



# LA TROBE AUSTRALIAN CREDIT FUND

An Australian Investment Fund

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## Product Disclosure Statement

28 November 2024

## **The Fund**

La Trobe Australian Credit Fund

ARSN 088 178 321

Level 25, 333 Collins Street  
Melbourne, Victoria 3000 Australia

## **Responsible Entity**

La Trobe Financial Asset Management Limited

ABN 27 007 332 363

AFSL No. 222213

ACL No. 222213

Level 25, 333 Collins Street  
Melbourne, Victoria 3000 Australia

## **Investment Manager**

La Trobe Financial Services Pty Limited

ABN 30 006 479 527

ACL 392385

Level 25, 333 Collins Street  
Melbourne, Victoria 3000 Australia

Level 9, Chifley Tower  
2 Chifley Square  
Sydney, New South Wales 2000 Australia

## **Custodian**

Perpetual Corporate Trust Limited

ABN 99 000 341 533

AFSL 392673

Level 18, 123 Pitt Street  
Sydney, New South Wales 2000 Australia

## **Auditor**

Statutory auditor of the Fund  
Statutory auditor of the Responsible Entity  
Statutory auditor of the Compliance Plan

Ernst & Young  
8 Exhibition Street  
Melbourne, Victoria 3000 Australia

La Trobe Financial

Asset Management

## In your interest

Before making your investment decision, please consider this Product Disclosure Statement (**PDS**) and discuss it with your financial adviser.

La Trobe Financial Asset Management Limited (**La Trobe Financial** or **we**) and its Authorised Representatives do not provide financial advice and this PDS provides factual information only.

## Investment tip

For peace of mind, you must determine which investment account is best for you. You must consider your attitude to risk and return so that you do not worry if the value of your investment changes. You must take responsibility for your own investment decisions and to this end you should consider obtaining independent advice before making any investment or financial decisions.

## Product Disclosure Statement

This PDS is dated 28 November 2024 and has been issued by La Trobe Financial. This PDS has not been lodged with the Australian Securities & Investments Commission (**ASIC**) and is not required by the Corporations Act to be lodged with ASIC.

Your investments in the Fund are governed by the PDS that is in force from time to time. ASIC takes no responsibility for the contents of this PDS.

## What am I investing in?

The La Trobe Australian Credit Fund (**Fund**) is a managed investment fund registered by the national regulator, ASIC. Investments in the Fund are issued by La Trobe Financial. They are governed by the terms and conditions contained in this PDS, any subsequent Supplementary PDS that you execute and the Fund's Constitution (**Terms**). It is important that you read these Terms in full as they set out your rights and obligations in relation to your investment.

The Fund offers investments in seven Investment Accounts with different investment terms, yield and characteristics. This gives you the ability to choose the investment that best suits you.

## Shareholders

La Trobe Financial's major shareholder is an entity associated with Brookfield Asset Management Inc. (**Brookfield**). Brookfield is one of the world's largest alternative investment management companies and is listed on the New York and Toronto stock exchanges. Founded in 1899, Brookfield has over 240,000 operating employees across more than 30 countries worldwide, with US\$925 billion in assets under management.

## Disclaimer

The primary regulator of the Fund is the ASIC.

The offer contained in this PDS is an invitation only. The investments offered by La Trobe Financial:

- have not taken into account your investment objectives, financial position or particular needs; and
- like all investments are subject to investment risks, including reduction in the capital value of the amount invested, a less than expected return on funds invested, or a delay in payment.

The investments are not a deposit or other liability of La Trobe Financial or any of its related bodies corporate, and these entities do not guarantee or stand in any way behind either the capital value or performance of the investments. La Trobe Financial is not a bank and is not subject to regulatory supervision by the Australian Prudential Regulation Authority (**APRA**), but is regulated by ASIC.

## Questions

If you have any questions concerning the information contained in this PDS please contact La Trobe Financial on 1800 818 818 or email us at [investor@latrobefinancial.com.au](mailto:investor@latrobefinancial.com.au).

Investors should read this PDS in its entirety before deciding to invest.



## From the Chief Investment Officer

These past few years, major economies have been tasked with navigating a period of great uncertainty. This seemingly narrow path includes negotiating a period of volatility while curtailing inflation, maintaining economic growth, and keeping unemployment low. So far, it's been successful. We have avoided any deep recession, inflation is coming under control, and unemployment remains low.

As we reflect on current economic settings, a series of contradictions remind us that we're not there yet.

Aggressive rate hikes have addressed inflation; however stock markets remain at record highs and housing prices are buoyant. Unemployment remains near historic lows, however Australia's economic growth figures are weak. Further afield, we observe low volatility in markets, despite war in Europe and the Middle East.

With more to be done, investors are reminded of the importance of tested investment strategies.

The La Trobe Australian Credit Fund was established on a simple premise that a diversified portfolio of high-quality mortgage assets, carefully managed, can perform at all points through the economic cycle.

For multiple generations we have delivered with no loss of investor capital in any of our portfolio accounts since their inception<sup>^</sup>. The careful and disciplined way in which we construct and manage our broadly diversified portfolios of high-quality assets is all very deliberate. It is done through the lens of performance. Delivering for our investors through all economic and market cycles.

As we conclude 2024, I am pleased to confirm a series of milestones. La Trobe Financial now manages over \$20 billion in assets on behalf of retail, wholesale and institutional investors and the La Trobe Australian Credit Fund has passed \$11 billion in assets under management. These funds represent the hard-earned wealth of over 100,000 investors and include funds placed by almost 4,000 financial advisers.

We created an extraordinary \$645m in additional wealth in FY24. This was a new peak in wealth created for everyday Australian investors: for mum and dad investors looking to support their lifestyle requirements; for individuals who are seeking a prosperous future, or for those transitioning towards a dignified retirement.

During the FY24, we successfully launched the La Trobe US Private Credit Fund. Leaning into our global networks, we have delivered a product which provides everyday Australian investors with a unique, defensive exposure to U.S. mid-market private credit. It captures generational investment tailwinds driving the rebuild of the U.S middle market. It represents another quality investment opportunity for investors to consider.

The history of performance delivered by La Trobe Financial is widely recognised. Our 12 Month Term Account remains among the fastest growing funds in Australia's entire wealth management sector. This remains a wonderful, ongoing endorsement of our strategy.

Most importantly, we have maintained service excellence, upgrading our investor platform, La Trobe Direct, while also growing our friendly investor team. Our staff remain available and at your service to deliver the highest possible standard of care.

We thank you for considering an investment with La Trobe Financial. Our investments present as solutions for those seeking easy-to-understand, low volatility income at all points along the economic cycle.

Should you require any further information, please call our friendly investor team on 1800 818 818.

Best wishes,

### Chris Paton

Senior Vice President & Chief Investment Officer

<sup>^</sup> Past performance is not a reliable indicator of future performance.

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# Investment accounts that have stood the test of time

La Trobe Financial offers a range of Investment Accounts for investors. Our expertise in managing such investments has been developed over seven decades. The aim of our Investment Accounts is to provide low volatility, regular monthly income.

## Investment Options



Returns shown are not compounded unless expressly noted as such. To view our current rates of return, please visit our website.

Investment Performance	1 November 2024 Rate	Historical Performance (as at 30 September 2024) <sup>††</sup>				
		6 months	1 year	2 years	3 years	5 years
Classic Notice Account <sup>*#</sup>	5.00% p.a.	2.60%	5.24%	4.84%	3.68%	2.74%
90 Day Notice Account <sup>*#</sup>	5.30% p.a.	2.76%	5.55%	5.16%	4.13%	3.49%
6 Month Notice Account <sup>*#</sup>	5.55% p.a.	2.88%	5.82%	5.43%	4.37%	N/A
12 Month Term Account <sup>*</sup>	6.75% p.a.	3.42%	6.86%	6.40%	5.66%	5.27%
2 Year Account <sup>*</sup>	6.85% p.a.	3.47%	6.96%	6.51%	5.77%	N/A
4 Year Account <sup>**</sup>	8.40% p.a.	4.27%	8.59%	8.05%	7.16%	6.67%
Select Investment Account <sup>**^</sup>	from 7.50% p.a.	4.40% <sup>§</sup>	9.03% <sup>§</sup>	8.80% <sup>§</sup>	8.23% <sup>§</sup>	8.08% <sup>§</sup>

**An investment in the Fund is not a bank deposit, and investors risk losing some or all of their principal investment. You should take this fact into account in deciding whether to invest in the Fund.**

**\* The rates of return on your investment are current at 1 November 2024. The rates of return are reviewed and determined monthly and may increase or decrease each month. The rate of return applicable for any given month is paid at the start of the following month. The rates of return are not guaranteed and are determined by the future revenue of the Fund and may be lower than expected.**

An investment in the Credit Fund is not a bank deposit, and investors risk losing some or all of their principal investment. Past performance is not a reliable indicator of future performance. **Withdrawal rights are subject to liquidity and may be delayed or suspended.**

# We will make every endeavour to release your funds within 2 business days for the Classic Notice Account, 90 days for the 90 Day Notice Account, and 180 days for the 6 Month Notice Account after receiving your withdrawal request. We however have 12 months under the Fund's Constitution to honour that request. In determining whether to honour your withdrawal request within 2 business days for the Classic Notice Account, 90 days for the 90 Day Notice Account, or 180 days for the 6 Month Notice Account we have to have regard to the Fund's ability to realise for value the relevant assets and the best interests of investors. **There is a risk that a withdrawal request will not be honoured within 2 business days, 90 days or 180 days.** However, there has never been a case in the history of the Fund when we have not honoured a withdrawal request on time due to a lack of liquidity.

^ Reinvestment of returns into the Select and 4 Year Accounts is not permitted. Special Mandates are excluded from the historical performance of the Select Investment Account.

§ These rates represent the average rates payable on the mortgage portfolio of each account and may not be indicative of the return on the investment selections of individual investors.

†† Investment performance in the table above are compounded returns.

# Key Features of the Fund | 1

<b>Product Name</b>	La Trobe Australian Credit Fund																			
<b>Product Issuer</b>	La Trobe Financial Asset Management Limited																			
<b>Investment Accounts</b>	<p>The Fund offers Investors the opportunity to invest in loans secured by mortgages over real property located across Australia and other credit-related investments through the choice of seven different Investment Accounts:</p> <table border="1"> <thead> <tr> <th>Account</th> <th>Strategy Inception Date</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Classic Notice Account</td> <td>1989</td> <td rowspan="6">Pooled Portfolio Investments</td> </tr> <tr> <td>90 Day Notice Account</td> <td>2019</td> </tr> <tr> <td>6 Month Notice Account</td> <td>2021</td> </tr> <tr> <td>12 Month Term Account</td> <td>2002</td> </tr> <tr> <td>2 Year Account</td> <td>2021</td> </tr> <tr> <td>4 Year Account</td> <td>2016</td> </tr> <tr> <td>Select Investment Account</td> <td>1989</td> <td>Peer to Peer Investment</td> </tr> </tbody> </table>	Account	Strategy Inception Date	Type	Classic Notice Account	1989	Pooled Portfolio Investments	90 Day Notice Account	2019	6 Month Notice Account	2021	12 Month Term Account	2002	2 Year Account	2021	4 Year Account	2016	Select Investment Account	1989	Peer to Peer Investment
Account	Strategy Inception Date	Type																		
Classic Notice Account	1989	Pooled Portfolio Investments																		
90 Day Notice Account	2019																			
6 Month Notice Account	2021																			
12 Month Term Account	2002																			
2 Year Account	2021																			
4 Year Account	2016																			
Select Investment Account	1989	Peer to Peer Investment																		
<b>Objectives</b>	<p>The key objectives of the Fund are to provide Investors with:</p> <ul style="list-style-type: none"> <li>• a choice of professionally managed credit-related Investment Accounts, designed to allow each Investor to choose the most appropriate account for their circumstances;</li> <li>• regular investment returns, either fixed or variable; and</li> <li>• attractive, risk adjusted returns net of fees.</li> </ul>																			
<b>Investment Strategy</b>	To invest in a wide range of diversified residential, commercial, rural, industrial, construction and development loans across Australia and other income producing credit-related assets.																			
<b>Capital Protection</b>	There is <b>no guarantee</b> of the investment result, the return of capital, or the amounts payable to Investors, and there are risks associated with an investment in the Fund. These risks are explained in Section 9 in this PDS.																			
<b>Fund Features</b>	<p>The Fund:</p> <ul style="list-style-type: none"> <li>• is managed by La Trobe Financial Services Pty Limited (<b>Investment Manager</b>), a highly experienced manager that has been managing investment portfolios of mortgage assets for seventy years;</li> <li>• is one of Australia's largest credit funds, with \$11,605 million in assets under management at 30 September 2024;</li> <li>• charges no fees on either investment entry or investment maturity exit;</li> <li>• maintains conservative loan to valuation ratios, with a portfolio average of 64.4% as at 30 September 2024 (excluding second or subsequent mortgages in the Select Investment Account); and</li> <li>• has been judged "Best Credit Fund - Mortgages" in Australia for the past fifteen years by <i>Money</i> magazine for the 12 Month Term Account.</li> </ul>																			
<b>Responsible Entity</b>	<p>La Trobe Financial is the Responsible Entity of the Fund, and was incorporated on 14 November 1989 to operate the La Trobe Financial Group's retail investment and funds management arm. La Trobe Financial holds Australian Financial Services Licence (<b>AFSL</b>) No. 222213 and Australian Credit Licence (<b>ACL</b>) No. 222213 and is licensed by ASIC to operate registered managed investment schemes that hold deposits, derivatives, financial assets and mortgages for retail and wholesale clients.</p> <p>Details of the track record and experience of the senior management of La Trobe Financial can be found at <a href="http://www.latrobefinancial.com.au">www.latrobefinancial.com.au</a>.</p>																			
<b>Investment Manager</b>	<p>The Investment Manager is La Trobe Financial Services Pty Limited. It was established in 1952 and since that time has acted as the Investment Manager in respect of over \$45 billion Australia wide for both institutional and retail investors, just like you. It employs approximately 530 staff specialising in credit lending, management and control of retail and institutional credit investments across Australia.</p> <p>The Investment Manager holds Australian Credit Licence No.392385 issued by ASIC and is licensed to lend money under Australian law.</p> <p>La Trobe Financial may appoint other investment managers at its discretion.</p>																			

# 1 | Key Features of the Fund

<b>Custodian</b>	La Trobe Financial has appointed Perpetual Corporate Trust Limited as the custodian for the mortgage assets of the Fund. La Trobe Financial continues to hold cash, notes and other liquid assets of the Fund.
<b>Disclosure Documents</b>	<p>This PDS is the primary disclosure document for the Fund and an investor must read the PDS online &amp; register online or complete the Application Form in this PDS to become an Investor in the Fund.</p> <p>In addition, to invest in the Select Investment Account, an Investor has to sign the Application Form attached to a supplementary disclosure document called a Supplementary Product Disclosure Statement (<b>SPDS</b>).</p>
<b>Regular Reporting</b>	<p>Investors receive the following regular reports:</p> <ul style="list-style-type: none"><li>• a Receipt of Investment made;</li><li>• detailed Transaction Statements;</li><li>• Financial Year Annual Taxation Statement (if applicable); and</li><li>• the Fund's Annual Report (when requested).</li></ul>
<b>Access to up-to-date information</b>	<p>We aim to provide Investors with up-to-date information about the Fund, so that Investors can monitor their investments in the Fund. In addition, information in this PDS that is not materially adverse information is subject to change from time to time and may be updated. You can obtain up-to-date information about the Fund by:</p> <ul style="list-style-type: none"><li>• phoning La Trobe Financial's toll free Investor Liaison number <b>1800 818 818</b>;</li><li>• logging on to La Trobe Direct, our state-of-the-art investment platform, accessible through La Trobe Financial's website at <b>www.latrobefinancial.com.au</b>; and</li><li>• checking with one of La Trobe Financial's Authorised Representatives or your financial adviser.</li></ul> <p>A paper copy of any updated information, or continuous disclosure notice given by the Fund, will be given to you without charge on request.</p>
<b>Opening an Investment Account</b>	<p>To facilitate Investor choice, we have the following options for our Investors:</p> <ul style="list-style-type: none"><li>• Online – access our online investment platform (<b>La Trobe Direct</b>) to register and complete an application process digitally (see below).</li><li>• Call our Investment Team – our investment team are available to answer questions about any our investment products and also support Investors to open an account over the phone by calling our Investor Support team on <b>1800 818 818</b>.</li><li>• Completing an application form – our Investors have the option of completing an application form attached at the end of this PDS (Section 14) and sending the completed form into our Investor Administration team or posting it into our office.</li></ul>
<b>Online – La Trobe Direct</b>	<p>Our online investment platform, La Trobe Direct, allows you to open your account online. If you are an existing Investor, you can still register for online access through La Trobe Direct.</p> <p>You can gain access to La Trobe Direct by downloading our La Trobe Direct App (Apple Store and Android) or by accessing it online via <b>www.latrobedirect.com.au</b>. La Trobe Direct enables our Investors to complete a number of functions online including:</p> <ul style="list-style-type: none"><li>• Online registration and account opening;</li><li>• Account maintenance and update to personal details;</li><li>• Transaction processing, including investments and withdrawal requests;</li><li>• Linking of additional Investment Accounts for a portfolio viewpoint;</li><li>• Viewing Maturity Schedules; and</li><li>• Transaction Summary and Statements, including Annual Taxation Statement.</li></ul>
<b>ASIC Benchmarks and Disclosure Principles</b>	<p>ASIC has developed eight Benchmarks and Disclosure Principles designed to provide investors with key information about investing in mortgage funds – Regulatory Guide 45: Mortgage Schemes: Improving disclosures for retail investors. The Disclosure Principles cover liquidity, fund borrowing, loan portfolio and diversification, related party transactions, valuations, lending principles, distributions and withdrawals.</p> <p>Please refer to Section 4 in this PDS for details.</p>



# Key Features of the Fund | 1

## Risks

When considering your investment in the Fund, it is important that you consider such things as:

- the risks involved in investing in the Fund;
- the extent that an investment in the Fund fits your financial objectives and goals;
- your risk appetite; and
- the risks that other investment opportunities have.

You should also remember that an investment in the Fund is not a bank deposit or a term deposit with a bank.

Your rights to redeem your investment in the Fund are set out in this PDS and the Fund's Constitution. In respect of the Classic Notice, 90 Day Notice and 6 Month Notice Accounts, we will make **every endeavour** to release your funds within 2 business days for the Classic Notice, 90 days for the 90 Day Notice and 180 days for the 6 Month Notice accounts after receiving your withdrawal request. In determining whether to pay your withdrawal request within 2 business days, 90 days or 180 days we have to have regard to the Fund's ability to realise for value relevant assets and the best interests of investors. **There is a risk that a withdrawal request will not be paid within 2 business days, 90 days or 180 days**, although it should be noted that, to date, all redemption requests to La Trobe Financial have been paid in full at maturity.

The risks attaching to the Fund's investments include:

- you may not receive the return you expected and may lose some or all of your return on investment; and
- you may lose some or all of your capital.

In Section 9 of this PDS, headed "Investment Risks", we go into considerable detail about the risks attaching to investing in the Fund. Here is a list of some of the investment risks that we describe in Section 9 of this PDS:

- Market risk
- Investment specific risk
- Documentation risk
- Credit risk
- Investment manager risk
- Regulatory risk
- Economic risk
- Concentration risk
- Fund capital risks
- Fund liquidity risks
- Fund income risks
- Non-performing borrowers
- Specific 6 Month Notice and 4 Year Account risks
- Other risks, including construction and development lending and cyber risk

## 2 | Investment Snapshot

In the following pages, in Section 2 – Investment Snapshot and Section 3 – Fund Portfolio Metrics, we provide a range of information about the Fund's seven Investment Accounts.

The performance, risk and liquidity of your investment will depend on which Investment Account you choose. We manage the asset allocation for each Investment Account with the aim of maximising returns to investors while minimising the risks.

We also aim to maintain appropriate cash levels for each Investment Account.

We aim to achieve the benchmark objectives over the long term, but actual exposures will vary on a day-to-day basis, depending on market conditions. To ensure consistent performance across a range of market conditions, the Fund's mortgage portfolios are diversified at a number of levels, including sector, interest rate type, geographical location and loan size.

