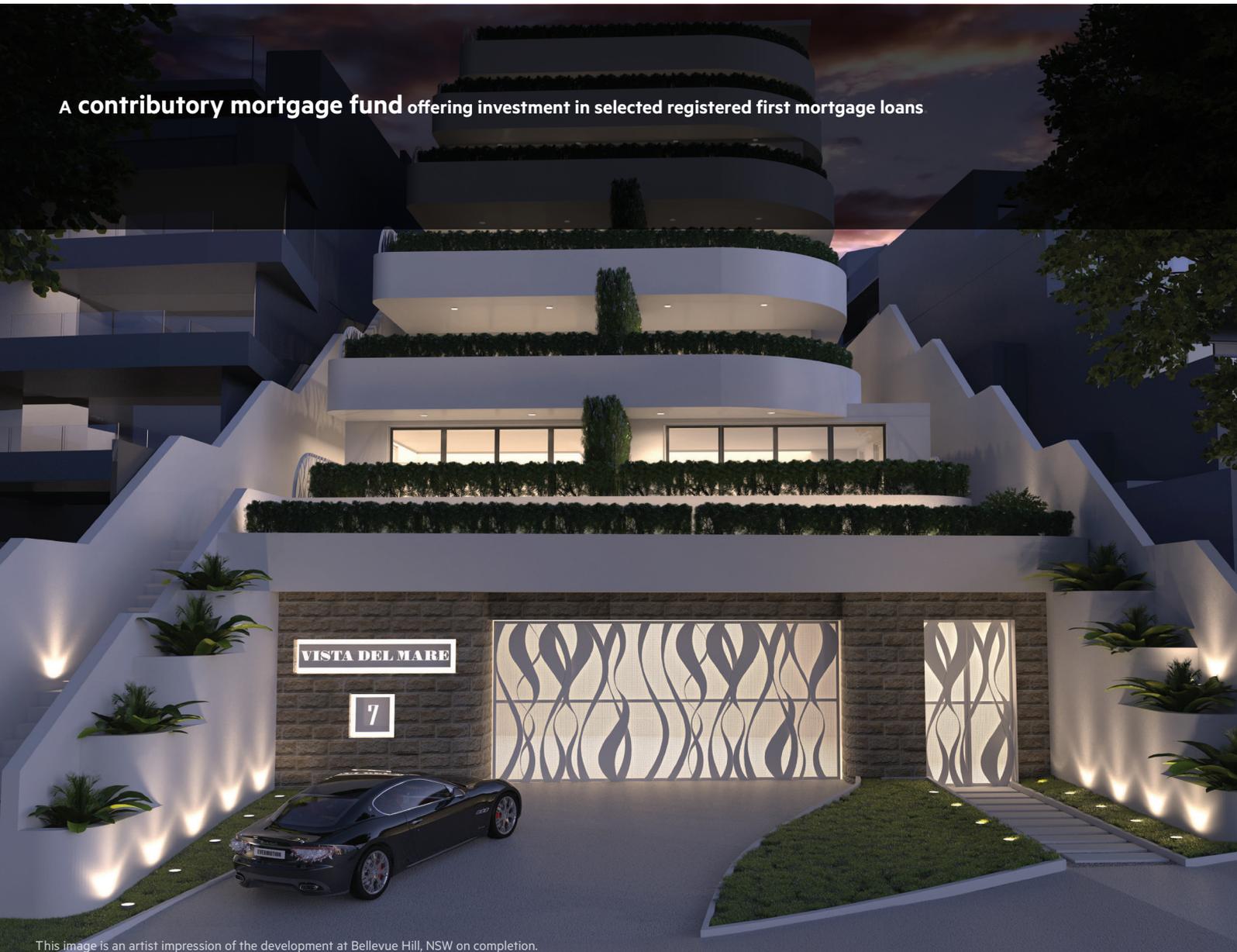


Australian Unity Select Income Fund

Product Disclosure Statement 22 March 2018

A contributory mortgage fund offering investment in selected registered first mortgage loans



This image is an artist impression of the development at Bellevue Hill, NSW on completion.

Important information

The interests in the Australian Unity Select Income Fund ARSN 091 886 789 ('Select Income Fund' or 'Fund') offered under this Product Disclosure Statement ('PDS') are issued by Australian Unity Funds Management Limited ('AUFM') ABN 60 071 497 115, AFS Licence No. 234454 in its capacity as Responsible Entity. AUFM is licensed to operate registered managed investment schemes that hold deposits and mortgages for retail and wholesale clients.

AUFM is a wholly owned subsidiary of Australian Unity Limited, ABN 23 087 648 888, and is a member of the Australian Unity Group of companies.

An investment in the Fund, including through the interests offered under this PDS, is not guaranteed or otherwise supported by AUFM, Australian Unity Limited, or any member of the Australian Unity Group. You should consider this when assessing the suitability of the investment and particular aspects of risk.

In this document, the description 'we', 'us' or 'our' refers to AUFM. The description 'you', 'your', 'they', 'their' and 'them' are references to investors. References to 'registered first mortgage loan(s)', 'Syndicate-Fund(s)', 'mortgage loan(s)' and 'loan(s)' are interchangeable.

This PDS contains important information, but it does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this PDS, you should read it carefully in its entirety, and consider consulting with a financial adviser and/or tax adviser.

A reference to 'Australian Unity Wealth' is a business name, which includes those entities within the Australian Unity Group undertaking investment activities. This PDS has been prepared to comply with the requirements of the laws of Australia. No interests are offered to any person whose registered address is outside of Australia unless AUFM is satisfied that it would be lawful to make such an offer.

The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No investments will be accepted on the basis of this document once it is replaced with a later PDS.

In this document, 'business day' refers to a Melbourne business day on which Australian financial institutions are open for business excluding Saturday and Sunday.

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of goods and services tax ('GST') less input tax credits (including approximate reduced input tax credits) that the Fund is entitled to claim.

This PDS is available in electronic format, including access via our website. If you receive it electronically, please ensure that you have received the entire PDS and the Application Form. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge.

Information in this PDS which is not materially adverse information that is subject to change from time to time, may be updated via our website and can be found at australianunity.com.au/wealth/sif. A paper copy of updated information is available free of charge by contacting us on 13 29 39.

Contents

Contents	1
A snapshot of the Fund.....	2
About the Fund	4
Mortgage loan approval process.....	6
Benchmarks and Disclosure Principles	8
Managing your investment.....	12
Risks of managed investment schemes	14
Making investments and withdrawals	17
Withdrawing	18
Interest payments	19
Fees and costs	20
Other information	24

Obtaining other information before making a decision

Visit our website australianunity.com.au/wealth/sif for further information about the Fund, including:

- Continuous Disclosure Notices; and
- Announcements.

We recommend that you obtain and review such information before you invest. Alternatively, you can call us on 13 29 39 and we will send you the requested information free of charge.

A snapshot of the Fund

Key features	Description	Further information
Responsible Entity	Australian Unity Funds Management Limited ('AUFM') holds an AFS Licence No. 234454	Page 25
Investment Manager	AUFM is the investment manager of the Fund.	Page 12
Investment objective	To provide regular income and capital stability, through a selection of investments into registered first mortgage loans ('Syndicate-Funds') with a short duration.	Page 5
Fund structure	<p>The Fund is a contributory mortgage scheme that provides investors the opportunity to select and invest in a range of Syndicate-Funds which each provide exposure to a specific registered first mortgage loan. The registered first mortgage loans offered for investment are actively managed and have been procured by Australian Unity Wealth's experienced mortgage team.</p> <p>The Fund comprises the Cash Account and a range of Syndicate-Funds.</p> <p>All cash contributions are made first to the Fund's Cash Account where interest is paid on a pro rata basis. Allocations may then be made into Syndicate-Funds from the Cash Account through accepting an Invitation to Invest/Supplementary Product Disclosure Statement ('SPDS').</p> <p>Investment outcomes, including the rate of return, duration and capital security of funds invested are isolated to each Syndicate-Fund.</p> <p>The SPDS provides information about the relevant registered first mortgage loan to assist investors to assess whether the Syndicate-Fund meets their investment objectives and risk profile, including:</p> <ul style="list-style-type: none"> • the interest rate offered; • the duration of the loan; • type of loan – construction or security; • the location of the property; and • purpose of the loan. 	Pages 4 and 5
Features of the Fund	<ul style="list-style-type: none"> • Interest from the Fund's Cash Account and/or the Syndicate-Fund is generally paid monthly. • Investment in a registered first mortgage loan through a Syndicate-Fund is generally a capital stable investment offering interest rates which are typically higher than those payable by other investments. • Access to Australian Unity Wealth's mortgage team which comprises investment professionals with considerable experience in mortgage lending and the management of mortgages. • The ability for investors to select a range of Syndicate-Funds to create a diversified investment portfolio of registered first mortgage loans. 	Page 5
Key risks	<ul style="list-style-type: none"> • Loan default. • Reduction in property values. • Specific risks attaching to construction or development loans. • Breach of borrowing covenants. • Liquidity risk is that registered first mortgage loans are not actively traded and may not be readily converted into cash without the loss of capital. • Economic, policy and legislative risk. • Concentration of risk. An investment in single Syndicate-Fund generally provides less diversification when compared to a pooled fund where a number of mortgages are pooled to provide a return for investors. 	Page 14
Cash Account Features		
Cash Account rates	Information on the Fund's Cash Account rates of return can be obtained by calling us on 13 29 39. The Cash Account return is generally paid on a monthly basis.	Page 4

Key features	Description	Further information
Cash Account withdrawals	Withdrawals are generally available from the Cash Account by providing two business days written notice.	Pages 11 and 18
Syndicate-Fund features		
Syndicate-Fund interest rates	Each Syndicate-Fund SPDS will set out the interest rate and default interest rate. Syndicate-Fund interest is generally paid on a monthly basis, default interest may be paid less frequently.	Page 5
Syndicate-Fund investment term	Generally 12 to 24 months, however the investment term may reduce or be extended. We will communicate variances to the investment term when and if they occur.	Page 5
Syndicate-Fund withdrawals	Withdrawals are not permitted during the term of a Syndicate-Fund. Generally, as a borrower repays a mortgage, investor funds are transferred from a Syndicate-Fund to the Cash Account.	Pages 11 and 18
Loan portfolio diversification	The Fund offers a range of Syndicate-Funds for investors to select to create a diversified portfolio. An investment in selected Syndicate-Funds provides less diversification when compared to a pooled fund where a number of mortgages are co-mingled to provide a return for investors.	Page 4
Distribution payments	Interest is generally paid monthly within 21 business days after each month-end.	Page 11
Other Fund information		
Fund borrowings	The Fund does not currently have any borrowings and does not intend to borrow.	Pages 5 and 10
Property valuations	Property valuations are generally completed as part of the loan approval process by qualified independent valuers.	Page 10
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions and on an arm's length basis.	Page 10
Minimum investment amounts		
Initial investment	\$5,000	Page 17
Additional investment amount	\$1,000	
Fees and costs of the Fund		
Management fee ¹	Nil paid by investors.	Page 20
Valuation fee	Nil paid by investors.	Page 21
Expenses relating to any default loan	Expenses incurred in any activities involved in disposing and/or operating the properties in default may be recovered from the relevant Syndicate-Fund. No expenses were recovered from the Fund or Syndicate-Fund for the 12 months to 30 June 2017.	Page 21

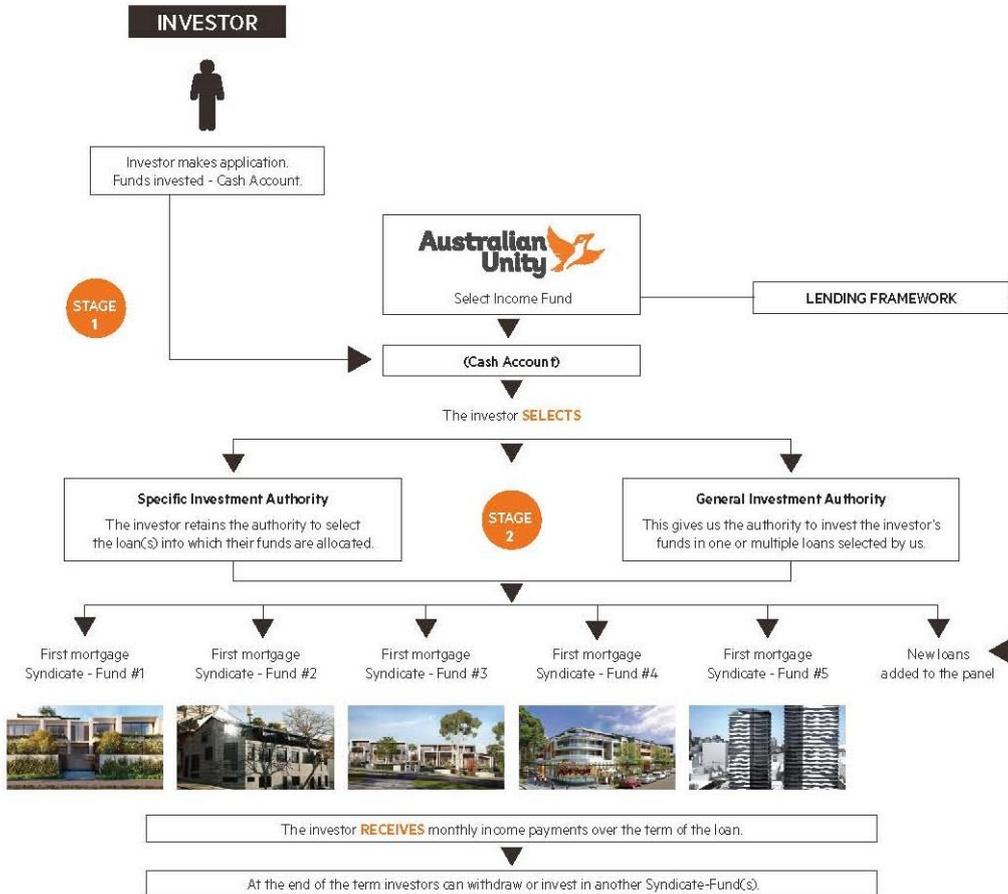
1. Management fees are recovered from fees and/or interest payable by the relevant Syndicate-Fund borrower and range between 1.00% and 3.00% p.a. (before GST).

About the Fund

The Fund is a contributory mortgage fund that provides investors the opportunity to select and invest in a range of Syndicate-Funds. Each Syndicate-Fund provides exposure to a specific registered first mortgage loan procured by Australian Unity Wealth's experienced mortgage team.

