



# CPF Property Debt Fund

## Information Memorandum

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An offering to wholesale clients only

## No Performance Guarantee

Neither the Trustee, the Manager nor their respective affiliates, related bodies corporate, directors, officers, employees, representatives or advisors (**Specified Persons**) guarantees the income return of any investment in the Fund, the meeting of the investment objectives of the Fund, the performance of the Fund nor repayment of capital from the Fund.

## Disclaimer

To the extent permitted by law, neither the Trustee, the Manager nor their respective affiliates, related bodies corporate, directors, officers, employees, representatives or advisors (**Specified Persons**) accepts any responsibility or liability (including in negligence) for any loss or damage suffered or incurred by the person to whom this IM has been delivered (**Recipient**) or any other person or entity however caused arising from or in connection with any act or omission directly in reliance upon or relating in any way to this IM including, without limitation, the information contained in it, and from any errors or omissions however caused by the Recipient or any other person or entity placing any reliance on this IM, its accuracy or reliability, and for the avoidance of doubt this exclusion of liability includes any cost, expense, loss or other liability directly or indirectly arising from, or in connection with, any omission from or defects, or any failure to correct any information, in this IM or any other communication (oral or written) about or concerning them, or the issue of interests in the Fund.

Other than to the extent required by law, neither the Trustee, the Manager nor any of the Specified Persons makes any representations or warranties, express or implied, as to the accuracy or completeness of any of the information contained in this IM or any other information (whether written or oral) made available to investors, and each of such parties expressly disclaims any and all liability relating to or resulting from the use of this IM or such other information by the Recipient.

This IM may contain assumptions, opinions, estimates and forecasts. Except to the extent implied by law, no representation or warranty as to the validity, certainty or completeness of any of the assumptions or the IM is made by the Trustee, the Manager nor any of the Specified Persons.



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50 Margaret Street  
Sydney NSW 2000  
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02 8004 6218

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20 Hunter Street  
Sydney NSW 2000  
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Unit 8  
25 Bligh Street  
Sydney NSW 2000  
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# CPF Property Debt Fund Information Memorandum

## 1. Important Information

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### 1.1 The Issuer

This Information Memorandum (**IM**) is dated 1 October 2018 and is issued by Capital Property Funds Pty Limited ACN 162 323 506.

### 1.2 The Trustee

AMAL Trustees Pty Limited ABN 98 609 737 064 AFS Licence Number 483459 (**Trustee or AMAL Trustees**) is the trustee of the CPF Property Debt Fund (**Fund**).

### 1.3 The Manager

The Trustee has appointed Capital Property Funds Pty Limited ACN 162 323 506 AFS Representative Number 457306 (the **Manager**) as the fund manager under an investment management agreement which delegates the day-to-day investment management of the Fund to the Manager.

### 1.4 Wholesale clients only

The Fund is not a registered managed investment scheme and only wholesale clients (as that term is defined in the Corporations Act) can invest in Units in the Fund. Accordingly, an Investor in the Fund generally needs to fall within one of the categories below.

- (a) an investor who subscribes for Units with a minimum amount of \$500,000;
- (b) professional investors within the meaning of section 9 of the Corporations Act;
- (c) a person, or a company or trust controlled by a person, who has net assets of at least \$2.5 million or has gross income for each of the last two financial years of at least \$250,000 and has provided a certificate to the Trustee issued by a qualified accountant no more than two years ago certifying that this is the case. This can include gross income and net assets of a company or trust controlled by that person. To rely on this provision the Investor must not be acquiring Units for use in connection with a business.

To obtain a form of certificate to be provided by a qualified accountant, either:

1. Download the form at [www.capitalpropertyfunds.com.au](http://www.capitalpropertyfunds.com.au) or
2. Contact the Manager via [info@capitalpropertyfunds.com.au](mailto:info@capitalpropertyfunds.com.au)

If you are not a wholesale client, you should immediately return this IM to the Manager or the Trustee.