When you are considering the Investment Snapshot and Fund Portfolio Metrics, you should keep in mind the following points:

### Risks

1. Past performance is not a reliable indicator of future performance.
2. Investors risk losing some or all of their principal investment.
3. An investment in the Fund is not a bank deposit and investments in the Fund are not guaranteed by any entity. You should take this fact into account when deciding whether to invest in the Fund.
4. Withdrawal rights are subject to liquidity and may be delayed or suspended. See the important note on page 54 in this PDS in relation to La Trobe Financial's ability to allow withdrawals while the Fund is liquid (as defined by the Law).
5. In respect of the Classic Notice, 90 Day Notice and 6 Month Notice Accounts, we have 12 months from receipt to action a valid withdrawal request. We will make **every endeavour** to release your funds within 2 business days for the Classic Notice, 90 days for the 90 Day Notice and 180 days for the 6 Month Notice accounts after receiving your withdrawal request. In determining whether to honour your withdrawal request within 2 business days, 90 days or 180 days we have to have regard to the Fund's ability to realise for value any relevant assets and the best interests of investors. **There is a risk that a withdrawal request will not be honoured within 2 business days, 90 days or 180 days.** At the time of this PDS, we have never had to delay a withdrawal request due to a lack of liquidity.

### Select Investment Account

6. Select Investment Account returns are specific to individual mortgages and therefore subject to availability.

### Investment Returns

7. We consider that it is useful to measure the performance of our six pooled accounts against objective, measurable benchmarks.

Investment Account	Benchmark and Objective
Classic Notice Account	Official Cash Rate plus 0.50%, and we have chosen this benchmark as it appropriately reflects the risk and return combination of this Account. We aim to exceed this benchmark across the economic cycle.
90 Day Notice Account	Official Cash Rate plus 1.00%. We consider the 90 Day Notice Account benchmark to be appropriate having regard to the risk and return profile of this Account. We aim to exceed this benchmark across the economic cycle.
6 Month Notice Account	Official Cash Rate plus 1.50%. We consider the 6 Month Notice Account benchmark to be appropriate having regard to the risk and return profile of this Account. We aim to exceed this benchmark across the economic cycle.
12 Month Term Account	the Bloomberg AusBond Bank Bill Index plus 1.50%. The Bloomberg AusBond Bank Bill index is the leading benchmark for the fixed income markets in Australia, and we aim to outperform this benchmark by 1.50% across the economic cycle. We consider the 12 Month Term Account benchmark to be appropriate, as the 12 Month Term Account is part of the fixed income market in Australia, and the research houses that rate this Account measure its performance against this benchmark.
2 Year Account	Bloomberg Ausbond Bank Bill Index plus 1.65%. The Bloomberg AusBond Bank Bill Index is the leading benchmark for the fixed income markets in Australia, and we aim to outperform this benchmark by 1.65% across the economic cycle.
4 Year Account	Bloomberg AusBond Bank Bill Index plus 3.00% over any rolling 4 year period and aims to provide positive returns over any rolling 12 month period

8. The Fund currently does not use derivatives for interest rate management on loans, or investments in notes, made by the Fund.

## Reporting Metrics

9. The Investment Accounts may co-invest in the same loan. Loan numbers refer to the number of loans only and do not reflect the number of individual securities.
10. All figures shown as percentages are based on dollar values and are reported on loan balances in the Fund. These may differ from figures provided in the statutory accounts, which are based on the investment balances in the Fund.
11. The total Fund Investments >\$1m will not equal the sum of each individual Account's investments as multiple Investment Accounts can co-invest in a single loan.
12. Rolling returns for the Select Investment Account are based on all available investments in that Account after excluding Special Mandates.
13. The Weighted Average Loan-to-Valuation Ratio (**LVR**) is calculated for the Classic Notice, the 90 Day Notice, the 6 Month Notice, the 12 Month Term, the 2 Year and the Select Investment Accounts (excluding Special Mandates) combined, but excludes the 4 Year Account. Similarly, given the uniqueness of the asset class of the 4 Year Account (including asset backed securities) and the specific nature of the risk and return profile, the loans supporting the underlying asset class have been excluded.
14. Special Mandates are excluded from the calculation of LVRs as they would not give an accurate picture of the loans available to investors in the Select Investment Account. Particularly, in relation to specific types of Special Mandates:
  - Second or subsequent mortgages have higher LVRs (with correspondingly higher risks and returns); and
  - Third party originated mortgage books, taken on and administered by La Trobe Financial, may have higher arrears than La Trobe Financial originated loans. We may take on these books on a "workout recovery" basis to repair the transferred portfolios. These portfolios are a "sub-pool" of loans, which are treated as closed investments, and are excluded from the Select Investment Account and Fund Total Arrears figures as they are not available for investment and are not representative of La Trobe Financial-originated loans.
15. Performing but past due loans represent expired loans that continue to make required payments.
16. Arrears for the Fund are calculated by dividing the total loan amount of loans in arrears by the total Assets Under Management.
17. Returns are calculated on a compounded basis.
18. The indicative risk level classification is provided as a guide and it describes the risk based on the investment strategy of the investment account and underlying asset base. In assessing the risks of each investment account, we have had reference to the categories of risk described in the Standard Risk Measure Guidance Paper for Trustees issued jointly by the Financial Services Council (of which we are a member) and the Association of Superannuation Funds of Australia dated July 2011.

# 2 | Investment Snapshot

30 September 2024

Feature	Classic Notice Account	90 Day Notice Account	6 Month Notice Account
	APIR: LTC0001AU ISIN: AU60LTC00018	APIR: LTC9067AU ISIN: AU60LTC90670	APIR: LTC4034AU ISIN: AU60LTC40345
Returns % p.a.*	5.00%	5.30%	5.55%
Rolling Returns % p.a.	1yr 5.24%    3yr 3.68%    5yr 2.74%	1yr 5.55%    3yr 4.13%    5yr 3.49%	1yr 5.82%    3yr 4.37%    5yr n/a
Rates of Return	Variable Rate	Variable Rate	Variable Rate
Benchmark	Official Cash Rate + 0.5%	Official Cash Rate + 1.0%	Official Cash Rate + 1.5%
Rolling Benchmark Return Rate % p.a.	4.94%    3.38%    2.33%	5.46%    3.90%    2.85%	5.99%    4.41%    n/a
Benchmark Outperformance	0.30%    0.30%    0.40%	0.09%    0.23%    0.65%	-0.17%    -0.05%    n/a
Minimum Investment	\$10.00	\$10.00	\$10.00
Investment Term	Perpetual (2 business days notice)	Perpetual (90 days notice)	Perpetual (180 days notice)
Indicative Risk Level	Low	Low	Low
Investment Structure	Pooled – we select the investment portfolio (risk of investment pool shared)	Pooled – we select the investment portfolio (risk of investment pool shared)	Pooled – we select the investment portfolio (risk of investment pool shared)
Payment of Investment Returns	Monthly direct to nominated bank account or re-invested	Monthly direct to nominated bank account or re-invested	Monthly direct to nominated bank account or re-invested
Management Fees and Costs (30 June 2024)	2.79%	2.43%	2.33%
Investor Reserve	0.30%	0.66%	0.39%
Withdrawals	Generally permitted within 2 business days of request. Maximum time permitted: 12 months**	Generally permitted with 90 days notice. Maximum time permitted: 12 months**	Generally permitted with 180 days notice. Maximum time permitted: 12 months**
Early Withdrawal Fee	n/a	Nil if 90 days' notice is provided. Up to 1.5% (min of \$500) of the amount redeemed will be payable.	Nil if 180 days' notice is provided. Up to 1.5% (min of \$500) of the amount redeemed will be payable.
Assets Under Management	\$ 1,216.9 Million	\$ 284.9 Million	\$ 135.2 Million
Total Number of Mortgages	1,634	277	115
Total Mortgages	\$1,116.6 Million	\$ 257.7 Million	\$ 99.8 Million
Average Mortgage Investment	\$683,366	\$ 930,383	\$ 868,114
Range of Loans	\$10,000 : \$19,200,000	\$10,000 : \$28,958,000	\$10,000 : \$14,375,000
Largest Mortgage Investment: % of the portfolio	\$9,612,306 : 0.8%	\$12,047,286 : 4.2%	\$4,305,348 : 3.2%
Top 10 largest Mortgage Investments in aggregate	\$74,152,739 : 6.1%	\$53,180,821 : 18.7%	\$25,024,352 : 18.5%
Weighted Average LVR	74.4%	71.9%	74.2%
Non-performing loans > 30 days	3.4%	4.3%	3.6%
Number and value of non-performing loans > 30 days	56 : \$41,342,745	15 : \$12,294,951	2 : \$4,806,824
Pre-paid and capitalised interest loans	26 : \$81,872,524	23 : \$66,182,807	4 : \$4,392,971
Undrawn loan commitments	634 : \$180,265,338	61 : \$49,315,117	10 : \$4,637,553
Loans exceeding 5% of the Fund	n/a	n/a	n/a
Investments > \$1M	280 : \$512,552,792	77 : \$159,335,422	39 : \$67,166,020

\* Rates as at 1 November 2024.

\*\* Maximum time permitted is subject to the Fund being liquid as defined by the Law.

# Investment Snapshot | 2

30 September 2024

12 Month Term Account	2 Year Account	4 Year Account	Select Investment Account	Fund Total
APIR: LTC0002AU ISIN: AU60LTC00026	APIR: LTC7657AU ISIN: AU60LTC76570	APIR: MFLO001AU ISIN: AU60MFLO0016	APIR: MFLO002AU ISIN: AU60MFLO0024	ARSN: 088 178 321
<b>6.75%</b>	<b>6.85%</b>	<b>8.40%</b>	<b>from 7.50%</b>	Note: Rates are variable, reviewed monthly & not guaranteed
1yr <b>6.86%</b> 3yr <b>5.66%</b> 5yr <b>5.27%</b>	1yr <b>6.96%</b> 3yr <b>5.77%</b> 5yr <b>n/a</b>	1yr <b>8.59%</b> 3yr <b>7.16%</b> 5yr <b>6.67%</b>	1yr <b>9.03%</b> 3yr <b>8.23%</b> 5yr <b>8.08%</b>	Note: Past performance not a reliable indicator of future performance. Returns calculated on compounded basis
Variable Rate	Variable Rate	Variable Rate	Fixed / Variable Rate	
Bloomberg AusBond Bank Bill Index + 1.5%	Bloomberg AusBond Bank Bill Index + 1.65%	Bloomberg AusBond Bank Bill Index + 3.0%	n/a	
5.95%    4.35%    3.33%	6.10%    4.51%    n/a	7.54%    5.92%    4.89%	n/a    n/a    n/a	
0.91%    1.31%    1.93%	0.86%    1.26%    n/a	1.05%    1.24%    1.78%	n/a    n/a    n/a	
\$10.00	\$10.00	\$250,000.00	\$1,000.00	
12 months	24 months	4 years	1- 5 years	
Low-Medium	Low-Medium	Medium	Medium-High	Note: Risk classifications are a guide only, and assessed with reference to the categories of risk described in the Standard Risk Measure Guidance Paper for Trustees dated July 2011
Pooled - we select the investment portfolio (risk of investment pool shared)	Pooled - we select the investment portfolio (risk of investment pool shared)	Pooled - we select the investment portfolio (risk of investment pool shared)	Peer to Peer (P2P) - you select the investment & risk level (risk specific to each investment)	
Monthly direct to nominated bank account or re-invested	Monthly direct to nominated bank account or re-invested	Monthly direct to nominated bank account	Direct to nominated bank account (frequency determined by investment selected)	
1.80%^	2.22%	0.38%	Varies per individual investment. Average 1.61%	Average 1.91%
0.32%	0.35%	0.05%	n/a	
Permitted after 12 months. Periodic access option available. Early withdrawals considered.	Permitted after 24 months. Periodic access option available. Early withdrawals considered.	Permitted after 4 years. Early withdrawals considered.	Permitted after term maturity. Early withdrawals considered.	Note: Withdrawal rights subject to liquidity and may be delayed or suspended. See important note on page 53 of the PDS
Nil if held to maturity. Up to 1.5% (min of \$500) of the amount redeemed will be payable.	Nil if held to maturity. Up to 1.5% (min of \$500) of the amount redeemed will be payable.	Nil if held to maturity. Up to 3.5% (min of \$500) of the amount redeemed will be payable.	Nil if held to maturity. Up to 2.5% (min of \$500) of the amount redeemed will be payable.	
\$ 8,935.8 Million	\$ 108.6 Million	\$ 591.0 Million	\$ 333.0 Million	\$ 11,605.3 Million
9,349	117	98	467	11,624
\$ 8,713.3 Million	\$ 104.5 Million	\$ 186.3 Million	\$ 333.0 Million	\$ 10,811.2 Million
\$932,003	\$ 892,878	\$ 1,900,888	\$ 713,060	\$ 930,077
\$10,000 : \$25,000,000	\$10,000 : \$25,000,000	\$10,000 : \$25,000,000	\$10,000 : \$25,000,000	\$10,000 : \$28,958,000
\$24,500,000 : 0.3%	\$4,000,863 : 3.7%	\$6,330,000 : 1.1%	\$14,325,001 : 4.3%	\$24,500,000 : 0.2%
\$224,577,600 : 2.5%	\$27,900,162 : 25.7%	\$46,006,119 : 7.8%	\$67,675,576 : 20.3%	\$234,935,670 : 2.0%
63.0%	68.2%	64.8%	58.1%	64.4% (Excludes Special Mandates)
3.0%	1.8%	0.2%	2.1% (Excludes Special Mandates)	2.9% (Excludes Special Mandates)
202 : \$271,122,834	2 : \$1,970,000	1 : \$1,033,700	7 : \$6,560,976	281 : \$339,132,030
784 : \$2,115,970,447	17 : \$26,585,545	48 : \$88,676,370	252 : \$184,235,132	892 : \$2,567,915,795
1,684 : \$1,734,806,113	8 : \$3,200,174	16 : \$8,458,247	0 : \$0	2,413 : \$1,980,682,542
n/a	n/a	n/a	n/a	n/a
2,013 : \$6,222,666,163	35 : \$66,000,010	71 : \$172,779,248	83 : \$200,407,690	2,563 : \$7,507,691,258

<sup>^</sup> The relevant law requires that the Management Fees and Costs be calculated based on the actual costs for the previous financial year. In the case of the 12 Month Term Account the adjusted actual Management Fees and Costs for the 2024 financial year were 1.87% per annum of the average Investor Account of the Investment Account.

# 3 | Fund Portfolio Metrics

30 September 2024

	Classic Notice Account			90 Day Notice Account			6 Month Notice Account		
	APIR: LTC0001AU ISIN: AU60LTC00018			APIR: LTC9067AU ISIN: AU60LTC90670			APIR: LTC4034AU ISIN: AU60LTC40345		
<b>Returns % p.a.*</b>	5.00%			5.30%			5.55%		
<b>Investment mix</b>									
	<b>%</b>	<b>\$'000</b>	<b>#</b>	<b>%</b>	<b>\$'000</b>	<b>#</b>	<b>%</b>	<b>\$'000</b>	<b>#</b>
<b>Authorised investments**</b>									
Cash	8.2%	100,237	n/a	9.5%	27,139	n/a	7.6%	10,294	n/a
Bank Bills/Term Deposits	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a
Credit Assets - Warehouse / RMBS	0.0%	0	n/a	0.0%	0	n/a	18.6%	25,121	n/a
Credit Assets - Private Credit	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a
Residential	35.3%	429,136	817	49.2%	140,059	177	32.4%	43,870	42
Land - vacant	9.8%	119,260	81	7.2%	20,456	19	9.0%	12,110	16
Commercial	23.6%	286,912	391	7.3%	20,789	31	16.7%	22,623	34
Industrial	20.2%	245,594	334	7.5%	21,380	30	14.2%	19,230	22
Rural	0.1%	905	2	0.5%	1,550	1	0.0%	0	0
Development Finance	2.9%	34,813	9	18.8%	53,482	19	1.5%	2,000	1
Total (excluding Special Mandates)	100.0%	1,216,857	1,634	100.0%	284,855	277	100.0%	135,248	115
Special Mandates	Not Applicable			Not Applicable			Not Applicable		
Total	100.0%	1,216,857	1,634	100.0%	284,855	277	100.0%	135,248	115
<b>Mortgage Investment Portfolio Profile</b>									
Weighted Average LVR	74.4%			71.9%			74.2%		
Average Mortgage Investment		683			930			868	
Largest Mortgage Investment	0.8%	9,612		4.2%	12,047		3.2%	4,305	
Top 10 largest Mortgage Investments in aggregate	6.1%	74,153		18.7%	53,181		18.5%	25,024	
Undrawn loan commitments	14.8%	180,265	634	17.3%	49,315	61	3.4%	4,638	10
Pre-paid & capitalised interest loans	6.7%	81,873	26	23.2%	66,183	23	3.2%	4,393	4
<b>Mortgage Investments by State</b>									
ACT	1.1%	11,811	15	0.9%	2,396	1	0.4%	379	1
NSW	33.9%	378,071	413	33.9%	87,369	70	31.0%	30,992	34
VIC	39.2%	438,187	716	38.4%	99,023	120	31.2%	31,127	36
QLD	15.6%	173,764	264	16.4%	42,241	48	27.2%	27,144	30
SA	5.4%	59,850	99	5.1%	13,184	19	7.1%	7,117	6
WA	4.0%	44,895	110	4.5%	11,476	16	3.1%	3,074	8
TAS	0.6%	6,880	10	0.7%	1,909	2	0.0%	0	0
NT	0.3%	3,162	7	0.0%	118	1	0.0%	0	0
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Mortgage Investments Return profile</b>									
< 5.00%	0.2%	2,678	5	0.0%	0	0	0.0%	0	0
5.00% - 5.99%	0.2%	1,738	2	0.0%	0	0	0.0%	0	0
6.00% - 6.99%	0.2%	2,116	4	0.5%	1,247	6	0.0%	0	0
7.00% - 7.99%	11.2%	124,517	161	32.8%	84,478	101	20.5%	20,419	19
8.00% - 8.99%	55.5%	619,535	1,047	38.6%	99,498	131	40.0%	39,910	52
9.00% - 9.99%	27.2%	304,222	341	11.0%	28,258	19	31.0%	30,950	30
10.00% - 10.99%	5.0%	55,812	51	11.9%	30,748	17	6.8%	6,823	10
11.00 - 11.99%	0.5%	5,422	16	5.2%	13,458	2	1.7%	1,697	3
≥ 12.00%	0.1%	579	7	0.0%	28	1	0.0%	35	1
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115

\* Rates as at 1 November 2024.

\*\* Authorised Investments is further explained on page 49.

# Fund Portfolio Metrics | 3

30 September 2024

12 Month Term Account	2 Year Account	4 Year Account	Select Investment Account	Fund Total										
APIR: LTC0002AU ISIN: AU60LTC00026	APIR: LTC7657AU ISIN: AU60LTC76570	APIR: MFLO001AU ISIN: AU60MFLO0016	APIR: MFLO002AU ISIN: AU60MFLO0024	ARSN: 088 178 321										
6.75%	6.85%	8.40%	from 7.50%	Note: Rates are variable, reviewed monthly & not guaranteed.										
%	\$'000	#	%	\$'000	#	%	\$'000	#	%	\$'000	#			
2.5%	222,466	n/a	3.8%	4,123	n/a	1.6%	9,717	n/a	0.0%	0	n/a	3.2%	373,976	n/a
0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a
0.0%	0	n/a	0.0%	0	n/a	46.0%	271,817	n/a	0.0%	0	n/a	2.6%	296,938	n/a
0.0%	0	n/a	0.0%	0	n/a	20.8%	123,180	n/a	0.0%	0	n/a	1.1%	123,180	n/a
55.0%	4,912,828	5,625	9.2%	9,938	9	18.7%	110,792	60	35.0%	116,653	135	49.7%	5,763,276	6,734
3.1%	278,583	433	1.7%	1,850	4	3.1%	18,088	13	16.9%	56,277	94	4.4%	506,624	577
14.9%	1,333,493	1,447	42.8%	46,440	57	3.3%	19,442	10	6.0%	20,048	38	15.1%	1,749,747	1,977
10.1%	900,707	1,302	20.9%	22,676	32	1.4%	8,010	2	0.9%	3,068	12	10.5%	1,220,665	1,723
0.2%	21,332	37	0.0%	0	0	1.2%	7,151	3	0.3%	882	3	0.3%	31,820	42
14.2%	1,266,350	505	21.7%	23,563	15	3.9%	22,804	10	34.1%	113,395	166	13.1%	1,516,407	552
100.0%	8,935,760	9,349	100.0%	108,589	117	100.0%	591,001	98	93.2%	310,322	448	99.8%	11,582,633	11,605
Not Applicable			Not Applicable			Not Applicable			6.8%	22,677	19	0.2%	22,677	19
100.0%	8,935,760	9,349	100.0%	108,589	117	100.0%	591,001	98	100.0%	332,999	467	100.0%	11,605,310	11,624
									(Excludes Special Mandates)			(Excludes Special Mandates)		
63.0%			68.2%			64.8%			58.1%			64.4%		
	932			893			1,901			713			930	
0.3%	24,500		3.7%	4,001		1.1%	6,330		4.3%	14,325		0.2%	75,121	
2.5%	224,578		25.7%	27,900		7.8%	46,006		20.3%	67,676		2.0%	518,517	
19.4%	1,734,806	1,684	2.9%	3,200	8	1.4%	8,458	16	0.0%	0	0	17.1%	1,980,683	2,413
23.7%	2,115,970	784	24.5%	26,586	17	15.0%	88,676	48	55.3%	184,235	252	22.1%	2,567,916	892
0.8%	66,824	110	1.1%	1,143	1	1.2%	2,198	1	0.8%	2,600	2	0.8%	87,349	129
45.7%	3,981,616	2,618	43.0%	44,902	40	40.1%	74,704	37	48.8%	151,580	164	44.0%	4,749,234	3,207
33.5%	2,921,487	3,298	31.4%	32,762	34	39.9%	74,264	46	35.3%	109,462	190	34.4%	3,706,312	4,261
14.7%	1,280,919	2,298	13.8%	14,431	21	15.3%	28,588	11	10.4%	32,233	52	14.8%	1,599,321	2,674
2.3%	197,972	391	1.9%	2,016	4	2.2%	4,092	1	1.9%	5,956	18	2.7%	290,186	522
2.5%	217,493	505	6.3%	6,582	13	1.3%	2,442	2	2.2%	6,939	19	2.7%	292,902	658
0.5%	39,570	106	2.4%	2,478	3	0.0%	0	0	0.5%	1,551	3	0.5%	52,388	122
0.1%	7,413	23	0.1%	154	1	0.0%	0	0	0.0%	0	0	0.1%	10,846	32
100.0%	8,713,294	9,349	100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
0.0%	100	1	0.0%	0	0	0.1%	263	1	0.1%	228	2	0.0%	3,269	9
0.0%	153	2	0.0%	0	0	0.0%	0	0	0.1%	156	2	0.0%	2,046	6
1.1%	97,577	132	0.0%	0	0	0.0%	0	0	0.3%	1,075	2	0.9%	102,016	143
14.9%	1,302,255	2,307	1.1%	1,120	3	9.7%	18,010	10	0.6%	1,947	8	14.4%	1,552,746	2,600
43.7%	3,805,181	3,601	45.4%	47,421	55	42.4%	78,919	42	9.7%	30,012	29	43.8%	4,720,475	4,923
26.6%	2,320,852	1,477	31.7%	33,167	35	34.3%	63,977	33	36.2%	112,219	193	26.8%	2,893,645	1,932
11.4%	989,363	1,248	19.2%	20,019	19	13.5%	25,118	12	48.7%	151,160	188	11.9%	1,279,044	1,368
2.0%	170,500	483	2.6%	2,740	5	0.0%	0	0	2.7%	8,455	15	1.9%	202,272	516
0.3%	27,314	98	0.0%	0	0	0.0%	0	0	1.6%	5,070	9	0.3%	33,026	108
100.0%	8,713,294	9,349	100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605

Numbers are rounded for reporting purposes, so where sum of the numbers is immaterially different from the total, it is acknowledged that this is due to report rounding.