Fund structure

The Fund is structured as a Cash Account and a selection of Syndicate-Funds.



These images are artist's impressions of the completed developments.

Cash Account

At the date of this PDS, the Cash Account predominantly invests in the Australian Unity Wholesale Cash Fund ARSN 111 933 361.

The Australian Unity Wholesale Cash Fund invests in a portfolio of highly rated cash, short-term securities (including floating rate securities), and Australian fixed interest securities. These securities are generally purchased directly, however derivatives may be used where we consider it to be appropriate.

Generally, all investor contributions to the Fund are made to the Cash Account prior to an allocation to a Syndicate-Fund.

Generally, all Syndicate-Fund maturity payments will be made to the Cash Account upon partial or full repayment by a borrower of a registered first mortgage loan.

Interest paid by the Cash Account is calculated on a pro rata basis.

You may withdraw your funds from the Cash Account by providing us with two business days written notice.

Under the Fund's Constitution we have 90 days from the date of the request to satisfy withdrawal requests from the Fund's Cash Account.

Syndicate-Funds

The Fund is structured to offer exposure to a selection of registered first mortgage loans, each managed separately through a Syndicate-Fund.

The Fund is not a "pooled fund". Instead, investment outcomes, including the rate of return, duration of investment and capital security of funds invested are isolated to each Syndicate-Fund.

All investments into Syndicate-Funds are made via the Cash Account.

At the date of this PDS, the mortgages offered through the Syndicate-Funds are primarily residential property developments and commercial loans.

Each SPDS provides specific details of each Syndicate-Fund in order for investors to assess if the Syndicate-Fund meets their investment objectives and risk profile, including:

- the borrower and any guarantors;
- the amount of the loan;
- the address of the security property to be mortgaged;
- the independent valuation date, amount, valuer's name and valuation synopsis;

- the loan to valuation ratio, which is generally not over 70%;
- the interest rate payable by the borrower;
- the management fee payable by the borrower;
- the term of the loan;
- the date when the loan is scheduled to be repaid;
- the title reference; and
- any special provisions in the mortgage.

Syndicate-Fund interest payments

Each SPDS will specify the applicable interest rate for the Syndicate-Fund. While interest rates are generally fixed for the life of a Syndicate-Fund, they are subject to change.

Interest paid by Syndicate-Funds is calculated on a pro rata basis. Interest may be reinvested into the Cash Account, or paid to an Australian financial institution.

Loans of more than 12 months generally provide for an increase to the interest rate payable by borrowers if comparable lending rates have increased. This means that interest rates will not generally fall during the term of the loan and may increase if comparable lending rates have increased during that period.

Syndicate-Fund capital repayments

Borrowers generally have a right to either repay the loan early, or to make partial repayments to reduce the loan.

If this occurs, we may charge the borrower an early repayment fee to cover the costs associated with making an early repayment from a Syndicate-Fund to investors.

No guarantee

There is no guarantee of the repayment of capital or income to any investors. There is a risk that you may lose some or all of the funds that you invest.

For further information about Syndicate-Fund's interest rates, visit our website australianunity.com.au/wealth/sif or call us on 13 29 39.

Investment process

Investment into the Fund occurs in two stages.

Stage one: Initial and additional investments

All new and additional investments into the Fund are made into the Cash Account by completing an application form or an additional application form prior to making an investment into a Syndicate-Fund.

Interests issued in the Cash Account will receive a return on a pro rata basis from the date the interests are issued.

Stage two: Allocation to a Syndicate-Fund

Allocations into Syndicate-Funds are made through the SPDS. There are two ways of making investments into a Syndicate-Fund.

Specific Investment Authority

The Specific Investment Authority requires you to select a Syndicate-Fund to invest in.

We will issue you Specific Investment Authority SPDSs from time to time. To make an investment in a Syndicate-Fund you must complete a Specific Investment Authority SPDS and return it to us by mail, email or facsimile.

Your funds will be allocated from the Cash Account to the Syndicate-Fund when a drawdown is required by the borrower.

Investments in a Syndicate-Fund are made on a first come first served basis. If you do not approve an investment via the Specific Investment Authority SPDS before the Syndicate-Fund is filled by other investors, you may miss the opportunity to invest.

General Investment Authority

The General Investment Authority option provides us the authority to automatically allocate your Cash Account funds to a Syndicate-Fund. By selecting a General Investment Authority your Cash Account funds may be allocated to any available Syndicate-Fund.

Upon allocation to a Syndicate-Fund, we will issue you a General Investment Authority SPDS. You are deemed to have received a General Investment Authority SPDS three business days after it has been issued.

You will have 10 business days from the date you are deemed to have received the SPDS to notify us in writing that you do not wish to proceed.

If we do not receive your notification, you will be invested in the relevant Syndicate-Fund under the terms specified by the relevant SPDS.



Not advice

The issuing of a Specific Investment Authority SPDS or General Investment Authority SPDS to you does not comprise financial advice.

We recommend that you obtain professional financial advice prior to making an investment, or accepting any invitation to invest, in a Syndicate-Fund.

Variation or extension of a Syndicate-Fund's term

Generally, prior to the expiration of a Syndicate-Fund, our practice is to validate the borrower's ability to repay the registered first mortgage loan by the maturity date.

If the borrower requests an extension, and subject to satisfying our lending criteria, we may make an offer to the borrower to extend the first mortgage loan on new terms.

If this occurs we may issue a new SPDS to investors of the relevant Syndicate-Fund which will provide the revised details of the first mortgage loan.

Withdrawals

Withdrawals are not permitted from a Syndicate-Fund. Withdrawals from the Fund are only permitted through the Cash Account.

Borrowings

The Fund has no borrowings and has no plans to borrow in the future.

Who should invest in the Fund?

This Fund is typically suited to investors who:

- seek investment in specific first registered mortgages which generally provide regular income payments for a fixed term;
- are looking to diversify their existing investment portfolio; and
- have an investment outlook of up to two years.

It is important that investors consider the risks of investing, which are explained on page 14.

Mortgage loan approval process

Australian Unity Wealth's mortgage team undertakes an extensive process to select a loan to make available for investment through a Syndicate-Fund.

Each Syndicate-Fund offers exposure to a first registered mortgage loan.

Commercial lending process

The Australian Unity Wealth's mortgage team approach to lending is based on providing a stable return and protecting capital. Our mortgage team has extensive experience in sourcing commercial mortgages, assessing the creditworthiness of borrowers and approving, structuring and managing loans.

What is a first registered mortgage loan?

A registered first mortgage is a loan over real property where the lender ranks first before other creditors in claims or entitlements over the property.

Security

The security for a Syndicate-Fund is a registered first mortgage loan over real property in Australia.

Before a loan is advanced to a borrower, the borrower is generally required to execute security documents which regulate the terms and conditions of the loan including, but not limited to, a mortgage (incorporating guarantee and indemnity provisions) and a loan agreement.

Borrower assessment

Prior to a loan being advanced to a borrower, Australian Unity Wealth's mortgage team conducts an assessment of the borrower's creditworthiness as part of the loan approval process. This assessment generally includes:

- completion of a loan application form which includes details of the borrower's financial position including assets and liabilities;
- a meeting between an employee or a nominee of Australian Unity Wealth's mortgage team who has relevant lending experience and the borrower (and if necessary, any guarantor(s)) to obtain further relevant information and to ascertain the borrower's requirements, the nature of the investment and details about the security proposed to support the loan;
- obtaining further information from the borrower including tax returns and copies of financial statements;
- a credit report for each new borrower and/or any guarantor(s);
- an inspection made by an employee or nominee of the Australian Unity Wealth mortgage team;
- where the loan involves a construction project, Australian Unity Wealth's mortgage team considers:
 - the full details of all projected costs;
 - cash flows and all ancillary documents to assess the ability of the borrower to complete the project on a timely basis;
 - a certified quantity surveyor's report generally obtained before any loan advance or progress payment is made to the borrower;
 - the developer's experience; and
 - whether the proposed development will benefit from local established infrastructure and amenities.

Valuers, quantity surveyors, solicitors, or other external service providers

We require that any valuers, quantity surveyors, solicitors or other external service providers engaged by us are appropriately qualified and have current professional indemnity insurance appropriate for the type of work to be performed by them.

Lending framework

The internal loan approval process is delegated by the AUFM board to the appropriate approval parties and includes the recommendation from representatives of Australian Unity Wealth's mortgage team to ascertain that the loan approval is within the lending guidelines.

All financing applications are assessed under the governance of the Australian Unity Group's formal Commercial Lending Guidelines and established credit approval framework.



In assessing a loan application, Australian Unity Wealth's mortgage team may utilise services from related parties for credit assessment purposes, and aim to determine that the loan application is suitable for investment through considering factors may include, but are not exclusive to:

- ensuring the loan documentation meets the mutual requirements and objectives for the borrower and Syndicate-Fund investors;
- assessing the borrower's capacity to meet the financial obligations of the credit contract without substantial hardship; and
- verifying the information in the mortgage loan application form and making an assessment in accordance with the Australian Unity Wealth mortgage team's lending criteria.

Before a loan is advanced to a borrower, Australian Unity Wealth's mortgage team conducts an assessment of the borrower's creditworthiness as part of the loan approval process, to assess the borrower's capacity to repay the loan in full, in accordance with the terms and conditions of the loan. Three key elements establish the underlying security of the mortgage loan:

1. The value of the borrower's property

A valuation is generally obtained from an independent qualified valuer to provide an appropriate valuation of the property.

The Australian Unity Wealth's mortgage team has procedures which specify the selection and monitoring the performance requirements for independent valuers, solicitors, civil engineers, quantity surveyors and other experts engaged. All fees of these third party service providers are payable by the borrowers.

2. The loan to value ratio

The registered first mortgage loan is made based on the value of the property for commercial loans.

For construction loans, the loan is made based up on the 'as-if-complete' value of the property.

At the date of issue of this PDS, loan to value ratios of the Syndicate-Funds currently on offer generally do not exceed 70% of an independent valuation.

3. Loan management

Interest payments and scheduled mortgage repayments are monitored so that in the event of a delay in payment, appropriate steps can be implemented for recovery. All loans require interest to be paid monthly on the 1st day of each month to enable payment to be made to investors within 21 business days of each month after the distribution period. The Responsible Entity may, at its discretion, alter these payment and receipt dates, however will notify investors of any changes. We investigate the financial position of each borrower and undertake credit checks and bankruptcy searches to verify that borrowers do not have a documented poor payment history.

Our procedures for construction loans requires the use of solicitors, quantity surveyors as well as valuers. (See page 15)

Types of loans

At the date of this PDS there are generally two types of loans available through Syndicate-Funds.

Real property loans

Real property registered first mortgage loans are generally:

- secured against real property;
- short term for periods of 12 months;
- limited to a maximum of 70% of the property's independent valuation.

Typically, the full loan amount specified by the relevant SPDS is loaned to the borrower from commencement.

Construction and development loans

Registered first mortgage loans are provided to borrowers to assist the construction and development activities associated in developing new property.

Construction and development loans are generally limited to lending up to:

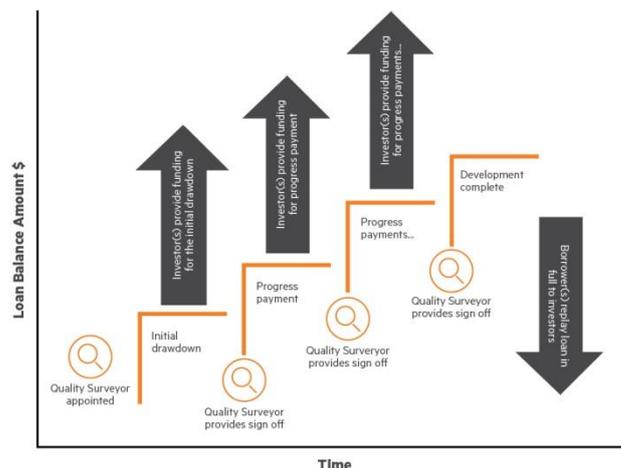
- 70% of the gross realisation valuation of the property; or
- up to 80% of the total development costs.

The amount un-drawn is generally equal to or greater than the cost to complete as certified by an independent quantity surveyor.

Typically, the loan amount specified by the relevant SPDS is progressively loaned over time to the borrower from an initial draw down, and subsequent progress payments.

Throughout the development the mortgage team obtain independent quantity surveyor reports to assess the project at various stages of the construction. Further progress payments under a Syndicate-Fund are generally made after the quantity surveyor has provided their report. All projects are monitored on a cost to complete basis.

Example of the allocation process for construction and development Syndicate-Fund



This means that;

- exposure to the construction and development Syndicate-Fund increases over time; and
- interest is only paid upon the amount allocated to the Syndicate-Fund.

Below is an example¹ of an investor's increasing allocation to a construction and development Syndicate-Fund over a 12 month period with a 7%² p.a. interest rate:

Period	Allocation ³	Running balance	Monthly interest payments
Month 1	\$1,000	\$1,000	\$5.83
Month 2		\$1,000	\$5.83
Month 3		\$1,000	\$5.83
Month 4	\$5,000	\$6,000	\$35.00
Month 5		\$6,000	\$35.00
Month 6		\$6,000	\$35.00
Month 7	\$5,000	\$11,000	\$64.17
Month 8		\$11,000	\$64.17
Month 9		\$11,000	\$64.17
Month 10	\$5,000	\$16,000	\$93.33
Month 11		\$16,000	\$93.33
Month 12		\$16,000	\$93.33

¹ The example is provided for illustrative purposes only. It is not a forecast and should not form the basis of making an investment decision.

² It is assumed interest rate does not change for the period.

³ It is assumed the allocation is made at the beginning of each interest period.

Risk management process

Australian Unity Wealth's mortgage team aims to mitigate development and construction risk through the use of quantity surveyors, and through actively monitoring the registered first mortgage loan for early signs of deterioration. If a default occurs, the issue is escalated to the asset management committee whose role is to review, ratify and monitor the implementation of strategies designed to remedy the default.

Progress payments to the borrower are generally only made after an independent quantity surveyor has verified the remaining costs to complete the project.

