by the Investor	No entry or exit fees are payable by Investors unless they withdraw early pursuant to **Section 3.12**. The Borrower pays all of the establishment fees and interest costs on the loan. This means that the Investor's total investment capital is receiving interest returns.
Experienced Team	Members of the Scheme have the benefit of the experienced team of the Manager who have been managing mortgages over a considerable period of time.

4.2 Investment Risks

All investing involves risk.

Generally, the higher the expected return, the higher the risk.

An investment in the Scheme is subject to various risks and there are a number of risks which can impact on the performance of your investment, should they occur. The risks outlined in this section are not exhaustive, but AMFL considers them to be the key risks of investing in the Scheme.

When you invest in a managed investment scheme, you should be aware that:

(a) returns are not guaranteed – future returns may differ from past returns, and the level of returns may vary; and

(b) the value of your investment may vary, and there may be the risk of loss of invested capital.

Investment risks can affect your financial circumstances in a number of ways, including:

(a) your investment in the Scheme may not keep pace with inflation, which would reduce the future purchasing power of your money;

(b) the stated aims and objectives of the Scheme may not be met and/or the amount of any distribution you receive from the Scheme may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments; and

(c) your investment in the Scheme may decrease in value, which means you may get back less than you invested.

Where applicable, information is included on how AMFL aims to manage these risks. However, risks cannot be avoided altogether, and some risks are completely outside the control of AMFL.

A potential investor should read and consider the entire Combined FSG and RPDS (including the risks contained in this section and the relevant Sub-Scheme SPDS) and their attitude towards risk in general when contemplating an investment in the Scheme.

4.3 Not a Pooled Fund

The only assets available to Members of a Sub-Scheme for payment of the interest and repayment of the capital are the Sub-Scheme assets. You do not have access to any other assets of any other Sub Scheme. The decision whether to invest in a Sub Scheme is yours.

Please note that your level of risk is NOT reduced by it being averaged with all other Sub-Schemes. There is NO pooling of funds as between Sub Schemes from which any shortfall on your Sub-Scheme can be drawn.

4.4 General Mortgage Lending Risks

The Scheme intends to arrange for the Members to lend to persons involved in a wide variety of property-based activities. While some Borrowers are those who have had credit difficulties with other financial institutions, as at the date of this RPDS, they are mostly Borrowers who are looking for short-term finance to fund their property development or investment activities. They are typically companies or individuals who operate their own business or who wish to borrow for business or investment purposes.

The ability of Borrowers to meet mortgage interest payments and to repay the amount borrowed may be influenced by factors over which AMFL has no control, such as a lack of creditworthiness of a Borrowers or the state of the Australian economy generally. Adverse economic conditions, such as economic recession or depression could adversely affect property values. Other factors such as the movement in interest rates, changes in taxation policies, the imposition of new statutory requirements, or changes in judicial interpretation and application of the law, may impact on the return that investors may receive from their investment in a Sub-Scheme, or the enforceability of a Mortgage Investment, when compared with other possible investments.

4.5 Key Risks

RISK	EXPLANATION
Borrower Default Risk	If the Borrower: (a) is an individual and becomes bankrupt, or dies; or (a) is a company, and becomes insolvent or under external administration, then the loan may go into default. If the loan goes into default the payment of Distributions will cease and the recoverability of Distributions will depend upon the money that can be realised from selling the Security Property and pursuing the Borrower and any Guarantors. Despite clear credit histories, and impressive statements of assets and liabilities, it is not unusual for individual Borrowers and Guarantors to experience life difficulties, such as divorce, major illnesses or accidents, and quickly become poor credit risks. In these instances, there is often little or nothing left for creditors other than the Security Property.
Valuation Risk	Although we take precautions to ensure that the valuations our Lending Committee relies on are accurate, there is a risk that the valuation will be fundamentally flawed. This can occur if the wrong methodology is used, if the comparable properties are not comparable, if assumptions and data about the property (including data from quantity surveyors) are false. If the valuation is incorrect then part, or all of the loan, may be effectively unsecured. This means that in the event of default (which will be more likely if the valuation is wrong), and the Security Property has to be sold, there may be an Impairment or significant loss of your investment.
Developer Risk	If the Mortgage Investment loan is a development loan, then much depends upon the developer remaining solvent and completing the development. If the developer cuts corners (leading to the need for extensive rectification works before the Security Property can be sold) or becomes insolvent, then we may step in, sell or complete the project or otherwise to protect Unitholders' interests. There are usually delays associated with this and very often the site is shut down while negotiations with council, the builder and contractors take place. This causes extra expense which must be recovered from the sale of the Security Property. Delay can also increase holding costs, affecting interest and Distributions. These extra costs erode the money that is finally recovered from the sale of the Security Property and this can cause Impairment.
Enforcement / Litigation Risk	This is the risk that any lender faces when it takes legal action to enforce the mortgage by the sale of the Security Property. Borrowers may defend the enforcement proceedings successfully in whole or in part, in light of judicial interpretation of the borrowing and enforcement arrangements, which may vary over time. In addition, Courts are vested with wide discretionary powers, and these may be exercised in favour of the Borrower.
Documentation Risk	There is a risk of deficiency in the accuracy of documentation, including the mortgage documentation entered into for the Sub-Scheme, which could, in certain circumstances, adversely affect the recoverability of monies invested by the Scheme and reduce the value of your investment. There is also the risk of unauthorised dealing with documents of title. Subject to land titles office requirements in different Australian states and territories, the title deeds and security documents are held by AMFL or its lawyers in safe custody, until the loan is fully repaid.

RISK	EXPLANATION
Priority Risk	As Responsible Entity, we undertake the raises of Sub-Schemes for development loans progressively, in stages. If issues arise that adversely impacts the attractiveness of the Mortgage Investment, or there have been negative developments in the property market, then we may not be able to raise the additional money in later stages on the same terms and priority as the earlier stage/s. This means that in order to complete the development AMFL may need to: (a) offer a higher Distribution Rate to Unitholders in subsequent tranches; (b) offer priority to Unitholders in subsequent stages over Unitholders in earlier stages; (c) both (1) and (2); (d) borrow against the Security Property in priority to the Sub-Scheme's interest; or (e) all of the above. This means the interest of the Unitholders in earlier stages may be converted from a 1st ranking to a 2nd or even lesser ranking mortgage. This entails the risk that if the Security Property is ultimately sold for less than is required to payout: (a) any borrowings that take priority; (b) the Management Costs; (c) the Unitholders in the later stage/s; and (d) the Unitholders in the earlier stage/s, then the Unitholders in the earlier stage/s will suffer Impairment. Even if the proceeds from the sale of the Security Property are sufficient to repay the debt under the loan, they may still be insufficient to repay (a), (b), (c) and (d).
***National Consumer Credit Protection Act* (NCCP Act) Regulated loans Risk**	AMFL is not and has no present intention to be in the future, licensed to make loans that are regulated under the NCCP Act. Nevertheless, a court may for some reason hold that a loan is so regulated. In such a case, the actions that AMFL must take in enforcing such a loan are more demanding, and may take longer to implement, than in respect of unregulated loans. In general terms, there are limits on the amount of default interest that may be charged and the actions that AMF may have to take in enforcing a mortgage regulated by the NCCP Act are more demanding and may take longer to implement. In addition, the terms of the loan may be changed if the borrower is having or will have trouble making payments by reason of financial hardship caused by illness, unemployment or other reasonable cause.
External Dispute Resolution Risk	AMFL is a member of an ASIC approved external dispute resolution scheme (**EDR Scheme**), in accordance with its obligations in respect of the Members. Such an EDR Scheme may, in addition to considering complaints by Members, also consider any complaint that is lodged by a Borrower from the Scheme, even if the Borrower does not have a NCCP Act regulated loan. There is now the additional risk that either during the course of a loan, or more typically when AMFL seeks to enforce the loan, the Borrower lodges a complaint with the EDR Scheme that has the effect of "freezing" any enforcement action that is being taken or delaying any enforcement action that may be taken, while the EDR Scheme considers the complaint.
Income Risk	AMFL does not guarantee your Distributions. Your investment in a Sub-Scheme is dependent upon the ability of the particular Borrower in your Sub-Scheme to pay the interest payments when due, and to repay the loan on the due date. Members should be aware that no Distribution is payable if no corresponding payment is received by AMFL from the Borrower. The non-payment of Distributions to the Member will continue until the Borrower rectifies the default or the Security Property is discharged either by way of sale or refinance by the Borrower or the Security Property is sold by AMFL as mortgagee.