# 3 | Fund Portfolio Metrics

30 September 2024

	Classic Notice Account			90 Day Notice Account			6 Month Notice Account		
	APIR: LTC0001AU ISIN: AU60LTC00018			APIR: LTC9067AU ISIN: AU60LTC90670			APIR: LTC4034AU ISIN: AU60LTC40345		
Returns % p.a.*	5.00%			5.30%			5.55%		
	%	\$'000	#	%	\$'000	#	%	\$'000	#
<b>Loan Maturity Profile</b>									
0-6 months	5.8%	64,627	39	9.5%	24,561	13	5.9%	5,842	4
7-12 months	3.7%	41,341	28	14.5%	37,464	19	1.7%	1,694	3
13-24 months	4.7%	52,887	29	8.1%	20,825	10	5.0%	4,986	6
25-36 months	0.2%	2,672	5	0.3%	700	1	0.0%	0	0
37-60 months	0.4%	4,278	5	0.2%	600	1	1.1%	1,144	2
61+ months	85.2%	950,816	1,528	67.3%	173,567	233	86.3%	86,167	100
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>LVR Profile</b>									
< 50%	0.8%	8,641	22	2.8%	7,130	10	0.3%	316	2
50%-59.99%	2.9%	32,766	23	6.6%	16,894	13	5.9%	5,940	6
60%-69.99%	10.5%	117,115	74	24.8%	64,034	33	10.4%	10,393	12
70%-79.99%	60.6%	676,295	1,008	29.2%	75,327	100	57.7%	57,630	67
= 80%	25.2%	281,804	507	36.6%	94,332	121	25.6%	25,555	28
> 80%	0.0%	0	0	0.0%	0	0	0.0%	0	0
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Rate Type</b>									
Fixed Rate	5.4%	60,594	27	21.1%	54,392	23	6.0%	6,030	4
Variable Rate	94.6%	1,056,026	1,607	78.9%	203,324	254	94.0%	93,803	111
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Borrower Previous Credit Events</b> (According to S&P life event methodology)									
0	96.8%	1,080,987	1,587	95.6%	246,304	268	95.5%	95,384	108
1	3.0%	33,856	44	4.0%	10,382	7	3.1%	3,091	6
≥ 2	0.2%	1,777	3	0.4%	1,030	2	1.4%	1,358	1
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Equifax Borrower Credit Score</b>									
Excellent (833-1200)	50.5%	564,038	834	49.2%	126,857	137	49.1%	49,031	60
Very Good (726-832)	30.9%	345,088	512	31.0%	79,809	92	28.8%	28,780	30
Good (622-725)	14.7%	163,916	205	16.3%	41,946	32	11.6%	11,621	11
Average (510-621)	2.4%	27,126	42	1.6%	4,207	10	10.2%	10,178	10
Below Average (0-509)	1.5%	16,452	41	1.9%	4,897	6	0.2%	223	4
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>La Trobe Financial Borrower Credit Grade<sup>#</sup></b>									
A	96.1%	1,073,411	1,571	96.0%	247,444	270	96.6%	96,437	107
B	2.8%	31,596	41	3.8%	9,853	6	3.4%	3,393	7
C1	0.8%	9,281	16	0.2%	419	1	0.0%	3	1
C2	0.1%	1,356	5	0.0%	0	0	0.0%	0	0
C3	0.1%	976	1	0.0%	0	0	0.0%	0	0
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>La Trobe Financial Loan Quality Assessment<sup>^</sup></b>									
Super Prime	13.6%	151,956	213	14.1%	36,342	43	14.3%	14,292	31
Prime	24.6%	274,811	387	40.3%	103,776	96	25.2%	25,152	30
Near Prime (≤ 70% LVR)	4.3%	47,885	44	9.4%	24,169	18	12.0%	11,992	14
Near Prime (> 70% LVR)	51.2%	571,992	889	32.3%	83,354	105	29.8%	29,742	30
Specialist	6.3%	69,975	101	3.9%	10,076	15	18.7%	18,654	10
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115

\* Rates as at 1 November 2024.

# La Trobe Financial's internal credit grading based on a number of criteria such as number and dollar value of previous defaults, mortgage arrears history, bankruptcy etc., evaluated at the loan assessment stage.

^ Derived at the loan assessment stage.



# Fund Portfolio Metrics | 3

30 September 2024

12 Month Term Account				2 Year Account			4 Year Account			Select Investment Account			Fund Total		
APIR: LTC0002AU ISIN: AU60LTC00026				APIR: LTC7657AU ISIN: AU60LTC76570			APIR: MFLO001AU ISIN: AU60MFLO0016			APIR: MFLO002AU ISIN: AU60MFLO0024			ARSN: 088 178 321		
6.75%				6.85%			8.40%			from 7.50%			Note: Rates are variable, reviewed monthly & not guaranteed.		
%	\$'000	#		%	\$'000	#	%	\$'000	#	%	\$'000	#	%	\$'000	#
17.3%	1,504,277	510		5.1%	5,313	6	33.9%	63,078	32	48.5%	150,658	215	16.9%	1,818,355	616
10.6%	923,110	466		21.6%	22,551	14	19.7%	36,767	22	26.9%	83,329	117	10.6%	1,146,254	554
9.1%	795,710	599		12.8%	13,399	9	25.0%	46,479	28	19.2%	59,643	86	9.2%	993,928	680
2.4%	206,815	94		5.7%	5,978	5	6.4%	11,956	4	0.5%	1,515	12	2.1%	229,635	112
6.4%	555,539	189		4.4%	4,607	4	15.0%	28,008	12	4.8%	14,836	14	5.6%	609,012	208
54.3%	4,727,844	7,491		50.4%	52,619	79	0.0%	0	0	0.1%	341	4	55.5%	5,991,354	9,435
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
10.4%	902,251	1,611		9.0%	9,356	8	9.6%	17,844	7	17.6%	54,721	67	9.3%	1,000,258	1,682
16.2%	1,414,920	1,639		12.6%	13,144	11	14.5%	26,935	10	28.2%	87,409	103	14.8%	1,598,008	1,709
39.5%	3,441,422	3,154		10.0%	10,468	6	39.5%	73,642	31	43.4%	134,718	196	35.7%	3,851,792	3,301
33.9%	2,954,702	2,945		68.4%	71,498	92	24.5%	45,705	28	10.5%	32,480	79	36.3%	3,913,636	4,238
0.0%	0	0		0.0%	0	0	11.9%	22,160	22	0.3%	994	3	3.9%	424,845	675
0.0%	0	0		0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
19.3%	1,683,612	727		17.4%	18,158	14	29.5%	55,011	34	63.0%	195,560	267	19.2%	2,073,356	826
80.7%	7,029,682	8,622		82.6%	86,309	103	70.5%	131,277	64	37.0%	114,761	181	80.8%	8,715,182	10,779
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
95.6%	8,329,157	8,906		97.5%	101,814	115	100.0%	186,287	98	97.9%	303,707	442	95.9%	10,343,641	11,096
4.1%	357,025	391		2.5%	2,652	2	0.0%	0	0	2.1%	6,612	5	3.8%	413,619	451
0.3%	27,112	52		0.0%	0	0	0.0%	0	0	0.0%	2	1	0.3%	31,278	58
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
53.6%	4,672,195	5,072		60.8%	63,512	71	65.5%	122,004	64	55.1%	170,979	237	53.5%	5,768,616	6,247
27.6%	2,404,198	2,509		26.2%	27,409	26	26.4%	49,247	24	27.0%	83,792	131	28.0%	3,018,323	3,202
12.6%	1,098,205	868		6.9%	7,189	11	4.3%	8,042	7	13.2%	41,009	50	12.7%	1,371,930	1,130
3.8%	328,295	312		1.7%	1,735	3	3.8%	6,994	3	4.1%	12,723	16	3.6%	391,257	378
2.4%	210,400	588		4.4%	4,621	6	0.0%	0	0	0.6%	1,819	14	2.2%	238,412	648
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
94.0%	8,192,746	8,781		95.6%	99,875	111	100.0%	186,239	97	96.4%	299,043	432	94.5%	10,195,196	10,951
4.5%	396,040	400		4.0%	4,166	5	0.0%	0	0	3.2%	9,940	12	4.2%	454,987	460
1.1%	99,713	117		0.4%	425	1	0.0%	48	1	0.3%	1,074	3	1.0%	110,962	136
0.2%	18,863	40		0.0%	0	0	0.0%	0	0	0.0%	0	0	0.2%	20,219	45
0.1%	5,932	11		0.0%	0	0	0.0%	0	0	0.1%	266	1	0.1%	7,174	13
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
21.4%	1,868,422	3,569		27.8%	29,039	46	19.0%	35,452	13	18.5%	57,456	93	20.3%	2,192,958	3,915
34.3%	2,988,727	3,045		36.0%	37,565	33	39.8%	74,067	40	47.3%	146,805	211	33.8%	3,650,903	3,640
30.4%	2,650,658	1,877		8.9%	9,339	10	25.7%	47,786	22	32.8%	101,889	130	26.8%	2,893,718	1,991
10.6%	924,837	642		25.3%	26,430	25	15.6%	28,981	23	0.9%	2,682	8	15.5%	1,668,018	1,712
3.2%	280,651	216		2.0%	2,094	3	0.0%	0	0	0.5%	1,491	6	3.5%	382,941	347
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605

Numbers are rounded for reporting purposes, so where sum of the numbers is immaterially different from the total, it is acknowledged that this is due to report rounding.

# 3 | Fund Portfolio Metrics

30 September 2024

	Classic Notice Account			90 Day Notice Account			6 Month Notice Account		
	APIR: LTC0001AU ISIN: AU60LTC00018			APIR: LTC9067AU ISIN: AU60LTC90670			APIR: LTC4034AU ISIN: AU60LTC40345		
Returns % p.a.*	5.00%			5.30%			5.55%		
	%	\$'000	#	%	\$'000	#	%	\$'000	#
<b>Debt to Income Ratio</b>									
≤ 4x	42.5%	474,187	675	50.3%	129,751	119	22.8%	22,712	34
> 4x ≤ 6x	40.4%	450,695	675	29.1%	74,989	87	48.8%	48,678	49
> 6x ≤ 7x	9.9%	110,980	161	10.0%	25,811	37	12.4%	12,340	14
> 7x	7.2%	80,757	123	10.5%	27,166	34	16.1%	16,103	18
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Borrower Type</b>									
Individual	32.3%	360,732	653	41.6%	107,282	130	24.7%	24,692	29
Trust	33.0%	368,118	407	26.1%	67,211	46	39.4%	39,291	27
Company	19.0%	212,339	251	20.1%	51,816	36	16.4%	16,373	18
SMSF	15.7%	175,431	323	12.2%	31,407	65	19.5%	19,478	41
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Investment Amount</b>									
≤ 50,000	0.0%	335	22	0.1%	175	9	0.1%	115	4
> 50,000 ≤ 100,000	0.2%	2,075	27	0.1%	172	2	0.2%	163	2
> 100,000 ≤ 250,000	4.6%	51,888	277	1.8%	4,698	26	2.6%	2,618	16
> 250,000 ≤ 500,000	17.0%	189,677	511	10.9%	28,094	72	11.2%	11,221	30
> 500,000 ≤ 1,000,000	32.2%	360,092	517	25.3%	65,242	91	18.6%	18,550	24
> 1,000,000 ≤ 5,000,000	38.8%	433,134	269	47.4%	122,199	72	67.3%	67,166	39
> 5,000,000	7.1%	79,419	11	14.4%	37,136	5	0.0%	0	0
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Loan Vintage by Year</b> (By original settlement date)									
2024	50.6%	564,620	818	44.5%	114,804	83	7.4%	7,416	9
2023	28.0%	312,455	474	35.8%	92,345	113	13.6%	13,577	15
2022	15.9%	177,499	244	13.6%	35,095	53	63.8%	63,656	55
2021	2.8%	30,908	37	2.7%	6,913	14	8.8%	8,794	19
2020	1.2%	13,740	9	0.8%	2,027	1	5.5%	5,521	10
2019	0.4%	4,978	8	0.5%	1,372	3	0.6%	646	3
Before 2019	1.1%	12,420	44	2.0%	5,160	10	0.2%	223	4
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Seasoning</b> (Months since original settlement)									
0-6 months	46.9%	523,313	728	38.8%	99,970	74	10.4%	10,357	10
7-12 months	19.8%	221,436	336	18.3%	47,195	40	6.2%	6,161	8
13-24 months	22.3%	249,072	355	31.1%	80,119	115	29.8%	29,708	31
25-36 months	8.5%	94,994	150	9.7%	24,997	36	48.0%	47,877	43
37-60 months	1.4%	15,633	21	0.4%	994	3	5.4%	5,386	18
61+ months	1.1%	12,171	44	1.7%	4,441	9	0.3%	344	5
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Security Location (QBE LMI)</b> (Per QBE methodology at 31 Mar 18)									
Metro	91.0%	1,016,543	1,410	82.7%	213,250	225	90.5%	90,335	92
Regional	7.6%	85,183	181	6.4%	16,447	30	5.7%	5,704	15
Other	1.3%	14,894	43	10.9%	28,019	22	3.8%	3,795	8
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115
<b>Security Location (Standard &amp; Poors)</b> (Per S&P methodology at 10 July 13)									
Inner City	1.6%	17,892	29	1.7%	4,454	3	3.8%	3,823	3
Metro	88.5%	988,161	1,376	82.7%	213,224	224	86.7%	86,602	90
Regional	9.9%	110,567	229	15.5%	40,039	50	9.4%	9,408	22
Total	100.0%	1,116,620	1,634	100.0%	257,716	277	100.0%	99,833	115

\* Rates as at 1 November 2024.

# Fund Portfolio Metrics | 3

30 September 2024

12 Month Term Account				2 Year Account			4 Year Account			Select Investment Account			Fund Total		
APIR: LTC0002AU ISIN: AU60LTC00026				APIR: LTC7657AU ISIN: AU60LTC76570			APIR: MFLO001AU ISIN: AU60MFLO0016			APIR: MFLO002AU ISIN: AU60MFLO0024			ARSN: 088 178 321		
6.75%				6.85%			8.40%			from 7.50%			Note: Rates are variable, reviewed monthly & not guaranteed.		
%	\$'000	#		%	\$'000	#	%	\$'000	#	%	\$'000	#	%	\$'000	#
47.4%	4,131,775	3,531		43.0%	44,930	44	58.6%	109,228	58	78.9%	244,849	341	47.8%	5,157,432	4,463
30.0%	2,615,123	2,785		14.2%	14,803	22	24.7%	46,060	23	13.7%	42,594	57	30.5%	3,292,943	3,648
10.2%	890,845	1,153		19.0%	19,808	19	6.7%	12,442	6	2.2%	6,967	14	10.0%	1,079,193	1,389
12.3%	1,075,551	1,880		23.9%	24,926	32	10.0%	18,557	11	5.1%	15,911	36	11.7%	1,258,970	2,105
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
26.9%	2,345,429	3,030		4.1%	4,328	10	2.7%	5,000	6	7.4%	22,980	57	26.6%	2,870,443	3,878
35.1%	3,056,041	1,593		44.9%	46,881	33	45.9%	85,509	42	50.9%	158,004	203	35.4%	3,821,054	2,142
25.0%	2,181,077	1,125		21.8%	22,742	21	51.4%	95,778	50	41.5%	128,668	184	25.1%	2,708,793	1,500
13.0%	1,130,747	3,601		29.2%	30,515	53	0.0%	0	0	0.2%	668	4	12.9%	1,388,248	4,085
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
0.1%	7,483	415		0.0%	25	2	0.0%	56	3	0.4%	1,212	52	0.1%	7,561	434
0.4%	30,536	390		0.1%	109	2	0.0%	0	0	0.9%	2,918	39	0.3%	32,481	415
4.5%	389,715	2,120		2.4%	2,494	15	0.4%	685	4	6.4%	19,873	116	4.4%	450,417	2,444
11.9%	1,033,228	2,925		9.1%	9,553	26	1.2%	2,314	6	8.7%	26,862	75	12.1%	1,274,636	3,571
11.8%	1,029,666	1,486		25.2%	26,285	37	5.6%	10,452	14	19.0%	59,049	83	14.5%	1,515,752	2,178
45.0%	3,924,609	1,780		63.2%	66,000	35	86.4%	160,881	69	45.7%	141,749	75	45.6%	4,851,450	2,292
26.4%	2,298,057	233		0.0%	0	0	6.4%	11,898	2	18.9%	58,659	8	23.0%	2,656,241	271
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
36.0%	3,138,664	2,456		21.7%	22,692	18	39.9%	74,249	44	21.9%	1,212	52	37.0%	3,990,423	3,555
34.0%	2,959,660	2,116		22.9%	23,895	21	43.2%	80,548	35	48.8%	151,450	159	33.7%	3,633,930	2,773
14.5%	1,260,142	1,275		39.8%	41,623	48	14.9%	27,722	16	13.8%	42,832	90	15.3%	1,648,569	1,695
6.4%	558,300	915		10.3%	10,762	19	0.3%	629	1	6.5%	20,119	28	5.9%	636,425	1,011
3.8%	327,577	794		3.7%	3,854	8	0.0%	0	0	3.2%	9,965	8	3.4%	362,684	824
2.7%	232,881	715		0.0%	0	0	0.0%	0	0	4.3%	13,195	9	2.3%	253,071	733
2.7%	236,070	1,078		1.6%	1,640	3	1.7%	3,139	2	1.5%	4,783	27	2.4%	263,436	1,150
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
30.1%	2,624,403	2,089		12.6%	13,160	8	31.9%	59,450	37	20.8%	64,397	122	31.5%	3,395,051	2,937
24.3%	2,114,641	1,365		22.5%	23,526	20	33.8%	62,923	29	42.1%	130,701	146	24.2%	2,606,584	1,794
26.4%	2,297,697	1,831		30.9%	32,332	39	30.3%	56,525	26	23.4%	72,549	108	26.1%	2,818,003	2,398
8.2%	718,236	981		25.9%	27,081	34	3.6%	6,760	5	8.9%	27,551	43	8.8%	947,496	1,265
7.3%	637,283	1,683		6.9%	7,171	14	0.3%	629	1	4.7%	14,663	25	6.3%	681,759	1,750
3.7%	321,035	1,400		1.1%	1,195	2	0.0%	0	0	0.1%	460	4	3.1%	339,646	1,461
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
92.7%	8,076,700	7,708		81.8%	85,501	102	86.6%	161,362	88	96.8%	300,364	402	92.2%	9,944,056	9,637
5.8%	507,798	1,187		7.9%	8,269	9	12.7%	23,632	7	2.6%	8,094	35	6.1%	655,127	1,432
1.5%	128,796	454		10.2%	10,696	6	0.7%	1,293	3	0.6%	1,863	11	1.8%	189,356	536
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605
4.2%	368,060	255		4.4%	4,563	4	2.7%	4,978	2	3.6%	11,134	9	3.8%	414,903	294
87.3%	7,606,293	7,466		85.5%	89,357	102	86.2%	160,639	87	91.5%	283,999	385	87.4%	9,428,274	9,357
8.5%	738,941	1,628		10.1%	10,547	11	11.1%	20,670	9	4.9%	15,189	54	8.8%	945,361	1,954
100.0%	8,713,294	9,349		100.0%	104,467	117	100.0%	186,287	98	100.0%	310,322	448	100.0%	10,788,538	11,605

Numbers are rounded for reporting purposes, so where sum of the numbers is immaterially different from the total, it is acknowledged that this is due to report rounding.