Benchmarks and Disclosure Principles

The Australian Securities and Investments Commission ('ASIC') has issued a set of benchmarks and disclosure principles, contained in Regulatory Guide 45: Mortgage schemes – Improving disclosure for retail investors (RG45) to help investors understand and assess unlisted mortgage schemes, such as this Fund. ASIC distinguishes between 'pooled' schemes (where the investment funds are lent out to various borrowers) and 'contributory' schemes (where investment funds are lent in relation to a specific property). This Fund is a contributory scheme. Information contained in the benchmarks, including how the Fund measures against them, is set out in the Benchmarks Section. Information relevant to the disclosure principles is set out in the Disclosure Principles Section. The information is current as at 31 December 2017 and has been provided to keep you informed and to assist you in better understanding the nature of this investment.

Benchmarks

ASIC Benchmark	Compliance with the Benchmark	Explanation	Disclosure Principles
Benchmark 1: Liquidity RG 45.34			
For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that:	Not applicable.	The Fund is not a pooled mortgage scheme.	Disclosure Principle 1 is not applicable.
(a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;			Only applies to a pooled mortgage scheme. Refer to Disclosure Principle 1 for additional disclosures.
(b) are updated at least every three months and reflect any material changes; and			
(c) are approved by the directors of the responsible entity at least every three months.			
Benchmark 2: Scheme borrowing RG 45.42			
The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.	Benchmark met.	Although we are permitted to borrow for the purposes of the Fund, we presently do not have any borrowings and have no intention to borrow.	Disclosure Principle 2 is not applicable as we do not borrow nor intent to borrow.
Benchmark 3: Loan portfolio and diversification RG 45.44			
For a pooled mortgage scheme:	Not applicable.	The Fund is not a pooled mortgage scheme.	Disclosure Principle 3 is not applicable.
(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).			
Benchmark 4: Related party transactions RG 45.47			
The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.	Benchmark met.	We do not lend to related parties of AUFM or the Fund's investment manager.	Refer to Disclosure Principle 4 for additional disclosures.

ASIC Benchmark	Compliance with the Benchmark	Explanation	Disclosure Principles
Benchmark 5: Valuation policy RG 45.50			
In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:	Benchmark met.	We have a panel of valuers in each State. The valuers used are members of an appropriate professional body in the jurisdiction in which they perform valuations. The valuers are independent. AUFM maintains a Conflict of Interest Policy. AUFM's valuation policy states that no panel valuer undertakes more than two consecutive valuations on any single property. Furthermore, AUFM's panel of valuers are reviewed annually, and from time to time we remove and add new firms.	Refer to Disclosure Principle 5 for additional disclosures.
(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 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.		Independent valuations on an 'as is' basis are obtained before the issue of a new loan and on renewal of an existing loan. Independent valuations are also obtained 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. The 'as is' component of the development project valuation is relied upon to ensure that AUFM's initial advance against the unimproved value of the development site remains within an acceptable LVR. The 'as if complete' component of the development valuation is relied upon, and read in conjunction with the quantity surveyor's report, to ensure that, upon completion of the project, the sum of all advances made (including interest capitalised) remains within an acceptable LVR.	
Benchmark 6: Lending principles - Loan-to-valuation-ratios RG 45.56			
If the scheme directly holds mortgage assets:	Benchmark met.	AUFM's policy for property development loans is set out in this PDS. Where the loan relates to property development, we aim to minimise risk by adopting additional procedures for such loans involving the use of an independent quantity surveyor who certifies the value of all work and certifies the cost to complete of such construction. Funds are provided to the borrower in stages based on independent evidence of the progress of the development. We aim to ensure that the amount un-drawn of the loan is generally equal or more than the cost to complete as certified by an independent quantity surveyor. Generally the maximum loan to valuation ratio is 70%.	Refer to Disclosure Principle 6 for additional disclosures.
(a) where the loan relates to property development—funds are provided to the borrower in stages based on independent evidence of the progress of the development;			
(b) where the loan relates to property 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.			
Benchmark 7: Distribution practices RG 45.61			
The responsible entity will not pay current distributions from scheme borrowings.	Benchmark met.	Generally, all distributions are sourced from income. No distributions will be paid from borrowings.	Refer to Disclosure Principle 7 for additional disclosures.
Benchmark 8: Withdrawal arrangements			
The ASIC Benchmark distinguishes between liquid and non-liquid schemes, to reflect the differences to an investor's ability to withdraw. RG 45.64 Liquid schemes A liquid scheme is required to disclose whether it facilitates payment of withdrawal requests within 90 days. RG 45.65 Non-liquid schemes For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.	Benchmark not met.	The Fund itself is not a liquid scheme. Syndicate-Funds are illiquid and generally do not permit withdrawals. Capital from a Syndicate-Fund is only returned to the Cash Account upon repayment of a first registered mortgage loan by the borrower. Withdrawals are permitted from the Fund's Cash Account by providing two business days written notice. The Fund's Constitution allows up to 90 days to satisfy withdrawal requests from the Fund's Cash Account.	Refer to Disclosure Principle 8 for additional disclosures.

Disclosure Principles

ASIC's disclosure principles for mortgage schemes require disclosure of certain information relevant to each principle.

The principles are intended to help investors understand the risks and potential rewards associated with these investments.

Each disclosure principle is set out below.

Liquidity

Disclosure Principle 1 — Liquidity

The Fund is a contributory mortgage scheme, as such RG 45.72 – RG 45.74 do not apply. Subject to any investment investors may have in the Fund's Cash Account, their entitlement to income or capital is based only on their investment in a specific Syndicate-Fund and they have no right to the income or capital of other Syndicate-Funds. Investors are provided details relating to liquidity in the issue of each SPDS.

Scheme borrowing

Disclosure Principle 2 — Scheme borrowing

The Fund does not currently have any borrowings and does not currently intend to borrow, as such RG 45.75 – RG 45.79 do not apply.

Loan portfolio and diversification

Disclosure Principle 3 — Loan portfolio and diversification

The Fund is a contributory mortgage scheme, as such RG 45.80 – RG 45.87 do not apply. Investors of the Fund gain exposure to mortgage loans via Syndicate-Funds. All the loans in the Fund are secured by a registered first mortgage.

Related parties

Disclosure Principle 4 — Related party transactions

As at 31 December 2017 related parties held interests in the Fund of \$22.69 million (17.57%) based on net assets and the Fund had invested \$22.77 million into the Australian Unity Wholesale Cash Fund.

AUFM may engage other related parties to provide services to assist in management of the Fund's portfolio.

The arrangements described above were made on commercial terms and conditions and on an arm's length basis.

Investor approval was not required for this arrangement as it is made on commercial terms and conditions and on an arm's length basis.

Related party arrangements carry a risk that they could be assessed and reviewed less rigorously than arrangements with other parties.

Australian Unity has 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 Australian Unity Group entities are reviewed, approved and monitored by senior management with clearly identified governance policies and guidelines. Decisions in relation to conflicts of interest and related party transactions are documented.

For further information about the Related Party Policy please contact us. The latest Annual Report can be found on our website australianunity.com.au/wealth. Alternatively we can send you a free copy if you call us on 13 29 39.

Valuation policy

Disclosure Principle 5 — Valuation policy

Investors can email investments@australianunity.com.au or call 13 29 39 to request a copy of the AUFM Valuation Policy.

On a quarterly basis the Head of Mortgages attests to the directors of AUFM that appropriate valuations are in place for each of the security properties. Management review the independent valuations for properties by size in each mortgage portfolio.

Independent external valuations of properties forming security for first mortgage loans are obtained:

- at the time the loan amount is approved, on an 'as is' basis for all security property;
- for existing loan accounts where formal renewal terms are approved and offered, at the time when the existing loan account is renewed; or
- as soon as practicable, but no later than within two months, after AUFM's management or directors form a view that there is reason to believe that the security property value may have caused a material breach of a loan covenant.

There are no material inconsistencies between any current valuations of the security property and the Fund's Valuation Policy.

AUFM issues an investor with a SPDS which provides information about the valuation of the property securing a loan in which the investor has, or is being offered, an interest.

Lending principles

Disclosure Principle 6 — Lending principles- Loan-to-valuation ratios

The maximum and weighted average loan-to-valuation ratio for the Fund as at 31 December 2017 is:

	% as at 31 December 2017
Maximum LVR	70
Weighted LVR ¹	64

1. Weighted by value of the loans of the Fund.

Where the loan relates to property development we minimise such risk by adopting additional procedures for such loans involving the use of an independent quantity surveyor who certifies the value of all work and certifies the cost to complete of such construction. Funds are provided to the borrower in stages based on independent evidence of the progress of the development. When funds are drawn, we aim to ensure that the amount un-drawn of the loan is generally equal or more than equal to the cost to complete as certified by an independent quantity surveyor.

At 31 December 2017 there were 15 loans valued at \$82.20 million provided in relation to properties intended for development. Of these, 14 loans drawn to \$81.80 million have proceeded as construction loans. The remaining loan drawn to \$0.40 million is likely (but not certain) to proceed as a construction loan in the near future once certain pre-conditions have been satisfied.

The percentage (by value) of completion of the properties under development at 31 December 2017 is as follows:

Borrower	(%) by value of completion
Construction loan 1	29
Construction loan 2	60
Construction loan 3	60
Construction loan 4	25
Construction loan 5	16
Construction loan 6	27
Construction loan 7 ⁽¹⁾	94
Construction loan 8	98
Construction loan 9	40
Construction loan 10	93
Construction loan 11	0
Construction loan 12 ⁽²⁾	10
Construction loan 13	56
Construction loan 14	13
Construction loan 15	12

1. The Development Manager advised that applicable development costs, over and above the build contract total approximately \$0.2 million. These are to be part funded by Borrower and Builder.

2. The Borrower is to inject a further equity contribution of approximately \$0.1 million pertaining to costs associated with the proposed plan of subdivision.

At 31 December 2017 the loan cost ratio of each property development loan is provided in the table below:

Borrower	Loan balance available to-cost to complete ratio (%)
Construction loan 1	100
Construction loan 2	100
Construction loan 3	100
Construction loan 4	101
Construction loan 5	100
Construction loan 6	100
Construction loan 7 ⁽¹⁾	59
Construction loan 8	100
Construction loan 9	100
Construction loan 10	100
Construction loan 11	100
Construction loan 12 ⁽²⁾	98
Construction loan 13	100
Construction loan 14	100
Construction loan 15	100

1. The Development Manager advised that applicable development costs, over and above the build contract total approximately \$0.2 million. These are to be part funded by Borrower and Builder.

2. The Borrower is to inject a further equity contribution of approximately \$0.1 million pertaining to costs associated with the proposed plan of subdivision.

Distribution practices

Disclosure Principle 7 — Distribution practices

The interest rate and default rate payable for a Syndicate-Fund are set out in the SPDS. Generally, all distributions are sourced from income received in the relevant distribution period.

Distributions are generally paid monthly to investors within 21 business days after the end of the distribution period.

The rate of interest applicable to a particular Syndicate-Fund and details regarding the borrower and purpose of the loan are provided in the applicable SPDS. There are risks associated with registered first mortgage loans, such as default risk. Where a borrower fails to make a payment which results in a default, investors may receive a lower return on their investment. There is no guarantee that you will receive the return of some or all of your investment.

Additional risks are set out in the 'Risks of managed investment schemes' section of this PDS.

We do not make distribution forecasts for the Cash Account.

Withdrawal arrangements

Disclosure Principle 8 — Withdrawal arrangements

Syndicate-Funds are illiquid and generally do not permit withdrawals. Capital from a Syndicate-Fund is only returned to the Cash Account upon repayment of a first registered mortgage loan by the borrower.

The return of capital from a Syndicate-Fund to the Cash Account may be delayed and/or reduced if a registered first mortgage loan is not repaid by the borrower by the end of the loan term.

We may take action against the borrower and/or any guarantors if a delay or a reduction in repayment of the loan occurs. Recovery action may delay investors receiving the return of the investment.

Refer also to the 'Risks of managed investment schemes' section of the PDS.

Withdrawals are permitted from the Fund's Cash Account by providing two business days written notice. The Fund's Constitution allows up to 90 days to satisfy withdrawal requests from the Cash Account.

Managing your investment

About Australian Unity

The Australian Unity Group is a national healthcare, financial services and retirement living organisation that provides services to around 1,000,000 Australians. For the year to 30 June 2017, Australian Unity generated \$2.05 billion in annual revenue and had around 280,000 members and approximately 7,000 employees.

As at 31 December 2017, the Australian Unity Group, as an investment manager of real estate, had over \$2.8 billion of funds under management, managing more than 74 properties across the healthcare, retail, office and industrial sectors across Australia.

Our investment philosophy

We believe that the marketplace for commercial mortgages is at an exciting stage of transformation, becoming more efficient, transparent and user friendly. Our investment professionals skilfully source registered first mortgage loans for the Fund, which will serve as the hub for matching investors' requirements to borrowers' needs. There is a genuine opportunity to deliver real value by operating more efficiently than traditional banks in terms of sourcing, approving and settling loans and passing these gains on to both the borrowers (in the form of quicker turnaround times for loan approvals and settlements) and to investors (in the form of solid and consistent returns).

AUFM may appoint another investment manager(s) at its discretion.

The people managing your investment

AUFM is the investment manager for the Fund. We are careful, sensible and successful mortgage managers and our mortgage team is one of the most experienced in the Australian market.

We have a long and successful track record in managing mortgage funds and understand the markets and environment they operate in.

These key people are responsible for managing the Fund:



David Bryant

Chief Executive Officer, Wealth & Capital Markets
Chief Investment Officer, Australian Unity Group

David joined Australian Unity in 2004. He is Chief Executive Officer for Australian Unity, Wealth & Capital Markets and Chief Investment Officer for the Australian Unity Group. He is responsible for Australian Unity's financial services and investment activities. He is a board member of many of its operating entities and Investment Joint Venture subsidiaries.

Prior to joining Australian Unity in 2004, David was Chief Operating Officer at Perpetual Personal Financial Services, and has held senior roles in financial services, asset consulting, and banking, for both Australian and international organisations.

His various roles have encompassed responsibilities for business across the Asia Pacific region.

David is a director of the Australian Financial Services Council and co-chair of its Advice Board Committee.



Mark Pratt

Executive General Manager – Australian Unity Property
Australian Unity Wealth & Capital Markets

Mark joined Australian Unity in 2004. As Executive General Manager – Australian Unity Property, he is responsible for the commercial management and growth of Australian Unity's property and mortgages investment management businesses.

Australian Unity actively manages more than \$28 billion in commercial property assets consisting of commercial property; including the listed Australian Unity Office Fund, unlisted funds in healthcare and commercial property and development debt funding.

Prior to his current role, Mark was Australian Unity Wealth & Capital Market's Chief Operating Officer and has also held senior roles at Plum Financial Services, AMP Financial Services and State Street Australia.