## 1.5 This document is not a product disclosure statement and is for general information only

The Fund has not been registered as a managed investment scheme under the Corporations Act and this IM is not a product disclosure statement as defined in the Corporations Act and therefore may not contain all the information required in order to make an informed decision as to whether to invest in the Fund.

This IM is prepared for your general information only. The information in this IM is not investment advice and has been prepared without taking into account your objectives, financial situation and needs. You should carefully read this IM in light of your own circumstances, and consider obtaining professional advice, before deciding whether to invest in the Fund. No cooling off rights apply to an investment in the Fund.

Each recipient of this document should also read the constitution of the Fund which contains important information as to the management and administration of the Fund.

This IM is intended solely for the use of the person to whom it has been delivered by the Trustee for the purpose of evaluating a possible investment by the recipient in the Fund. It is not to be reproduced or distributed to any other person (other than professional advisers of the recipient) without the Manager's consent.

Any person who comes into possession of this IM is required to observe all restrictions and laws relating to the receipt and distribution of this IM.

## 2. Fund Overview

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### 2.1 Introduction

The Fund invests in **registered first mortgages over property** (see below). The Fund is an Australian domiciled Australian dollar (**AUD**) unit trust.

The Fund is an unregistered managed investment scheme, structured as a unit trust, which has been established to raise capital and enter into various loans (**Loans**).

Capital Property Funds Pty Ltd (**CPF** or **Manager**) is the Manager of the Fund. CPF will originate and manage the Loans within the Fund.

### 2.2 Class of Units

Each Loan the Fund invests into is described in Appendix A of this IM and each Loan will have its' own Class of Units.

This means that the investment performance of a particular Class on Units is not affected by the performance of other Loans in the Fund.

Investors can choose which individual Loan(s) that best suit their investment preferences by subscribing for the **Class** of Units relevant to the individual Loan(s).

For the sake of clarity, the Fund is not a "pooled fund" and each Loan is separate and funded by Units in a particular Class that relate only to that Loan.

## **2.3 Fund Structure**

The Fund was established by a constitution dated 21 September 2018 which regulates the relationship between the Trustee and the Investors.

Investors in the Fund will be issued Ordinary Units in a Class that relates only to the Loan in which the Investor has chosen to invest.

The Fund will not borrow funds.

On occasion, the Trustee may issue Underwriting Units to one or more underwriters to provide the Fund with the required capital to settle a Loan. Where this occurs, the capital raised from Investors may be used to redeem any Underwriting Units.

## **2.4 Minimum investment**

The minimum investment is \$50,000. A lower minimum investment may be accepted at the discretion of the Manager.

## **2.5 Withdrawal Rights & Redemptions**

The Fund is an illiquid investment and Investors have no ability to withdraw or redeem their Units until the underlying Loan relevant to their Class of Units is repaid either in part or in Full.

## **2.6 Distributions**

Unless stated otherwise in the relevant Appendix A for a Loan, distributions will be paid quarterly.

All distributions will be made via electronic funds transfer.

## **2.7 Investment Term**

The prospective term of a Loan is set out in Appendix A for each relevant Loan.

Investors should note that the actual Loan term may vary from what is proposed in Appendix A – for example a Loan may repay early or alternatively a Loan may be extended or repayment may occur after the expected term.

Investors should take time to consider the risk associated with the Investment Term.

## **2.8 Reporting**

Investors will receive:

- a quarterly distribution statement
- annual tax statements
- Ad hoc Loan reports

## **2.9 Fees & Expenses paid out of the Fund**

### *Loan management fee*

The Manager is entitled to receive a loan management fee which is payable by the Trustee out of the Fund. The loan management fee is disclosed in Appendix A.

### *Trustee fees*

The Trustee is entitled to an annual fee of the greater of 0.04% of the gross asset value of the Fund or \$35,000 for its services as trustee which is payable by the Fund.