# 3 | Fund Portfolio Metrics

30 September 2024

	Classic Notice Account			90 Day Notice Account			6 Month Notice Account		
	APIR: LTC0001AU ISIN: AU60LTC00018			APIR: LTC9067AU ISIN: AU60LTC90670			APIR: LTC4034AU ISIN: AU60LTC40345		
Returns % p.a.*	5.00%			5.30%			5.55%		
	%	\$'000	#	%	\$'000	#	%	\$'000	#
<b>Total Performing Authorised Investments</b>									
Cash	8.5%	100,237	n/a	10.0%	27,139	n/a	7.9%	10,294	n/a
Bank Bills/Term Deposits	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a
Credit Assets – Warehouse / RMBS	0.0%	0	n/a	0.0%	0	n/a	19.3%	25,121	n/a
Credit Assets – Private Credit	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a
Mortgage Investments	91.5%	1,075,277	1,578	90.0%	245,421	262	72.8%	95,026	113
Total Performing	100.0%	1,175,514	1,578	100.0%	272,560	262	100.0%	130,441	113
<b>Mortgage Investments Performing but past due</b> (Loan expired but payments continuing)									
31–60	0.4%	5,313	3	0.1%	221	2	0.0%	0	0
61–90	0.2%	1,854	2	0.0%	0	0	0.0%	0	0
> 90	0.2%	2,910	3	0.0%	0	0	0.0%	0	0
Total	0.8%	10,078	8	0.1%	221	2	0.0%	0	0
<b>Non performing</b>									
31–60	0.5%	5,723	9	1.2%	3,295	5	3.1%	4,195	1
61–90	0.1%	1,342	3	0.0%	0	0	0.5%	612	1
> 90	2.1%	25,219	34	2.8%	7,920	9	0.0%	0	0
MIP	0.7%	9,058	10	0.4%	1,080	1	0.0%	0	0
Total	3.4%	41,343	56	4.3%	12,295	15	3.6%	4,807	2
<b>Total performing past due &amp; non-performing</b>	4.2%	51,421	64	4.4%	12,516	17	3.6%	4,807	2
<b>Fair Value of past due &amp; non-performing collateral held</b>		96,178			15,970			6,095	
Total Performing Assets	96.6%	1,175,514		95.7%	272,560		96.4%	130,441	
Non Performing Asset Ratio	3.4%	41,343		4.3%	12,295		3.6%	4,807	
<b>Hardship</b>	0.0%	0	0	0.0%	0	0	0.0%	0	0

\* Rates as at 1 November 2024.

# Fund Portfolio Metrics | 3

30 September 2024

12 Month Term Account				2 Year Account			4 Year Account			Select Investment Account			Fund Total		
APIR: LTC0002AU ISIN: AU60LTC00026				APIR: LTC7657AU ISIN: AU60LTC76570			APIR: MFLO001AU ISIN: AU60MFLO0016			APIR: MFL0002AU ISIN: AU60MFL00024			ARSN: 088 178 321		
6.75%				6.85%			8.40%			from 7.50%			Note: Rates are variable, reviewed monthly & not guaranteed.		
%	\$'000	#		%	\$'000	#	%	\$'000	#	%	\$'000	#	%	\$'000	#
2.6%	222,466	n/a		3.9%	4,123	n/a	1.6%	9,717	n/a	0.0%	0	n/a	3.3%	373,976	n/a
0.0%	0	n/a		0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a	0.0%	0	n/a
0.0%	0	n/a		0.0%	0	n/a	46.0%	271,817	n/a	0.0%	0	n/a	2.6%	296,938	n/a
0.0%	0	n/a		0.0%	0	n/a	20.8%	123,180	n/a	0.0%	0	n/a	1.1%	123,180	n/a
97.4%	8,442,171	9,147		96.1%	102,497	115	31.4%	185,253	97	100.0%	303,761	441	92.9%	10,449,406	11,324
100.0%	8,664,637	9,147		100.0%	106,619	115	100.0%	589,968	97	100.0%	303,761	441	100.0%	11,243,501	11,324
0.6%	52,432	16		0.0%	0	0	0.3%	1,668	1	4.4%	14,666	12	0.6%	74,300	24
0.4%	36,403	15		0.0%	0	0	0.0%	0	0	0.9%	2,983	7	0.4%	41,241	17
0.7%	64,305	32		2.4%	2,646	1	0.5%	2,687	1	3.5%	11,704	15	0.7%	84,252	38
1.7%	153,140	63		2.4%	2,646	1	0.7%	4,355	2	8.8%	29,354	34	1.7%	199,794	79
0.7%	61,577	52		0.0%	0	0	0.0%	0	0	0.0%	0	0	0.6%	74,790	67
0.4%	34,557	31		0.0%	0	0	0.0%	0	0	0.1%	351	1	0.3%	36,862	36
1.2%	110,555	92		1.0%	1,050	1	0.2%	1,034	1	0.6%	2,057	2	1.3%	147,835	137
0.7%	64,434	27		0.8%	920	1	0.0%	0	0	1.2%	4,153	4	0.7%	79,645	41
3.0%	271,123	202		1.8%	1,970	2	0.2%	1,034	1	2.0%	6,561	7	2.9%	339,132	281
4.7%	424,263	265		4.3%	4,616	3	0.9%	5,389	3	11.6%	35,915	41	4.7%	538,926	360
	713,992				8,709			10,061			68,984			919,989	
97.0%	8,664,637			98.2%	106,619		99.8%	589,968		97.9%	303,761		97.1%	11,243,501	
3.0%	271,123			1.8%	1,970		0.2%	1,034		2.1%	6,561		2.9%	339,132	
0.0%	0	0		0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0

Numbers are rounded for reporting purposes, so where sum of the numbers is immaterially different from the total, it is acknowledged that this is due to report rounding.

## 4 | ASIC Benchmarks and Disclosure Principles

To improve the disclosure of mortgage investment funds in Australia, ASIC requires information about specific operating benchmarks. Information about these benchmarks and disclosure principles is outlined below.

This information may be updated where it is not materially adverse to investors on La Trobe Financial's website at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au).

ASIC has also issued an independent guide for investors about unlisted mortgage funds called 'Investing in mortgage schemes' which can be obtained on the 'Moneysmart' link from ASIC's website [www.asic.gov.au](http://www.asic.gov.au).

### Benchmark 1: Liquidity

**Benchmark** For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that:

- (a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;
- (b) are updated at least every three months and reflect any material changes; and
- (c) are approved by the directors of the responsible entity at least every three months.

**Statement** This benchmark is met.

**Explanation** We comply with this benchmark and disclosure principle. In relation to the Classic Notice, the 90 Day Notice, the 6 Month Notice, the 12 Month Term, the 2 Year and the 4 Year Accounts of the Fund, we maintain cash flow estimates for the next 12 months that are updated and approved by the directors of La Trobe Financial every three months, and ensure that at all times these Investment Accounts have cash or cash equivalents sufficient to meet the projected cash needs over the next 12 months.

We have a policy of ensuring that sufficient assets are held in readily realisable investments in order to meet expected future withdrawal requests.

We monitor historical rolling 12 months' inflows and outflows and regularly revise our cash flow estimates based on this historical data. We regularly review material assumptions underlying our cash flow and we periodically stress test these against relevant scenarios, such as increased levels of withdrawal requests and disruption to cash flows. We do not expect there to be any change to the Fund's expenses, liabilities and other cash flow needs that will affect our cash flow estimates. Any material changes will be reflected in our cash flow estimates.

Our policy on liquidity management for our Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and our 2 Year Accounts is set out in this PDS at pages 23 to 34 and 53.

In relation to the Select Investment Account, liquidity is dependent on the borrowers repaying the loans on the due date, and Investors are only entitled to withdraw from the Fund once the loans have been repaid in full by the borrowers.

To manage the internal liquidity of the 4 Year Account, while we target investments in short term cash of not more than 10%, we can hold more when required. We reserve the right to return investment funds to Investors (or with Investors' consent, reinvest some funds into other Investment Accounts of the Fund for liquidity management).

### Benchmark 2: Scheme Borrowing

**Benchmark** The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.

**Statement** This benchmark is met.

**Explanation** We comply with this benchmark and disclosure principle. As at the date of the PDS, the Fund does not have any borrowings and does not intend to borrow.

### Benchmark 3: Loan portfolio and diversification

**Benchmark** For a pooled mortgage scheme:

- (a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;
- (b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;
- (c) the scheme has no single borrower who exceeds 5% of the scheme assets; and
- (d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).

**Statement** The benchmarks set out at sub-paragraphs (a), (b) and (c) are met.

The benchmark set out in sub-paragraph (d) is met.

*Continued next page. >*

# ASIC Benchmarks and Disclosure Principles | 4

<b>Explanation</b>	<p>The Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts comply with paragraphs (a) to (c) of this benchmark and disclosure principle. Each of these Investment Accounts holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region. No single asset exceeds 5% of the total Fund assets and no single borrower exceeds 5% of the Fund assets.</p> <p>In respect of paragraph (d) of the benchmark, all loans made by these Investment Accounts are secured by first mortgages over real property.</p> <p>Further details of the Fund's loan portfolio and diversification information are set out in Section 3 in this PDS.</p> <p>This benchmark and disclosure principle relates to pooled mortgage investments and therefore does not apply to the Select Investment Account.</p> <p>The 6 Month Notice and the 4 Year Accounts invests in medium term credit assets and loans secured by Australian residential and commercial real property, including Australian Residential Mortgage Backed assets and Commercial Mortgage Backed assets. These investments are comprised of a diversified pool of credit assets and loans secured by a pool of registered mortgages held over real property, diversified by size, borrower, class of activity and geographic region. No single loan or borrower within the pool of registered mortgages securing the credit assets exceeds 5% of the assets of the 6 Month Notice and 4 Year Accounts. The 4 Year Account may also invest directly or indirectly in trusts or managed investment schemes where La Trobe Financial has been appointed trustee or responsible entity for the scheme.</p>
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## Benchmark 4: Related Party Transactions

<b>Benchmark</b>	The responsible entity does not lend to related parties of the responsible entity or to the scheme's Investment Manager.
<b>Statement</b>	<p>This benchmark is met for the Classic Notice, 90 Day Notice, 12 Month Term, 2 Year and Select Investment Accounts.</p> <p>This benchmark is not met for the 6 Month Notice and the 4 Year Accounts.</p>
<b>Explanation</b>	<p>La Trobe Financial maintains an AFSL Conflicts Policy which is reviewed at least annually to ensure it is current and fit for purpose.</p> <p>Each of the related party transactions that La Trobe Financial has entered into is on arm's length terms and so member approval has not been sought.</p> <p>The 6 Month Notice and the 4 Year Accounts invest in medium term credit assets (i.e. corporate debt or notes issued by securitisation trusts) and loans secured by Australian residential and commercial real property, including Australian Residential Mortgage Backed assets and Commercial Mortgage Backed assets. The Investment Manager and/or other entities associated with the Investment Manager or La Trobe Financial is the borrower or the servicer, originator and/or trust manager for such trusts and/or hold units or notes in the securitisation trusts.</p> <p>The 4 Year Account also invests directly or indirectly in trusts or managed investment schemes where La Trobe Financial has been appointed trustee or responsible entity for the scheme.</p> <p>La Trobe Financial and associated companies, businesses and individuals may invest in the Fund from time to time on terms equal to other Investors. The Fund, through La Trobe Financial as the Responsible Entity, and as empowered by the Fund's Constitution, has retained an associated company, La Trobe Financial Services Pty Limited as Investment Manager for the Fund on arm's length, reasonable commercial terms. La Trobe Financial pays the Investment Manager out of the fees that it receives from the Fund as its Responsible Entity. The value of the financial benefit paid to the Investment Manager is disclosed in the Annual Report for the Fund which is available at <a href="http://www.latrobefinancial.com.au">www.latrobefinancial.com.au</a>. La Trobe Financial does not lend to La Trobe Financial Services Pty Limited.</p>

## 4 | ASIC Benchmarks and Disclosure Principles

### Benchmark 5: Valuation policy

**Benchmark** In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:

- (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;
- (b) a valuer to be independent;
- (c) procedures to be followed for dealing with any conflict of interest;
- (d) the rotation and diversity of valuers;
- (e) in relation to security property for a loan, an independent valuation to be obtained:
  - (i) before the issue of a loan and on renewal:
    - (A) for 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.

**Statement** The benchmarks set out in subparagraphs (a) to (e) are met for the 12 Month Term, 2 Year and 4 Year Accounts.  
The benchmarks are not met for the Classic Notice, 90 Day Notice and 6 Month Notice Accounts.

**Explanation** We comply with this benchmark and disclosure principle in relation to the 12 Month Term, 2 Year and 4 Year Accounts.  
All properties that are used as security for loans made from the Fund are valued on an 'as is' basis and, for construction and development property, also on an 'as if complete' basis.  
We have a clear policy on how often we obtain valuations which is disclosed in this PDS at Section 8 under our "Asset Selection Guidelines" and pages 51-52 relating to Fund capital risks under "Investment Risks". We have a panel of valuers, all of whom must be appropriately registered and include in their valuation reports a warranty that their reports comply with all relevant industry standards and codes.  
We do not meet this benchmark for the Classic Notice, 90 Day Notice and the 6 Month Notice Accounts because, in some cases we may rely on the value of the property stipulated in the most recent municipal rates notice where the value of the loan is to be 40% or less of the municipal rates notice valuation. In some circumstances, we may rely on an Automated Valuation Model (**AVM**) valuation where that AVM is obtained in accordance with the Investment Manager's Credit Policy.  
Our valuation policy is outlined on page 49 in this PDS.  
Loans made in the Select Investment Account will always disclose the valuation basis in the SPDS relating to that loan signed by the Investor.  
The 6 Month Notice and 4 Year Accounts invest into diversified pools of medium term credit assets and loans, secured by a pool of registered mortgages held over real property. The valuation policies for each medium term credit asset are unique to the funding program and guidelines of each discrete credit asset. The 6 Month Notice and 4 Year Accounts predominantly will invest in loans and asset backed securities originated and managed by the Investment Manager, in accordance with the valuation policy.

### Benchmark 6 - Lending principles - Loan-to-valuation ratios

**Benchmark** If the scheme directly holds mortgage assets:

- (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.

**Statement** The benchmarks set out in sub-paragraphs (a) and (c) are met.  
The benchmark set out in sub-paragraph (b) is met for the 12 Month Term Account.  
The benchmark set out in sub-paragraph (b) is not met for the Classic Notice, 90 Day Notice, 6 Month Notice, 2 Year, 4 Year and Select Investment Accounts.  
*Continued next page. >*



# ASIC Benchmarks and Disclosure Principles | 4

<b>Explanation</b>	<p>We comply with this benchmark and disclosure principle in relation to the 12 Month Term Account. We maintain the following maximum loan-to-valuation ratios (<b>LVR</b>) for loans made by the 12 Month Term Account:</p> <ul style="list-style-type: none"><li>• where the loan relates to commercial and property development – a LVR of not more than 70% on the basis of the latest 'as if complete' valuation; and</li><li>• in residential loans – a LVR of not more than 80% on the basis of the latest market valuation.</li></ul> <p>We do not meet this benchmark for the Classic Notice, the 90 Day Notice, the 6 Month Notice, the 2 Year and the 4 Year Accounts in relation to property development loans. We consider in certain circumstances that it is appropriate to lend based on a higher maximum loan-to-valuation.</p> <p>The Classic Notice, 90 Day Notice, 6 Month Notice, 2 Year and 4 Year Accounts allows the following maximum loan-to-valuation ratios:</p> <ul style="list-style-type: none"><li>• where the loan relates to commercial property, an LVR of not more than 75% ;</li><li>• where the loan relates to development, an LVR of not more than 75% on the basis of the latest 'as if complete' valuation; and</li><li>• in residential loans – an LVR of not more than 80% on the basis of the latest market valuation.</li></ul> <p>Where the loan relates to property development, we always ensure that the Fund only provides funds to the developer in stages, that is, on a 'cost to complete' basis, based on reliable external evidence of the progress of the development. More information is disclosed in this PDS at page 48 under our "Asset Selection Guidelines".</p> <p>An important consideration with property development loans is also the "Loan-to-Cost" (<b>LTC</b>) ratio, which considers the relationship between the amount that it will cost to complete the development and the total loan amount. This takes into account the value of the land on which the development is to be built, and is different to the loan-to-valuation ratio mentioned above.</p> <p>Under our Asset Selection Guidelines:</p> <ul style="list-style-type: none"><li>• the Classic Notice Account, 90 Day Notice and 2 Year Accounts may invest in development loans with LTC ratios of no more than 90%; and</li><li>• the 6 Month Notice and 12 Month Term Account may invest in development loans with LTC ratios of no more than 80%.</li></ul> <p>We take into account both the LVR and the LTC ratios in determining whether the proposed loan is suitable for the Investment Accounts. Details of the LVR ratios for each of the investment portfolios are contained in Sections 2 and 3 in this PDS.</p> <p>A loan made in the Select Investment Account may exceed these ratios, but this will be disclosed in the SPDS relating to that loan. The SPDS will disclose the LVR for the loan, and if the loan is for a property development, it will also disclose the LTC.</p> <p>We generally comply with this benchmark in relation to the 4 Year Account, which has exposure to loans with a maximum LVR generally of 80%. The 6 Month Notice and 4 Year Accounts may invest in medium term credit assets and loans secured by a pool of residential mortgages, a small number of which might comprise loans with a LVR higher than 80%. All of these loans will be the subject of lender's mortgage insurance policies (<b>LMI</b>). The 4 Year Account also invests indirectly in trusts or managed investment schemes where La Trobe Financial has been appointed trustee or responsible entity for the scheme.</p>
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## Benchmark 7: Distribution Practices

<b>Benchmark</b>	The responsible entity will not pay current distributions from scheme borrowings.
<b>Statement</b>	This benchmark is met.
<b>Explanation</b>	<p>We comply with this benchmark and disclosure principle. In general, we only make distributions in the form of interest payments from income made from the Fund's investments or released from the Investor Reserve maintained for that Investment Account, and this has been our practice since the commencement of the Fund. We do not expect to change our practice in this regard.</p> <p>The Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts also enjoy the benefit of an Investor Reserve that is held and may be used by La Trobe Financial at its sole discretion to manage income risks.</p> <p>For investors in Select Investment Accounts their income is dependent on the relevant borrower meeting their payment obligations. For investors in the 4 Year Account, their income is dependent on the performance of the underlying assets and, as with all Investment Accounts of the Fund, is not guaranteed. More information is disclosed on pages 54-55 in this PDS relating to Fund income risks under "Investment Risks". In certain instances, La Trobe Financial and/or the Investment Manager may temporarily fund interest payments on the basis of reimbursement (at no cost) from future distributions (if any). Interest payments are not funded, wholly or in part, from borrowings of the Fund.</p> <p>Details of when and how distributions are paid are contained in Sections 2 and 3 in this PDS.</p>

# 4 | ASIC Benchmarks and Disclosure Principles

## Benchmark 8: Withdrawal Arrangements

<b>Benchmark</b>	For liquid schemes: <ul style="list-style-type: none"><li>(a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less;</li><li>(b) the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and</li><li>(c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is:<ul style="list-style-type: none"><li>(i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or</li><li>(ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.</li></ul></li></ul>
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<b>Statement</b>	This benchmark is not met.
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<b>Explanation</b>	<p>We have set out in the Fund's Constitution and in Section 5 in this PDS how Investors can access their money.</p> <p>We do not comply with this ASIC benchmark. Our Fund Constitution allows us to pay withdrawals whenever the Fund is "liquid", that is where at least 80% of the assets can be realised for market value within 12 months, rather than 10 business days as required by this benchmark. The Fund is liquid as at the date of this PDS. Your ability to withdraw will be impacted if the Fund ceases to be liquid. We can suspend withdrawals where it is reasonably necessary to comply with the Law.</p> <p>When the Fund is liquid as defined under the Law, the maximum time allowed for us to pay withdrawals from the Classic Notice, 90 Day Notice and 6 Month Notice Account is 12 months. This is because we seek to align the cash position of the Classic Notice, 90 Day Notice and 6 Month Notice Accounts with the best interests of Investors in a variety of market conditions. However, we will use every endeavour to process your withdrawal request from the Classic Notice Account within 2 business days, the 90 Day Notice Account within 90 days and 6 Month Notice Account within 180 days of receipt of your signed withdrawal notice, for the 12 Month Term, 2 Year and 4 Year Accounts subject to the maturity date of investment, within 21 days of the maturity date.</p> <p>Investors only have the right to withdraw on the expiry of the minimum investment period (being, 12 months, 2 years and 4 years for the 12 Month Term Account, 2 Year Account and 4 Year Accounts respectively). While the Fund is liquid, La Trobe Financial may allow, in exceptional circumstances, an early withdrawal prior to the required notice period or the maturity date. If La Trobe Financial approves an early withdrawal prior to the required notice period or the maturity date, then La Trobe Financial may charge an early withdrawal fee. La Trobe Financial may agree to waive the withdrawal fee in whole or in part.</p> <p>Our approach to managing withdrawals is described in Section 5 in the PDS. In relation to the 12 Month Term Account, your funds are automatically rolled over, without notice to you, for a further 12 month term, a further two years after the initial investment period for the 2 Year and 4 Year Accounts unless you provide us with the required notice to withdraw within the specified timeframes.</p> <p>This benchmark and disclosure principle relates to pooled investments and therefore is not applicable to the Select Investment Account in the Fund, as Investors in this Investment Account have no right to withdraw from the investments until the loan to which the mortgage relates has been repaid.</p> <p>When the Fund is not liquid as defined under the Law, an Investor may withdraw from the Fund in accordance with the terms of any withdrawal offer made by La Trobe Financial in accordance with the provisions of the Law regulating officers of that kind. If there is no withdrawal offer currently open for acceptance by Investors, an Investor has no right to withdraw from the Fund.</p>
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## Classic Notice Account

The Classic Notice Account offers you a variable rate of return from investment in a range of Australian dollar assets. Returns from the Classic Notice Account are variable, are calculated on the daily balance of your Investor Account and are paid monthly as directed by you.