RISK	EXPLANATION
Security Property Risk	There are special risks associated with vacant land and other non-income earning Security Properties. Where a default occurs by the Borrower, AMFL cannot rely on any rental payments or other income in order to assist in rectifying the default. The risks associated with such properties are mitigated by AMFL's conservative LVRs.
Tenant Risk	The value of commercial properties is underpinned by their tenants. If a major tenant does not renew its lease, or becomes insolvent, it can reduce the market value of the property. Even the value of residential property, particularly units, can be significantly affected by failure to obtain tenants at rent levels upon which the valuation was based. If the value of the Security Property drops then, in the event of default (which will be more likely if the Security Property suffers tenancy vacancies), and the property has to be sold, there may be an Impairment or significant loss of your investment.
Property Market Risk	Changes in taxation, interest rates and the economic outlook can have serious dampening effects on the property market. Such decreases in the property market can lead to Impairment in five ways: (a) through reduced sale prices attainable; (b) through delays in selling (caused by flooded markets and low demand); (c) through reduced ability of Borrowers and buyers to obtain finance; (d) through increased risk of default as pre-sales fall away and sales projections make the project less viable for the developer; and (e) through purchasers who have bought "off the plan" failing to complete.

4.6 Risks of Investing in the Scheme Generally

RISK	EXPLANATION
Liquidity Risk	An investment in the Scheme should be treated as illiquid as there is no secondary market for Units. If you wish to exit your investment prior to the end of the investment term, you will need to source a substitute Unitholder to acquire your Units. We are not obligated to source investors for any Unitholder's holdings, however we will use our best endeavours to help you source prospective investors.
Diversification Risk	Because you are investing in a particular Mortgage Investment as opposed to a pool of Mortgage Investments, there is a higher risk that if a Borrower defaults on the Mortgage Investment in which you have invested you may suffer a loss.
Scheme Structure Risk	Each Mortgage Investment is allocated to a Sub-Scheme, and the Scheme structure is intended to enable you to participate only in the benefits, returns and risks of the Mortgage Investment corresponding to the Sub-Scheme Units you hold. However, the Scheme is a single entity and as such there remains a risk that your investment in a Sub-Scheme may be impacted by other Sub-Schemes and their corresponding Mortgage Investment. For example, where the Scheme incurs general expenses, such as Sub-Scheme legal and regulatory expenses (as applicable), which are allocated across various Sub-Schemes and a Sub-Scheme does not generate sufficient income to cover these expenses, it may impact the distributions able to be paid by the Scheme on another Sub-Scheme which has generated net income.
Insurance Risk	If a Security Property is not properly insured or an event occurs which is not covered by insurance, it may impact the value of the Security Property or the returns achieved from the leasing or sale of the Security Property which will adversely affect the performance of an investment in that Sub-Scheme.
Compliance Risk	If we fail to comply with the Constitution, Compliance Plan, Corporations Act or the conditions of our AFSL, it may have an adverse impact on the value of your Units and the performance of your investment in the Scheme. In particular, this may occur if ASIC takes action to: (a) wind up the Scheme; or (b) remove us as the Responsible Entity.
Taxation Risk	Australian tax laws are constantly in a state of flux with the introduction of various taxation amendments which may affect you. Tax liability is your responsibility. We are not responsible for the taxation consequences of an investment in the Scheme or Units in a particular Sub-Scheme. You should consult your own taxation adviser to ascertain the tax implications of your investment. See **Section 9** for further information on tax issues relating to the Scheme.
Regulatory Risk	The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting registered managed investment schemes.
Macro-economic Risk	The general state of the Australian and international economies as well as changes in monetary policies, interest rates, property market conditions and statutory requirements may affect the demand for, and the market value of, a property and may have a negative impact on the Scheme's performance and the performance of the particular Mortgage Investment and corresponding Sub-Scheme.

The level of risk that is acceptable to you will vary depending on a range of factors, including your age, investment timeframe, your risk tolerance and what other investments you hold. All investment products are generally subject to some or all of the risks described above. Your financial advisor can help you establish an appropriate risk profile in order to manage these risks.

Risks specific to a particular Mortgage Investment will be detailed in the relevant Sub-Scheme SPDS.

4.7 Key Features of Risk Management

AMFL applies a number of ongoing strategies, policies and procedures to manage and limit the likelihood of any risk to capital or interest for Investors. These include:

(a) valuation of all security properties in the manner described in this RPDS;

(b) an appropriate LVR which is determined by the Lending Committee in each instance;

(c) the capacity of AMFL to readily take possession and sell a Security Property if a Borrower does not comply with their obligations pursuant to each loan;

(d) loan approval procedures designed to properly assess the risks attaching to any loan, so that these risks are reflected in the relevant LVRs and interest rates offered;

(e) efficient management and a proactive interest collection system;

(f) day to day management by professional and experienced staff who undertake ongoing training; and

(g) ensuring Borrowers have insurance coverage for their Security Property.

In addition to our risk management policies and procedures, we have our Compliance Plan, as lodged with ASIC which outlines our obligations as Responsible Entity. An independent Auditor audits the Compliance Plan. AMFL's Compliance Officer also monitors Scheme procedures and practices at all levels of management and identifies problems or breaches which require attention and/or reporting to the Board and/or ASIC.

5 Summary of the Investment Procedure

AMFL is the issuer of the Units in the Sub-Schemes which are offered under this RPDS and the relevant Sub-Scheme SPDS.

Investment into the Scheme occurs in two stages:

5.1 STAGE ONE – Application / Registration

Stage one involves applying for registration and being accepted as an Investor into the Scheme.

To invest in the Scheme, simply complete the Application Form in this RPDS, selecting either the **Specific Investment Authority** option or **General Investment Authority** option, follow the investment instructions detailed in the form and forward the relevant Authority to us along with your confirmation of direct deposit.

SPECIFIC INVESTMENT AUTHORITY

If you wish to choose the Sub-Schemes into which your money is placed, you must nominate those Sub-Schemes by Specific Investment Authority.

Steps:

1. Carefully read this Combined FSG and RPDS in its entirety; then
2. Complete and return the Scheme Application Form at the back of this RPDS to become a Member of the Scheme; then
3. Read the SPDS which relates to the specific Sub-Scheme you wish to invest in; then to proceed
4. Complete the relevant Sub-Scheme SPDS Application Form and return to us via email once the investment is declared open; and
5. Send your investment money electronically or by direct deposit for the relevant Sub-Scheme (if not already held by the Scheme), to us, using the deposit code, thereby becoming a Unitholder of the Sub-Scheme.

Once your funds have been invested in a specific Investment Mortgage you do not have a right to withdraw from that Sub-Scheme prior to the loan being repaid by the Borrower in full.

GENERAL INVESTMENT AUTHORITY

If you wish AMFL to allocate your money into relevant Sub-Schemes on your behalf, you must provide us with a General Investment Authority to do so.

Steps:

1. Carefully read this Combined FSG and RPDS in its entirety; then
2. Complete and return the Scheme Application Form at the back of this RPDS to become a Member of the Scheme; then
3. Complete and return the General Investment Authority, marking the appropriate section and choosing your investment preference. This authorises us to place your funds into Sub-Schemes that match your selected investment preferences as they become available. We will then send you a deposit code; and
4. Send your investment money electronically or by direct deposit to us, using the deposit code that you wish to invest; then
5. Wait for us to send you a SPDS which relates to a specific Sub-Scheme into which we have placed your funds pursuant to the General Investment Authority. You must then decide whether you wish to veto this placement. If you do nothing then, after fourteen (14) days (from the date we emailed the SPDS to you), your funds will be deemed committed to that Sub-Scheme. If you wish to veto you should inform us immediately in writing and obtain a written confirmation receipt; and
6. By this General Investment Authority, you will be deemed to have authorised your capital to be re-invested in a subsequent Sub-Scheme in accordance with (5) above when it is returned from an earlier investment. This will only occur if your earlier investment has been unimpaired (you received all capital and interest Distributions owing).

If you provide a notification within the cooling-off period in Section 5.3, no fees will be charged and your funds will remain in the Scheme's Trust Account and will be made available for re-investment in another Mortgage Investment. If requested, returned to you as soon as practicable within two (2) business days from the date of our receiving your notice of withdrawal.

5.2 Scheme Trust Account

When you forward Application Monies to AMFL, prior to your funds being assigned to a Sub-Scheme or where we have not yet received your consent to allocate your funds to a new Sub-Scheme upon the partial or full repayment of a Sub-Scheme by a Borrower, funds are held in our Scheme Trust Account. If your money has not been committed to a Sub-Scheme within ninety (90) days, we will refund monies to you without interest.

5.3 Cooling-Off Period

Under a Specific Investment Authority, there is no cooling-off period.

As provided for in **Section 5.1**, for a General Investment Authority, you have a fourteen (14) day cooling-off period, while your funds are held in the Scheme's Trust Account pending allocation to a Sub-Scheme, to decide if an investment in this Scheme is right for you.