### *Registry Fees*

One Registry Services is entitled to an annual fee estimated to be \$7,000 which is payable by the Fund.

### *Fund Administration Services Fees*

Unity Fund Services is entitled to an annual fee estimated to be \$25,200 which is payable by the Fund.

### *Other relevant Incidental Costs & Expenses*

There may be other incidental costs & expenses necessarily incurred which may be payable by the Fund.

## **2.10 Fees paid by the Borrower**

### *Loan establishment fee*

The Manager is entitled to a loan establishment fee which is payable by or on behalf of the Borrower. The Manager may use a portion of the loan establishment fee to pay third parties, such as referrers and brokers. The loan establishment fee is disclosed in Appendix A.

### *Loan default fee*

The Manager is entitled a loan default fee which is payable by the Trustee out of the Fund. This fee is payable only while the Borrower is in default of the Loan. This fee replaces the loan management fee while the Borrower is in default and is therefore not paid in addition to the loan management fee. The loan default fee is disclosed in Appendix A.

### *Early and late repayment fees*

The Manager may be entitled to an early repayment fee. In addition, the Manager may be entitled to late repayment fees and any management fee calculated at the higher rate of interest under a Loan. The early and late repayment fees are disclosed in Appendix A.

### *Incidental fees*

The Manager may be entitled to incidental fees, such as site inspection fees or mortgage release fees. These fees will generally be payable by the Borrower.

### *Other fees*

The Manager may be entitled to additional fees, as disclosed in Appendix A.

### *Goods and services tax*

Unless otherwise stated, all fees in this IM are exclusive of GST and reduced input tax credits. Where the Fund is entitled to input tax credit or reduced input tax credit under the GST legislation for GST paid in respect of the services provided to it, the cost to the Fund of paying GST will be reduced proportionally.

#### *Waiver or deferral of fees*

The Trustee or the Manager may, in its absolute discretion, accept lower fees and expenses than it is entitled to receive, or it may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

#### *Transaction costs*

You may also incur costs directly associated with transactions made on your account, such as Government taxes and financial institution fees (such as cheque dishonour fees and electronic transfer fees). These costs will be directly deducted from the income of the Trust. The Trustee is unable to estimate these costs until they are incurred.

#### *Payments to referrers*

The Manager may pay referral fees which are paid from its own resources and do not reduce your investment in the Fund. Generally, referrers are required to disclose to you any commission or fees they will receive in connection with your investment in the Fund.

## **3. About the Manager**

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### **3.1 The Manager**

Capital Property Funds Pty Ltd is the Manager of the Fund and is responsible for the establishment and day-to-day management of the Fund and the various Loans. The management team at Capital Property Funds have an average of over 20 years' experience in the property, managed funds and financial services industries including experience in establishing and managing property funds and their portfolios.

Capital Property Funds has established an investment committee to consider lending opportunities and approve loans for the Fund.



#### **Paul Wood – Head of Lending**

**Paul has a Bachelor of Applied Science (Property Economics) and a Graduate Certificate in Project Management.**

Paul has many years of experience in property lending including loan origination, loan investment & management and also loan structuring.

Paul has worked in providing property finance to developers and has a good understanding of development finance and property development. Paul has spent many years working in the finance industry with organisations such as Suncorp, Esanda, AMP and more recently Trilogy Funds Management.





**Andrew Kerr – Executive Director,  
Corporate Finance**

Andrew has a Bachelor of Commerce (Valuation & Property Management), a Masters of Commerce (Finance) from the University of New South Wales and is also a Chartered Financial Analyst (CFA).

Andrew has extensive knowledge and over 25 years' experience within the financial services and real estate industries. Andrew has held senior real estate investment banking positions at UBS, Goldman Sachs JBWere and was Managing Director, Head of Real Estate, Merrill Lynch, Sydney.