Mark is the President of the Property Funds Association and is a member of the Victorian Division Council of the Property Council of Australia. He holds a Bachelor of Commerce – Accounting from the University of NSW.



Roy Prasad

Head of Mortgages
Australian Unity Wealth & Capital Markets

Roy joined Australian Unity in 1998, and has responsibility for the management of all mortgage investments.

Before joining Australian Unity, Roy worked for Colonial Investment Management Limited for over 10 years, where he was responsible for the management of various mortgage portfolios, including credit risk management, portfolio construction and managing originator relationships.

Roy is a member of the Australian Unity Commercial Property Lending Committee.

Risks of managed investment schemes

What is risk?

'Risk' generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments come with a degree of risk. You will need to determine how much risk you are able or willing, to tolerate.

The main risks of investing include a decrease in the value of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

These risks can arise from various circumstances, including:

- changes to government policies relating to tax or economics that may have adverse impacts on investment markets or the tax treatment of investment returns ('regulatory risk'). See 'Australian tax reform' in the 'Other information' section on page 23 for more details; and
- changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to market sentiment, that may make certain investments less attractive ('market risk').

It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. The spectrum below shows the five main types of investments according to their relationship between risk and return for you to consider.



If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

How we manage risk?

We are unable to eliminate all investment risks, but we do analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines and loan approval processes.

We finance loans across a range of Syndicate-Funds. Syndicate-Funds on offer are generally diversified geographically and by borrower credit range. Through the range of Syndicate-Funds on offer you may identify investments which are suited to your risk profile and provide you with the potential to diversify your investment portfolio, smooth out the overall return and reduce short-term volatility.

How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation, and your investment objectives, affect the selection of investments that you can make;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns of your portfolio.

Risks relevant to your investment

To appreciate the risks associated with an investment in the Fund and a Syndicate-Fund, this PDS and any SPDS should be read in conjunction with each other.

A degree of risk applies to all types of investments - including an investment in registered first mortgages. As investing in Syndicate-Funds involves exposing your investment to a range of risks it is important that you understand:

- the risks involved in investing in registered first mortgage loans;
- how these risks compare with the risks of other investments;
- how comfortable you are in exposing your investment to risk; and
- the extent to which registered first mortgage loans fit into your overall financial plan.

Careful consideration should be given to the following risk factors, as well as other information in this PDS, before an investment decision is made. Some of the risks are outside of our control.

Market risk

Market risk is the risk that negative movements in interest rates and/or the property market may impact on the capacity to fully recover the amount owing on a first mortgage loan if a default occurs. We aim to manage this risk by using highly experienced staff that closely monitor the loan portfolio to ensure continued compliance with our lending guidelines. Market risk is also managed within the loan approval process when the maximum loan valuation ratio is determined.

Liquidity risk

Liquidity risk is the risk that registered first mortgage loans are not actively traded and therefore may not be readily convertible to cash without some loss of capital. Once invested in a Syndicate-Fund the right to withdraw occurs when the loan is repaid by the borrower and all interest payments have been made.

The underlying security for a registered first mortgage loan is real property in Australia.

If default is made we generally sell the real estate to recover the loan. Any sale of security property involves a period of marketing followed by a sale with settlement following in two or three months. If a defaulting borrower occupies the property we may need to obtain possession by obtaining a court judgment. Delays could occur between when a loan goes into default and when the sale proceeds are received. These delays may affect interest and any return of capital payments being made to you.

Investment manager risk

Investment manager risk exists in all managed investments. It relates to the possibility that the investment manager may fail to anticipate market movements or manage investment risks in the underlying Syndicate-Funds.

Investment performance may also depend on the skill of the investment manager in selecting, combining and implementing investment decisions. Changes in the personnel of the investment manager may also have an impact on investment returns.

Investment specific risk

Investment specific risk is the risk that an individual investment may fall in value for reasons relating to the security property or particular characteristics of the investment.

Diversification risk

Generally, diversification means reducing investment risk by investing in a variety of assets. Although investing in a specific Syndicate-Fund does not in itself provide diversification, greater diversification may be achieved by investing in a Syndicate-Fund as part of a broader investment portfolio. Alternatively, some diversification may be achieved by investing in a number of Syndicate-Funds which have a low correlation to each other.

Credit risk

Credit risk is the risk that a borrower or a guarantor to a registered first mortgage loan may not meet their obligations in full and/or on time. We aim to manage credit risk through our investment process and the ongoing monitoring of the registered first mortgage loans. However, it is not possible to completely eliminate credit risk and borrower default on a registered first mortgage loan may be beyond our control.

Economic risk

Economic risk is the risk that a downturn in general economic conditions either domestically or internationally may adversely affect investments.

Income risk

Income risk is the risk that rising interest rates may result in a fixed level of income paid to you during the term of the registered first mortgage loan being less than if you had invested with a variable interest rate. For registered first mortgage loans with a duration greater than 12 months, we may manage this risk by increasing the interest rate charged to borrowers if comparable lending rates increase.

Regulatory risk

Regulatory risk is the risk that the value of some investments may be adversely affected by changes in government policies, regulations and taxation laws. These are factors that we are not able to influence.

Development and construction loan risk

Development and construction loans include a degree of additional risk if the borrower is not able to complete the development or construction or sales programme for the development project.

We aim to minimise this risk by actively managing and monitoring development and construction loans.

We have policies in place which include requiring the engagement of independent quantity surveyors to certify the value of development work and to certify the cost to complete the development. We aim to ensure that the un-drawn portion of the loan will generally meet or exceed the cost to complete the development as certified by the independent quantity surveyor.

Default risk

Borrowers may default for a wide range of circumstances. Death, matrimonial disputes, bankruptcy, changes in the general state of the Australian or world economies, changes in the borrower's business and changes in property values can all contribute to default being made.

We aim to mitigate this risk by applying the Australian Unity lending framework, part of the Australian Unity Group's formal Commercial Lending Guidelines to manage any defaulting loans in the best interests of investors. Further, we manage the risk of default through monitoring and actively managing each Syndicate-Fund's registered first mortgage loan and performance on a regular basis.

For example, if a borrower is unable to service the loan, we may commence proceedings to recover interest and investor capital. Proceedings may include, but are not exclusive to:

- The sale of the security property.
- Action against the borrower personally.
- Action against any guarantors.

The sales of a security property may be delayed due to a number of factors. These factors may include, for example, a change in market conditions, legal disputes, or if the nature of the security asset is specialised. For specialised securities, we aim to manage risk by lending at a reduced loan valuation ratio and, where appropriate, requiring additional or collateral security for the loan.

Recovery action may take a protracted amount of time to resolve and may result in the loss of some or all of your investment. Importantly, losses are isolated to the Syndicate-Loan where the default has occurred.

Interest capitalisation risk

The Fund may capitalise Syndicate-Fund interest and management fee payments on loans. Where this occurs the interest and management fees payable on the loan are added to the original loan amount and subsequent interest payments are based on the increased loan amount. These arrangements are generally relevant for development and construction loans, where the loan and interest payments are to be repaid following the sales programme for the development project. There is a risk that the proceeds achieved from the sales programme are insufficient to repay the loan, which may result in the loss of some or all of your investment.

Where a loan falls into default the Fund may also capitalise interest. Where the borrower fails to make interest and or principle repayments under the terms of the loan, the total amount owed by the borrower increases.

Borrowing risk

Although the Fund's Constitution allows borrowing, we do not intend to borrow on behalf of the Fund except if emergency or extraordinary situations arise.

Derivatives risk

A derivative is a financial transaction which derives its value from another source, such as a share or a bond. The main types of derivatives are futures, options and swaps. Derivatives can expose the Fund to other risks which are particular to derivatives, such as counterparty, credit and pricing risk.

Derivatives are also subject to market risk where there is movement in the underlying security, index or financial obligation.

The Cash Account is exposed to derivative risk through its investment in the Australian Unity Wholesale Cash Fund.

It is not the current policy of the Fund for a Syndicate-Fund to use derivatives for gearing purposes or for speculative activities.

Valuation risk

If a valuation does not accurately reflect the intrinsic value of the security property at the time the property is sold, the sale price may not be sufficient to repay the first mortgage loan.

Valuation risk is applicable to a Syndicate-Fund upon a borrower default.

We minimise this risk generally by:

- restricting loans to 70% of independent valuation;
- adopting lower loan to valuation ratios for different categories of security property;
- instructing only valuers who have been approved by us and who have adequate professional indemnity insurance and at least five years' experience;
- only using valuers that are registered under one of the state/territory valuer registration regimes; and
- requiring valuers to include a statement in their valuation reports that their valuation complies with all relevant industry standards and codes.

For development and construction loans, in addition to our normal lending procedures, we:

- have the security valued by an independent valuer 'as is' and also 'on completion' on the assumption that the development is completed in accordance with the approved plans and permits; and
- have a quantity surveyor prepare a construction cost estimate of the construction costs.

Development and construction loan advances:

- are generally limited to up to 60% of the 'as is' land value;
- for additional advances are based on the value of work done and the cost to complete the development, are independently certified by a quantity surveyor, after inspection, to ensure that the undrawn amount of the loan is generally equal to or more than the cost to complete the building; and
- generally do not exceed 70% of the 'on completion' value.

The appointed panel of professional independent valuers and quantity surveyors are under constant review. Admission to the panel is on the basis of experience with particular categories of property and requires membership of a professional body and a level of professional indemnity insurance appropriate for the work undertaken.

Detailed instructions to a valuer or quantity surveyor are specific to a property type and require particular valuation criteria to be met for all property categories. Valuers are asked to comment and report on any observable or known site contamination.

Making investments and withdrawals

Investing

This table explains how to make an investment in the Fund. The Application Form can be found at the back of this PDS. You may access SPDSs to make investments into Syndicate-Funds after your initial application into the Cash Account has been processed.

	What you need to send us	Minimum ¹	Application and approval procedure
Initial investment	A completed Application Form and select either the Specific Investment Authority option or General Investment Authority option and a cheque or completed direct debit details. Where you request a direct debit service, the payment will be drawn from your nominated account and deposited into the Fund's Australian financial institution account.	\$5,000	Review the application before signing it, as incomplete applications may not be accepted. Complete the Application Form (and provide a cheque if applicable or where you request a direct debit service, the payment will be drawn from your nominated account and deposited into the Fund's Australian financial institution account) must be received by 3:00pm at our Melbourne office.
Additional investment(s)	A completed Application Form and a cheque or completed direct debit details. Where you request a direct debit service, the payment will be drawn from your nominated account and deposited into the Fund's Australian financial institution account.	\$1,000	
Regular investments through a Regular Savings Plan	A completed Application Form including Section 5 to nominate the amount you will regularly invest and your direct debit details.	\$100 per month \$300 per quarter \$600 per half year \$1,200 per year	Ensure that you complete Section 5 of the Application Form from the current PDS. Changes can be made to your regular investments, provided you give us five business days to action your request. Your Regular Savings Plan will automatically cease if two consecutive payments are dishonoured. Your regular investments will be drawn from your bank account on the 15th of the month unless the 15th day of the month is a weekend or public holiday, then it will be on the next business day.
Transferring your investment	A standard Transfer Form completed by both parties and a completed Application Form and Specific Investment Authority SPDS or General Investment Authority SPDS (as applicable) completed by the transferee.	\$5,000	You may, in accordance with the requirements of the Corporations Act, the Fund's Constitution and with the consent of AUFM, transfer part or the whole of your interest in a Syndicate-Fund. The transfer of your interest must be in writing executed by you (as assignor) and the assignee in a form approved by AUFM accompanied by any other documentation required by AUFM and otherwise in compliance with the Corporations Act and the Fund's Constitution.

1. We reserve the right to vary minimum investment amounts and to accept or reject any investment (in whole or in part) at our discretion without explanation.

Handling of applications

Pending the issue of interests to an investor, the application amount will be held in a trust account that complies with the requirements of the Corporations Act.

No interest is paid on application amounts for the period from receipt until the issue of interests in the Cash Account has occurred. Similarly, no interest will be paid to any investor whose application (or part of an application) is returned unfilled.

Interests for initial and all additional applications are issued for the Cash Account. We may, in our absolute discretion, reject in whole or in part any application. We do not need to give any reason for the rejection.

On request, we will inform you of the applicable Cash Account interest rate of the Fund.

Maximum allocation to a Syndicate-Fund

You may set a maximum limit to the amount that may be allocated to a Syndicate-Fund in the application form.

Syndicate-Fund allocation

Subject to availability, AUFM may offer you a Syndicate-Fund or multiple Syndicate-Funds in which to invest. AUFM will forward a SPDS to you containing the information relating to a Syndicate-Fund.

For information on the allocation to a Syndicate-Fund, refer to 'Investment process' on page 5, and 'Example of the allocation process for construction and development Syndicate-Fund' on page 7.

Withdrawing

This table explains what is required to make a withdrawal from the Fund's Cash Account. Withdrawing from Syndicate-Funds, are not available.

	What you need to send us	Minimum ¹	Cut off times	Important information
Withdrawals	A completed Withdrawal Form or letter requesting the amount you wish to withdraw signed by the account holders or the authorised signatories and your Australian financial institution account details.	\$1,000	Your written request must be received by 3:00pm at our Melbourne office. Otherwise your withdrawal request will be processed on the following business day.	<p>Withdrawal proceeds will only be paid to a nominated Australian financial institution account.</p> <p>Cheque and third party payments are not available.</p> <p>Incomplete withdrawal requests may not be accepted.</p> <p>We will generally pay withdrawals within two business days. Please refer below for further details.</p>

1. Withdrawals are subject to limits. We may vary minimum withdrawal amounts at our discretion.

Additional information about withdrawals

Cash Account withdrawals

While invested in the Cash Account, you may withdraw the funds at any time with two business days' notice in writing.

The Fund's Constitution allows up to 90 days to satisfy withdrawal requests from the Fund's Cash Account.

Changing your mind

A 14 day cooling off period applies to your initial investment into the Cash Account. The 14-day cooling off period starts on the earlier of:

- the date you receive your initial investment transaction statement; or
- five business days after your funds are invested into the Fund's Cash Account.

Therefore, if you wish to cancel your investment, it is important that you write to us before the expiration of this period.

The amount repaid to you is adjusted to reflect any pro rata interest earned for the days invested. We will also deduct any taxes or duties payable and transaction costs. As a result, the amount returned to you may be less than your original investment.