The rates of return are not guaranteed and are determined by future revenue of the pool of assets that make up the Classic Notice Account and may be lower than expected. The rate of return is set at the end of each month.

### Investment objective and strategy

The Classic Notice Account aims to provide Investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in loans secured by mortgages including, in some cases, aged care and reverse mortgage loans, cash, term deposits, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit and bank bills, retaining a higher cash allocation than other Investment Accounts in the Fund.

You can use the Classic Notice Account either as part of your ongoing, strategic investment allocations, or as a holding account for your money while you decide in which of the Fund's other Investment Accounts you would like to invest. The Classic Notice Account invests in loans secured by first mortgages, other credit instruments and cash deposits or other asset allocation mandates for the account (see below).

Environmental, social, and governance (including ethical and labour) (ESG) factors can impact the performance of the Classic Notice Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes. We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest. Other environmental, social, ethical and governance factors (ESG Factors) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund. ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans or performance of the Classic Notice Account. Refer to our ESG considerations below for more information.

### Asset allocation

The Classic Notice Account may invest in a range of asset types – cash, term deposits, bank bills, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit, credit instruments and loans secured by a mortgage. We manage the asset allocation to maximise returns to Investors in the Classic Notice Account, while minimising the risk exposure of its portfolio and maintaining appropriate cash levels for the Account.

### Payment of investment returns

The investment returns on funds invested in the Classic Notice Account are:

- variable and calculated on the daily balance of your Investor Account;
- set at the end of each month based on interest received from the assets of the Classic Notice Account; and
- usually paid within 14 days after the end of each month by direct credit to the bank account nominated in your Application Form or as otherwise directed by you.

The first payment of investment returns is usually made within 14 days of the end of the month in which you invest. You may check with La Trobe Financial on **1800 818 818** or check our website for the current rate of investment return.

Investors in the Classic Notice Account may benefit from the Investor Reserve set aside, maintained and held by La Trobe Financial from its own management income for the sole benefit of Investors. The circumstances in which the Investor Reserve can be used by La Trobe Financial are found in Section 11 of this PDS.

**If you direct us, we will reinvest your investment returns in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or 2 Year Account. Please note that you can only elect to have income reinvested in the 12 Month Term or 2 Year Account if you have an investment in those Investment Accounts.**

### Access to your money

For Classic Notice Account Investors, you have access to your funds by giving notice to La Trobe Financial. You can give notice to us by email, in writing, or you can log on to your account through La Trobe Direct.

Under the Constitution of the Fund, we have 12 months from receipt of your withdrawal notice within which to comply with your request.

However, we will make every endeavour to release funds two business days after receiving your withdrawal notice. As at the date of this PDS, there has never been a case in the history of the Fund, since inception, when we have not honoured a withdrawal request on time due to a lack of liquidity.

In determining whether to honour the two business day timeframe, we have to have regard to the Fund's ability to realise relevant assets for value and the best interests of Investors in the Account.

We will directly credit your nominated bank account with the requested proceeds. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law. We can suspend withdrawals and payments where we are reasonably of the view that it is necessary to do so in order for us to comply with our obligations under the Law.

## 5 | Investment Accounts

If you wish to have access to your funds for the sole purpose of investing those funds into another Fund Investment Account, you may, at the sole discretion of La Trobe Financial, be given earlier access to your funds without being charged an Early Withdrawal Fee.

### Cash management

La Trobe Financial aims to maintain an appropriate cash level within the Classic Notice Account. This policy balances the need to meet reasonably foreseeable withdrawal requests with the required investment of funds in a percentage of fixed term loans and credit investments in order to generate the income return levels sought by Investors on their total invested funds. Maintenance of the appropriate cash level is subject to inevitable short term fluctuations relating to investment and withdrawal activities. If at any time during a calendar month, La Trobe Financial has received withdrawal requests or acceptances of withdrawal offers for amounts which exceed the available cash such that an insufficient amount of cash is or would be available to satisfy all requests received in respect of the Classic Notice Account, then from that time onwards the requests will be satisfied proportionately in accordance with the following formula:

$$\text{The amount of money available} \times \frac{\text{The amount an Investor has requested to withdraw}}{\text{Total of all amounts Investors request to withdraw}}$$

Whenever less than full withdrawal requests are able to be satisfied, Investors will be notified of this. La Trobe Financial has historically not paid less than full withdrawals. Investors receiving proportionate withdrawals according to the above formula will have the outstanding withdrawal balances redeemed in the month(s) thereafter, subject to cash constraints and again subject to the above formula if relevant. In these circumstances such withdrawal requests from any one month that have not been withdrawn will be met completely prior to satisfaction of requests received in subsequent months, gaining priority as a class according to the time of La Trobe Financial receiving the withdrawal request.

### Capital provisioning

La Trobe Financial's management of the Classic Notice Account also includes operating a provisioning policy relating to potential and actual losses of Investor funds in specific, individually identified investments. The primary aim of this policy is to effect an appropriately equitable distribution of any such shortfalls among all relevant Investors in the Classic Notice Account. As a result, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of any provision balances (in proportion to the total funds invested in the Classic Notice Account). La Trobe Financial has historically not had to provide for any investment losses in the Classic Notice Account although there is no guarantee that losses will not occur in the future.

Investors in the Classic Notice Account may benefit from the dedicated Investor Reserve. The circumstances in which the Investor Reserve can be used by La Trobe Financial are disclosed in section 11 of this PDS.

### ESG considerations

Our commitment to a sustainable future and social equity has long been reflected in the business practices since our inception. We apply an integrated approach to ESG, evaluating ESG matters (except for labour standards) as and when they arise as a standard part of our policy management and business processes, starting at the preliminary stages of any mortgage assessment. ESG Factors are captured on a loan by loan basis instead of against any predetermined list, minimum standard or target thresholds when allocating loans within the Classic Notice Account. There are asset allocation mandates for the Classic Notice Account which dictate the maximum percentage of loans by categories, including sector (i.e. residential, commercial, development finance) and state distribution, which diversify the loans allocated to the Classic Notice Account.

A number of factors are captured as part of our overall loan assessment processes and may be considered in order to diversify the holdings within the Classic Notice Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans held within the Classic Notice Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.

## 90 Day Notice Account

The 90 Day Notice Account offers you a variable rate of return from investment in a range of Australian dollar assets. Investors' monies are 'pooled' and invested collectively, meaning that your investment is secured by the entire pool of assets in the proportion to which your investment bears to the total investment pool in the Account. No individual Investor has a specific entitlement to any individual mortgage or asset.

The rates of return are not guaranteed and are determined by future revenue of the pool of assets that make up the 90 Day Notice Account and may be lower than expected. The rate of return is set at the end of each month.

### Investment objective and strategy

The 90 Day Notice Account aims to provide Investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in loans secured by mortgages including, in some cases, aged care and reverse mortgage loans, cash, term deposits, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit and bank bills. The 90 Day Notice Account invests predominantly in loans secured by first mortgages, credit instruments and cash, cash deposits or other asset allocation mandates for the account (see below).

Environmental, social, and governance (including ethical and labour) (ESG) factors can impact the performance of the 90 Day Notice Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes. We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest. Other environmental, social, ethical and governance factors (ESG Factors) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund. ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans or performance of the 90 Day Notice Account. Refer to our ESG considerations below for more information.

### Asset allocation

The 90 Day Notice Account is invested predominately in loans secured by first mortgages. It may also invest in a range of asset types – cash, term deposits, bank bills, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit and credit instruments.

We manage the asset allocation of the 90 Day Notice Account to maximise returns to Investors, while minimising the risk exposure of its portfolio and maintaining appropriate cash levels for the Account.

### Payment of investment returns

The investment returns on funds invested in the 90 Day Notice Account are:

- variable and calculated on the daily balance of your Investor Account;
- set at the end of each month based on interest received from the assets of the 90 Day Notice Account; and
- usually paid within 14 days after the end of each month by direct credit to the bank account nominated in your Application Form or as otherwise directed by you.

The first payment of investment returns is usually made within 14 days of the end of the month in which you invest. You may check with La Trobe Financial on **1800 818 818** or check our website for the current rate of investment return.

Investors in the 90 Day Notice Account may benefit from the Investor Reserve set aside, maintained and held by La Trobe Financial from its own management income for the sole benefit of Investors. The circumstances in which the Investor Reserve can be used by La Trobe Financial are found in Section 11 of this PDS.

**If you direct us, we will reinvest your investment returns in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or 2 Year Account. Please note that you can only elect to have income reinvested in the 12 Month Term Account or 2 Year Account if you have an investment in those Investment Accounts. If you are redeeming your funds from the 90 Day Notice Account, and your investment returns are reinvested in the 90 Day Notice Account, you can request for the reinvested interest to be withdrawn at the same time. Notice requirements are outlined below.**

### Access to your money

For 90 Day Notice Account Investors, you have access to your funds by giving notice to La Trobe Financial. You can give notice to us by email, in writing, or you can log on to your account through La Trobe Direct.

Under the Constitution of the Fund, we have 12 months from receipt of your withdrawal notice within which to comply with your request. However, we will make every endeavour to release your funds 90 days after receiving your withdrawal notice. Where the 90 day notice period ends on a weekend or public holiday, your withdrawal request will usually be honoured on the next business day. There has never been a case in the history of the Fund, since inception, when we have not honoured a withdrawal request on time due to a lack of liquidity.

In determining whether to honour your withdrawal request within the 90 day timeframe, we have to have regard to the Fund's ability to realise relevant assets for value and the best interests of Investors in the Investment Account.

We will directly credit your nominated bank account with the requested proceeds. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

## 5 | Investment Accounts

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law. We can suspend withdrawals and payments where we are reasonably of the view that it is necessary to do so in order for us to comply with our obligations under the Law.

If you wish to have access to your funds for the sole purpose of investing those funds into another Fund investment Account (excluding the Classic Notice Account), you may, at the sole discretion of La Trobe Financial, be given earlier access to your funds without being charged an Early Withdrawal Fee.

### Cash management

La Trobe Financial aims to maintain an appropriate cash level within the 90 Day Notice Account. This policy balances the need to meet reasonably foreseeable withdrawal requests with the required investment of funds in a percentage of fixed term loans and credit investments in order to generate the income return levels sought by Investors on their total invested funds. Maintenance of the appropriate cash level is subject to inevitable short term fluctuations relating to investment and withdrawal activities.

If at any time during a calendar month, La Trobe Financial has received withdrawal requests or acceptances of withdrawal offers for amounts which exceed the available cash such that an insufficient amount of cash is or would be available to satisfy all requests received in respect of the 90 Day Notice Account, then from that time onwards the requests will be satisfied proportionately in accordance with the following formula:

$$\text{The amount of money available} \times \frac{\text{The amount an Investor has requested to withdraw}}{\text{Total of all amounts Investors request to withdraw}}$$

Whenever less than full withdrawal requests are able to be satisfied, Investors will be notified of this. La Trobe Financial has historically not paid less than full withdrawals. Investors receiving proportionate withdrawals according to the above formula will have the outstanding withdrawal balances redeemed in subsequent month(s), subject to cash constraints and again subject to the above formula if relevant. In these circumstances such withdrawal requests from any one month that have not been withdrawn will be met completely prior to satisfaction of requests received in subsequent months, gaining priority as a class according to the time of La Trobe Financial receiving the withdrawal request.

### Capital provisioning

La Trobe Financial's management of the 90 Day Notice Account also includes operating a provisioning policy relating to potential and actual losses of Investor funds in specific, individually identified investments. The primary aim of this policy is to effect an appropriately equitable distribution of any such shortfalls among all relevant Investors in the 90 Day Notice Account. As a result, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of any provision balances (in proportion to the total funds invested in the 90 Day Notice Account). There is no guarantee that investment losses will not occur in the future.

Investors in the 90 Day Notice Account may benefit from the dedicated Investor Reserve. The circumstances in which the Investor Reserve can be used by La Trobe Financial are disclosed in Section 11 of this PDS.

### ESG considerations

Our commitment to a sustainable future and social equity has long been reflected in the business practices since our inception. We apply an integrated approach to ESG, evaluating ESG matters (except for labour standards) as and when they arise as a standard part of our policy management and business processes, starting at the preliminary stages of any mortgage assessment. ESG Factors are captured on a loan by loan basis instead of against any predetermined list, minimum standard or target thresholds when allocating loans within the 90 Day Notice Account. There are asset allocation mandates for the 90 Day Notice Account which dictate the maximum percentage of loans by categories, including sector (i.e. residential, commercial, development finance) and state distribution, which diversify the loans allocated to the 90 Day Notice Account.

A number of factors are captured as part of our overall loan assessment processes and may be considered in order to diversify the holdings within the 90 Day Notice Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans held within the 90 Day Notice Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.

## 6 Month Notice Account

The 6 Month Notice Account offers you a variable rate of return from investment in a range of Australian dollar assets. Investors' monies are 'pooled' and invested collectively, meaning that your investment is secured by the entire pool of assets in the proportion to which your investment bears to the total investment pool in the Account. No individual Investor has a specific entitlement to any individual mortgage or asset.

The rates of return are not guaranteed and are determined by future revenue of the pool of assets that make up the 6 Month Notice Account and may be lower than expected. The rate of return is set at the end of each month.

### Investment objective and strategy

The 6 Month Notice Account aims to provide Investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in loans secured by mortgages including, in some cases, cash, term deposits, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit and bank bills. The 6 Month Notice Account invests predominantly in loans secured by first mortgages, credit instruments and cash, cash deposits or other asset allocation mandates for the account (see below).

Environmental, social, and governance (including ethical and labour) (ESG) factors can impact the performance of the 6 Month Notice Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes.

We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest.

Other environmental, social, ethical and governance factors (ESG Factors) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund. Refer to our ESG considerations below for more information.

When investing into other credit assets or instruments, ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans, credit assets or performance of the 6 Month Notice Account. Refer to our ESG considerations below for more information.

### Asset allocation

The 6 Month Notice Account is invested predominately in loans secured by first mortgages. It may also invest in a range of asset types – cash, term deposits, bank bills, bonds issued by a State or Federal Government or an Australian financial institution, negotiable certificates of deposit, credit instruments, medium term credit assets secured by Australian residential and commercial real property, including Australian Residential Mortgage Backed Assets (RMBA) including those issued by La Trobe Financial, i.e. Australian Residential Mortgage Backed Securities (RMBS).

We manage the asset allocation of the 6 Month Notice Account to maximise returns to Investors, while minimising the risk exposure of its portfolio and maintaining appropriate cash levels for the Account.

### Payment of investment returns

The investment returns on funds invested in the 6 Month Notice Account are:

- variable and calculated on the daily balance of your Investor Account;
- set at the end of each month based on interest received from the assets of the 6 Month Notice Account; and
- usually paid within 14 days after the end of each month by direct credit to the bank account nominated in your Application Form or as otherwise directed by you.

The first payment of investment returns is usually made within 14 days of the end of the month in which you invest. You may check with La Trobe Financial on **1800 818 818** or check our website for the current rate of investment return.

Investors in the 6 Month Notice Account may benefit from the Investor Reserve set aside, maintained and held by La Trobe Financial from its own management income for the sole benefit of Investors. The circumstances in which the Investor Reserve can be used by La Trobe Financial are found in Section 11 of this PDS.

**If you direct us, we will reinvest your investment returns in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or 2 Year Account. Please note that you can only elect to have income reinvested in the 12 Month Term or 2 Year Account if you have an investment in those Investment Accounts. If you are redeeming your funds from the 6 Month Notice Account, and your investment returns are reinvested in the 6 Month Notice Account, you can request for the reinvested interest to be withdrawn at the same time. Notice requirements are outlined below.**

### Access to your money

For 6 Month Notice Account Investors, you have access to your funds by giving notice to La Trobe Financial. You can give notice to us by email, in writing, or you can log on to your account through La Trobe Direct.

Under the Constitution of the Fund, we have 12 months from receipt of your withdrawal notice within which to comply with your request. However, we will make every endeavour to release your funds 180 days after receiving your withdrawal notice. Where the notice period ends on a weekend or public holiday, your withdrawal request will usually be honoured on the next business day. There has never been a case in the history of the Fund, since inception, when we have not honoured a withdrawal request on time due to a lack of liquidity.

In determining whether to honour your withdrawal request within the 180 day timeframe, we have to have regard to the Fund's ability to realise relevant assets for value and the best interests of Investors in the Investment Account.

We will directly credit your nominated bank account with the requested proceeds. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

# 5 | Investment Accounts

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law. We can suspend withdrawals and payments where we are reasonably of the view that it is necessary to do so in order for us to comply with our obligations under the Law.

If you wish to have access to your funds for the sole purpose of investing those funds into another Fund investment Account (excluding the Classic Notice and 90 Day Notice Account), you may, at the sole discretion of La Trobe Financial, be given earlier access to your funds without being charged an Early Withdrawal Fee.

## Cash management

La Trobe Financial aims to maintain an appropriate cash level within the 6 Month Notice Account. This policy balances the need to meet reasonably foreseeable withdrawal requests with the required investment of funds in a percentage of fixed term loans and credit investments in order to generate the income return levels sought by Investors on their total invested funds. Maintenance of the appropriate cash level is subject to inevitable short term fluctuations relating to investment and withdrawal activities.

If at any time during a calendar month, La Trobe Financial has received withdrawal requests or acceptances of withdrawal offers for amounts which exceed the available cash such that an insufficient amount of cash is or would be available to satisfy all requests received in respect of the 6 Month Notice Account, then from that time onwards the requests will be satisfied proportionately in accordance with the following formula:

$$\text{The amount of money available} \times \frac{\text{The amount an Investor has requested to withdraw}}{\text{Total of all amounts Investors request to withdraw}}$$

Whenever less than full withdrawal requests are able to be satisfied, Investors will be notified of this. La Trobe Financial has historically not paid less than full withdrawals. Investors receiving proportionate withdrawals according to the above formula will have the outstanding withdrawal balances redeemed in subsequent month(s), unless you instruct us otherwise, subject to cash constraints and again subject to the above formula if relevant. In these circumstances such withdrawal requests from any one month that have not been withdrawn will be met completely prior to satisfaction of requests received in subsequent months, gaining priority as a class according to the time of La Trobe Financial receiving the withdrawal request.