Prior to his investment banking experience Andrew was previously an Equity Analyst at UBS responsible for Infrastructure & Utilities sectors and Director and Head of Strategic Investment Advice division at Jones Lang LaSalle.

Andrew is a member of the Capital Property Funds Investment Committee and is responsible for overseeing all structuring and financing of property transactions.

Andrew is an Authorised Representative (number 1000168) of Libertas Financial Planning Pty Ltd (AFSL No: 429718)



**Joe Christie – Executive Director, Distribution  
and Investor Relations**

Joe has a Bachelor of Commerce (major in Accounting), a CPA qualification and also has a Graduate Certificate in Applied Finance.

After completing university Joe spent several years in chartered accounting with KPMG Sydney and subsequently moved into financial services where he has spent the past 15 years. Joe has been an executive director of Capital Property Funds since 2012.

Joe is an Authorised Representative (number 457305) of Libertas Financial Planning Pty Ltd (AFSL No: 429718).

## 4. Responsibilities of the Manager

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The Trustee has appointed Capital Property Funds as the Manager of the Fund. As the Manager, Capital Property Funds will be responsible for:

- Loan origination
- Loan Selection
- Loan Management
- Default Management
- Investor reporting
- Capital raising
- Providing directions & recommendations to the Trustee
- Investor relations & client liaison

## 5. About the Trustee

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AMAL Trustees combines the people, infrastructure, resources and proven compliance platform of AMAL Asset Management Ltd, with the knowledge and skills of highly experienced trustee professionals. Offering a full range of wholesale corporate trust services, AMAL Trustees provides clients with much needed flexibility, commerciality and service, while at all times maintaining the highest level of governance and compliance.

AMAL Asset Management Limited (AMAL) is a major shareholder of AMAL Trustees. AMAL was founded in 1994 as a third-party servicer of loan receivables in the whole-loan and debt capital markets and with over \$7 billion of assets under administration in Australia and New Zealand, is the leading third-party servicer in the region.

## 6. Role of the Trustee

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The role of AMAL Trustees is:

- To act as the Trustee of the Fund
- To establish and maintain the Fund's bank accounts
- To facilitate all payments & distributions from the Fund
- To hold title to the Fund's assets

## 7. Investment Strategy

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Typical loan amounts will be between \$1M to \$5M and Loans will be secured via a registered first mortgage over property located within metropolitan Sydney, Brisbane and Melbourne.

Investors can choose individual Loans which are detailed in Appendix A of this IM and typically the Loans will have the following features:

<b>Security:</b>	Registered First Mortgage
<b>Investor Returns:</b>	Targeting greater than 7.50% p.a.
<b>Distributions:</b>	Paid Quarterly
<b>Loan Term:</b>	Between 6-24 Months
<b>LVR:</b>	Up to 70% – for completed stock the manager may consider an LVR of 75%

The details of each Loan will be outlined in Appendix A and will include information such as:

- Detailed information on the property and the borrower
- Any relevant excerpt from the valuation report
- Loan to Valuation Ratio
- Overview of risks
- Details of any additional security such as personal guarantees, etc
- Expected Investor Return
- Details on the project and the expected loan repayment strategy
- Overview of Fees & other relevant information

Typically the Fund will invest in the following types of loans:

- Land sub divisions
- Completed residential projects
- Some residential construction projects
- Site acquisitions or refinance

## 8. Risk and Risk Management

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Please note that investments in the Fund are not “risk free” and there is no performance guarantee provided by either the Trustee or the Manager. You should consider the risks involved prior to investing in the Fund.

The Manager has relevant experience and adopts a prudent lending criteria which actively seeks to identify and manage the risks associated with mortgage finance and risks faced by the Fund in an appropriate and prudent manner.

The Manager aims to provide investors with the opportunity to invest in Loans that provide adequate risk adjusted returns. This is achieved by:

- describing the Loan and inherent risks to investors
- having an experienced lending team

- employing experienced, professional personnel
- actively monitoring and managing the Loans

Many risks are managed by the Manager through prudent assessment of Loans, obtaining valuations of Property from a registered valuer approved by the Manager, and relying upon the lending experience of the Manager.