If you are an investor who qualifies as a "wholesale client" as defined in the Corporations Act 2001, the cooling off period is not available to you.

If you redeem part or all of your interests before the end of the distribution period, you will receive a pro rata distribution based on the number of days that your interests are invested in the Cash Account during the distribution period.

Syndicate-Fund withdrawals

There is no cooling off period after Cash Account funds are allocated to a Syndicate-Fund. Withdrawals from Syndicate-Funds are not available.

Your funds will be returned to the Cash Account for withdrawal upon the repayment of the registered first mortgage loan by the borrower.

Withdrawing from a Syndicate-Fund before the registered first mortgage loan is repaid

In some circumstances, you may request that your funds are transferred from a Syndicate-Fund to the Cash Account prior to the repayment of the registered first mortgage loan by the borrower.

AUFM will only consider such withdrawal requests if and when there are available replacement funds from other investors.

If a withdrawal from a Syndicate-Fund to the Cash Fund is approved, you may withdraw your funds from the Cash Account by providing us with two business days' written notice.

Interest payments

Net interest is paid to you after the Cash Account and relevant Syndicate-Fund's distribution period, which is generally monthly.

The amount of interest you will receive is calculated on a pro rata basis based on the value of your interest in the Cash Account and/or Syndicate-Fund(s), based on the number of days that you have been invested.

There are two payment options:

1. You can reinvest interest into the Cash Account. Only investors with an Australian registered address may reinvest their distributions; or
2. You can have your interest paid directly to an account held at an Australian financial institution. If you wish to have interest paid to you, complete Sections 5 and 6 of the Application Form.

Please note if you are investing through a masterfund or IDPS, the operator may pay income at different times and may not offer you a choice of payment options.

AUFM may, at its discretion, vary the distribution period, distribution payment date and reinvestment date, however, it will notify investors and borrowers of any changes.

Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it 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 fund or your financial adviser.

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.

This document shows 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 assets of the managed investment scheme as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment product		
Establishment fee The fee to open your investment	Nil	We do not apply an establishment fee.
Contribution fee The fee on each amount contributed to your investment	Nil	We do not apply a contribution fee.
Withdrawal fee The fee on each amount you take out of your investment	Nil	We do not apply a withdrawal fee.
Exit fee The fee to close your investment	Nil	We do not apply an exit fee.
Management costs The fees and costs for managing your investment		
Management fee¹	Management fees up to 3.08% p.a. of the first mortgage loan amount. Refer to the relevant Syndicate-Fund SPDS for the applicable management fee.	Recovered as and when incurred from amounts paid to the Fund by the relevant Syndicate-Fund borrower.
Day-to-day expenses relating to the Fund²	These costs are covered from the management fee, payable by the relevant Syndicate-Fund borrower. Estimated to be 0.00% of the average gross asset value of the Fund for the 12 months to 30 June 2017.	The estimated day-to-day Fund expense does not include expenses relating to the operation of the Fund's assets or abnormal expenses. Payable from amounts paid to the Fund by the relevant Syndicate-Fund borrower when incurred.
Expenses relating to any default loans²	Expenses incurred in any activities involved in disposing and/or operating the properties in default may be recovered from the relevant Syndicate-Fund. Estimated to be 0.00% of the average gross asset value of the Fund for the 12 months to 30 June 2017.	Recovered as and when incurred, firstly from amounts repayable to the Fund by the relevant Syndicate-Fund borrower, and secondly from the relevant Syndicate-Fund.

Indirect Costs³	Estimated to be 2.20% of the average gross asset value of the Fund for the 12 months to 30 June 2017.	Reducing the net assets of the Fund ³ or the underlying fund in which the Fund invests as and when incurred.
Service fees	Nil	We do not apply a service fee.
Investment switching fee The fee for changing investment options	Nil	We do not apply a switching fee.

1. Management fees are recovered from fees and/or interest payable by the relevant Syndicate-Fund borrower and range between 1.00% and 3.00% p.a. Management costs do not include the Fund's transactional and operational costs.
2. The management costs for the 12 months to 30 June 2017 have been presented on a consolidated basis, which includes the total costs of each Syndicate-Fund as an average of the Fund's gross asset value.
3. In the case of SIF, the indirect costs are paid by the borrowers of the Syndicate Funds; they are passed on to the Fund as a reduction in performance, which in turn impacts the net assets of the underlying Fund.

Example of annual fees and costs for the Select Income Fund

This table provides an example of how the fees and costs in the Fund may affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example – Select Income Fund Balance of \$50,000 with total contributions of \$5,000 during the year		
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
Plus Management costs	4.20% p.a. ¹	And, for every \$50,000 you have in the Fund you will be charged \$2,100 each year.
Equals Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 at the end of that year, you would be charged fees of \$2,100. ^{1,2}

1. This is the Indirect Cost Ratio (ICR) which includes the maximum Syndicate-Fund management fee, and the estimated indirect costs as an average of the Fund's net assets, for the period 1 July 2016 to 30 June 2017. These management costs are recovered from fees and/or interest payable by the relevant Syndicate-Fund borrower, in effect without a cost to the investor.
2. It is assumed that the contribution of \$5,000 is made at the end of the year.

Additional explanation of fees and costs

Management cost calculations

The table below provides a summary of the Fund's estimated management costs on the Fund's average net asset value, for the 12 months to 30 June 2017. These management costs are recovered from fees and/or interest payable by the relevant Syndicate-Fund borrower, in effect without a cost to the investor.

	Management costs to the investor p.a.	Management costs to the borrower ¹ p.a.
Management fee p.a.	Nil	2.00% ²
Day-to-day expenses relating to the Fund	Nil	0.00%
Expenses relating to any default loans	Nil	0.00%
Indirect cost p.a.	Nil	2.20% ³
Total management cost p.a.	Nil	4.20%

1. Payable by the relevant Syndicate-Fund borrower.
2. This is the maximum Syndicate-Fund management fee for the period 1 July 2016 to 30 June 2017.
3. This is the estimated indirect costs as an average of the Fund's net assets, for the period 1 July 2016 to 30 June 2017.

Management fee

Under the Fund's Constitution, we are entitled to receive up to 3.08% p.a. of the loan amount recovered from fees and/or interest payable by the borrower. The management fee payable by investors is nil. Notwithstanding this, the highest management fee charged in respect of a loan for the 12 months to 30 June 2017 was 2.00% and the average management fee charged in respect of the Fund's net assets over that period was 1.11%.

We are entitled to change fees with prior notice.

Indirect costs

Indirect costs are amounts that the Responsible Entity knows, or estimates, will reduce the Fund's returns. The costs are paid from the Fund's assets, or the assets of an interposed vehicle in which the Fund may invest from time to time. Typically, an interposed vehicle will be a fund in which the Fund has invested.

These costs may include the costs of the management costs (including performance related fees, recoverable expenses and indirect costs of underlying interposed vehicles).

Other indirect direct costs of the Fund may include

- mortgage loan application and valuation fee;
- early and late repayment fees;
- default payment fee
- progress payment fee;

The indirect costs outlined above are paid by the borrower.

Amounts paid to third parties from these fees have been included in the Fund's Transactional and Operational on page 22.

Mortgage loan application fee and valuation fee

Under the Fund's Constitution, we are entitled to charge a mortgage loan application fee in relation to each first mortgage loan application, renewal or variation of that loan, payable by or on behalf of the borrower. The current mortgage loan application fee as at the date of this PDS is up to 2.05% on the value of the loan.

We are entitled to a valuation and search fee in relation to each first mortgage loan or extension or variation of that loan, payable by or on behalf of the relevant Syndicate-Fund borrower.

Early and late repayment fees

We are entitled to an early repayment fee of up to one calendar month's interest, and a management fee on the amount of any advance under the loan which should not exceed the interest and management fee that would have applied had the loan run its course.

We are entitled to late repayment fees of up to one calendar month's interest, and any management fee calculated at the higher rate of interest under the loan.

Default payment fee

In the event of a default, where we decide to fund interest payments to investors, we are entitled to charge and retain the difference between the investor's interest rates specified in the SPDS and the default penalty interest rate.

Recoverable expenses

We are entitled to reimbursement for, or have paid by the Fund, all expenses and taxes we incur in the proper performance of our duties.

Day-to-day expenses relating to the Fund

Day-to-day expenses include, but are not limited to, registry costs, legal services, accounting, printing and audit fees. These costs are covered from the management fee, payable by the relevant Syndicate-Fund borrower.

Day-to-day expenses do not include abnormal costs and operating expenses which are due to abnormal events. An example of this is the cost of running an investor meeting. These costs are recoverable from the Fund.

Indirect Cost Ratio ('ICR')

The ICR is a useful measure of the ongoing fees and expenses of investing in the Fund. It is expressed as a percentage of the average size of the Fund's net assets over a financial year. It includes the maximum Syndicate-Fund management fee, and the estimated indirect costs, as an average of the Fund's net assets, for the period 1 July 2016 to 30 June 2017. The ICR shows the cost of investing in the Fund compared to investing directly in assets.

The ICR does not include transaction costs or brokerage, transactional and operational costs and Government charges incurred by the Fund as these costs would generally also be incurred by an investor investing directly.

The ICR for the period 1 July 2016 to 30 June 2017 was 4.20%.

Transactional and operational costs

The table below provides a summary of the Fund's estimated transactional and operational costs calculated on the Fund's gross asset value for the 12 months to 30 June 2017.

Transactional and operational costs to the borrower p.a. ¹	
Estimated gross transactional and operational costs recovered from Syndicate-Fund borrowers ¹	1.12%
Buy and sell spreads recoverable	0.00%
Estimated net transactional and operational costs recovered from Syndicate-Fund borrowers ¹	1.12%

Transactional and operational costs to the investor p.a.	
Estimated gross expenses relating to any default loans recovered from Syndicate-Fund investors	0.00%
Buy and sell spreads recoverable	0.00%
Estimated net expenses relating to any default loans recovered from Syndicate-Fund investors	0.00%

¹ These costs are recovered from fees payable by the relevant Syndicate-Fund borrower, in effect without a cost to the investor.

Transactional and operational costs recovered from the relevant Syndicate-Fund borrower

Separate to the day-to-day expenses of operating the Fund, there are expenses associated with the operation of the Fund's assets which are recoverable from the relevant Syndicate-Fund's borrowers. Some examples of these expenses include;

- mortgage loan application and valuation fees;
- quantity surveyor costs;
- legal fees.

They differ from day-to-day Fund expenses as they would likely be incurred by a direct investor in such assets. These costs are additional to the management fees set out in the fee table on page 2.

Expenses relating to any default loans

Separate to the transactional and operational costs recovered from the relevant Syndicate-Fund borrower, there are expenses associated with the ownership and operation of the Fund's assets which are recoverable from the Fund.

For example, in the case of a default to a specific Syndicate-Fund, additional expenses may be incurred including:

- agency sales fees;
- property management (including loan management) fees; and
- development management fees.

These fees relate to the activities involved in disposing and/or operating the properties in default. As a result of these costs, investors may receive a reduction to their investment return in the relevant Syndicate-Fund.

Investor transaction costs

You may also incur costs directly associated with transactions made on your account, such as Government taxes and Australian financial institution fees. These costs will be directly deducted from your account by reducing the interests you hold within the Fund. We are unable to estimate these costs until they are incurred.

Responsible Entity removal and retirement fee/outgoings

A Responsible Entity removal/retirement fee is payable on the date of resignation or removal of the Responsible Entity of the Fund. When applicable, this fee is payable by the incoming responsible entity or third party.

This fee is not payable on the Fund's termination. Instead all outgoings (including termination costs) in relation to the retirement of the Responsible Entity, are payable from the Fund.

There is no limit in the Fund's Constitution on the amount that we can recover for expenses incurred in the proper performance of our duties.

Payments to financial advisers and intermediaries

The laws commonly known as the Future of Financial Advice legislation ('FoFA legislation') contain provisions which regulate, and in some cases prohibit, payments to financial advisers and intermediaries by product issuers. Any arrangement by us to make payments or provide incentives to financial advisers and intermediaries will be entered into in compliance with the FoFA legislation.

You should read the 'Fees and costs' sections in the PDS before making a decision. This material may change between the date when you read these sections of the disclosure documents and the date you sign the application form.

Payments for loan referrals

Where a person introduces or refers a loan to the Fund we may pay a referral fee, generally up to 0.50% of the loan amount. These fees are recovered from fees payable by the relevant Syndicate-Fund borrower, in effect without a cost to the investor.

In addition, we may pay an ongoing referral fee for loans referred to the Fund, usually to a financial broker and generally up to 0.50% p.a. These referral fees may be higher in some instances.

Other information

Australian taxation

Certain tax implications of investing in interests in the Fund are explained below. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances. Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in the Fund relevant to your specific circumstances.

The following summary is intended for Australian resident investors and generally applies to investors who hold their interests in the Fund for the purpose of realising a long-term return (that is, hold their investment on capital account for tax purposes). This summary does not consider the tax implications for those investors who hold their interests in the Fund on revenue account, as an isolated investment made with profit making intent or as trading stock. It is based on our interpretation of the current Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change.

While you hold your interests in the Fund

The Fund is intending to elect to be an Attribution Managed Investment Trust ('AMIT') for tax purposes from the 2018 income year. The Fund itself should not pay tax on the basis that it will attribute trust components to investors each financial year on a fair and reasonable basis.

You will need to include in your income tax return your share of the Fund's taxable income for each financial year. This applies regardless of whether the distribution is received in cash during that income year or a later year, and may include amounts that have been reinvested.

To assist you to complete your tax return, you will receive an annual tax statement from us. This statement will provide you with the components to be included in your tax return. The sum of these components may differ to the amount of cash distribution you receive.

Tax losses (if any) generated by the Fund cannot be passed onto investors. However, provided specific requirements are satisfied, the Fund should be able to carry forward tax losses, offsetting them against income generated in a later income year.

Capital gains

Where the Fund derives net capital gains to which you become entitled, you may need to include these amounts in your assessable income. Investors will generally be required to double any discounted capital gains. A capital gains tax ('CGT') discount may then be available for some investors, as outlined below.

When you withdraw

When you fully or partially withdraw or redeem your interests in the Fund, you are treated as having disposed of your investment. As a result, any net gain derived on disposal may be included in your taxable income under the CGT provisions. This may include where you move between investments or transfer your Units in a particular investment to another investor.