The fourteen (14) day cooling-off period starts on the date you receive an SPDS which relates to a specific Sub-Scheme into which we have placed your funds pursuant to the General Investment Authority therefore, if you wish to cancel your investment, it is important that you write to us before the expiration of this period to veto your allocation.

If we do not receive a valid written notification to cool-off from you within this time, your funds will remain invested in the Mortgage Investment described in the Sub-Scheme SPDS for the term of that Mortgage Investment and you will not be entitled to cool-off.

5.4 STAGE TWO – Investment Approval

Stage two involves us offering to you an approved Mortgage Investment in which to invest. A Sub-Scheme is initially approved by us and we will issue you with the relevant Sub-Scheme SPDS, providing details of the proposed Mortgage Investment.

The Sub-Scheme SPDS contains details about the proposed Mortgage Investment such as:

(a) details of the address and type of the Security Property;

(b) an estimation of value made by an independent valuer;

(c) the total amount to be lent to the Borrower and the LVR;

(d) details of the Borrower;

(e) the Borrower's strategy for repaying the loan;

(f) the term of the loan;

(g) the Distribution Rate;

(h) payment dates for Distributions;

(i) the interest rate payable by the Borrower; and

(j) other information which we consider may assist you in making your assessment of the risk involved.

5.5 Distributions

A Contributory Mortgage investment is designed to provide returns in the form of interest payments calculated at the rate set out in the Sub-Scheme SPDS. The interest rate is negotiated between AMFL and the Borrower and is fixed for the term of the Mortgage Investment (subject to the Borrower incurring a higher interest rate amount). As an indication, the average rate of interest paid to investors for a loan during the twelve (12) months prior to the date of this RPDS has been approximately 9.00% per annum. You may obtain current rates by contacting AMFL.

Interest is usually paid by Borrowers monthly in arrears, or the interest is Prepaid for the term of the loan. The particulars of the manner of payment of interest on each loan are set out in the relevant Sub-Scheme SPDS.

Distributions of income to Unitholders of a Sub-Scheme are calculated monthly as at the same calendar day of each month as the day on which the Mortgage Investment is entered into, except where otherwise disclosed in the relevant Sub-Scheme SPDS.

All Distributions of monthly returns to the Unitholder are made solely from the income received from Borrowers in respect of that Mortgage Investment. Each Unitholder has an immediate beneficial interest vested absolutely in the net income to the extent of the Unitholder's present entitlement to that share of the net income. AMFL anticipates that distributions will occur once a month after the interest payments are received from the Borrower. Distributions to Investors will be made in accordance with the Constitution of the Scheme and as outlined in the relevant Sub-Scheme SPDS.

Distributions will be paid to Investors by direct deposit into a bank account nominated by the Investor as provided on the Application Form.

These distributions are taxable in the hands of the Investor. AMFL is not responsible for incorrect bank details provided by Investors. Any changes to the bank details of Investors should be notified in writing as soon as practicable to enable distributions to continue on a regular basis.

5.6 Reporting to Investors

Investors will be provided with regular updates detailing the progress of their Investment. Investors will be provided with a tax statement outlining details of their investment and the amount of income earned for the previous financial year within three (3) months after the fiscal year end.

5.7 Updated Key Investor Information

The information contained in this Combined FSG & RPDS is current as at the date of this RPDS. However, some information can change from time to time. Where required, we will notify investors of material changes to key Updated Information.

Where there is updated information or a material change to the key investor information contained in this RPDS we may issue a supplementary PDS or new PDS. Information that is not materially adverse may be updated and made available at https://amfl.com.au. We will also provide you with a regular update on key investor information.

6

Fees and Other Costs

6.1 Consumer advisory warning statement

The warning below is required by law. The fees and other costs associated with investing in the Scheme are described in this section.

DID YOU KNOW

Small differences in both investment performance and fees and costs can have a substantial impact of your long-term returns.

For example, total annual fees and costs of 2% of your Scheme balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable.

Ask the Scheme or your financial advisor.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

6.2 Fees and Other Costs

The table below shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Scheme and/or Sub-Scheme assets as a whole.

Taxation information is set out at **Section 9** of this RPDS.

Amounts shown are inclusive of GST.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

(a) Fees when your Money moves in and out of the Scheme		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Establishment fee The fee to open your investment	Nil	N/A
Withdrawal fee The fee on each amount you take out of your investment	1% of the amount withdrawn in the case of early withdrawal ($100 per $10,000 invested).	Deducted from the Member's investment balance at the time of withdrawal.
Termination fee The fee to close your investment	Nil	N/A
Management Costs The fees and costs for managing your investment.	For the year 1 July 2017 to 30 June 2018 these fees and costs were between 0.99% and 3.99% per annum over 29 Sub-Schemes. This fee is an amount equal to the difference between the interest rate charged to the Borrower and the Distribution Rate paid to Unitholders in a Sub-Scheme SPDS as detailed in the relevant Part 2 PDS for that Sub-Scheme. Typically, our Management Fee is paid from the interest paid by Borrowers prior to the payment of Distributions to investors and is not deducted from the amount you invest.	Management Costs are deducted from Sub-Scheme Assets or collected from the Borrower as they pay or as funds become available. *Refer to 'Management Fee' in the 'Additional Explanation of Fees and Costs' section below for further details.*
Other Expenses		
Scheme Operating Expenses The fees and costs associated with the operation and administration of the Scheme which are to be reimbursed to the Responsible Entity, or paid directly to service providers including, but not limited to, costs associated with registry, tax, custodian, valuation, accounting, legal and audit.	Expected to be up to 0.5% per annum of the gross value of the Scheme's assets.	Expenses are generally paid as incurred or reimbursed to AMFL as soon as practicable after the expense is incurred from Scheme assets or the assets of the Sub-Scheme to which the expense is allocated.

(a) Fees when your Money moves in and out of the Scheme		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Service fees		
Investment switching fee The fee for changing investment options	Nil	N/A
Adviser service fee	Nil	AMFL does not provide any advice and accordingly no fee is charged.

All fees and costs charged by AMFL are non-negotiable.

6.3 Example of annual fees and costs

The following table gives an example of how the fees and costs of the Scheme can affect your investment over a one (1) year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – AMF Mortgage Income Scheme		Balance Of $50,000 With a Contribution of $5,000 During Year
Contribution Fees	Nil	For every additional $5,000 you put in, you will be charged $0
PLUS Management Costs	3.99%	**And**, for every $50,000 you have in the Scheme you will be charged $1,995.00 each year.
EQUALS Cost of Scheme		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees of $1,995.00 (inc. GST). **What it costs you will depend on the investment option you choose and the fees you negotiate with your Scheme or financial adviser.**

(1) Additional fees may apply. If, with our approval, you leave the Scheme early prior to completion of the Mortgage Investment in which you are invested, you may also be charged an early withdrawal fee of up to 1% of the amount withdrawn ($100 for every $1,000 you withdraw).

(2) It is a requirement of the Corporations Regulations that the above example assumes a balance of $50,000 and an additional contribution of $5,000.

(3) Whilst the above table is mandated by the Corporations Regulations it must be treated with caution. The level of Management Costs is based on the Scheme's estimated projections across the whole Scheme. Accordingly, it has limited prognostic value. A far more important consideration for prospective investors, in determining both anticipated fees and the overall return on your investment, is the quality of the particular Mortgage Investment disclosed in the relevant Sub-Scheme SPDS. The value of the Security Property, the amount of the loan, and the creditworthiness of the borrower will give the best indication of how high the Management Costs are likely to be and, more importantly (from your point of view), whether all your capital will be returned to you and all interest Distributions paid to you.

(4) This example does not include any additional fees that your financial adviser may charge you.

6.4 Additional Explanation of Fees & Costs

A) Management Costs

This is the fee payable to us for managing the Scheme's loans and operating the Scheme as Responsible Entity. Typically, these fees are paid from the interest paid by the Borrower or otherwise deducted from the income and assets of a Sub-Scheme and are not deducted from the amount you invest.

Our Management Costs are recoverable from the Sub-Scheme Assets regardless of the performance of the Borrower or value of the Security Property.

The importance of the level of Management Costs to your investment depends upon the ultimate outcome of the Sub-Scheme:

(i) if the Borrower does not default (pays all interest, fees due and repays the principal on time) then the amount of the management costs will not affect your investment. You will receive the return of your capital, plus the interest Distribution Rate specified in the relevant Sub-Scheme SPDS;

(ii) if the Borrower defaults, and after the Security Property is sold, and all other avenues for recovery have been exhausted, there remains insufficient funds to:

A. pay all the Management Fees;

B. return the Unitholders capital to them; and

C. pay Unitholders in the Sub-Scheme the Distributions they are owed,

then the Unitholders will only receive a pro-rata portion of the funds remaining after Management Costs have been paid.