## Capital provisioning

La Trobe Financial's management of the 6 Month Notice Account also includes operating a provisioning policy relating to potential and actual losses of Investor funds in specific, individually identified investments. The primary aim of this policy is to effect an appropriately equitable distribution of any such shortfalls among all relevant Investors in the 6 Month Notice Account. As a result, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of any provision balances (in proportion to the total funds invested in the 6 Month Notice Account). There is no guarantee that investment losses will not occur in the future.

Investors in the 6 Month Notice Account may benefit from the dedicated Investor Reserve. The circumstances in which the Investor Reserve can be used by La Trobe Financial are disclosed in Section 11 of this PDS.

## ESG considerations

Our commitment to a sustainable future and social equity has long been reflected in the business practices since our inception. We apply an integrated approach to ESG, evaluating ESG matters (except for labour standards) as and when they arise as a standard part of our policy management and business processes, starting at the preliminary stages of any mortgage assessment. ESG Factors are captured on a loan by loan basis instead of against any predetermined list, minimum standard or target thresholds when allocating loans within the 6 Month Notice Account. There are asset allocation mandates for the 6 Month Notice Account which dictate the maximum percentage of loans by categories, including sector (i.e. residential, commercial, development finance) and state distribution, which diversify the loans allocated to the 6 Month Notice Account.

A number of factors are captured as part of our overall loan assessment processes and may be considered in order to diversify the holdings within the 6 Month Notice Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans held within the 6 Month Notice Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.



## 12 Month Term Account

The 12 Month Term Account offers you a variable rate of return from a pool of loans secured by registered first mortgages chosen and managed by La Trobe Financial. Investors' monies are 'pooled' and invested collectively, meaning that your investment is secured by the entire pool of mortgages in the proportion to which your investment bears to the total investment pool in the Account. No individual Investor has a specific entitlement to any individual mortgage. Loans which form part of the 12 Month Term Account are subject to the credit analysis criteria discussed in Section 8 in this PDS.

The rates of return are not guaranteed and are determined by future revenue of the pool of assets that comprise the 12 Month Term Account and may be lower than expected.

### Investment objective and strategy

The 12 Month Term Account aims to provide Investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in a wide range of loans secured by first mortgages in a range of industry sectors, with geographic diversification across Australia. Choosing the 12 Month Term Account means you enjoy substantial diversification of investment in loans secured by first mortgages. The 12 Month Term Account invests predominantly in loans secured by first mortgages, with the exception of cash, cash deposits or other asset allocation mandates for the account (see below).

Environmental, social, and governance (including ethical and labour) (**ESG**) factors can impact the performance of the 12 Month Term Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes. We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest. Other environmental, social, ethical and governance factors (**ESG Factors**) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund. ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans or performance of the 12 Month Term Account. Refer to our ESG considerations below for more information.

### Asset allocation

The 12 Month Term Account is invested almost entirely in loans secured by first mortgages, with the exception of small cash and term deposit holdings held to meet cash requirements. The 12 Month Term Account aims to hold mortgages in a range of security types, with geographic diversification across Australia.

### Payment of investment returns

The investment returns on funds invested in the 12 Month Term Account are:

- variable and calculated on the daily balance of your Investor Account;
- set at the end of each month based on interest received from the assets of the 12 Month Term Account; and
- usually paid within 14 days after the end of each month by direct credit to the bank account nominated in your Application Form or as otherwise directed by you.

The first payment of investment returns is usually made within 14 days of the end of the month in which you invest. You may check with La Trobe Financial on **1800 818 818** or check our website for the current rate of investment return.

Investors in the 12 Month Term Account may benefit from the Investor Reserve set aside, maintained and held by La Trobe Financial from its own management income for the sole benefit of Investors. The circumstances in which the Investor Reserve can be used by La Trobe Financial are found in Section 11 of this PDS.

**If you direct us, we will reinvest your investment returns in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or 2 Year Account. Please note that you can only elect to have income reinvested in the 2 Year Account if you have an investment in that Investment Account. Your investment returns that are reinvested in the 12 Month Term Account may be withdrawn where a written withdrawal request providing 30 days' notice has been given (notice requirements are outlined below).**

### Access to your money

For 12 Month Term Account Investors, you have access to your funds by giving notice to La Trobe Financial. You can give notice to us by email, in writing or you can log onto your account via La Trobe Direct ([www.latrobedirect.com.au](http://www.latrobedirect.com.au)).

**Annual Access:** The 12 Month Term Account is a 12 month investment and your investment matures twelve months from the date of receipt by us of your investment (**Maturity Date**). To withdraw your investment, you must submit a completed, written Withdrawal Request at least 30 days prior to the Maturity Date.

Should we not receive a Withdrawal Request at least 30 days prior to the Maturity Date, your entire investment will be automatically rolled over into a further 12 month investment.

**We will not write to you separately regarding the expiry of each investment. Your Maturity Date will be notified to you on receipt of each investment and can be viewed at any time on the La Trobe Direct online investment platform [www.latrobedirect.com.au](http://www.latrobedirect.com.au). You may request a 12 Month Term Account Maturity Profile from us at any time.**

# 5 | Investment Accounts

Please note that for sophisticated or wholesale investors, we reserve the right to negotiate a staggered maturity profile e.g. quarterly to protect the interests of all Investors.

**Regular Access Cycle:** The Regular Access Cycle is designed for medium to long term Investors (minimum investment period of 12 months) who want to retain the option to access part of their capital after the initial 12 twelve month investment term. Regular access option is available to investors who have completed their first maturity and upon supplying 30 days' notice to La Trobe Financial.

The following three Regular Access Cycles are available to the 12 Month Term Account:

- Monthly – 8.33% (one twelfth) of invested capital available;
- Quarterly – 25% (one quarter) of invested capital available; or
- Half Yearly – 50% (one half) of invested capital available.

Where the Regular Access Cycle is nominated at the time of investment, after the initial twelve 12 month investment, a proportionate component of your total investment 'frees up' each month, quarter or six month period, as nominated by you. For example, if you have selected the 'monthly' option, after the initial 12 month investment period, one twelfth of your investment becomes available each month and will be paid according to your instructions unless you instruct otherwise.

Thirty days' written notice is required if you opt to withdraw under the Regular Access Cycle. If we do not receive the relevant written notice then that part of your investment will be reinvested for a further 12 month investment term.

Once we receive written instruction from you, we can direct a progressive release of all or part of your investment within the 12 months after the initial 12 month investment. For existing investors wishing to move from the 12 month term to a shorter regular access cycle:

- 30 days' written notice is required;
- a minimum initial investment period of 12 months must be completed on each investment; and
- where there are multiple Maturity Dates, the regular access cycle will commence from the next Maturity Date.

**Generally:** All withdrawal payments will be made within 21 days of the end of the month in which the Maturity Date occurs and all are subject to availability of cash in the Fund and the Fund being liquid. The withdrawal amount will, if relevant, include any adjustment determined in accordance with the capital provisioning policy outlined below. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

Withdrawal prior to maturity is generally not permitted. However, we may consider a written request for each withdrawal at our discretion, including for the purposes of investing those funds into another Fund investment account (excluding the Classic Notice, 90 Day Notice, 6 Month Notice and 12 Month Term Account). Such withdrawals will be subject to the interests and needs of other Investors and may be subject to an Early Withdrawal Fee. Please refer to Section 7 in this PDS.

If, instead of a withdrawal, an Investor seeks to switch their investment from an Investment Account (the **first Investment Account**) to another Investment Account with a longer investment term prior to the Maturity Date of the first Investment Account, we may action such a switch at our absolute discretion, subject to the interests and needs of all other Investors. Such a switch will not be subject to an Early Withdrawal Fee.

Please note that separate access arrangements apply to Investors who invest through a platform. See Section 6 and speak with your platform provider for more information.

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law. We can suspend withdrawals and payments where we are reasonably of the view that it is necessary to do so in order for us to comply with our obligations under the Law.

## Cash management

La Trobe Financial aims to maintain a cash level within the 12 Month Term Account. This policy balances the need to meet reasonably foreseeable withdrawal requests with the required investment of funds in fixed term mortgages in order to generate the return sought by Investors on their investment. Maintenance of the appropriate cash level is subject to inevitable short term fluctuations relating to investment and withdrawal activities.

If at any time during a calendar month, La Trobe Financial has received withdrawal requests or acceptances of withdrawal offers for amounts which exceed the available cash such that an insufficient amount of cash is or would be available to satisfy all requests received in respect of the 12 Month Term Account, then from that time onwards the requests will be satisfied proportionately in accordance with the following formula:

$$\text{The amount of money available} \times \frac{\text{The amount an Investor has requested to withdraw}}{\text{Total of all amounts Investors request to withdraw}}$$

Whenever less than full withdrawal requests are able to be satisfied, Investors will be notified of this. La Trobe Financial has historically not paid less than withdrawals in full. Investors receiving proportionate withdrawals according to the above formula will have the outstanding withdrawal balances redeemed in the month(s) thereafter, subject to cash constraints and again subject to the above formula if relevant. Withdrawal requests from any one month that have not been withdrawn will be met completely prior to satisfaction of requests received in subsequent months, gaining priority as a class according to the time of La Trobe Financial receiving the withdrawal request.

## Capital provisioning

La Trobe Financial also operates a provisioning policy relating to losses in individual 12 Month Term Account assets. The primary aim of this policy is to effect an appropriately equitable distribution of any such shortfalls among all relevant Investors in the 12 Month Term Account. As a result, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of any provision balances (in proportion to the total funds invested in the 12 Month Term Account). Investors have historically not incurred any investment losses in the 12 Month Term Account (although there is no guarantee that losses will not occur in the future).

Investors in the 12 Month Term Account may benefit from the dedicated Investor Reserve held by La Trobe Financial. The circumstances in which the Investor Reserve can be used by La Trobe Financial are disclosed in Section 11 of this PDS.

## Qantas Points

Terms capitalised in this section are as defined in the Terms & Conditions of the Offer to earn Qantas Points for new investments in the 12 Month Term Account available at [www.latrobefinancial.com.au/investments/qantas-Investor-disclaimer](http://www.latrobefinancial.com.au/investments/qantas-Investor-disclaimer) (**Terms**).

La Trobe Financial has partnered with Qantas to provide Eligible Investors with the opportunity to earn Qantas Points on any Eligible Investment into the 12 Month Term Account of the Fund, subject to and in accordance with the Terms.

La Trobe Financial and Qantas reserve the right to cancel, terminate, modify or suspend this offer and the Terms. Eligible Investors will be notified in accordance with applicable laws on or before the day the change takes effect either in writing or by electronic means.

## ESG considerations

Our commitment to a sustainable future and social equity has long been reflected in the business practices since our inception. We apply an integrated approach to ESG, evaluating ESG matters (except for labour standards) as and when they arise as a standard part of our policy management and business processes, starting at the preliminary stages of any mortgage assessment. ESG Factors are captured on a loan by loan basis instead of against any predetermined list or minimum standard when allocating loans within the 12 Month Term Account.

There are asset allocation mandates for the 12 Month Term Account which dictate the maximum percentage of loans by categories, including sector (i.e. residential, commercial, development finance) and state distribution, which diversify the loans allocated to the 12 Month Term Account.

A number of factors are captured as part of our overall loan assessment processes and may be considered in order to diversify the holdings within the 12 Month Term Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans held within the 12 Month Term Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.

# 5 | Investment Accounts

## 2 Year Account

The 2 Year Account offers you a variable rate of return from a pool of loans secured by registered first mortgages chosen and managed by La Trobe Financial. Investors' monies are 'pooled' and invested collectively, meaning that your investment is secured by the entire pool of mortgages in the proportion to which your investment bears to the total investment pool in the Account. No individual Investor has a specific entitlement to any individual mortgage. Loans which form part of the 2 Year Account are subject to the credit analysis criteria discussed in Section 8 in this PDS.

The rates of return are not guaranteed and are determined by future revenue of the pool of assets that comprise the 2 Year Account and may be lower than expected.

### Investment objective and strategy

The 2 Year Account aims to provide Investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in a wide range of loans secured by first mortgages in a range of industry sectors, with geographic diversification across Australia. Choosing the 2 Year Account means you enjoy substantial diversification of investment in loans secured by first mortgages over the medium to long term investment horizon. The 2 Year Account invests predominantly in loans secured by first mortgages, with the exception of cash, cash deposits or other asset allocation mandates for the account (see below).

Environmental, social, and governance (including ethical and labour) (ESG) factors can impact the performance of the 2 Year Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes. We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest. Other environmental, social, ethical and governance factors (ESG Factors) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund. ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans or performance of the 2 Year Account. Refer to our ESG considerations below for more information.

### Asset allocation

The 2 Year Account is invested almost entirely in loans secured by first mortgages, with the exception of small cash and term deposit holdings held to meet cash requirements. The 2 Year Account aims to hold mortgages in a range of security types, with geographic diversification across Australia.

### Payment of investment returns

The investment returns on funds invested in the 2 Year Account are:

- variable and calculated on the daily balance of your Investor Account;
- set at the end of each month based on interest received from the assets of the 2 Year Account; and
- usually paid within 14 days after the end of each month by direct credit to the bank account nominated in your Application Form or as otherwise directed by you.

The first payment of investment returns is usually made within 14 days of the end of the month in which you invest. You may check with La Trobe Financial on **1800 818 818** or check our website for the current rate of investment return.

Investors in the 2 Year Account may benefit from the Investor Reserve set aside, maintained and held by La Trobe Financial from its own management income for the sole benefit of investors. The circumstances in which the Investor Reserve can be used by La Trobe Financial are found in section 11 of this PDS.

**If you direct us, we will reinvest your investment returns in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or 2 Year Account. Please note that you can only elect to have income reinvested in the 12 Month Term Account if you have an investment in that Investment Account. Your investment returns that are reinvested in the 2 Year Account may be withdrawn where a written withdrawal request providing 60 days' notice has been given (notice requirements are outlined below).**

### Access to your money

For 2 Year Account Investors, you have access to your funds at maturity by giving notice to La Trobe Financial. You can give notice to us by email, in writing or you can log onto your account via La Trobe Direct.

Access: The 2 Year Account is a 24-month investment and your investment matures twenty four months from the date of receipt by us of your investment (**Maturity Date**). To withdraw your investment, you must submit a completed, written Withdrawal Request at least 60 days prior to the Maturity Date.

Should we not receive a Withdrawal Request at least 60 days prior to the Maturity Date, your entire investment will be automatically rolled over into a further 24-month investment.

**We will not write to you separately regarding the expiry of each investment. Your Maturity Date will be notified to you on receipt of each investment and can be viewed at any time on La Trobe Direct. You may request a 2 Year Account Maturity Profile from us at any time.**

Please note that for sophisticated or wholesale investors, we reserve the right to negotiate a staggered maturity profile e.g. quarterly to protect the interests of all Investors.

**Regular Access Cycle:** The Regular Access Cycle is designed for medium to long term Investors who want to retain the option to access part of their capital after the initial 24 month investment term.

The following Regular Access Cycles are available:

- Half Yearly – 25% (a quarter) of capital available over the two year period;
- Annually – 50% (a half) of capital available over a two year period.

Where the Regular Access Cycle is nominated at the time of investment, after the initial 24 month investment, a proportionate component of your total investment 'frees up' each half yearly or annual period. For example, if you have selected the 'half yearly' option, after the initial 24 month investment period, one quarter of your investment becomes available each six months and will be paid according to your instructions unless you instruct otherwise.

60 days' written notice is required if you opt to withdraw under the Regular Access Cycle. If we do not receive the relevant written notice then that part of your investment will be reinvested for a further two year investment term.

Once we receive written instruction from you, we can direct a progressive release of all or part of your investment within the two year period after the initial two year investment. For existing investors wishing to move from the 2 Year Account to a shorter regular access cycle:

- 60 days' written notice is required;
- a minimum initial investment period of 24 months must be completed on each investment; and
- where there are multiple Maturity Dates, the regular access cycle will commence from the next Maturity Date.

**Generally:** All withdrawal payments will be made within 21 days of the end of the month in which the Maturity Date occurs and all are subject to availability of cash in the Fund and the Fund being liquid. The withdrawal amount will, if relevant, include any adjustment determined in accordance with the capital provisioning policy outlined below. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

Withdrawal prior to maturity is generally not permitted. However, we may consider a written request for each withdrawal at our discretion, including for the purposes of investing those funds into another Fund investment account (excluding the Classic Notice, 90 Day Notice, 6 Month Notice and 12 Month Term Account). Such withdrawals will be subject to the interests and needs of other Investors and may be subject to an Early Withdrawal Fee. Please refer to Section 7 in this PDS.

**Please note that separate access arrangements apply to Investors who invest through a platform. See Section 6 and speak with your platform provider for more information.**

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law. We can suspend withdrawals and payments where we are reasonably of the view that it is necessary to do so in order for us to comply with our obligations under the Law.

## Cash management

La Trobe Financial aims to maintain a cash level within the 2 Year Account. This policy balances the need to meet reasonably foreseeable withdrawal requests with the required investment of funds in fixed term mortgages in order to generate the return sought by Investors on their investment. Maintenance of the appropriate cash level is subject to inevitable short term fluctuations relating to investment and withdrawal activities.

If at any time during a calendar month, La Trobe Financial has received withdrawal requests or acceptances of withdrawal offers for amounts which exceed the available cash such that an insufficient amount of cash is or would be available to satisfy all requests received in respect of the 2 Year Account, then from that time onwards the requests will be satisfied proportionately in accordance with the following formula:

$$\text{The amount of money available} \times \frac{\text{The amount an Investor has requested to withdraw}}{\text{Total of all amounts Investors request to withdraw}}$$

Whenever less than full withdrawal requests are able to be satisfied, Investors will be notified of this. La Trobe Financial has historically not paid less than full withdrawals. Investors receiving proportionate withdrawals according to the above formula will have the outstanding withdrawal balances redeemed in the month(s) thereafter, unless you instruct otherwise, subject to cash constraints and again subject to the above formula if relevant. Withdrawal requests from any one month that have not been withdrawn will be met completely prior to satisfaction of requests received in subsequent months, gaining priority as a class according to the time of La Trobe Financial receiving the withdrawal request.

# 5 | Investment Accounts

## Capital provisioning

Investors in the 2 Year Account may benefit from the dedicated Investor Reserve held by La Trobe Financial (as described in Section 11 of the PDS) which La Trobe Financial may use, in its sole discretion, to reduce volatility in interest payments, cover expenses that could otherwise be charged to Investors under the Fund Constitution, fund loss recovery actions for 2 Year Account investments and meet shortfalls on individual assets of the 2 Year Account from time to time. La Trobe Financial also operates a provisioning policy relating to losses in individual 2 Year Account assets. The primary aim of this policy is to effect an appropriately equitable distribution of any such shortfalls among all relevant Investors in the 2 Year Account. As a result, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of any provision balances (in proportion to the total funds invested in the 2 Year Account).

## ESG considerations

Our commitment to a sustainable future and social equity has long been reflected in the business practices since our inception. We apply an integrated approach to ESG, evaluating ESG matters (except for labour standards) as and when they arise as a standard part of our policy management and business processes, starting at the preliminary stages of any mortgage assessment. ESG Factors are captured on a loan by loan basis instead of against any predetermined list, minimum standard or target thresholds when allocating loans within the 2 Year Account. There are asset allocation mandates for the 2 Year Account which dictate the maximum percentage of loans by categories, including sector (i.e. residential, commercial, development finance) and state distribution, which diversify the loans allocated to the 2 Year Account.

A number of factors are captured as part of our overall loan assessment processes and may be considered in order to diversify the holdings within the 2 Year Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans held within the 2 Year Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.

## 4 Year Account

The 4 Year Account offers you a variable rate of return from a portfolio of medium term credit assets and loans secured by Australian residential and commercial real property. Investors' monies are 'pooled' and invested collectively, meaning that your investment is secured by the entire pool of assets in the proportion to which your investment bears to the total investment pool in the Account. No individual Investor has a specific entitlement to any individual asset. The rates of return are not guaranteed and are determined by the revenue of the pool of assets that comprise the 4 Year Account and might be lower than expected. Prior to investing into the 4 Year Account we recommend that you obtain personal financial product advice to confirm that an investment in the account is appropriate for you.

### Investment objective and strategy

The 4 Year Account aims to provide Investors with a reasonably stable and predictable income based on a monthly variable rate of return, investing in medium term credit assets, credit instruments including corporate debt, and loans secured by Australian residential and commercial real property. Choosing the 4 Year Account means that you enjoy substantial diversification of investment in loans secured by first mortgages, in addition to credit assets, which may be structured as medium term notes. The 4 Year Account is, in general, more suitable for experienced Investors and investments will be subject to the minimum initial and subsequent investment amounts as set by La Trobe Financial from time to time. The 4 Year Account invests predominantly in pool of credit assets (including units in the La Trobe US Private Credit Fund, an unlisted Australian unit trust with La Trobe Financial appointed as trustee, which are held indirectly, and credit assets issued by securitisation trusts involving related parties) and loans secured by first mortgages, with the exception of cash, cash deposits or other asset allocation mandates for the account (see below).