An investor will make a capital gain in respect of the disposal of its interests in the Fund to the extent that the capital proceeds attributable to the disposal exceed the investor's cost base. Alternatively, an investor will make a capital loss in respect of the disposal of its interests in the Fund to the extent that the capital proceeds attributable to the disposal of the investment are less than the CGT reduced cost base in the interests in the Fund.

In determining the cost base or reduced cost base of your interests in the Fund, you will need to take into account any returns of capital and tax deferred distributions received in respect of your investment. These amounts may have the effect of increasing your capital gain or decreasing your capital loss. Amounts that represent the CGT concession amount will have no impact on the cost base of your interests in the Fund.

In addition, in circumstances where the amount of cash distribution is less than your share of the Fund's taxable income in an income year, your CGT cost base of the interest in the Fund should increase by the difference. This amount should have the effect of decreasing your capital gain or increasing your capital loss upon disposal of your investment.

Any net capital loss resulting from the disposal of your interests in the Fund may be able to be used to reduce capital gains derived in that or future income years.

Investors that are individuals and trusts may be entitled to a CGT discount that reduces their capital gains by 50% where they have held their interests in the Fund for more than 12 months. Investors that are complying superannuation funds may be entitled to a 33.33% reduction of their CGT liability. No such discount is available to corporate investors.

Non-residents

This summary does not consider the Australian income tax implications for non-resident investors. However, it is noted that the Australian tax law imposes obligations to withhold tax on certain payments to non-residents for Australian tax purposes.

If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the prescribed rates. The rates may vary according to the components of the distribution.

Withholding tax

If you are an Australian resident, you may choose whether or not to provide a **Tax File Number** ('TFN') or an Australian Business Number ('ABN'). If neither is quoted and no relevant exemption information is provided, we may be required to withhold tax on your income distributions at the highest marginal tax rate, plus levies.

Automatic Exchange of Information ('AEOI')

We intend to meet any requirements imposed on the Fund under Australian legislation designed to give effect to the AEOI regimes.

Australia's obligations under AEOI regimes include legislation designed to give effect to the Foreign Account Tax Compliance Act ('FATCA') and the Organisation for Economic Co-operation and Development's ('OECD') Common Reporting Standard ('CRS'). As such, we may collect certain information from you; report payments made in respect of your investment and retain information to meet record keeping requirements. It is recommended you consult with your tax adviser to discuss the impact of these AEOI regimes may have on you.

Goods and Services Tax ('GST')

The acquisition, withdrawal and transfer of interests in the Fund should not be subject to GST. Distributions made by the Fund should also not give rise to any GST consequences.

Australian tax reform

Australia is in the process of ongoing taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of the reforms. Current reforms in progress include a new tax regime for Managed Investment Trusts and a review of the taxation of trusts generally. These reforms may potentially impact the tax position of the Fund and its investors. AUFM will continue to monitor the tax reform process and its impact on the Fund.

Constitution

The Fund is a registered managed investment scheme and is governed by a Constitution and a Compliance Plan.

The statements in this PDS only provide a summary of some of the provisions of the Constitution. You can inspect a copy of the Constitution at our Melbourne office at any time between 9:00am and 5:00pm on a business day.

Classes of interests

The Constitution provides that the Responsible Entity may create and issue interests of different classes with such rights, obligations and restrictions attaching to the interests of such classes as it determines, in accordance with the Corporations Act 2001.

The Responsible Entity

AUFM in its capacity as Responsible Entity is subject to the provisions of the Fund's Constitution and the Corporations Act 2001. The Responsible Entity is responsible for administration and management of the Fund, and sets the investment policy and objectives.

Any investment manager appointed by the Responsible Entity will be entitled to receive fees for investment management functions.

The Responsible Entity is entitled to the benefit of various indemnities under the Fund's Constitution, which means that it has limited its liability for acting as the Responsible Entity.

Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in the loan approvals, selection, retention or realisation of investments in the Fund offered under this PDS.

Authorised investments

A broad range of investments is permitted in the Fund. Generally, the investments in the Fund and each Syndicate-Fund, is limited to registered first mortgages over real property and cash. The typical range of investments for the Fund is set out on page 4.

Related party transactions

Australian Unity Limited and its subsidiaries (related parties) may invest in the Fund and the Fund may invest in related parties from time to time. Details of related party investments are included in the Fund's Annual Report. Investor approval is not required for these arrangements and the transactions are made on commercial terms and conditions and on an arm's length basis.

Monitoring of related party transactions and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Policies and guidelines are 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 with Australian Unity Group entities are reviewed and approved by senior management with clearly identified governance policies and guidelines. Decisions in relation to conflicts of interest and related party transactions are documented.

Updates to related party transactions and further information

As appropriate, we will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the continuous disclosure information.

The value of related party payments are reported yearly as part of the Fund's Annual Report. The latest continuous disclosure information and Annual Report can be found on our website australianunity.com.au. Alternatively you can request a copy free of charge by calling us on 13 29 39.

Keeping you informed about your investment

To help keep you informed of your investment, we will provide you the following:

Communication	Frequency
Confirmation of your initial application confirming receipt of your funds for investment	At the time of the transaction
Confirmation of subsequent applications (excluding those made using a Regular Savings Plan)	
Account statement (interest received) and loan summary	Quarterly
Australian tax statement showing taxation details (interest received in the preceding financial year)	Annually
Annual Reports (These are available from our website. Investors can elect to receive hard copies of the Annual Report – see Section 9 on the Application Form)	Annually, on request

On request by you we are able to provide you information on available investments, current lending rates, changes to interest rates, copies of any SPDS signed by you and a copy of the independent valuer's report on the security property, for any first mortgage loan in which you have funds invested or for which you have received a SPDS from us.

As a disclosing entity, we are subject to regular reporting and disclosure obligations. We comply with the continuous disclosure obligations required by law by the updating of information contained within this PDS on our website (in accordance with the good practice guidance in ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations).

For the Fund's latest Annual Report, you can visit the Fund's web page australianunity.com.au/wealth/sif

We can also provide you with a free copy of the Annual Report most recently lodged and any half-yearly financial report lodged after the Annual Report is lodged (and before the date of this PDS) with ASIC, and any Continuous Disclosure Notices given after the Annual Report is lodged and before the date of this PDS.

As the information in this PDS may change from time to time, you can obtain updated information that is not materially adverse by:

- visiting our website australianunity.com.au/wealth/sif for updates; or
- calling us on 13 29 39 to request a free printed copy of the updated information.

Dispute resolution

We take complaints seriously and aim to resolve them as quickly as possible. If you would like to make a complaint you can call us on 13 29 39, email us at investments@australianunity.com.au or write to us at the following address:

Manager – Client Services

Australian Unity Wealth
114 Albert Road
South Melbourne VIC 3205

We will promptly acknowledge your complaint within 10 business days, investigate it and decide in a timely manner what action needs to be taken. We will notify you of our decision within 45 days after receipt of the complaint, together with any remedies that are available, or other avenues of appeal against the decision.

If you are then not satisfied with our handling of your complaint, you may contact:

Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001
Phone: 1800 367 287
Fax: (03) 9613 6399

Website: www.fos.org.au
Email: info@fos.org.au

This service operates as an independent body for the financial services industry of which we participate, to determine unresolved complaints. There is no cost to you for using this service.

Application Form

22 March 2018

Australian Unity Select Income Fund

Contents

1. Providing your information	27
2. Direct Debit Request ('DDR') Service Agreement	28
3. Anti-Money Laundering Laws and the Application Form	29
4. Completing the Application Form	30
5. Applying for different types of investment accounts	31
6. Application Form checklist	32
Application Form – Part A	33
Application Form – Part B	43

1. Providing your information

Your personal information

We collect your personal information for the following purposes:

- to administer and provide products and services and to manage our relationship with you;
- to process transactions;
- to answer queries and for security purposes;
- to develop products and services;
- to meet regulatory requirements; and
- to allow the Australian Unity Group to market products and services to you (subject to your right to opt-out of receiving various direct marketing materials at any time).

In managing your account, we may need to disclose your personal information to:

- your financial adviser, either directly or through other service providers (such as platform software including Xplan and Visiplan) which we may have arrangements with;



Important information

This Application Form accompanies the Product Disclosure Statement ('PDS') for the Australian Unity Select Income Fund (ARSN 091 886 789). You must consider the PDS which contains important information about investing in the Fund before completing this Application Form. All PDS documents can be accessed on our website, australianunity.com.au/wealth/sif or request a copy free of charge by calling Investor Services on 13 29 39.

A reference to 'you', or 'your', 'I/we', 'my/our', 'me/us', includes individuals or entities making an investment.

- reputable service providers who may carry out functions associated with our products and services on our behalf (e.g. mailing houses who conduct mailings for us);
- our Australian financial institution to initiate the drawing from or payment to your nominated Australian financial institution account (where you have selected the direct debit or credit facility); and
- a third party, as required by law.

You are entitled to access information we have about you. You should notify us immediately if any of the information we hold about you changes, so that we can ensure that your information is always complete, accurate and up to date. If you do not provide the information requested on the Application Form, we may be unable to process your application request.

Your personal information will be collected, used and disclosed by us in accordance with our Privacy Policy and in accordance with the law. You can obtain a copy of our Privacy Policy via our website australianunity.com.au/privacy-policy or by telephone 13 29 39.

Contact us

-  Australian Unity
114 Albert Road, South Melbourne VIC 3205
-  australianunity.com.au

Investor Services

-  investments@australianunity.com.au
-  13 29 39
-  03 8682 5057

Adviser Services

-  investments@australianunity.com.au
-  1800 649 033
-  03 8682 5057

Changing your personal details

It is important that we maintain accurate records about you. Please inform us of any changes to your personal details as soon as possible.

You can change your personal details, such as mailing address, phone, mobile or email address, by logging into your account on our website portal, by sending us a request by mail, emailing us at investments@australianunity.com.au or contacting us on 13 29 39.

Please ensure that you provide us with the following information when requesting a change of personal details:

- your account number;
- the full name on your account;
- the change(s) you are requesting;
- a contact name and daytime phone or mobile number in case we need to contact you; and
- where the request is made by mail, ensure each signatory to the investment account signs the request.

Providing instructions via email or fax

We offer an email and fax service that allows you to send us instructions on your account. Any instructions which are submitted to us by email or fax must have your signature or that of an authorised signatory on your account.

By using our service, you are taken to have agreed and understood that neither we nor any part of the Australian Unity Group accept any responsibility or liability for any payment or action we make based on any instruction (even if not genuine) that we receive by email or fax bearing your account number, a signature which is apparently yours, or that of an authorised signatory on your account. This means that you cannot make a claim for such a thing as a fraudulent email or fax redemption request made by someone who has access to your investor code and a copy of your signature. You use the service entirely at your own risk.

2. Direct Debit Request ('DDR') Service Agreement

Our commitment to you

- Where you request a one off debit, the payment will be drawn from your nominated account on the date we accept your application.
- For regular debits, payment will normally start to be drawn from your nominated account from the 15th day of the month following the date we receive your application (e.g. for an application received on 1 March, the first deduction will occur on 15 March).
- Where the due date for a drawing falls on a non-business day, it will be drawn from your account on the next business day.
- We will provide you with at least 14 days notice when we intend to make changes to the initial terms of the arrangement.
- We will terminate your direct debit arrangement if two consecutive payments are dishonoured or if you close your account.
- We will keep the details of your nominated account and Australian financial institution private and confidential.
- We will investigate and deal promptly with any queries, claims or complaints regarding debits.

Your commitment to us

- It is your responsibility to check with your nominated Australian financial institution to confirm that direct debits are available on your account.
- It is your responsibility to ensure that the authorisation at Section 5 'Direct debit request for investments to your account' of the Application Form matches the signing instructions on your nominated Australian financial institution account.
- It is your responsibility to ensure that there are sufficient cleared funds in the nominated Australian financial institution account on the drawing date.
- It is your responsibility to cover any charges resulting from the use of the direct debit program. This may include transaction fees charged by us or your nominated Australian financial institution due to dishonoured drawings.

Changes to the arrangement

If you want to make changes to the drawing arrangements, please notify us in writing at least five business days prior to your next scheduled drawing date. These changes may include:

- deferring the drawing;
- altering the schedule;
- stopping an individual debit;
- suspending the DDR; or
- cancelling the DDR completely.

Enquiries

If you have any enquiries, they should be directed to us, rather than to your nominated Australian financial institution.

All your personal information held by us will remain confidential, except for information that may be provided to our Australian financial institution to initiate the drawing to your nominated account, or information that may be disclosed to a third party as required by law. Information may also be provided to any entity within the Australian Unity Group to enable the DDR to be effected as required by law.

Disputes

- If you believe that a drawing has been initiated incorrectly, you should raise the matter directly with us.
- If you do not receive a satisfactory response from us, then please follow up with your nominated Australian financial institution regarding your claim.
- You will receive a refund of the drawing amount if we cannot substantiate the reason for the drawing.

Note: Your nominated Australian financial institution will ask you to contact us initially to resolve your disputed drawing prior to involving them.

3. Anti-Money Laundering Laws and the Application Form

Australia's Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) laws requires Australian Unity to adopt and maintain an AML/CTF program. To meet this legal requirement, we need to collect certain identification information and documentation (Know Your Client ('KYC') Documents) from new investors. If you are applying through a financial adviser, your financial adviser will assist you in providing the necessary identification documents prior to lodging the application.

If you are submitting your application directly (without the assistance of a financial adviser), please refer to 'Applying for different types of investment accounts' for the identification documents that should be provided with your application. Please note that your identification documents must be certified by an approved certifier. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF laws.

Processing of applications or withdrawals will be delayed or refused if investors do not provide the required KYC Documents when requested.

Under the AML/CTF laws, Australian Unity is required to submit regulatory reports to the Australian Transaction Reports and Analysis Centre ('AUSTRAC'). This may include the disclosure of your personal information. Australian Unity may not be able to tell you when this occurs. As a result, if instructed by AUSTRAC, Australian Unity may be required to deny you (on a temporary or permanent basis) access to your investment. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

We are not liable for any loss you may suffer because of compliance with the AML/CTF laws.

Politically Exposed Persons

To comply with AML/CTF laws we require you to disclose whether you (or any of your beneficial owners) are, or have an association with, a Politically Exposed Person ('PEP'). A PEP is an individual who holds a prominent public position or function in a government body or an international organisation in Australia or overseas, such as a Head of State, or Head of a Country or Government, or a Government Minister, or equivalent senior politician. A PEP can also be an immediate family member of a person referred to above, including spouse, de facto partner, child, and a child's spouse or a parent. A close associate of a PEP, i.e. any individual who is known to have joint beneficial ownership of a legal arrangement or entity is also considered to be a PEP. Where you identify as, or have an association with, a PEP, we may request additional information from you.