The components of the Management Costs are:

(i) a Management Fee, calculated on the money invested, equal to the difference between the interest rate to be charged to the Borrower (on the one hand) and the Distribution rate to be paid to the Unitholder (on the other hand).

For example: upon prompt payment by the Borrower, if the interest rate charged to the Borrower is 12.99%, and the Distribution is 9.00%, then the Management Fee will be 3.99% per annum ($39.90 per $1,000 invested). For the year 1 July 2017 to 30 June 2018 these fees and costs averaged between 0.99% and 3.99% per annum over 29 Sub-Schemes.

B) Scheme Operating Costs

We are entitled to be reimbursed for expenses and costs incurred in the proper management of the Scheme. These disbursements are monies that we pay from a Sub-Scheme's assets to preserve or enhance the Security Property under the Sub-Scheme, or pursue avenues of recovery of money on behalf of the Unitholders in the Sub-Scheme. Disbursements are payable by Members in respect of the Sub-Scheme to the extent that they are not met by the Borrower.

These disbursements and expenses include matters such as:

(i) taxes, including GST and stamp duty;

(ii) financial institution fees;

(iii) fees for the engagement of agents, lawyers, valuers, contractors and other third parties;

(iv) adverse costs orders, including indemnity costs orders, in any court proceedings, arbitration or other dispute, including claims of unjust contracts, including the cost of appeal, including claims that loans were National Credit Code regulated;

(v) insurance premiums;

(vi) the cost of complying with any law, and any request or requirement of ASIC or AFCA;

(vii) incurred performing due diligence;

(viii) incurred in exercising power of sale of Security Property;

(ix) incurred maintaining, preserving or enhancing the value of Security Property;

(x) search fees including property searches, company, bankruptcy, CRAA searches and any other searches which may be necessary to enable location, identification and/or investigation of Sureties;

(xi) independent experts' or consultants' fees including but not limited to marketing agents, property specialists, surveyors, quantity surveyors, town planners, engineers;

(xii) process servers' fees;

(xiii) private Investigators' fees;

(xiv) fees in relation to the marketing of Underlying Securities for sale;

(xv) real estate agents' sales commissions;

(xvi) outstanding accounts relating to Underlying Securities such as council rates, land tax and contractor fees;

(xvii) locksmith fees;

(xviii) removalists for removal of the Borrower's chattels and storage or disposal fees of Security Property;

(xix) security guards to attend the Security Property.

A full list of these disbursements is detailed in the Constitution of the Scheme.

Where a loan is in default, these amounts can be as significant, if not more significant, than Management Costs in determining the money the Unitholder will recover.

C) Accrued Interest and GST Refunds

We are entitled to all accrued interest earned on Scheme funds held and managed by AMFL in the Scheme's Trust Account and all GST refunds received by the Scheme.

D) Other Fees

We may receive fees from the Borrower under a Mortgage Investment for operational and transactional costs associated with the formation and management of the loan in respect of that Mortgage Investment and are usually paid by the Borrower to AMFL upon repayment of the loan.

These fees are payable by the Borrower and are not paid from the amount you invest.

Such fees and costs payable to AMFL may include and are defined in the Scheme Constitution:

(i) a **Loan Default Fee** equal to the difference between the lower and higher rates (normal and default rates) of interest payable by the Borrower.

For example: if the lower rate was 12.99% and the higher rate was 17.99% then the fee would be 5% (or $50 per $1,000 invested). This fee is deducted only where the higher rate is recovered; and

Note: *the Loan Default Fee is split 50/50 with the Unitholders pro rata to their Unitholding and payable as interest Distributions accordingly.*

(ii) a **Loan Extension Fee** of up to 3% of the loan amount (up to $30 per $1,000 of a loan amount). This will only be charged if paid by the Borrower; and

(iii) a **Loan Establishment Fee**, of up to 5% of the proposed loan amount (up to $50 per $1,000 of a loan amount), charged to Borrowers upon the acceptance of a loan offer. This fee is intended to compensate AMFL for due diligence on the loan proposal and may be wholly or partly paid from drawdown funds. This will only be charged if paid by the Borrower.

For the year 1 July 2017 to 30 June 2018 the Loan Establishment Fee charged averaged 0.79%; and

(iv) a **Mortgage Documentation Fee** of up to 2% of the loan amount ($20 per $1,000 of the loan amount). This will only be charged if paid by the Borrower.

For the year 1 July 2017 to 30 June 2018 the Loan Establishment Fee charged averaged 0.73%; and

(v) All other incidental fees charged to the Borrower and paid by the Borrower (without being capitalised into the Loan Amount) such as title production fees, drawdown fees, registration fees).

As these costs outlined in **Section 6.4(d)** are paid directly by Borrowers to AMFL in its personal capacity, they do not reduce the rate of return that Members receive on their funds invested.

In the event that the fees charged to a Borrower in relation to a particular Sub-Scheme differ from those above, or where additional fees are charged to the Borrower, the fees will be disclosed in the SPDS for the particular Sub-Scheme.

E) Fee entitlement

Notwithstanding anything else contained in this RPDS, our entitlement to fees and expenses under the Constitution will be deducted from the assets of the Scheme prior to capital or interest Distributions being made to investors in a Mortgage Investment.

F) GST and stamp duty

All fees stated in this RPDS exclude (if applicable):

(i) GST less any Reduced Input Tax Credits (**RITC**); and

(ii) stamp duty.

Unless otherwise stated, all fees and charges are shown inclusive of GST net of any available RITCs. The management fees are based on the GST rate (currently 10%) however this estimate may vary from time to time depending on a variety of factors including the types of fees and costs paid and any changes to the GST rate and the RITC available. See 'Goods and Services Tax' in **Section 9.**

Where the Responsible Entity becomes liable to pay GST in respect of its services in relation to the Scheme, it may, in the future, recover that amount from the Scheme, after deducting any available RITCs.

G) Adviser or referral fees

If you are referred to us by another party, we may, from our own funds, pay that party a referral fee, subject to the requirements of the law. The payment may be in the form of an upfront payment or an ongoing brokerage fee based on the amount invested. This fee will be disclosed in the SPDS for the Sub-Scheme.

H) Third Party Payments

Third party payments are made by AMFL to service providers, mortgage brokers and the authorised representatives of ours. The service providers include inter alia AMFL's legal advisors, panel valuers, auditors, quantity surveyors, engineers, other related property development advisers and the authorised representatives (to the extent permitted by law) who are registered with ASIC.

Where applicable, GST is payable on all fees.

6.5 Variation and Waiver of Fees

Fees may be varied within the maximum range allowable in the Constitution, by notice in writing to Scheme Members at least thirty (30) days before any increase.

AMFL reserves its right to waive, rebate or refund any entitlement it may have to fees under the Constitution, this PDS or any relevant Sub-Scheme SPDS.

6.6 Transaction Costs

Transaction costs, such as government taxes, duties, levies, bank charges and account charges, associated with the acquisition of assets from Schemes subscribed by investors are paid from the Scheme.

6.7 Investor Administration

If AMFL is requested by a Unitholder to perform a role outside its normal administration function as contemplated by the Constitution and this RPDS, there may be a fee payable for such role. The fee will vary depending on the request by the Unitholder and will be disclosed to the Unitholder before any work is commenced.

6.8 Taxation

Distributions made by the Scheme will generally be unfranked and details of the tax status of these distributions will be included in your yearly statement within three (3) months of fiscal year end.

For specific taxation information relating to the Scheme, refer to **Section 9**.

7

The AMFL Investment Approach

7.1 Loan Assessment Criteria

As Responsible Entity, we apply the following assessment criteria to all Mortgage Investment products issued by us:

(a) all loans must be supported by, as primary security for the loan, a first and/or second registered mortgage/s and/or caveat/s over real property – the Security Property;

(b) all loans in excess of one million five hundred thousand dollars ($1,500,0000) must be approved by our Board;

(c) where a loan relates to property development, we will aim to maintain Cost to Complete within the facility (see Section 3.7.4);

(d) improvements on the Security Property must be adequately insured by the Borrower;

(e) the proposed arrangements for the Borrower to repay the loan must be credible; and

(f) the valuation must accord with our Valuation Policy as detailed in our Scheme Compliance Plan (refer **Section 2.4**).

7.2 Geographic Location and Property Type

The Scheme primarily invests in mortgages over commercial, residential and industrial properties located within Australia. The relevant Sub-Scheme SPDS will contain details of the address of the Security Property and Mortgage Investment property type.

7.3 Priority of Mortgages

All Sub-Schemes involve, as primary security for the loan, a first registered mortgage/s and/or caveat/s over real property. This means that if the Security Property is sold, the full proceeds (after statutory deductions) are paid in satisfaction of the debt to the Sub-Scheme, rather than to any other creditor (other than the first mortgagee if the Mortgage Investment includes a second mortgage security to support the primary Security Property (as disclosed in the relevant Sub-Scheme SPDS)).