Environmental, social, and governance (including ethical and labour) (**ESG**) factors can impact the performance of the 4 Year Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes.

We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest. Refer to our ESG considerations below for more information.

Other environmental, social, ethical and governance factors (**ESG Factors**) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund.

When investing into other credit assets or instruments, ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans, credit assets or performance of the 4 Year Account.

### Asset allocation

The 4 Year Account invests in medium term credit assets (including via loans to related party entities of La Trobe Financial to enable that related party to acquire units in managed investment schemes operated by La Trobe Financial) and loans offered by an AFSL holder secured by Australian residential and commercial real property and includes:

- Australian Residential Mortgage Backed Assets (**RMBA**); and
- Australian Commercial Mortgage Backed Assets (**CMBA**).

The 4 Year Account also invests in cash and term deposits.

RMBA is an investment that is secured by Australian residential mortgages and includes Residential Mortgage Backed Securities (**RMBS**), Residential Mortgage Backed Loans (**RMBL**). RMBS and RMBL are secured against a pool of residential mortgages. Each pool supports a number of tranches of investments with different risk/return characteristics and priorities. RMBS and RMBL can be rated by external rating agencies or unrated. The majority of investments issued in respect of RMBS and RMBL are repaid within a period of one to five years. However, the maximum investment term could be longer, up to the length of the longest mortgage term loan in the portfolio (generally, up to 30 years).

CMBA is an investment that is secured by commercial mortgages and includes Commercial Mortgage Backed Securities (**CMBS**), Commercial Mortgage Backed Loans (**CMBL**). CMBS and CMBL are secured against a pool of commercial mortgages. Each pool supports a number of tranches of investments with different risk/return characteristics and priorities. CMBS and CMBL can be rated by external rating agencies or unrated. The majority of investments issued in respect of CMBS and CMBL are repaid within a period of one to five years. However, the maximum investment term could be longer, up to the length of the longest mortgage term loan in the portfolio (generally, up to 25 years).

Investments by the 4 Year Account in the La Trobe US Private Credit Fund (a managed investment scheme with La Trobe Financial appointed as trustee) are facilitated by way of loan to a related party of La Trobe Financial, which in turn invests directly into and provides as security all units held in the La Trobe US Private Credit Fund.

# 5 | Investment Accounts

## Payment of investment returns

The investment returns on funds invested in the 4 Year Account are:

- variable and calculated on the daily balance of your Investor Account;
- set at the end of each month based on interest received from the assets of the 4 Year Account; and
- usually paid within 14 days after the end of each month by direct credit to the bank account nominated in your Application Form or as otherwise directed by you.

The first payment of investment returns is usually made within 14 days of the end of the month in which you invest. You may check with La Trobe Financial on **1800 818 818** or check our website for the current rate of investment return.

Investors in the 4 Year Account may benefit from the Investor Reserve set aside, maintained and held by La Trobe Financial for the sole benefit of Investors. The circumstances in which the Investor Reserve can be used by La Trobe Financial are found in Section 11 of this PDS.

**If you direct us, we will reinvest any investor returns payable to you in either the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or the 2 Year Account. Please note that you can only elect to have income reinvested in the 12 Month Term or 2 Year Account if you have an investment in those Investment Accounts.**

## Access to your money

The 4 Year Account has an initial four year investment period, followed by rolling two year investment periods thereafter. To withdraw your investment at the end of the initial four year period, or subsequent two year period, you must provide written notice to La Trobe Financial of your intention to withdraw at least three months prior to your Maturity Date.

Where no notice is received your investment will automatically roll for a further two years.

**We will not write to you separately regarding the expiry of each investment, but your Maturity Date will be notified to you on receipt of each investment and you may request a 4 Year Account Maturity Profile from us at any time it can be viewed at any time on La Trobe Direct without incurring a fee).**

Please note that for sophisticated or wholesale investors, we reserve the right to negotiate a staggered maturity profile to protect the interests of all Investors.

## Regular Access Cycle:

All investors in the 4 Year Account benefit from the Regular Access Cycle, which provides an alternative to redeeming your investment in full at the end of the investment period. Under the Regular Access Cycle, following the initial four year investment term and during subsequent investment periods and aligned to the investment term, the following is available:

- 25% (a quarter) of your investment can be accessed every six months; or
- 50% (a half) of your investment can be accessed annually.

Where the Regular Access Cycle is nominated at the time of investment, after the initial four year investment, a proportionate component of your total investment 'frees up' each six or 12 month period, as nominated by you. To utilise the Regular Access Cycle, three months' written notice must be provided prior to the maturity of your initial investment. If we do not receive the relevant written notice then that part of your investment will be reinvested for a further two year investment term.

Once we receive written instruction from you, we can direct a progressive release of all or part of your investment within the two year period after the initial four year investment. For existing investors wishing to move from the four year term to a shorter regular access cycle:

- three months written notice prior to the Maturity Date is required;
- a minimum initial investment period of four years must be completed on each investment; and
- where there are multiple Maturity Dates, the regular access cycle will commence from the next Maturity Date.

**Generally:** All withdrawal payments will be made within 21 days of the end of the month in which the Maturity Date occurs and all are subject to availability of cash in the Fund and the Fund being liquid. The withdrawal amount will, if relevant, include any adjustment determined in accordance with the capital provisioning and net gains policies outlined below. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

Withdrawal prior to maturity is generally not permitted. However, we may consider a written request for an early withdrawal where the Investor through unforeseen and exceptional circumstances requires access to funds but only where the withdrawal occurs or is to occur while the Fund is liquid as defined under the Law. Such a withdrawal may be subject to an Early Withdrawal Fee. Please refer to Section 7 in this PDS.

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law. We can suspend withdrawals and payments where we are reasonably of the view that it is necessary to do so in order for us to comply with our obligations under the Law.



## Cash management

La Trobe Financial aims to maintain an appropriate cash level within the 4 Year Account. This policy balances the need to meet reasonably foreseeable withdrawal requests with the required investment of funds in credit assets and loans in order to generate the return sought by Investors on their investment. Maintenance of the appropriate cash level is subject to inevitable short term fluctuations relating to investment and withdrawal activities. La Trobe Financial has historically always paid full withdrawals.

To manage the internal liquidity of the 4 Year Account, La Trobe Financial reserves the right to, with investor consent, reinvest funds into other Accounts of the Fund.

If at any time during a calendar month, La Trobe Financial has received withdrawal requests or acceptances of withdrawal offers for amounts which exceed the available cash such that an insufficient amount of cash is or would be available to satisfy all requests received in respect of the 4 Year Account, then from that time onwards the requests will be satisfied proportionately in accordance with the following formula:

$$\text{The amount of money available} \times \frac{\text{The amount an Investor has requested to withdraw}}{\text{Total of all amounts Investors request to withdraw}}$$

Whenever less than full withdrawal requests are able to be satisfied, Investors will be notified of this. La Trobe Financial has historically not paid less than full withdrawals. Investors receiving proportionate withdrawals according to the above formula will have the outstanding withdrawal balances redeemed in the month(s) thereafter, unless you instruct otherwise, subject to cash constraints and again subject to the above formula if relevant.

Withdrawal requests from any one month that have not been withdrawn will be met completely prior to satisfaction of requests received in subsequent months, gaining priority as a class according to the time of La Trobe Financial receiving the withdrawal request.

## Capital provisioning

La Trobe Financial operates a capital provisioning policy in relation to losses incurred on individual portfolio assets. The primary aim of this policy is to effect an equitable distribution of any shortfalls among all relevant investors in the 4 Year Account. In this case, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of any provision balances (in proportion to the total funds invested in the 4 Year Account). Investors have historically not incurred any investment losses in the 4 Year Account Investor accounts, although there is no guarantee that investment losses will not occur in the future.

Investors in the 4 Year Account may benefit from the dedicated Investor Reserve. The circumstances in which the Investor Reserve can be used by La Trobe Financial are disclosed in Section 11 of this PDS.

## ESG considerations

A number of factors are captured as part of our overall loan assessment processes and may be considered in order to diversify the holdings within the 4 Year Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans held within the 4 Year Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.

## Net gains policy (all pooled Investment Accounts)

La Trobe Financial operates a net gains policy relating to certain individual pooled Investment Account assets. The primary aim of this policy is to effect an appropriately equitable distribution of any amounts of net gains (being differences between the purchase price of the individual assets and their current value or disposal amount) among all relevant Investors in each pooled Investment Account. As a result, Investor Accounts will be adjusted, if applicable, to reflect an appropriate allocation of net gains (in proportion to the total funds invested in each pooled Investment Account). There is no guarantee that any net gains will occur.

# 5 | Investment Accounts

## Select Investment Account

The Select Investment Account offers you fixed or variable rates of return and the opportunity to choose the mortgage investments in which you invest. You select which mortgage investment suits you, based on information about the mortgage investment, its term and interest rate, the security property and the borrower. You receive the benefits and the rights that attach to the mortgage investment that you select and are exposed to its specific risks. You are not required to fund the full loan amount.

If you choose the Select Investment Account, this PDS is the first part of a two part disclosure process, and you will be subsequently provided with a separate document called a Supplementary Product Disclosure Statement (**SPDS**). The SPDS supplements the information contained in this PDS, and will provide you with information about the specific loan you select, such as the location, the property, the interest rate and the term of the investment.

In some cases, the Select Investment Account offers the opportunity to invest in portfolios of loans with specific characteristics that will also be outlined in the relevant SPDS. You should consider both the information in this PDS and in the SPDS before deciding to invest in the Select Investment Account.

Prior to investing into a Select Investment Account investment you must complete a questionnaire provided as part of the onboarding process. You do not need to complete the questionnaire if you:

- are investing more than \$500,000 into the Select Investment Account investment;
- are a wholesale or professional investor as defined in the Corporations Act; or
- have received personal financial advice to make an investment into the Select Investment Account investment.

The rates of return are not guaranteed and are determined by the performance of the investment you select as disclosed in the SPDS.

### Investment objective and strategy

The Select Investment Account aims to provide Investors with reasonably stable and predictable income over a set period on a monthly basis, investing in loans.

The Select Investment Account provides less diversification of investment income and access to your funds for each individual investment than may be available in our other investment options. However, you have the benefit of selecting the investment yourself and the potential to achieve higher returns.

Environmental, social, and governance (including ethical and labour) (**ESG**) factors can impact the performance of the Select Investment Account. We apply an integrated approach to ESG, evaluating certain ESG matters as a standard part of our policy management and business processes. We do not factor in labour standards as part of our selection, retention or realisation considerations due to the nature of the assets in which we invest. Other environmental, social, ethical and governance factors (**ESG Factors**) are captured and may be considered as part of our selection, retention or realisation of any loans allocated to the Fund. ESG Factors are considered as and when we become aware and on a case by case basis, to the extent that these factors have an impact on the financial value of mortgage loans or performance of the Select Investment Account. Refer to our ESG considerations below for more information.

### Asset allocation

The Select Investment Account is invested in residential, commercial, retail, rural, vacant land, construction and development and industrial real estate loans secured by registered first or second mortgages. Where the Select Investment Account offers lower priority security (such as a second or subsequent mortgage), these special characteristics will be disclosed to you in the SPDS for the specific loan you select.

As investments mature and capital is partially or fully released, your money will be placed into your Classic Notice Account or in accordance with your instructions, until you select another investment in which to invest.

If an individual borrower seeks to renew a loan in which you are invested for a further term, the loan will be re-submitted to you by way of another SPDS for your consideration and approval. Provision of the SPDS to Investors will generally occur prior to maturity but it is dependent on completion of our credit assessment. There will be no obligation on you to approve the renewed loan and if you do not so approve, your money will be placed in your Classic Notice Account or as directed by you, subject to discharge, refinance of the loan by the borrower, or location of a Substitute Investor. If a borrower is unable to repay the loan at maturity, we will take the appropriate action to protect your interests. This may include legal action, informal loan extensions and any other action we deem necessary. We will write to you in such cases.

### Commencement of earnings

Following completion and lodgement of the SPDS Application Form, funds will be transferred from your Classic Notice Account. Earnings on your Select Investment Account will commence on settlement of the loan following receipt of your SPDS Application form and cleared funds, or upon receipt of your SPDS Application form and cleared funds if you invest post-settlement.

### Payment of investment returns

For Select Investors, payments are generally monthly, but this may be varied by disclosure in the SPDS. Investment earnings are dependent on the borrower making the payments required under the loan. The payments should comprise income from the investments of the Select Investment Account, as well as returns of capital to the extent that capital repayments are received from the investments of the Select Investment Account and La Trobe Financial considers it appropriate for these amounts to be returned to members.

Once the borrower has made the payment required under the loan, the payment has to be cleared and this may take up to five business days. Funds are then credited to Investors' accounts. In certain instances, La Trobe Financial may arrange for a borrower to prepay interest so as to reduce the credit risk of the loan. This will be identified in the SPDS and La Trobe Financial will ensure that funds are credited to Investors' accounts within five business days of the regular payment date outlined in the SPDS. If you direct us, we will reinvest any investment return payable to you into your Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term or 2 Year Account (if funds held in the 12 Month Term or the 2 Year Account).

## Investment term

The investment term is disclosed in the investment term section in the SPDS. The usual term is between 12-24 months, although other terms are available. Liquidity is dependent on the borrower repaying the loan on the due date, and Select Investors are only entitled to withdraw from the Fund once the loans have been repaid in full by the borrowers.

## Access to your money

Early withdrawals are not available to Select Investment Account Investors and we are under no obligation to process an early withdrawal request from an Investor in a Select investment. We may, at our discretion, consider such a request from Select Investors who need, through unforeseen and exceptional circumstances, to withdraw part or the whole of their investment prior to the relevant Maturity Date but only where the withdrawal occurs or is to occur while the Fund is 'liquid' as defined in the Law. An authorised withdrawal in such an instance will be subject to an Early Withdrawal Fee. Please refer to Section 7 in this PDS.

## ESG considerations

Our commitment to a sustainable future and social equity has long been reflected in the business practices since our inception. We apply an integrated approach to ESG, evaluating ESG matters (except for labour standards) as and when they arise as a standard part of our policy management and business processes, starting at the preliminary stages of any mortgage assessment. ESG Factors are captured on a loan by loan basis instead of against any predetermined list, minimum standard or target thresholds.

A number of factors are captured as part of our loan assessment processes and may be considered in order to diversify the types of loans offered within the Select Investment Account:

- environmental impact (i.e. flood/natural disaster zones);
- building standards (i.e. council regulations);
- social impact (i.e. Islamic finance, aged care);
- construction standards (i.e. National Construction Code);
- location (i.e. state, regional, metro);
- borrower characteristics (i.e. residency, age, employment source, credit events);
- borrower types (i.e. individual, company, trusts, SMSF); and
- source of revenues (i.e. company industry, income sources).

No one ESG Factor has a greater weighting over others to diversify the loans offered within the Select Investment Account, nor is there a specific methodology for the allocation of loans with ESG Factors. We do not undertake reviews of negative/positive news reports on borrowers to determine continued allocation to the Fund. Where data is unavailable, proxy considerations may be used to determine the ESG impacts for each mortgage loan.

As a responsible counterparty for our financiers and investors, an exclusion principle is applied to all mortgage loans, whereby we will not provide finance to companies and individuals that are materially involved in the following industries:

- controversial weapons manufacturing (i.e. nuclear weapons; chemical weapons etc); and
- tobacco manufacturing.

# 6 | Investing Through Investment Platforms

## Platform investment

You may invest in the Fund through investment platforms, also referred to as 'wraps'. We authorise the use of this PDS as disclosure to investors who wish to access the Fund through investment platforms. Investment platform investors are considered a separate class of investor in the Fund. If you use an investment platform, you should complete the application form provided by the investment platform.

If you are gaining access to the Fund through an investment platform, you do not yourself become an Investor in the Fund. Generally, it is the investment platform that has the rights of an Investor, and you should be aware that as an indirect investor in the Fund, you will not enjoy the rights that a direct Investor in the Fund has.

You should be able to request reports on the Fund from the investment platform, and you should direct any enquiries to it.

Investments are subject to the risks and features as outlined in Sections 5 and 9 in this PDS. These include investment objectives and strategy, asset allocation, interest payments, cash management, and capital provisioning and Fund liquidity risks.

This section of the PDS does not attempt to provide all information relating to the Fund and its Investment Accounts and is supplemented by the rest of the PDS.

## Access to your money

**Requesting a withdrawal:** For investments through platforms, withdrawal requests are made to the platform. La Trobe Financial will treat a platform operator as the Investor for the purposes of considering withdrawal requests and so all requests from the platform operator will be treated as one request, and La Trobe Financial will only deal with withdrawal requests from the platform operator itself.

**Processing withdrawal requests:** At any time during your investment you can direct a release of all or part of your investment, subject to this section, by contacting your financial adviser or platform operator. Platform investors are not charged the Early Withdrawal Fee.

Withdrawal requests will be processed once a month, upon the agreed withdrawal date with the Platform provider. Notice of intention to withdraw must be provided to La Trobe Financial at least seven days prior to the agreed withdrawal date. Any withdrawal requests received after this date will be processed in the month following. This agreed withdrawal date can be changed to a different day by mutual agreement between La Trobe Financial and the Platform. Where the specified withdrawal date is not a business day, it will be processed on the next business day. A business day is any day other than Saturday, Sunday or a public holiday in Victoria, Australia, or such other date as requested by the platform and agreed to by La Trobe Financial.

Subject to this section and the respective withdrawal restrictions set out in Section 5 for each Investment Account, where multiple withdrawal requests per Investor are received, we will aggregate and process the total withdrawal requests processed on the agreed withdrawal date of each calendar month.

Funds will be set aside to meet likely withdrawal requests. In determining the amount to be set aside we will take into account factors including the amount of cash available in the Fund. At all times we will act having regard to the best interests of all investors in the Fund.

**Reducing withdrawal payment amounts:** Where insufficient funds are available to meet withdrawal requests relating to a specified withdrawal date, withdrawal payment amounts will be reduced on a pro-rata basis. Unmet portions of any withdrawal request will be cancelled.

Where we reduce the withdrawal payment, you will need to submit a new withdrawal request through your platform. Your new request can be for the balance of the unpaid withdrawal amount or any other amount. This new withdrawal request will be processed at the specified withdrawal date relevant to the date we receive the request from your platform, and will be reduced on a pro-rata basis if there is insufficient cash available in the Fund to fully meet the request. We will notify the platform in writing if we reduce withdrawal payment amounts.

**Payment times:** Withdrawal payments will usually be made within 21 days of the withdrawal date, subject to the availability of cash in the Fund. The withdrawal amount will, if relevant, include any adjustment determined in accordance with the Total Withdrawals policy outlined below.

**Total withdrawals:** The Fund need not accept total withdrawals exceeding 2% of a platform investor's total investments. Withdrawals exceeding 2% of a platform investor's total investments are processed at the sole discretion of La Trobe Financial.

## 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 account 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 fees. 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) Moneysmart website** ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section 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.**

# 7 | Fees and Other Costs

This section 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.

	Classic Notice Account	90 Day Notice Account	6 Month Notice Account	12 Month Term Account
<b>Type of fee or cost</b>	Amount	Amount	Amount	Amount
<b>Fees when your money moves in or out of the Fund</b>				
<b>Management fees and costs</b> The fees and costs for managing your investment <sup>2</sup>	Estimated to be 2.79% per annum of the average total investor balances of the Investment Account based on the fees and costs to 30 June 2024	Estimated to be 2.43% per annum of the average total investor balances of the Investment Account based on the fees and costs to 30 June 2024	Estimated to be 2.33% per annum of the average total investor balances of the Investment Account based on the fees and costs to 30 June 2024	Estimated to be 1.80% per annum of the average total investor balances of the Investment Account based on the fees and costs to 30 June 2024 <sup>3</sup>
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil	Nil	Nil	Nil
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Nil	Nil	Nil	Nil
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>1</sup></b>				
<b>Establishment fee</b> The fee to open your investment	Nil	Nil	Nil	Nil
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Nil	Nil	Nil
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Nil	Nil	Nil
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Nil if 90 days' notice is provided. Early Withdrawals are generally not permitted. They may be approved in exceptional circumstances. If Early Withdrawal is approved prior to the required notice period, then 1.5% (minimum of \$500) of the amount redeemed will be payable. Such Early Withdrawal approvals and fees are subject to our discretion.	Nil if 180 days' notice is provided. Early Withdrawals are generally not permitted. They may be approved in exceptional circumstances. If Early Withdrawal is approved prior to the required notice period, then 1.5% (minimum of \$500) of the amount redeemed will be payable. Such Early Withdrawal approvals and fees are subject to our discretion.	Nil if the investment is held to maturity. Early Withdrawals are generally not permitted. They may be approved in exceptional circumstances. If Early Withdrawal is approved prior to maturity, then 1.5% (minimum \$500) of the amount withdrawn will be payable as an Early Withdrawal Fee. Such Early Withdrawal approvals and fees are subject to our discretion.
<b>Exit fee</b> The fee to close your investment	Nil	Nil	Nil	Nil
<b>Switching fee</b> The fee for changing investment options	Nil	Nil (although this may be subject to the timing of your request and an Early Withdrawal Fee noted above may apply)	Nil (although this may be subject to the timing of your request and an Early Withdrawal Fee noted above may apply)	Nil (although this may be subject to the timing of your request and an Early Withdrawal Fee noted above may apply)

1. Additional incidental and service fees are payable. Refer to the Additional Explanation of Fees and Costs for further information. All fees are inclusive of GST, and if applicable any RITC on costs the Fund is entitled to.
2. Management Fees and Costs are negotiable for particular sophisticated, professional or wholesale investors. Refer to the explanation of 'Differential Fees' on page 45. This fee includes an amount payable to an advisor, please see 'Referral fees paid on investments' in the Additional Explanation of fees and costs section on page 45.
3. The relevant law requires that the Management Fees and Costs be calculated based on the actual costs for the previous financial year. In the case of the 12 Month Term Account the adjusted actual Management Fees and Costs for the 2024 financial year were 1.87% per annum of the average investor balance of the Investment Account.