Source of investable assets/wealth

Under AML/CTF laws, we are required to identify your source of investable assets/wealth.

Non-Individual Entities - Your Beneficial Owners

Your Beneficial Owner means an individual who ultimately 'controls' you (directly or indirectly) or owns you (directly or indirectly). 'Control' includes control (directly or indirectly) as a result of, or by means of trusts (including in the capacity as beneficiary, trustee or settlor), an agreement, an arrangement, an understanding or practice, and further includes the ability to exercise control over decisions about financial and operating policies. 'Owns' means ownership (either directly or indirectly) of 25% or more of you.

Under AML/CTF laws you are required to provide information about your Beneficial Owners for certain account types including:

- Australian incorporated or created entities such as:
 - unlicensed proprietary limited companies, not subject to regulatory oversight (note: not applicable for complying superannuation fund investors); or
 - unregistered trusts, including family trusts.
- Entities incorporated or created outside of Australia such as:
 - companies;
 - partnerships;
 - trusts; or
 - estates.

These account types will be required to complete the 'Beneficial Owner Information' Form, which is available on our website australianunity.com.au/wealth or by calling our Investor Services team on 13 29 39.

Automatic Exchange of Information ('AEOI') regime

AEOI is the exchange of financial account information between tax authorities in relevant countries. This requires financial institutions including Australian Unity, to collect tax residency information from their customers.

AEOI is currently made up of two information sharing frameworks:

- The Foreign Account Tax Compliance Act ('FATCA') which is a US framework to identify US citizens and tax residents with accounts in foreign (non-US) jurisdictions. This has been in place since 1 July 2014; and
- The Common Reporting Standard ('CRS') under which details of foreign tax resident accounts are shared between participating governments. Phased implementation of this regime commenced 1 January 2016 globally, and commenced in Australia from 1 July 2017.

Common Reporting Standard ('CRS')

CRS is a global standard for collecting, reporting and exchanging financial information on foreign tax residents, which was initiated by the Organisation for Economic Cooperation and Development ('OECD') to provide greater transparency and reduce offshore tax evasion in over 100 participating countries and jurisdictions.

In accordance with CRS, banks and other financial institutions in Australia are required to collect financial account information from their customers who are resident in countries other than Australia for tax purposes and provide financial information to the Australian Tax Office ('ATO') where it will be exchanged with other participating countries. These changes are a legislative requirement, therefore must be complied with.

Submitting your application without the assistance of a financial adviser

If you are submitting this Application Form directly, without having consulted with a financial adviser, you must submit original certified copies of your identification documents with the Application Form. The required identification documents are set out under 'Applying for different types of investment accounts'.

Certification of documents

Where your identification documents need to be certified, we suggest that the person certifying the document(s) for you use the following statement on the copy being certified:

'I certify this to be a true copy of the [name of document] of [name of investor], the original of which, was produced to me at the time of signing.'

The document must also be dated, and have the signature, printed name, occupation, employer and address of the person certifying the document.

Persons who may certify copies of original identification documents include:

- Officer with or authorised representative by an Australian Financial Services licence holder with two or more years of continuous service with one or more licensees.
- Chartered Accountant, CPA or member of the National Institute of Accountants with two or more years of continuous membership.
- Officer of a financial institution or finance company with two or more years of continuous service with one or more institutions or companies.
- Permanent employee of the Australian Postal Corporation with two or more years of continuous service, or someone who operates as an agent of the Australian Postal Corporation.
- Police Officer.
- A person who, under the law in force in a state or territory, is currently licensed or registered to practice as a: Chiropractor, Dentist, Legal Practitioner, Medical Practitioner, Nurse, Optometrist, Pharmacist, Physiotherapist, Psychologist or Veterinary Surgeon.
- Lawyer, Magistrate, Registrar of the Court, Justice of the Peace.
- Notary Public (including persons authorised as a notary public in a foreign country).

A complete list of persons who may certify documents can be obtained from our website australianunity.com.au/wealth or by contacting us on 13 29 39.

4. Completing the Application Form

The following information is provided to assist you in completing and lodging the Application Form.

- Use a blue or black ballpoint pen.
- Print in **BLOCK** letters inside the boxes.
- Answer all sections unless otherwise indicated (if a section does not apply, please indicate using 'N/A').
- Ensure you sign the Application Form.
- Complete the Direct Debit Request in **Section 5** or if you are paying by cheque, make it payable to: Australian Unity – <name of investor(s)> and crossed 'not negotiable'.

- Mail your Application Form, certified identification documents (where required) and cheque or direct debit instructions to our Reply Paid address (see 'Lodgement').

Providing your Tax File Number ('TFN')

You may decide whether you wish to provide your TFN on the Application Form. If we do not receive your TFN, ABN or appropriate exemption information, we must withhold tax at the highest marginal tax rate (plus levies) from distributions paid to you.

Signing the Application Form

Read the declaration section carefully before signing the Application Form. Each signatory to the investment account must sign the Application Form.

- If signed under Power of Attorney, the Attorney must certify that they have not received notice of revocation of the Power. We require a certified true copy of the Power of Attorney for our reference.
- Company applications must be signed in accordance with the constitution or rules of the company.

Lodgement

Please send the completed application together with a cheque or your DDR instructions to:

**Australian Unity
Investor Services - Wealth
Reply Paid 64466
South Melbourne VIC 3205**

(No stamp required if mailed in Australia)

The application will be considered lodged when it is received in our Melbourne office on a Melbourne business day prior to 3.00 pm.

Incomplete applications

Please take your time to complete the Application Form, ensuring that all of the required information is included, or we may not be able to process your application.

If we do not receive sufficient information from you, we will contact you to request the necessary information. Any delay in providing the necessary information may result in you receiving a different unit price than you expected. We recommend you carefully complete the Application Form and use the 'Completing the Application Form' instructions on this page and the 'Application Form checklist' to ensure that you provide all of the required information. If you require assistance with completing the Application Form, please call us on 13 29 39.

If your application is incomplete and the additional information is not provided on request, we may return the application and your application monies to you.

5. Applying for different types of investment accounts

If you are applying through a financial adviser, your financial adviser will assist you in providing the necessary identification documents. The following identification documents are required if you are submitting your application directly, without the assistance of a financial adviser.

Please note: Certain types of entities may also be required to provide information and identification documents in relation to your Beneficial Owners. You will be required to complete the 'Beneficial Owner Information' Form.

Individual account	The applicant, e.g. Jane Citizen	The applicant's	The applicant's	Original certified copy of any of the following that identify your (the applicant's) full name, date of birth and/or residential address: <ul style="list-style-type: none"> • Driver Licence; or • Passport containing photo identification.
Joint account	Both or all joint applicants, e.g. Jane Citizen & John Citizen	Each applicant's	All joint applicants	
Partnership	All partners, e.g. Jane Citizen & John Citizen	The partnership's	All partners	<ul style="list-style-type: none"> • Original certified copy or certified extract of a partnership agreement; • Original certified copy or certified extract of minutes of meeting. <p>For an individual partner, please provide the same type of information requested for an Individual account (referred to as Partnership – Individual).</p> <p>For a corporate partner, please provide the same type of information requested for a Company (referred to as Partnership – Corporate).</p>
Company	The name of the company, e.g. Sample Company Pty Ltd.	The company's	Two directors; or a director and a company secretary or if there is only one director, by that director	<ul style="list-style-type: none"> • Copy of the Certificate of Registration/ Incorporation confirming the company's name, identification number and whether the company is a public or proprietary company. <p>For each director and/or secretary, please provide the same type of information requested for an Individual account.</p>
Superannuation fund	The trustee(s) of the fund and not the name of the Super Fund, e.g. ABC Trustees ATF Jane Citizen Super Fund	The superannuation fund's	The trustee(s), 'as trustee(s) for...'	<ul style="list-style-type: none"> • Original certified copy of first page and schedule of the Trust Deed. • For each trustee, please provide the same type of information requested for an Individual account. <p>For corporate trustees, please provide the same type of information requested for a Company.</p>
Trust	The trustee(s) of the Trust and not the name of the Trust, e.g. ABC Trustees ATF Jane Citizen Trust	The trust's		
Estate	The executors of the estate, e.g. Estate of the late Jane Citizen	The deceased person's	The executor(s)	<ul style="list-style-type: none"> • Original certified copy of the grant of probate or Letters of Administration; or • Death Certificate. <p>For each executor, please provide the same type of information requested for an Individual account.</p>
Minor (a person under 18 years of age)	The adult's name in trust for the minor's name, e.g. Jane Citizen ITF John Citizen Jr.	All adults	All adults investing on behalf of the minor	<ul style="list-style-type: none"> • Original certified copy of birth certificate or birth extract of the minor. <p>For adults please provide the same type of information requested for an Individual account.</p>

6. Application Form checklist

Ensure you complete the relevant section according to your investor type outlined in the table below:

Investor type	Application Form Part A	Application Form Part B
Individual	Complete Section 1–10	Not applicable
Joint	Complete Section 1–10	Not applicable
Partnership - Individual	Complete Section 1–10	Not applicable
Partnership - Corporate	Complete Section 1–10	Complete relevant sections
Company	Complete Section 1–10	Complete relevant sections
Superannuation fund	Complete Section 1–10	Complete relevant sections
Trust	Complete Section 1–10	Complete relevant sections
Estates – Individual Executor	Complete Section 1–10	Complete relevant sections
Estates – Corporate Executor	Complete Section 1–10	Complete relevant sections
Other applicant types	Please contact us on 13 29 39 for assistance	

To ensure that we are able to process your Application Form quickly and efficiently, please 'X' that you have completed all of the following:

- Section 1 Account details**
Indicate whether you are a new investor or if you have an existing investor number (mandatory). Please note that if you have an existing investor number with us, you are not required to supply the required identification documents.
- Section 2 Investor details**
Indicate your investment type and provide your personal details (mandatory).
- Section 3 Mailing address**
Provide only if different from your residential address.
- Section 4 Contact details**
Provide your contact details.
- Section 5 Investment details**
Indicate the Fund you wish to invest in and the amount you wish to invest (mandatory) and provide details for your Regular Savings Plan and Direct Debit Request instructions (if applicable).
- Section 6 Payments from your investment**
Indicate your preferred method of payment for distribution.
- Section 7 Appointing a representative**
This section is to be completed by your financial adviser. If you are not using the services of a financial adviser, please leave blank.
- Section 8 Statements**
If you wish to access your statements online and receive an email alert to notify you when your statements are available please indicate at this section and include your email address at **Section 2**.
- Section 9 Annual reports**
Indicate if you would like to receive a printed copy of the Annual Report. The Annual Report is available from our website at australianunity.com.au/wealth.
- Section 10 Declaration and investor signature(s) (mandatory)**
 - Individual investors** – Provide your signature and date the form.
 - Joint investors** – Provide your signatures and date the form.
 - Partnership** – Provide your signatures and date the form.
 - Corporate partnership** – Provide the signatures of two directors; or a director and a company secretary or if there is only one director, by that director and date the form. Ensure you also complete the relevant sections in **Part B**.
 - Company** – Provide the signatures of two directors (or a director and a company secretary); or if there is only one director, by that director and date the form. Ensure you also complete the relevant sections in **Part B**.
 - Superannuation fund** – Provide the signatures of the trustees and date the form. Ensure you also complete the relevant sections in **Part B**.
 - Trust** – Provide the signatures of the trustees and date the form. Ensure you also complete the relevant sections in **Part B**.
 - Estate** – Provide the signature of the executor and date the form. Ensure you also complete the relevant sections in **Part B**.
 - Power of Attorney** – Provide your signature and date the form. Attach a certified copy of the Power of Attorney. A Justice of the Peace, Solicitor or Notary Public must certify each page of the Power of Attorney. You also need to provide the same type of information requested for an Individual account as it relates to the Attorney named in the application. Should the Power of Attorney document not contain a sample of the Attorney's signature, please provide a certified copy of identification documents for the Attorney, containing a sample of their signature, e.g. Driver Licence or passport containing photo identification.
 - Your Beneficial Owners** – Certain types of entities may also be required to provide information and identification documents in relation to your Beneficial Owners. You will be required to complete the 'Beneficial Owner Information' Form.

Application Form Part A

22 March 2018



Australian Unity Select Income Fund

New and additional investments

Please:

- Use **BLOCK** letters and a black or blue pen to complete this Application Form
- Indicate using an 'X' where appropriate. If a section does not apply to you, please indicate using 'N/A'
- Refer to 'Politically Exposed Persons' for the definition of a politically exposed person.
- You may also be required to provide information and identification documents in relation to your Beneficial Owners and Common Reporting Standard requirements. Refer to "Non-Individual Entities – Your Beneficial Owners" and Automatic Exchange of Information ('AEOI') to assess whether you are required to include a 'Beneficial Owner Information Form' and/or Tax Residency Information Form with your Application Form.

Office use only

Section 1 Account details

New investor: Are you a new investor with Australian Unity?

Yes – Go to **Section 2** and complete all details

No – See below

Existing investor: Is this investment to be in the same name?

No – Go to **Section 2** and complete all details

Yes – Please specify your existing account number, account name and TFN

Existing account number

Existing account name

Existing Investor TFN or TFN exemption*

*If exempt, please specify reason.

If any of your details have changed please provide them below, otherwise go to **Section 5**

Section 2 Investor details

Part A

What type of investment are you opening? (Please indicate using an 'X')

Individual Joint Partnership Company Superannuation fund Trust Estate

Investor 1 (Individual/Joint/Partnership - Individual)

Title Mr Mrs Ms Miss Date of birth //

Surname

Given name(s)

Email

Occupation

TFN or TFN exemption*

* If exempt, please specify reason. If due to pension or allowance, please state full name of benefit (e.g. Age Pension)

Country of residence for tax purposes (if outside Australia)

Are you a US Citizen or US tax resident?

 Yes No

If yes, please provide the child's Taxpayer Identification Number ('TIN')

Are you a Politically Exposed Person?

 Yes No

Please identify the source of your investable assets or wealth

Gainful employment Inheritance/gift Financial investments
 Business activity Superannuation savings Other – please specify

Investor 1 Residential address (not a P.O. Box)

Unit Street number

Street name

Suburb State

Postcode Country (if not Australia)

Investor 2 (Individual/Joint/Partnership - Individual)

Title Mr Mrs Ms Miss Date of birth //

Surname

Given name(s)

Email

Occupation

TFN or TFN exemption*

* If exempt, please specify reason. If due to pension or allowance, please state full name of benefit (e.g. Age Pension)

Country of residence for tax purposes (if outside Australia)

Are you a US Citizen or US tax resident?