7.4 Loan renewals and extensions

Mortgage Investment loan terms include an option for the Borrower to extend the term for a longer period, for instance the loan term provided for in the Loan Documentation may be for six (6) months with a six (6) month option to extend the term.

Provided, at the end of the original loan term, the loan is not in default, if the Borrower opts to extend the term for the additional period, AMFL will provide the Borrowers with the extension.

No Sub-Scheme will automatically extend for a term further than as described in the relevant Sub-Scheme SPDS without Unitholder approval.

In the event that an extension is sought for a longer period by the Borrower, this will be done by the issuance of a SPDS for the renewal of the Sub-Scheme. Where an investor does not wish to participate in the further renewal, we will attempt to replace the investor. However, if no replacement can be found the loan renewal will not be granted.

8

About Australian Mortgage Fund LTD

AMFL is an unlisted public company that was incorporated in 2012. Our company directors and senior management have been lending on mortgages since 2002 and have considerable experience in funds management, mortgage lending, mortgage investment finance, banking and accounting.

Our expert team has a proven track record in the mortgage lending industry and we are committed to striving to:

(a) identify prudent mortgage investment opportunities;

(b) preserving investor capital; and

(c) delivering attractive risk-adjusted returns.

8.1 Responsible Entity – AMFL

AMFL is the Responsible Entity of the Scheme and issuer of this Combined FSG and RPDS. As Responsible Entity, we are responsible for the day-to-day operation of the Scheme in accordance with our AFSL, the Constitution, Compliance Plan and Corporations Act.

8.2 Directors of the Responsible Entity

The Board of AMFL currently comprises a total of four (4) Directors, Kasey Lee, Jonathan Lee, Warren Lee and Cameron Garnham. Our Board sets the strategic direction of the Scheme and has ultimate responsibility for its performance. We seek to create Investor value and ensure that Investors' investments in the Scheme are prudently managed.

For more information about us please visit our website: https://amfl.com.au.

KASEY LEE
Chief Executive Officer

Kasey Lee holds a Bachelor of Laws, Graduate Diploma in Legal Practice and Masters of Law from the Queensland University of Technology. Kasey has also completed the Queensland Law Society Practice Management Course. She was admitted to the Supreme Court of Queensland in 2007 and holds a current unrestricted principal practicing certificate.

Working in the finance industry for a family owned private finance company since 2004, originally in the role of a loan consultant, has given Kasey a broad knowledge of banking and finance law. In 2007 Kasey became the in-house Solicitor for the company practicing exclusively in the field of finance and mortgage law. Her role includes the preparation of loan documentation, coordinating settlements, dispute resolution and client negotiations and all aspects of loan/mortgage enforcement including Supreme Court litigation. Kasey continues to have an active role in the assessment and approval of loan applications and assists in funds management.

In 2012, Kasey co-founded Australian Mortgage Fund Ltd and is the CEO and the In-house Solicitor for AMFL as well as the Compliance Officer, Chief Risk Officer, Member of the Compliance Committee and a Responsible Manager for the AMF Mortgage Income Scheme.

Her roles involves the day to day running of the company including funds management as well as establishing and overseeing a culture of compliance within AMFL and the Scheme.

Kasey is the first point of contact for both existing and new Members and she provides a personal service to all AMFL Members.

JONATHAN LEE
Chief Financial Officer

Jonathan Lee holds a Bachelor of Laws from the Queensland University of Technology, a Diploma of Financial Services (Finance/ Mortgage Broking Management) and a Diploma of Business (Franchising).

Jonathan has worked in the finance industry for a family owned private finance company since 2003. During this time Jonathan has become an expert in the finance and mortgage industry. His role involves the day to day management of the company as well as the assessment and approval of loan applications, Schemes management, dispute resolution and client negotiations. Jonathan was crucial in the company's expansion into a national company lending across all States and Territories of Australia.

In 2012, Jonathan co-founded Australian Mortgage Fund Ltd. Jonathan is the CFO of Australian Mortgage Fund Ltd as well as the Financial Controller, Chairman of the Lending Committee and a Responsible Manager for the AMF Mortgage Income Scheme.

Jonathan handles all financial responsibilities of AMF and the Scheme and in doing so ensures that Members are paid distributions in accordance with the PDS and the Compliance Plan.

WARREN LEE
Executive Director

Warren Lee holds a Bachelor of Laws and Bachelor of Arts (Economics) from the University of Sydney. He was admitted to the New South Wales Bar Association in 1976. Warren was then admitted to the Supreme Court of New South Wales, the Supreme Court of Queensland and the High Court of Australia in 1989. Warren has also completed the Queensland Law Society Practice Management Course.

Warren practiced as a barrister and later as a solicitor until 2001 during which time he founded his own firm Lee, Munro and Smith, a firm which focused predominantly on industrial relations and finance law.

In 2002, Warren put his legal and finance experience into practice when he founded a private finance company in Queensland in response to the growing need for business bridging finance. As the company grew, Warren expanded into New South Wales, Victoria and the Northern Territory.

Warren's role includes the assessment and approval of loan applications. His decades of legal, finance and mortgage experience have helped the expansion and success of the company.

In 2012, Warren co-founded Australian Mortgage Fund Ltd. Warren is an executive director of AMFL as well as a Member of the Lending Committee for the AMF Mortgage Income Scheme.

CAMERON GARNHAM
Executive Director

Cameron has worked in the mortgage industry since 2007. He brings to the board a wealth of "hands on" expertise in loan assessment and enforcement. He has personally handled thousands of loans and thousands of borrowers. Cameron has helped borrowers through difficulties and consequently maximised the returns to lenders. His unique experience will help AMFL achieve the goal of maximising investor returns through intelligent lending and efficient collection of loan Schemes.

Cameron completes the unique Board experiences of the AMFL Board, bringing together legal expertise, business leadership, innovation, responsibility, and direct lending and borrower expertise.

Cameron is an Executive Director of Australian Mortgage Fund Ltd and a Member of the Lending Committee for the AMF Mortgage Income Scheme. Cameron handles all loan applications and completes the initial research process which provides the Lending Committee with all required information to make an informed decision when approving or declining an application for finance.

8.3 Duties of the Responsible Entity

AMFL is subject to a number of duties under the Corporations Act and the Constitution. For example, in exercising its powers and carrying out its duties, as Responsible Entity we must:

(a) act honestly;

(b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position;

(c) act in the best interests of the Investors and, if there is a conflict between the Investors' interests and the Responsible Entity's own interests, give priority to the Investors' interests;

(d) treat Investors of the same class equally and Investors of different classes fairly;

(e) ensure that the Scheme's assets are:

  (i) clearly identified as Scheme assets; and

  (i) held separately from property of the Responsible Entity and the property of any other managed investments scheme;

(f) receive all Scheme monies and deposit these into a designated bank account held by us; and

(g) arrange annual audit of the Scheme's financial accounts within ninety (90) days of financial year end.

8.4 Indemnity of the Responsible Entity

Subject to the Corporations Act, the Responsible Entity is entitled to be indemnified out of the Scheme's assets for all debts, liabilities, damages, costs, taxes, charges, expenses and outgoings incurred by it in the proper performance of its functions and duties and exercising its powers under the Constitution or at law. However, this indemnity does not apply to debts, liabilities, damages, costs, taxes, charges, expenses or outgoings incurred or payable in respect of or as a result of the negligence, fraud, or breach of trust of or by the Responsible Entity.

8.5 Constitution

The Scheme was established by Constitution dated 29 January 2014 which has been registered with ASIC and as amended from time to time. The Scheme Constitution amounts to a declaration of trust for the benefit of the Members by AMFL in relation to all property which we hold on trust for the Members (Scheme Property).

The Constitution is the primary document governing the legal relationship between AMFL, as Responsible Entity, and Investors and provides a framework for the operation of the Scheme. As an Investor, you will be bound by the provisions of the Constitution. The Constitution, in conjunction with the Corporations Act, regulates the operation of the Scheme and sets out the rights and obligations of investors and our responsibilities and duties as the Responsible Entity.