To manage risks associated with Loans, the Manager conducts a range of searches, which are appropriate to a particular Property or Borrower, including satisfactory credit checks, bankruptcy and company searches and/or obtaining certificates of currency to ensure Borrowers have suitable insurance policies in place.

The Manager believes the following are some of the key risks involved in an investment in the Fund.

<b>Risks</b>	
<b>Construction Risk, Cost Overruns, and Delayed Delivery Risk</b>	The Fund may invest in Loans which have exposure to real estate assets that are to be developed or that are under construction. A number of factors may result in construction being delayed meaning that the Fund's income from that investment may be realised at a later time than originally intended. An investment may also be subject to a construction cost overrun which may mean that the Fund's return from that investment may be lower than expected, resulting in a reduction in the income of the Fund.
<b>Developer and/or Builder Solvency Risk</b>	The Fund may invest in Loans that have exposure to real estate assets that are to be developed or that are under construction. There is a risk that the developer and/or the builder of these assets may become insolvent and be unable to complete construction. This may result in the Fund being unable to recover its investment or to obtain any returns on its investment.
<b>Disaster Risk/ Insurance Risk</b>	Disasters such as natural phenomena, acts of God and terrorist attacks may damage or destroy assets which have secured Loans in which the Fund has invested. It is not possible to insure against some of these events and therefore such disasters may result in a loss of income for the Fund, in turn reducing the value of returns.
<b>Term Risk</b>	There is a risk that a Loan may not be repaid within the expected Loan Term. Investors should consider their cashflow requirements prior to making an investment into the Fund.

<b>Risks</b>	
<b>Borrower default risk</b>	<p>There is a risk that the Borrower may default under the Loan and that the Fund's security may be insufficient to recover any or all amounts owing to the Fund.</p> <p>The Manager takes steps to minimise Borrower default risk by:</p> <ul style="list-style-type: none"> <li>• using the combined experience of its directors and investment committee members;</li> <li>• proactively monitoring all Loans to ensure that the Manager is aware of potential problems at the earliest opportunity; and</li> <li>• having a process which identifies when a default has occurred and a set procedure to endeavour to remedy the default, with remedial steps which might include issuing a letter of demand, entering a consultation process with the Borrower and instituting legal proceedings for possession of the Property and its sale in accordance with the Loan agreement.</li> </ul> <p>The conditions for a default may vary for each loan and they will be described in the appendix A of this IM. If a default occurs, the Manager will notify investors as soon as is practicable.</p>
<b>Risk of Fall in Property Values</b>	<p>A downturn in the property market or a fall in property values will have an adverse effect on the value of the security the Fund has and the return to Investors.</p>
<b>Tenancy Risk/Risk of Vacancies</b>	<p>The Fund may lend money in respect of real estate assets which are tenanted. The Fund's income from this type of Loan may depend on tenants paying rent in accordance with their lease terms. There is a risk that a tenant may default on the terms of their lease which could result in a reduction in income for the Fund. In addition, there is a risk that a tenanted asset may become vacant. While a vacancy exists the income of the Fund may decrease and the value of the asset may be negatively affected.</p>
<b>Liquidity Risk</b>	<p>An investment in the Fund is illiquid and there is no established secondary market in which investors may sell their units. Investors should view the investment as a long term investment.</p>
<b>Diversification Risk</b>	<p>The nature of this Fund does not provide for diversification at any time as your investment is in a specific Loan. Investors in the Fund may manage their exposure to any one mortgage security type or profile by investing in a range of Loans, subject to the minimum investment required.</p>