 Yes No

If 'Yes', please provide your Taxpayer Identification Number ('TIN')

Are you a Politically Exposed Person?

 Yes No

Please identify the source of your investable assets or wealth

Gainful employment Inheritance/gift Financial investments
 Business activity Superannuation savings Other – please specify

Investor 2 Residential address (not a P.O. Box)

Unit Street number

Street name

Suburb State

Postcode Country (if not Australia)

Contact person

Email

Please identify the source of your investable assets or wealth

Gainful employment Inheritance/gift Financial investments

Business activity Superannuation savings Other – please specify

Nature of business

Registered business address (not a P.O. Box) Registered business address (not a P.O. Box)

Unit Street number

Street name

Suburb State

Postcode Country (if not Australia)

Part B

Are any above named individuals or entities resident of a country for tax purposes other than Australia? Yes No

If you answered Yes above, please complete the Tax Residency Form, available on australianunity.com.au/wealth/forms-and-downloads

Section 3 Mailing address

- Same as Investor 1 residential address/business address **OR**
- Same as Investor 2 residential address

Otherwise complete mailing address details below:

Unit Street number P.O. Box

Street name

Suburb State

Postcode Country (if not Australia)

Section 4 Contact details

Contact name

Phone (after hours) - - Phone (business hours) - -

Mobile - - Facsimile - -

Email

Section 5 Investment details

Please specify the amount that you wish to invest. The minimum initial investment is \$5,000. The minimum additional investment is \$1,000. The minimum for a Regular Saving Plan is \$100 per month (e.g. \$300 per quarter).

Initial or additional investments	Regular Savings Plan*	Frequency* (M, Q, H or Y)
\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>

* If you would like to commence a Regular Savings Plan please indicate your desired frequency: **M** = Monthly, **Q** = Quarterly, **H** = Half yearly and **Y** = Yearly.

Investor identity verification declaration

I certify in accordance with the FSC/FPA Industry Guidance Note 24 ('GN24'), that I have:
(Mark the appropriate box with an 'X')

1. Collected, verified and retained the appropriate customer identification documentation to confirm the identify of all individuals/investors with this application to meet my obligations in respect of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML/CTF laws') and agree to provide access to these records as required.
- OR
2. Attached a copy of the industry 'Customer Identification Form' which confirms that I have sighted and verified all of the documentation required to identify a customer under AML/CTF laws.
- OR
3. Attached a copy of the source documents from which I have identified the customer as required by the AML/CTF laws.

If no box is marked, I agree that Option 1 applies.

In addition, as the Investor's financial adviser, I warrant and represent to AUFM that I, as applicable:

- have followed and complied with GN 24 and any other applicable AML/CTF laws in identifying and verifying all individuals/investors with this application;
- will continue to comply with GN 24;
- will provide, upon request, original identification and verification records and details of the identification procedures adopted;
- have kept a record of the investor's identification and verification and will retain these for a period of seven years after the investor/adviser relationship has ended;
- will if requested update and re-verify the investor and provide any other additional information regarding the investor;
- will not knowingly do anything to cause AUFM to breach AML/CTF laws and will notify AUFM if I become aware of anything that would cause AUFM to breach AML/CTF laws; and
- confirm that the details provided in any identification and verification records are true and correct.

Please note, AUFM reserves the right to reject any applicable GN 24 form attached to this Application Form for whatever reason (for example, if it has been incorrectly completed).

Adviser signature

X

Date / /

Section 8 Statements

Your tax and distribution statements can be sent to you.

If you wish to receive a printed copy of your statements when they are available, indicate using an 'X':

Section 9 Annual Report

The Annual Report is available from our website at australianunity.com.au/wealth

If you wish to receive a printed copy of the Annual Report, please indicate using an 'X':

Section 10 Declarations and investor signature(s)

I/We agree and acknowledge:

- hereby apply for the registration in the Australian Unity Select Income Fund ('Fund');
- to be bound by the terms and conditions of the Australian Unity Select Income Fund – Product Disclosure Statement ('PDS'), the Application Form and in the Fund's Constitution (as amended from time to time);
- to be bound by the terms and conditions of the Direct Debit Request Service Agreement contained in this Application Form where I/we have opted to use the Direct Debit Service;
- that if I/we have selected a General Investment Authority that this authorises the Responsible Entity to make allocations on my/our behalf to particular first mortgage loan(s)/Syndicate-Fund(s) and that I/we have no recourse against the Responsible Entity for making that selection.
- in nominating a representative to operate on this account:
 - I/we authorise such representative to access my/our details and to provide instructions on my/our behalf until such time as revocation of the appointment is notified to the Responsible Entity;
 - I/we release, discharge and agree to indemnify the Responsible Entity against any and all losses, liabilities, claims and demands arising from the appointment of, or exercise of powers by, the representative;
 - I/we agree that it is my/our responsibility to monitor the actions of the appointed representative and to notify the Responsible Entity immediately upon the revocation of the appointment;
- that none of the entities mentioned throughout this PDS guarantee the payment of interest or any return of capital;
- that monies invested in the Fund do not represent investments in Australian Unity Funds Management Limited, nor with a member of the Australian Unity Group;
- that the investment is subject to investment risk including possible delays in repayment of interest, loss of income or principal invested;
- having read and understood the PDS and Application Form, and where this documents have been obtained through electronic means, then I/we declare that I/we received a printout which comprised the whole PDS and the Application Form before making an application for interests in the Fund;
- prior to settlement and following maturity of a first mortgage loan, my/our investment monies may be held in the Fund's Cash Account for myself/ourselves;
- that Australian Unity Limited and its related bodies corporate may offer goods and services appropriate for my needs and interests. I/We consent to my/our information being disclosed between those entities and to its use for direct marketing (subject to my/our right of opt-out), product management and development and for other related purposes;
- that Australian Unity Funds Management Limited may give information relating to my/our account and investment in that account to my/our financial adviser whose stamp appears on the Application Form;
- that if this application is signed under a Power of Attorney, the Attorney verifies that no notice of revocation of that power has been received at the date of completing this application;
- for all account types other than individual and joint accounts, that the application is signed in accordance with the governing rules and/or constituent documents;
- that all of the information provided in this Application Form is complete and accurate to the best of my/our ability/abilities;
- that I/we will provide any supporting or additional information which might be required in order to process this application, or subsequently, as a consequence of my/our holding interests in the Fund;
- that my/our personal information will be collected, used and disclosed by Australian Unity in accordance with its Privacy Policy and in accordance with the law;
- that the information provided for meeting US Foreign Account Tax Compliance ('FATCA') Act requirements (where applicable) is true and correct and that I/we will provide all necessary co-operation and assistance in order for me/us to comply with obligations under Australian legislation designed to give effect to the FATCA agreement between Australia and the United States;
- that I/we have no reason to suspect that the monies used to fund this application, or any subsequent contributions into the Fund, is or will be derived from or related to any money laundering, terrorism financing or other illegal activities; and
- that by providing my/our email address at Section 2 Australian Unity Funds Management Limited may use this address to provide me/us, where permitted by law or regulation, with information via email about my/our investment and the Fund, including to satisfy any continuous disclosure requirements.

Who signs the application form?

If the account is held for one or more individuals	THEN	those individuals sign.
If the account is held for a partnership	THEN	all partners or those authorised to sign on behalf of the partnership.
If the account is held for a company or corporate partnership or corporate trustee	THEN	two directors; or a director and a company secretary; or if there is a single director, by that director. By signing as a single director you confirm that your company is a single director company.
If the account is held for a superannuation fund or trust	THEN	the trustee(s), 'as trustee(s) for...'

Investor 1

Individual
 Joint
 Director
 Partner
 Trustee
 Other

Capacity

Surname

Given name(s)

Investor signature Common Seal (if applicable)

Date / /

Investor 2

Individual
 Joint
 Director
 Partner
 Trustee
 Other

Capacity

Surname

Given name(s)

Investor signature Common Seal (if applicable)

Date / /

Submitting your Application Form

1. Corporate partnership, company, superannuation fund, trust, unincorporated body or estate applications please also complete **Application Form Part B**.
2. Certain types of entities may also be required to provide information and identification documents in relation to your Beneficial Owners. You will be required to complete the 'Beneficial Owner Information' Form.
3. Sign the Application Form.
4. Where identity verification as required by Anti-Money Laundering legislation has not been undertaken by a financial adviser, please enclose the additional documentation outlined in the 'Application Form checklist'.
5. Complete the Direct Debit details in **Section 5** or enclose your cheque. Please make your cheque payable to: Australian Unity - <name of investor> and crossed 'Not Negotiable'.
6. Mail the completed Application Form and cheque (if not paying by DDR) to:

Australian Unity
Investor Services - Wealth
Reply Paid 64466
South Melbourne VIC 3205
 (no stamp required when mailed within Australia)

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Application Form Part B

22 March 2018

Australian Unity Select Income Fund

Additional information required for special account types

Please:

- Complete all relevant sections below as incomplete applications may not be accepted. Ensure that you also complete all relevant sections in **Part A**.
- Use **BLOCK** letters and a black or blue pen to complete this Application Form.
- Indicate using an 'X' where appropriate. If a section does not apply to you, please indicate using 'N/A'.
- Refer to 'Politically Exposed Persons' for the definition of a politically exposed person.
- You may also be required to provide information and identification documents in relation to your Beneficial Owners and Common Reporting Standard requirements. Refer to "Non-Individual Entities – Your Beneficial Owners" and Automatic Exchange of Information ('AEOI') to assess whether you are required to include a 'Beneficial Owner Information Form' and/or Tax Residency Information Form with your Application Form.

Reference Number

Office use only

Account details

What type of investment account are you opening? (Please indicate using an 'X')

Please also complete the sections below that are relevant to your investor type. **Note that all fields that apply to your account type are mandatory.**

Company Superannuation fund Trust Estate Partnership - Corporate

Please note: If you wish to invest for an **Association, Co-Operative** or **Government Body**, please call us on 13 29 39 for details of the additional information we may require from you.

Company/Corporate trustee/Executor (if applicable)/Partnership-Corporate

*Individuals signing this Application Form must confirm their names and PEP status below. If you are a domestic proprietary company or a foreign company please provide the names and PEP status of all directors. If you are applying as a Corporate Partnership or more than four directors exist for a proprietary company or a foreign company, please call us on 13 29 39 before you complete **Part B**.

Director 1's full name*

Are you a Politically Exposed Person?

Yes No

Are you a US Citizen or US tax resident?

Yes No

If Yes, please provide your Taxpayer Identification Number ('TIN')

Director 2's full name*

Are you a Politically Exposed Person?

Yes No

Are you a US Citizen or US tax resident?

Yes No

If Yes, please provide your Taxpayer Identification Number ('TIN')

Director 3's full name*

Are you a Politically Exposed Person?

Yes No

Are you a US Citizen or US tax resident?

Yes No

If Yes, please provide your Taxpayer Identification Number ('TIN')

Director 4's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Individual trustee/Individual executor (if applicable)

* If more than four individual trustees exist for the trust, please call us on 13 29 39 before you complete **Part B**.

Trustee 1's full name*

Are you a Politically Exposed Person? Yes No.

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Trustee 2's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Trustee 3's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Trustee 4's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Trust beneficiary details

* Please specify the beneficiaries of the trust. If more than four beneficiaries exist for the trust, please call us on 13 29 39 before you complete **Part B**.

Beneficiary 1's full name*

Are you a Politically Exposed Person? Yes No.

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Beneficiary 2's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Beneficiary 3's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

Beneficiary 4's full name*

Are you a Politically Exposed Person? Yes No

Are you a US Citizen or US tax resident? Yes No If Yes, please provide your Taxpayer Identification Number ('TIN')

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US Foreign Account Tax Compliance Act ('FATCA') Questionnaire

To be completed by all 'non-individual' account types other than complying superannuation funds*

*Complying superannuation funds, exempt public sector superannuation schemes, approved deposit funds or pooled superannuation trusts do not need to complete this section.

1. Are you a US Company[†], US Trust[‡], or US Partnership[§]?

[†]US Company - A company organised in or under the laws of the United States.

[‡]US Trust - A trust under the authority of United States courts and the substantial decisions are controlled by a US citizen or resident.

[§]US Partnership - A partnership organised in or under the laws of the United States.

Yes - Please go to question 1.1 No - Please go to question 2

1.1 Are you an exempt payee for US tax purposes?

Yes

No - Please provide your US Taxpayer Identification Number ('TIN'):

If you have completed question 1.1, **Part B** is complete. Please remember to include it with **Part A** of the Application Form.

2. Are you an Australian Financial Institution ('AFI') or Other Partner Jurisdiction Financial Institution ('FI')?

In answering this question, it is anticipated that AFIs and FIs will have an awareness of the FATCA regime and should be able to complete this question. All other entities should answer 'No'.

Yes - Please go to question 2.1 No - Please go to question 3

2.1 Please provide your Global Intermediary Identification Number ('GIIN'), if applicable:

If you do not have a GIIN, please provide your FATCA status:

Non-reporting IGA FFI

Exempt Beneficial Owner

Non-participating FFI

Deemed Compliant FFI

Excepted FFI

GIIN applied for but not yet issued

If you have completed question 2.1, **Part B** is complete. Please remember to include it with **Part A** of the Application Form.

3. Do any of the following apply to you? (tick all that apply)

Less than 50% of our income in the previous financial year is passive income[#]

[#]Passive Income - includes rental income and income not generated from active participation, such as interest, dividends, trust distributions or royalties.

Less than 50% of our assets held in the previous financial year produce passive income[#]

Our stock is regularly traded on an established securities market or more than 50% of our stock is controlled by a non financial entity regularly traded on an established securities market

Our entity is a government body, agency or instrumentality

Our entity is exempt from tax in our jurisdiction of residence - If ticked why?

Please note: if you have not selected any of the checkboxes in question 3 above, you will need to complete the 'Beneficial Owner Information Form', which is available on our website australianunity.com.au/wealth or by calling our Investor Services team on 13 29 39.

Directory



Investor Services

T 13 29 39 F 03 8682 5057

Adviser Services

T 1800 649 033 F 03 8682 5057



Website

australianunity.com.au

Email

investments@australianunity.com.au



Address

Australian Unity
114 Albert Road
South Melbourne VIC 3205