The Constitution contains extensive provisions about the legal obligations and rights of the parties. Amongst other things, the Constitution deals with the following important matters:

(a) the Responsible Entity's powers, duties and obligations;

(b) the rights and obligations of investors, including that each Investor has a beneficial interest in the Scheme Property corresponding to the Sub-Scheme Units held rather than all Scheme Property as a whole;

(c) the declaration of trust for Nominee Mortgages;

(d) the ability of Investors to remove the Responsible Entity;

(e) the issue of Units and the prohibition on the redemption or repurchase of Units or, for Units which carry withdrawal rights, the procedures for the redemption of Units;

(f) the term of Units;

(g) the transfer and transmission of Units;

(h) the valuation of the Scheme;

(i) fees payable to the Responsible Entity;

(j) the Responsible Entity's right to be indemnified by the Scheme for expenses, losses and liabilities arising in its capacity as Responsible Entity providing it has properly performed its duties;

(k) the right for Investors to withdraw from the Scheme;

(l) the winding up of the Scheme or a Sub-Scheme;

(m) meetings of investors;

(n) complaints and procedures in relation to the Scheme; and

(o) the Responsible Entity's limitation of liability (subject to the Corporations Act).

We may amend the Constitution without Investor consent where we reasonably believe the amendment will not adversely affect Investors' rights. Otherwise, the Constitution can only be amended where at least 75% of votes cast by investors (at a meeting convened in accordance with the Constitution and the Corporations Act) vote in favour of the amendment (Special Resolution).

A copy of the Constitution may be obtained by searching ASIC records or by contacting us on 1800 263 263 or email info@amfl.com.au.

8.6 Compliance Plan

AMFL, as Responsible Entity, has prepared a Compliance Plan which has been lodged with ASIC. The Compliance Plan is a document that outlines the principles and procedures in relation to the conduct of the Scheme that we follow to ensure we comply in all respects with our Australian Financial Services Licence (AFSL 434533), with the provisions of the Corporations Act, ASIC policies and the Scheme Constitution.

The Compliance Plan deals with a wide range of issues including, but not limited to, the following:

(a) the establishment of the Compliance Committee;

(b) the appointment of an auditor for the Scheme;

(c) the appointment of an auditor of the Compliance Plan;

(d) having a documented valuation policy in place;

(e) having a documented dispute resolution process in place, including being a member of an external dispute resolution service approved by ASIC; and

(f) the Responsible Entity is required to maintain adequate records and systems including in relation to the acceptance of applications, income distribution, accounting, record keeping, monitoring external service providers and risk management.

Each year, adherence to the Compliance Plan is audited by an external Compliance Plan auditor and the audit report is lodged with ASIC.

The Compliance Plan is available for inspection at the offices of AMFL. Alternatively, a copy of the Compliance Plan can be made available to you, free of charge, upon request by contacting us on 1800 263 263 or email info@amfl.com.au.

8.7 Compliance Committee

In accordance with the Corporations Act, we have appointed a Compliance Committee, which consists of two external committee members being independent of the Board and one internal member. The Compliance Committee is responsible for monitoring our compliance program to ensure we adhere to the Compliance Plan.

Functions of the Compliance Committee include:

(a) assessing the adequacy of the compliance plan and recommending any changes; and

(b) monitoring compliance with the Compliance Plan and report the findings to AMFL.

8.8 Lending Committee

We have a Lending Committee which consists of at least two of our Directors or one Director and a lending manager. This committee is responsible for evaluating loans in accordance with the loan criteria set out in this RPDS, the Compliance Plan and our company procedures manual.

8.9 Audits

External audits of the accounts of AMFL, the Scheme's accounts and the Compliance Plan, are performed annually.

8.10 Net Tangible Assets

AMFL is required under its AFSL to hold the greater of:

(a) $150,000;

(b) 0.5% of the average value of scheme property (capped at $5 million); or

(c) 10% of the average Responsible Entities revenue (uncapped),

minimum net tangible assets (**NTA**).

The net tangible assets of AMFL is disclosed in our annual financial report and our level of net tangible assets is monitored on a monthly basis.

8.11 Insurance

AMFL must maintain adequate professional indemnity compensation arrangements at all times in accordance with our Licence. To meet these requirements, we have in place a primary comprehensive insurance policy for $5 million which covers professional indemnity, directors' and officers' liability and crime for any one claim and in the aggregate.

8.12 Conflict of Interest

Where there is a conflict of interest for a member of the Board or senior management or the potential for a perception of a conflict of interest, the Director or manager concerned will not participate in the investment decision.

9

Taxation

9.1 General Information Only

Investing in a registered managed investment scheme is likely to have tax consequences. The Scheme is a conventional unit trust that AMFL believes will allow for a flow through of tax benefits to Members. This means that each Member will be taxed upon their proportional share of the net income of the Scheme derived through the Sub-Scheme into which their funds are allocated.

We are of the view that the Scheme will not be taxed as a company pursuant to the provisions of Division 6C of the Income Tax Assessment Act (Cth) 1936 provided the Scheme limits the nature of its transactions to those outlined in this RPDS.

However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders concerned. It is recommended that Unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Scheme as taxation treatments may differ according to individual circumstances and may change from time to time.

9.2 Distributions

Under current legislation the Scheme will not be subject to taxation provided its taxable income (including assessable realised capital gains) is distributed in full to investors.

The Scheme will fully distribute its distributable income, calculated in accordance with the Constitution and applicable taxation legislation, to investors who are entitled to the income under the Constitution.

Should realised capital losses arise, they are not distributed to investors but are retained in the Scheme to be offset against any future realised capital gains.

9.3 Income Tax

You may be liable to pay income tax on Distributions received from the Scheme depending on your total level taxable income and your income tax rate.

The tax impact for you in relation to Distributions from the Scheme will depend on:

(a) your personal tax position;

(b) your marginal tax rate; and

(c) the composition of the Distribution, i.e. the proportion of income or tax offsets making up the Distribution.

We will send you an annual statement indicating the taxable and non-taxable component of Distributions (including any tax offsets) for the financial year, to assist in the preparation of your income tax return.

9.4 Superannuation Schemes

As any borrowings will be in the name of AMFL, Unitholders are not deemed to be borrowing in their own name. This means, under current law, that an investment in the Scheme is an eligible investment for superannuation schemes, subject to the terms of the superannuation scheme's constitution and the rules applying to superannuation schemes in general.

9.5 Tax File Numbers and Australian Business Numbers

The Scheme Application Form requests that Unitholders supply their Tax File Number (**TFN**). If a TFN is not supplied, or appropriate TFN exemption information is not provided, tax will be deducted from Distributions at the highest marginal rate plus the Medicare levy. In the case of an investor applying for Units in the course of carrying on an enterprise, it may be appropriate to quote an Australian Business Number (ABN) instead of a TFN. You should seek expert advice if you think this situation applies to you.

9.6 Non-residents

An investor who quotes an overseas address will be treated by the Scheme as a non-resident for Australian tax purposes. Non-resident Unitholders are subject to withholding tax and non-resident income tax deductions in proportion to any Distributions made. It is recommended that non-resident Unitholders seek their own tax advice in relation to their taxation position.

9.7 Goods and Services Tax (GST)

Fees and expenses incurred by the Scheme, such as management costs, will generally attract Goods and Services Tax (**GST**) at the rate of 10%. Given the nature of the Scheme's activities, the Scheme will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, Reduced Input Tax Credits (**RITCs**) should be available for the GST paid on the expenses incurred by the Scheme. Where RITCs are available, the prescribed rate is currently 55% or 75% depending on the nature of the fee or cost incurred.

GST will be charged on, or incorporated into, various expenses and disbursements paid by AMFL. The amount of any GST deduction is set out in the investor's annual statement which may be treated as a tax invoice. GST registered eligible investors may be able to claim back part or all of the GST paid.

GST applies to fees and charges only. No GST is payable on any Application for Units or on the sale or redemption of Units. No GST is payable on any Distributions.

9.8 Capital Gains Tax

There should be no capital gains tax liabilities for investors as the capital Distribution returned to investors will generally equal the amount initially invested, except if the Scheme suffers a loss.

9.9 Transfer Duty

Depending on the application of relevant State and Territory laws, transfer duty may be payable upon a transfer of Units. Investors should seek professional advice in relation to the application of transfer duty prior to transferring Units.

10

Additional Information

10.1 Summary

AMFL is experienced in Contributory Mortgage Scheme investment. Its qualified team has a depth of knowledge that has allowed this business to operate successfully since 2014.

All investments in property involve varying degrees of risk and are influenced by multiple factors, many of which are beyond the control of AMFL. As in all investments, the underlying assets of a Sub-Scheme will be subject to unforeseen shifts arising from variations in the economic climate at a particular period of time. You should consult your business adviser, financial planner, accountant or such other expert as you may deem fit to ensure that your investment is in compliance with your needs and meets with your investment criteria.

It is important to note that should you have any queries, uncertainty or lack of understanding in relation to any matter contained in this Combined FSG and RPDS, the Sub-Scheme SPDS, the Scheme or a Sub-Scheme you should seek clarification from your own legal, property, valuation, financial or accounting advisers.

10.2 Nature of Investment

The Scheme is a unit trust established by the Constitution. When you invest in the Scheme you acquire Units that, at the time of acquisition under this RPDS, are priced at $1 each. Your investment in the Scheme entitles you to share in the income generated by your particular Sub-Scheme.