<b>Risks</b>	
<b>Legal and Counterparty Risk</b>	<p>The Fund may, in the ordinary course of business, be involved in possible litigation and disputes.</p> <p>A material or costly dispute or litigation may affect the value of the Fund's assets or expected income of the Fund.</p> <p>The Fund may enter into legal documents and contracts in relation to numerous aspects of the Fund's operation. The Fund may be adversely affected where a party fails to perform under these agreements.</p>
<b>Distribution Risk</b>	<p>There is no guarantee that the Fund will pay distributions as forecast or at all.</p>
<b>Manager Risk</b>	<p>Investing in the Fund means that an Investor is delegating their control over some investment decisions to the Manager. How the Fund performs will depend partly on the performance of the Manager of the Fund and partly on any external service providers engaged by the Manager.</p>
<b>Risk of Reliance on Experts</b>	<p>The Manager has made certain assumptions based on advice obtained from independent experts. Whilst the Manager believes it is reasonable to rely on those experts, there is a risk that those assumptions may prove incorrect and that as a result the Fund may experience losses.</p>
<b>General Investment Risks</b>	<p>The performance of the Fund may also be affected by the following general investment risks:</p> <ul style="list-style-type: none"> <li>• a downturn in the Australian and/or global economy in general;</li> <li>• legislative changes (which may or may not have a retrospective effect) including taxation and accounting issues; and natural disasters, including earthquakes, social unrest, terrorist attack or war in Australia or overseas.</li> </ul>
<b>No Guarantee of Investment Returns</b>	<p>Return from the Fund is dependent upon a number of factors. Neither the Trustee or the Manager guarantees the performance of the Fund or the repayment of Investor Capital.</p>

## 9. Additional Information

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### 9.1 Fund Constitution

The Fund is governed by the Constitution. Together with the general law, the Constitution sets out the conditions under which the Fund operates, and the rights, responsibilities and duties of the Trustee as trustee of the Fund and Investors in the Fund.

If you would like a detailed understanding of the Constitution, you should obtain a copy of the Constitution, which is available from either the Manager or the Trustee.

Holding Units in the Fund does not give an Investor a right to participate in the management or operation of the Fund.

The Constitution deals with a range of matters including:

- the termination of the Fund;
- duties and obligations of the Trustee;
- the Trustee's powers
- fees and recoverable expenses, indemnities and the limiting of the Trustee's liability to Investors;
- Investor meetings;
- the calculation, entitlement to and distribution of income; and
- the calculation of application and redemption prices.

Subject to the terms of issue, each class of Unit grants the holder with an equal and undivided interest to the assets and liabilities attributable to that particular Class.

Subject to the terms of the Constitution, an Investor's liability is limited to the amount paid or which remains unpaid on their particular Class of Units.

Subject to the Corporations Act, the Trustee may amend the Constitution by deed.

### 9.2 Fund Administration & Registry

The Fund has entered into agreements with a number of third party service providers. The third part providers will:

- Maintain proper accounting records for the Fund
- Manage investor communications
- Maintain a register of Investors

### 9.3 Copies of Material Documents

Copies of the Constitution and other important documents are available from the registered office of either the Manager or the Trustee.

Applicants should consider whether it is necessary for them to obtain independent advice on any of the documents.

### 9.4 No Related party lending

The Fund will not make any loans to the Manager and/or its related parties.

## 9.5 Privacy

When you apply to invest in the Fund, you will provide personal information to us. We respect your right to privacy and we will deal with your personal information in accordance with our privacy policy.

Generally, we will use your personal information to process your application and to administer your investment, including:

- Complying with applicable laws and regulatory obligations.
- Maintain registers, e.g., the member register.
- Paying distributions to Investors.
- Dealing with complaints and queries.
- Communicating and reporting to Investors, e.g., sending reports and notices of meetings.

Personal information may also be used to notify you about other investment opportunities.

Personal information may be provided to service providers and third parties on the basis that they deal with such information in accordance with our privacy policy. The parties that may be provided with your personal information and the circumstances in which your personal information may be disclosed include:

- Mail houses and their printers for the preparation and distribution of documents to you.
- Companies for administration of the Fund's registers.
- Service providers and other professionals, such as lawyers, accountants and consultants appointed by us.
- Government and other regulatory authorities when permitted or required by law.