10.3 Interests Requiring Disclosure

Some of our Directors have a beneficial interest in AMFL and will benefit from any fees derived by it through dividends as shareholders in AMFL. These fees derived by AMFL are payable by the Scheme from the fees disclosed in **Section 6** and are not separately recoverable.

10.4 Continuous Disclosure

The Scheme is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require AMFL to:

(a) prepare and lodge with ASIC both annual and half-yearly financial statements accompanied by a directors' statement and report and an audit or review report; and

(b) make available to Investors upon request a copy of those annual and half-yearly reports and any continuous disclosure notices given by the Responsible Entity after lodgement of the report and before the date of this RPDS.

Copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. You will have the right to obtain various financial reports lodged with ASIC for the Scheme.

We will satisfy our continuous disclosure obligations for the Scheme by publishing material information on our website at https://amfl.com.au. Any material information affecting the Scheme will be placed on our website.

10.5 Investors' Liability

The Constitution seeks to limit the liability of investors to the amount of their investment plus other monies payable to us or the Scheme pursuant to the Constitution (if any). However, because this is a matter which can only ultimately be determined by the courts, no assurance or guarantee is given that investors' liability will be limited in this manner.

10.6 Privacy Statement

AMFL has a Board approved privacy policy which details the manner in which we collect and manage personal information in accordance with our policy, the Privacy Act 1988 (Cth) and the Australian Privacy Principles. The privacy of your personal information is important to us. The purpose of collecting your information on the Specific Investment Authority or General Investment Authority Application Form is to process your application and manage your investment in the Scheme.

If you use a financial adviser who recommended you invest in the Scheme, details of your investment will be provided to your financial adviser. All personal information collected will be collected, used and stored by us in accordance with our privacy policy, a copy of which is available on request.

From time to time, we may wish to advise you about other services and products which could suit your needs. By making an application, you agree that we may disclose your personal information to other corporations specifically, but not solely, for marketing purposes.

However, if you do not want this information to be used for this purpose, you must exercise your right to instruct us not to disclose any details concerning your personal information. We may still be required to disclose personal information where required by law. You are entitled to request reasonable access to your personal information. We reserve the right to charge an administration fee for collating the information requested.

For a copy of our privacy policy, please visit our website at https://amfl.com.au.

10.7 Foreign Account Tax Compliance Act and Common Reporting Standard

The Scheme is required to collect and report financial account information about US tax residents or certain entities that have US controlling persons to the Australian Taxation Office (**ATO**). This information may be forwarded by the ATO onto the US Internal Revenue Service.

The Scheme is also required to separately collect and report financial account information for all non-resident investors and certain entities with non-resident controlling persons under the Common Reporting Standard (CRS) to the ATO. CRS applies from 1 July 2017. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

To assist us in complying with these obligations, we may request certain information from you.

10.8 Anti-Money Laundering and Counter- Terrorism Financing

In making the offer contained in this Combined FSG & RPDS and in operating the Scheme, AMFL is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing (**AML/CTF**) legislation. This means that we will require investors to provide personal information and documentation in relation to their identity when they invest in the Scheme. We may need to obtain additional information and documentation from an Investor to process their application or subsequent transactions or at other times during their investment.

AMFL needs to identify an Investor (including all Investor types noted on the Application Form), an investor's legal representative or anyone acting on the Investor's behalf (including under a power of attorney), prior to the issue or transfer of units in the Scheme. We cannot issue Units until all relevant information has been received and an investor's identity has been satisfactorily verified, and in these circumstances we will not be liable for any resulting loss.

In some circumstances, we may need to re-verify this information.

We may be required to disclose this information to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) or other government bodies. Guardian may be prohibited from informing you of such disclosure.

By applying to invest in the Scheme, Investors also acknowledge that we may decide to delay or refuse any request or transaction, including by suspending the issue, transfer or withdrawal of units in the Scheme, if it is concerned that the request or transaction may breach any obligation of, or cause us to commit or participate in an offence under AML/CTF legislation. AMFL will incur no liability to any investor if it does so.

10.9 Warning Statement – Issues to New Zealand Investors

This Offer if made to New Zealand investors is a regulated offer made under Australian and New Zealand laws. In Australia, this is Chapter 8 of the Corporations Act and Corporations Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008. This Offer and the contents of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law, for example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. The Offer may involve a currency exchange. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between the currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amount in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

10.10 Correspondence

All correspondence will only be addressed to the person and address stated on the Application Form. For joint applicants, please specify the applicant and relevant postal address you would like all correspondence to be mailed to.

10.11 Complaints Handling

The Constitution sets out the procedure by which AMFL is to receive, consider, investigate and respond to complaints by Investors who are dissatisfied with the management or administration of the Scheme.

If investors wish to make a complaint, we can be contacted via:

Fax: 1800 220 412
Email: info@amfl.com.au
Phone: 1800 263 263
Web-based complaints form: https://amfl.com.au

Or,

In writing:

The Compliance Officer
Australian Mortgage Fund Ltd
PO Box 313
BIGGERA WATERS QLD 4216
AUSTRALIA

AMFL will acknowledge any complaint in writing immediately. We will within forty-five (45) days investigate, properly consider and decide what action (if any) to take or offer regarding the complaint and communicate its decision to the investor.

We may, at our discretion, give any of the following remedies to a complainant:

(a) information and explanation regarding the circumstances giving rise to the complaint;

(b) an apology;

(c) compensation for loss incurred by the investor as a direct result of the breach (if any); and/or

(d) other such remedies as AMFL considers appropriate.

If the investor is dissatisfied with the decision made by AMFL, the investor may refer the complaint to the Australian Financial Complaints Authority (**AFCA**), an external complaints resolution scheme of which we are a member, at the address set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, VIC 3001

Alternatively, further information is available by contacting AFCA on:

Phone: 1800 367 287
Website: www.afca.org.au
Email: info@afca.org.au

10.12 Consents of named parties

Thomas Noble & Russell have given their written consent to being named in the RPDS as auditor for the Scheme and have not withdrawn their consent prior to the issue of this RPDS.

Thomas Noble & Russell do not make any statement, actual or implied, in this RPDS, nor is a statement in this RPDS based on a statement made by Thomas Noble & Russell Thomas Noble & Russell have not authorised or caused the issue of any part of this RPDS and take no responsibility for any part of this RPDS.

10.13 Directors' Authorisation

Each Director of AMFL has given and has not, at the date of this RPDS, withdrawn their written consent to the issue of this RPDS.

This RPDS is issued by Australian Mortgage Fund Ltd ACN 160 969 120. The Directors have consented to, and authorised, the issue of this Combined FSG & RPDS. Its issue was authorised by a resolution of the Directors.

The Directors of AMFL have not become aware of any circumstances which have or will materially affect AMFL's trading and profitability or the value of its assets and liabilities.

The Directors believe that AMFL is in a position to meet its statutory and commercial commitments as they fall due. The maintenance of Net Tangible Assets levels, as required by the Act, is part of AMFL's financial management, which remains under constant compliance monitoring.

Signed on behalf of the Directors, all of whom have consented (and have not withdrawn their consent) to the issue of this PDS.

Dated this ____ day of ________ 2019.

11 Glossary

AFSL	Australian Financial Services Licence issued by ASIC 434533
AMFL	Australian Mortgage Fund Ltd ACN 160 969 120
Applicant	A person who has applied to become a Member in the Scheme by completing the Application form accompanying this RPDS
Application Form	The investment application form accompanying this RPDS which you must complete in order to become a Member of the Scheme
ASIC	Australian Securities and Investment Commission
Board	The board of Directors of AMFL
Borrower	Individuals or corporate entities as the mortgagor identified in the Loan Documents for the relevant Sub-Scheme
Class of Units	Used interchangeably with Sub-Scheme and relates to classes of units that a Unitholder invests which may have different rights to income/capital attached to them.
Compliance Committee	The committee responsible for monitoring AMFL's compliance program to ensure AMFL adheres to the Compliance Plan
Compliance Officer	The person employed by AMFL who is a party to the Compliance Committee
Compliance Plan	The document outlining the principles and procedures that Australian Mortgage Scheme Ltd uses to ensure that it complies with all of its obligations
Corporations Act	Corporations Act (Cth) 2001
Corporations Regulations	Corporations Regulations (Cth) 2001

Cost to Complete	The Schemes required to complete a development project
Constitution	Constitution dated 29 January 2014 which establishes the Scheme, summarised in **Section 8.5** of this PDS
Contributory Mortgage	Two or more Members registered as mortgagee on a mortgage in a Sub-Scheme for their respective contributions
Director	A director of AMFL, from time to time
Distributions	The distributable amount that is distributed to Unitholders in a Sub-Scheme
Distribution Rates	The rate at which Distributions are made as an annual percentage of the capital invested
General Investment Authority	The authority given by the Member for AMFL to allocate the Member's investment on the Member's behalf
Guarantor	Individuals or corporate entities as the guarantor identified in the Loan Documents for the relevant Sub-Scheme
Impairment	A shortfall on the payment of Distributions or the return of Unitholder's capital
Investor	Any person wishing to become a Member for the purpose of investing in a Sub-Scheme in the Scheme
Lending Committee	The committee responsible for evaluating loans in accordance with the loan criteria set out in this RPDS, the Compliance Plan and the AMFL Procedures Manual and comprises of Directors of AMFL
LVR	Loan to value ratio
Member	A person who has signed the Application Form and made a monetary contribution for a current or future Mortgage Investment in the Scheme
Mortgage Investment	The loan, secured by a mortgage/caveat, into which a Sub-Scheme's capital is invested
Nominee Mortgage	Mortgage security in a Sub-Scheme under the Scheme with AMFL identified as mortgagee and holds as trustee for one or more Members identified in a Trust Declaration for a specific Sub-Scheme
Offer	Means the offer of Units made in this RPDS, specific details of which are contained in the relevant Sub-Scheme SPDS.
Responsible Entity, us, we our	Australian Mortgage Fund Ltd ACN 160 969 120

RPDS	This Combined FSG and replacement product disclosure statement
PDS	The original product disclosure statement (replacement) dated 15 February 2016
Prepaid Interest	A portion of the loan principal retained by AMFL (in the Scheme Trust Account) and used to meet the Borrower's interest obligations
Scheme	AMF Mortgage Investment Scheme ARSN 166 066 842
Scheme Application Form	The application form at the back of this RPDS used to apply to become a member of the Scheme.
Scheme Property	The funds, investments, assets and any other property derived from the money contributed by Members, but excluding any assets or other property vested directly in the Members
Security Property	Real estate mortgaged as security for repayment of money due to Unitholders in a Sub-Scheme
Supplementary Product Disclosure Statement	Used interchangeably with SPDS, the document that must be read in conjunction with this RPDS and which provides details of a Sub-Scheme Mortgage Investment
Specific Investment Authority	The authority given by the Member to AMFL by which the Member's chooses to invest in a specific Sub-Scheme
Sub-Scheme	One of many similar schemes coming under the same umbrella type Contributory Mortgage investment scheme in which individual Members have their interests recorded against the Sub-Scheme property in proportion to their monetary contribution in the Sub-Scheme
Trust Declaration	A deed by AMFL stating it holds a Nominee Mortgage security on trust for one or more Members identified in a specified Sub-Scheme
Unitholder	An investor in a Sub-Scheme
Units	A subdivision of the beneficial ownership of the assets in a Sub-Scheme
Updated Information	Is explained in Section 5.7
You, your	A person who subscribes for and is issued a Unit

12 Corporate Directory

RESPONSIBLE ENTITY	THE SCHEME	EXTERNAL COMPLAINTS RESOLUTION BODY	INDEPENDENT AUDITOR
Australian Mortgage Fund Ltd	AMF Mortgage Investment Scheme	Australian Financial Complaints Authority	Thomas Noble & Russell Chartered Accountants
ACN 160 969 120	ARSN 166 066 842	ABN 38 620 494 340	
PO Box 313 BIGGERA WATERS QLD 4216	PO Box 313 BIGGERA WATERS QLD 4216	GPO Box 3 Melbourne VIC 3001	31 Keen Street Lismore, NSW 2480
Telephone: 1800 263 263 Fax: 1800 220 412 Email: info@amfl.com.au	Telephone: 1800 263 263 Fax: 1800 220 412 Email: info@amfl.com.au	Telephone 1300 56 55 62	Telephone: (02) 6621 8544 Fax: (02) 6621 9035 Email: accounts@tnr.com.au
https://amfl.com.au	https://amfl.com.au		www.tnr.com.au

Application Form

The Application Form accompanies this RPDS and must be completed in order to become a Member of the Scheme.

A. Investment Account

Write the amount you wish to invest.

B. Personal details

Please complete this section with your personal details.

Trusts/Superannuation Schemes - You will need to give full details of the trustees and the name of the Trust/Superannuation Scheme.

Company - you will need to give full details of the directors/persons authorised to sign on behalf of the company.

C. Tax File Number

Please provide your Tax File Number (TFN) or your Australian Business Number (ABN). If you are claiming an exemption from providing your TFN or ABN, please advise what exemption you are claiming. The collection of Tax File Numbers is strictly regulated by tax laws and the Privacy Act. It is not an offence if you do not provide a TFN but if you do not quote a TFN or ABN or claim an exemption, we must deduct tax at the highest marginal rate.

D. Financial institution details

Please complete this section to assist us to arrange prompt payment of returns to your nominated bank/building society account.

E. Payment details

Complete to advise how you will be paying your Application Monies.

F. Declaration and signatures

Please read the statements outlined in this section. An Application Form cannot be accepted unless it has the signatures of all Applicants.

If you are signing on behalf of another person, you must provide a certified copy of either of the following:

(a) Power of Attorney; or

(b) Letters of Administration showing Legal Guardianship.

Please email your completed application form and identification to: info@amfl.com.au

Application Form

1. Member Details

Type of Members ☐ Individual ☐ Joint ☐ Company ☐ Partnership
☐ Trust ☐ Self-Managed Super Fund

Member 1

Title | First Names | Surname

Tax File No or Exemption * | Date of Birth (for security identification)

Member 2

Title | First Names | Surname

Tax File No or Exemption * | Date of Birth (for security identification)

Company/Partnership/Trust/Self-Managed Super Fund

Name of Company/Partnership/Trust//SMSF | Tax File No or Exemption *

ACN (if applicable)/ARBN | Contact Name

* If you do not supply a Tax File No. or Exemption, tax shall be withheld from your interest at the top marginal rate plus Medicare Levy.

2. Contact Details

Street No. and Name

Suburb or town

State

Postcode

Telephone Number (work)

Telephone Number (home)

Fax

Mobile

Email Address

3. Interest Distribution

Interest Distribution

Bank/Financial Institution/Credit Union

Branch Name

Account Name

BSB No.

Account No.

4. Consent to Obtain Financial Information

We hereby give consent and the authority for either party to make enquiries on our behalf to obtain financial information.

Signature of Member 1/Company Representative Company Seal

Date

Signature of Member 2

Date

Continued Over Page

5. Declaration and Signature

I/we have read and understood the RPDS to which this Application is attached and agree to be bound by the provisions of the Scheme Constitution and the conditions of this offer set out in the RPDS.

I/we agree and understand the terms used in the Application have the same meaning as in the Scheme Constitution.

If signed under Power of Attorney I/we have no knowledge of the revocation of that Power of Attorney.

Signature of Member 1/Company Representative Company Seal

Date

Signature of Member 2

Date

General Investment Authority Form

These risk categories are for guidance only. Your Independent Financial Adviser may have chosen different ways of categorising risk.

- Different people have different attitudes to risk.
- You need to be clear about the degree of risk you are willing to accept.
- Each investment presents its own unique risks and the interest rate reflects these risks.
- Generally the higher the LVR, the higher the risk and the higher the interest rate the borrower will pay.
- This is a difficult area as everyone views risk differently.
- Risk can also be in terms of how you invest. Investors wishing to minimise risk should consider a broader investment spread as opposed to investment in a specialist area.
- We only give members general advice about the Scheme and its features. We are not authorised to give you any advice that would require us to take into account your personal needs, objectives or circumstances.

Please confirm your details

Title	First Names	Surname

Name of Company/Partnership/Trust/SMSF

Amount of Investment

Minimum initial amount $10,000.00 (additional Investments in multiples of $5,000.00 are accepted)

Amount

Continued Over Page

General Investment Authority Form

You may choose to invest by making an election below

Maximum amount to be invested in any one particular mortgage investment (minimum $10,000)

Security	Maximum LVR	Indicate your preference
1st Mortgage Security	Equal to or less than 60.0%	☐
1st Mortgage Security	Equal to or less than 70.0%	☐
1st Mortgage Security	Equal to or less than 80.0%	☐

☐ I agree that all capital received upon an investment maturing will be automatically transferred to the general authority account to be allocated to the next available investment that suits my investment strategy.

I/we agree and understand that until this authority is varied or cancelled any uninvested Schemes held by Australian Mortgage Scheme Ltd may be invested in line with these instructions.

Signature of Member 1/Company Representative Company Seal

Date

Signature of Member 2

Date

AMF
AUSTRALIAN
MORTGAGE
FUND LIMITED

AMF
AUSTRALIAN
MORTGAGE
FUND LIMITED

info@amfl.com.au
amfl.com.au