Investors have a right to know the information we hold about you and to require us to correct any errors. We make reasonable efforts to ensure the confidentiality and security of records covering personal information.

## 9.6 AML CTF Laws

In making the offer contained in this IM and in operating the Fund, we are required to comply with the AML/CTF Law. This means we are required to obtain identification information when you apply to invest in the Fund.

We will need to undertake identification activities in the following circumstances:

- Prior to you investing in the Fund – Units will not be issued to you until all relevant information has been received and your identity has been satisfactorily verified.
- If you die while you are an Investor of the Fund, then we will need to identify your legal personal representative prior to transferring ownership.
- If you appoint someone to act on your behalf in relation to your investment in the Fund, e.g., under a power of attorney, then we will be required to identify your agent or attorney.

There may be other situations where we are required to undertake identification activities. In some circumstances we may need to re-verify this information.



By applying to invest in the Fund, you also acknowledge that we may decide to delay or refuse any request for any transaction if we are concerned that the request or transaction may breach any obligation, or cause us to commit or participate in an offence under any AML/CTF Law. We will not incur any liability to you (or any other Investor) if we do so.

## 10. Taxation

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The Fund is a unit trust established in Australia. Under Australian law the taxable profits of a trust are distributed to the unit holders. Investors should obtain their own tax advice as to the possible tax rate and treatment applicable to them in relation to their investment in the Fund.

## 11. Glossary of Terms

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<b>ABN</b>	Australian Business Number.
<b>AML/CTF Law</b>	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)</i> and for the time being in force together with the rules and regulations.
<b>Applicant</b>	A person who applies to acquire Units pursuant to this Offer.
<b>Application Form</b>	The application form attached to or made available with a copy of this Information Memorandum which you must complete in order to apply to invest in the Fund
<b>Application Money</b>	The money paid by an Applicant to acquire a unit in the Fund.
<b>Class</b>	means a class of Units
<b>Constitution</b>	The constitution (also known as the trust deed) for the CPF Property Debt Fund, as amended from time to time.
<b>Fund</b>	CPF Property Debt Fund.
<b>Guarantors</b>	The guarantors under the terms of the Loan (as specified in Appendix A).
<b>GST</b>	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth), as amended.
<b>Information Memorandum</b>	This information memorandum (which incorporates Appendix A), including any supplementary or replacement information memorandum issued in respect of the Fund.
<b>Investor</b>	A person who invests in the Fund pursuant to this Offer.
<b>Loan</b>	The sum of money that is borrowed by the Borrower from the Fund whether as one advance or numerous advances with the expectation that it will be paid back within a term of the loan with interest, on the terms set out in Appendix A.
<b>LVR</b>	Loan to value ratio.
<b>Manager</b>	Capital Property Funds Pty Ltd (ACN 162 323 506).

<b>Offer</b>	The offer made to Applicants under this Information Memorandum to apply for Units.
<b>Ordinary Unit</b>	means a Unit relating to a Mortgage Loan that is not an Underwriting Unit.
<b>Principal Sum</b>	The principal sum advanced to the Borrower under the terms of the Loan, as specified in Appendix A.
<b>Property</b>	The property which is providing the underlying security for the Loan, as specified in Appendix A.
<b>Security</b>	The securities obtained by the Fund from the Borrower, as specified in Appendix A.
<b>TFN</b>	Tax File Number.
<b>Trustee</b>	AMAL Trustees Pty Ltd (ACN 609 737 064).
<b>Underwriting Unit</b>	means a Unit designated as an Underwriting Unit by the Trustee and which is intended to be issued to investors in order to fund or underwrite a Mortgage Loan.
<b>Unit</b>	means an undivided share in the beneficial interest in the Trust as provided in this constitution.