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

# Fees and Other Costs | 7

2 Year Account	4 Year Account	Select Investment Account	How and when paid
Amount	Amount	Amount	
Estimated to be 2.22% per annum of the average total investor balances of the Investment Account based on the fees and costs to 30 June 2024	Estimated to be 0.38% per annum of the average total investor balances of the Investment Account based on the fees and costs to 30 June 2024	Varies per individual investment. Estimated to be 1.61% per annum of the average total investor balances across all investments of the Account to 30 June 2024	The fees and costs are deducted from the investment earnings of the Investment Account or individual investment each month and are paid on or after the date investment returns are paid to Investors. The Management fees and costs are estimates only (based on the actual fees and costs for the 12 months ending 30 June 2024) unless otherwise noted, and are expressed as a percentage of the average total investor balances of the Investment Account and may not reflect the management fees and costs for each Investor. The management fees and costs presented for the Select Investment Account is an average across all investments of that Account and the actual fees and costs will vary for each investment. The amount of this fee can be negotiated.
Nil	Nil	Nil	Not applicable.
Nil	Nil	Nil	Not applicable.
Nil	Nil	Nil	Not applicable.
Nil	Nil	Nil	Not applicable.
Nil	Nil	Nil	Not applicable.
Nil if the investment is held to maturity. Early Withdrawals are generally not permitted. They may be approved in exceptional circumstances. If Early Withdrawal is approved prior to maturity, then 1.5% (minimum \$500) of the amount withdrawn will be payable as an Early Withdrawal Fee. Such Early Withdrawal approvals and fees are subject to our discretion.	Nil if the investment is held to maturity. Early Withdrawals are generally not permitted. They may be approved in exceptional circumstances. If Early Withdrawal is approved prior to maturity, then 3.5% (minimum \$500) of the amount withdrawn will be payable as an Early Withdrawal Fee. Such Early Withdrawal approvals and fees are subject to our discretion.	Nil if the investment is held to maturity. Early Withdrawals are generally not permitted. They may be approved in exceptional circumstances. If Early Withdrawal is approved prior to maturity, then 2.5% (minimum \$500) of the amount withdrawn will be payable as an Early Withdrawal Fee. Such Early Withdrawal approvals and fees are subject to our discretion.	Where an Early Withdrawal is approved from any Investment Account other than the Classic Notice Account, an Early Withdrawal Fee may be deducted from the repayment of any investment amount held at the time of repayment.
Nil	Nil	Nil	Not applicable.
Nil (although this may be subject to the timing of your request and an Early Withdrawal Fee noted above may apply)	Nil (although this may be subject to the timing of your request and an Early Withdrawal Fee noted above may apply)	Nil (although this may be subject to the timing of your request and an Early Withdrawal Fee noted above may apply)	See above in relation to Early Withdrawal Fee.

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

# 7 | Fees and Other Costs

## Additional Explanation of Fees and Costs

Our published rates of return (see Section 2 in this PDS) are net of fees and costs. Investment Accounts (Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year, 4 Year Account) hold both mortgage and non-mortgage investments so the estimated Management Fees and Costs for an Account provided in this PDS are actual fees and costs unless we have stated the fees and costs are estimates.

These fees and costs include a fee paid to La Trobe Financial based on the type of investment being managed (**Management Fees and Costs**):

The maximum fees under the Constitution are as follows:

- For all cash investments, a maximum of 1.25% per annum of the principal sum invested, calculated daily and paid monthly.
- For all investments in mortgages and notes, an amount being the difference between the gross proceeds of the investment received by La Trobe Financial and the investment rate paid by La Trobe Financial to Investors which will not exceed 5.00% per annum of the total principal sum so allocated, calculated daily and paid monthly.
- For all other investments, a maximum of 5.00% per annum of the higher of the value invested in those assets, or the market value of those assets, calculated daily and paid monthly.
- For all early withdrawals approved by La Trobe Financial, a maximum of 3.50% of the amount being withdrawn with a minimum withdrawal fee of \$500. La Trobe Financial may at its discretion agree to waive the withdrawal fee in whole or in part.

While the Fund is a registered scheme, all fees and expenses are payable to La Trobe Financial only to the extent the fees and expenses are incurred in the proper performance of its duties in respect of the Fund. All fees and other costs disclosed in this PDS or any SPDS are subject to change by La Trobe Financial. We will give you 7 days' advance notification of any fee increases and inform you of the date proposed for implementation of the revised fees and costs, or introduction of a new fee or cost. Normal Government charges will also apply to all Fund transactions.

Depending on the declared rate of investment returns and the rate of contribution to the Investor Reserve, unique to each particular Investment Account, the Management Fees and Costs for each specific Investment Account may fluctuate. The Management Fees and Costs includes an amount payable to financial advisers and/or referrers (see 'Referral Fees paid on investments' in this PDS).

All fees are inclusive of goods and services tax (**GST**) and, if applicable, any reduced income tax credits (**RITC**) on costs the Fund is entitled to claim. Further information in relation to taxes are set out in Section 11 of this document.

Additional Incidental and Service Fees	Amount	How and when paid
<b>Dishonour Fees:</b> For each dishonoured, cancelled or stopped cheque or dishonoured direct debit received from you	\$15.00	The charge is deducted from your account at the time of the dishonour, cancellation or stopped cheque
<b>Bank Account Processing Fee:</b> <ul style="list-style-type: none"> <li>• For each bank account detail change, or account redirection request</li> <li>• For each withdrawal to an overseas bank account</li> <li>• For each request for real time transfer of funds to your nominated bank account</li> </ul>	\$15.00 \$30.00 plus currency exchange charges \$50.00	The charge is deducted from your account at the time of the cheque issue, bank account details change or transaction account redirection
<b>Document Issuance Fee:</b> Request for a replacement Statement or Document Issuance, or copy of a Custody record	\$15.00 per document	The charge is deducted from your account at the time of the request
<b>Investment Processing Fee if you make an investment:</b> <ul style="list-style-type: none"> <li>• For each request to arrange priority clearance of cheque deposits made by you</li> <li>• Via BPay® from a savings/cheque account</li> <li>• Via Direct Debit from your nominated account.</li> <li>• Via EFT or cheque</li> <li>• Via the BPay® electronic facility using a credit card, or a savings/cheque account with a linked Visa/MasterCard card facility attached (either a debit or credit card)</li> </ul>	\$50.00 Nil Nil Nil A transaction fee of 1.50% for international investors and 0.50% for Australian investors of the transaction amount	The charge will be deducted from your investment amount. Your regular statement will show the net investment amount

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



## Differential fees

We reserve the right to charge certain sophisticated or professional investors or wholesale clients Management Fees and Costs that differ from the Management Fees and Costs outlined in the tables on pages 42-43, that may apply generally to Investors. These fees and costs will be based on individual negotiation between La Trobe Financial and the sophisticated or professional investor or wholesale client. Such negotiated fees will be entirely at our discretion, and will be subject to relevant guidelines issued by ASIC. Sophisticated or professional Investors may contact our Asset Management Team on 1800 818 818 or by email to [investorservices@latrobefinancial.com.au](mailto:investorservices@latrobefinancial.com.au) to negotiate the fees and costs.

The differential fee arrangement does not adversely affect the fees and costs paid or to be paid by any Investor who is not entitled to participate, and, other than where fees and costs are negotiated with wholesale clients, the differential fee arrangement is applied without discrimination to all Investors who satisfy the criteria necessary to receive the benefit of the arrangement.

## Referral fees paid on investments

We may where permitted by law pay third parties referral fees out of Management Fees and Costs for providing the service of introducing you to the Fund. Neither La Trobe Financial nor its Authorised Representatives provide personal financial product advice in respect of the Fund. You may however obtain personal financial product advice from your financial adviser, who may charge you for this advice. Please refer to page 66 in this PDS for more information in relation to financial advisers.

### Classic Notice Account

We do not pay any referral fees in relation to the Classic Notice Account.

### 90 Day Notice and 6 Month Notice Accounts

We may pay third parties ongoing referral fees of up to 0.10% p.a. of the money you invest in the 90 Day Notice Account and 6 Month Notice Account on a monthly basis. This amounts to \$10 per year for every \$10,000 that you have invested in the 90 Day Notice Account or 6 Month Notice Account. In some cases, we may pay an upfront referral fee in lieu of an ongoing fee. These fees are paid out of the Management Fees and Costs we receive and do not come out of the advertised investment returns.

### 12 Month Term and 2 Year Accounts

We may pay third parties ongoing referral fees of up to 0.50% p.a. of the money you invest in the 12 Month Term and 2 Year Accounts on a monthly basis. This amounts to \$50 per year for every \$10,000 that you have invested in the 12 Month Term or 2 Year Accounts. In some cases, we may pay an upfront referral fee in lieu of an ongoing fee. These fees are paid out of the Management Fees and Costs we receive and do not come out of the advertised investment returns.

### 4 Year Account

We do not pay any referral fees for new investments in the 4 Year Account.

### Select Investment Account

Referral fees paid in relation to the Select Investment Account (typically up to 0.50% of the money you invest) will be disclosed in the SPDS that relates to each Select investment.

## Commission paid on loans

We generally charge the borrower an upfront fee of between 0.50% and 1.75% of the loan amount. A person who introduces the loan to the Fund, usually a finance or mortgage broker, generally receives up-front commission in the amount of 0.50% of the loan amount. La Trobe Financial and other parties unrelated to La Trobe Financial who have been involved in the origination of the loan will share in the balance of the upfront fee.

In addition, we may pay an ongoing trail commission for borrowers referred to the Fund, usually to a finance or mortgage broker and generally of between 0.20% and 0.50% p.a. This may be higher in some cases. These commissions are included in Management Fees and Costs.

## Fee Changes

La Trobe Financial reserves the right to increase fees with any change to take effect seven days from the date we give you written notice.

Management Fees and Costs are negotiable for particular sophisticated, professional or wholesale investors. Refer to the explanation of 'Differential Fees' on page 45. This fee includes an amount payable to an advisor, please see 'Referral fees paid on investments' in the Additional Explanation of fees and costs section on page 45.

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

# 7 | Fees and Other Costs

## Example of annual fees and costs for Investment Account options

This table gives an example of how the ongoing annual fees and costs in the investment option with the most assets can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

12 Month Term Account		
Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs	1.80% p.a.	<b>And</b> , for every \$50,000 you have in the 12 Month Term Account you will be charged or have deducted from your investment \$900 each year.
<b>PLUS</b> Performance fees	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year
<b>PLUS</b> Transaction costs	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in transaction costs
<b>Equals</b> Cost of 12 Month Term Account	If you had an investment of \$50,000 at the beginning of the year and you invest an additional \$5,000 during that year, you would be charged fees of from \$900 to \$990.* <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>	

\*Additional fees may apply.

**Establishment Fee:** \$Nil

**And**, if you leave the 12 Month Term Account early, you may also be charged an Early Withdrawal Fee of between 1% and 1.5% of the amount withdrawn will be payable (between \$500 and \$750 for every \$50,000 you withdraw). Minimum \$500 Early Withdrawal Fee applies.

**Cost of product for 1 year**

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 (except for the 4 Year Account which requires a \$250,000 minimum investment) at the beginning of the year with a contribution of \$5,000 during the year. Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant option.

You should use this figure to help compare this product with other products offered by managed investment schemes.

Classic Notice Account	Cost of product: \$1,395 to \$1,534.50*
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\*Additional fees may apply.

The amount of fees charged will depend on when the additional \$5,000 is invested.

**Establishment Fee:** \$Nil

**And**, if you withdraw from the Classic Notice Account at any time, you will not be charged any Withdrawal Fee.

90 Day Notice Account	Cost of product: \$1,215 to \$1,336.50*
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\*Additional fees may apply.

The amount of fees charged will depend on when the additional \$5,000 is invested.

**Establishment Fee:** \$Nil

**And**, if you leave the 90 Day Notice Account early, you may also be charged an Early Withdrawal Fee of between 1% and 1.5% of the amount withdrawn (between \$500 and \$750 for every \$50,000 you withdraw). Minimum \$500 Early Withdrawal Fee applies.

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

# Fees and Other Costs | 7

## 6 Month Notice Account

Cost of product: \$1,165 to \$1,281.50\*

\*Additional fees may apply.

The amount of fees charged will depend on when the additional \$5,000 is invested.

**Establishment Fee:** \$Nil

**And**, if you leave the 6 Month Notice Account early, you may also be charged an Early Withdrawal Fee of between 1% and 1.5% of the amount withdrawn (between \$500 and \$750 for every \$50,000 you withdraw). Minimum \$500 Early Withdrawal Fee applies.

## 2 Year Account

Cost of product: \$1,110 to \$1,221\*

\*Additional fees may apply.

The amount of fees charged will depend on when the additional \$5,000 is invested.

**Establishment Fee:** \$Nil

**And**, if you leave the 2 Year Account early, you may also be charged an Early Withdrawal Fee of between 1% and 1.5% of the amount withdrawn (between \$500 and \$750 for every \$50,000 you withdraw). Minimum \$500 Early Withdrawal Fee applies.

## 4 Year Account

Cost of product: \$190 to \$210\*

\*Additional fees may apply.

The amount of fees charged will depend on when the additional \$5,000 is invested.

**Establishment Fee:** \$Nil

**And**, if you leave the 4 Year Account early, you may also be charged an Early Withdrawal Fee of between 1% and 3.5% of the amount withdrawn (between \$500 and \$1,750 for every \$50,000 you withdraw). Minimum \$500 Early Withdrawal Fee applies.

Note: Minimum investment of \$250,000 into the 4 Year Account.

## Select Investment Account

Cost of product: \$805 to \$885.50\*

\*Additional fees may apply.

The amount of fees charged will depend on when the additional \$5,000 is invested.

**Establishment Fee:** \$Nil

**And**, if you leave the Select Investment Account early, you may also be charged an Early Withdrawal Fee of between 1% and 2.5% of the amount withdrawn (between \$500 and \$1,250 for every \$50,000 you withdraw). Minimum \$500 Early Withdrawal Fee applies.

The management fees and costs referred to in the examples above are not deducted from your Account, but rather, are taken into account in determining the investment return for each Investment Account. All advertised investment returns for all Investment Accounts are net of all fees and charges (except any applicable Early Withdrawal Fees).

The management fees and costs referred to in the example above in relation to the Select Investment Account is based on averages, and will vary according to the individual loans selected.

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

# 8 | Asset Selection Guidelines

Our asset selection philosophy is built on a commitment to diversification and credit assessment.

## Diversification

To optimise performance in a range of market conditions, the Fund's portfolio is diversified at a number of levels, including:

- number of loans;
- size of loans;
- loan sector e.g. residential, commercial etc.;
- geographic location; and
- interest rate type and level.

Investors in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts automatically receive the benefits of this diversification program. Their portfolios are also significantly assisted by the Fund's 'co-investment model', which means that loans can be funded by more than one of the Fund's Investment Accounts. This decreases the average size of each Account's investment and increases the total number of investments in each Account. The composition of the portfolios in each Account is published monthly at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au).

Similarly, investors in the 4 Year Account receive the benefits of diversification, in that the underlying asset of their investment comprises a diversified pool of assets.

Investors in the Select Investment Account can construct their own, individual, diversified portfolios of loans.

## Credit assessment of loan assets

To ensure the quality of the Fund's underlying loan assets, we conduct a credit assessment of every loan accepted into the Fund or renewed. We apply the '5 Cs' credit assessment framework as outlined below. We may also take other factors into account.

As an asset manager with over seven decades' group-wide credit and lending expertise, La Trobe Financial has a tailored set of lending procedures and documents. These fit a wide range of borrowers, including those in the residential, commercial, construction and development, aged care, reverse mortgages and alternative credit product space.

For every loan, the '5 Cs' approach is taken.

**Character:** We assess whether the borrower is a good credit prospect by reviewing the borrower's previous conduct. This involves consideration of issues such as, but not limited to, the borrower's credit history, loan payment and/or repayment history, net asset position relative to stage of life, current employment and stability of employment and residence.

**Capital:** We place restrictions on our maximum permissible loan to valuation ratios (**LVR**). We will lend no more than 80% of the value of residential security property for loans within the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts. Refer to pages 20-21 for additional information. This limits the Fund's exposure to a loan and requires that the borrower source any additional funds required. Except as disclosed in an SPDS for the Select Investment Account, we will lend no more than 75% of the value of the security property. In some cases, the 6 Month Notice and 4 Year Accounts may invest in credit assets secured by a pool of residential mortgages, a small number of which might comprise loans with a LVR higher than 80%. Please refer to Benchmark 6 in Section 4 in this PDS.

**Capacity:** Many of the loans that the Fund settles are advanced to self-employed borrowers and consequently are assessed on an 'alternative documentation' basis. This means that we do not obtain payslips or tax returns to verify some borrowers' ability to meet their obligations under the loan. In these cases we ensure that we verify the borrower's ability to meet their obligations under the loan by other means. These include, depending on the circumstances, a combination of an independent credit check, a letter from the borrower's accountant confirming the borrower's declared income, BAS and/or trading statements, prior conduct on other loans, rental statements, leases or an income declaration from the borrower. The borrower's credit/loan repayment history and net asset position are also particularly relevant to this issue, and we ensure an appropriate valuation for the property has been obtained in accordance with the Valuation policy outlined below to provide collateral to support the loan. The Classic Notice Account and 90 Day Notice Accounts may from time to time invest in aged care loans and reverse mortgages, which involve deferred repayments and capitalisation of interest, which is payable at maturity. The capitalising component forms part of the LVR assessment of the security property. Construction and development, commercial facilities and bridging finance loans often also involve the capitalisation of interest.

**Collateral:** In all cases, we obtain a registered mortgage over a property to support each and every loan accepted into the Fund. The maximum loan size for the 12 Month Term Account is \$25 million in all capital city areas, \$5 million in major regional centres and \$1.5m in all other areas unless the mortgage has been accepted by an approved mortgage insurer, but nevertheless shall not exceed 10% of the value of this Investment Account

The maximum loan size for the Classic Notice, 90 Day Notice, 6 Month Notice, 2 Year, 4 Year and Select Investment Accounts is the greater of \$50 million or 5% of the value of that Account at the time of investment. Investors in the Select Investment Account may approve of a principal exceeding these amounts, where that principal is disclosed in an SPDS, by completing our Application Form.

The assets of the 4 Year Account comprises a diversified pool of medium term credit assets and loans secured by Australian residential and commercial real property, including Residential Mortgage Backed Securities, Commercial Mortgage Backed Securities, notes in securitisation warehouses, investments in other trusts or managed investment schemes and other credit instruments. The 4 Year Account seeks to generate competitive risk-adjusted returns for investors by investing in assets including mezzanine credits of various kinds.

To ensure that we have sufficient security, we control LVRs on a loan by loan basis. Our maximum permissible LVR is 80% for our Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts. The Select Investment Account (excluding second and subsequent mortgages or as otherwise disclosed in the SPDS) have a maximum permissible LVR of 75%. In some cases, the 6 Month Notice and 4 Year Accounts may invest in credit assets secured by a pool of residential mortgages, a small number of which might comprise loans with a LVR higher than 80%. All of these loans will be the subject of lender's mortgage insurance policies (**LMI**).

Where La Trobe Financial considers it necessary, we obtain a certificate of currency for a property insurance policy adequately covering any improvements on the security property.

In addition to the registered mortgage, we may obtain additional collateral, such as personal guarantees, general security agreements (company charges) and directors' guarantees.

**Conditions:** By placing conditions on an offer of finance, we provide additional protection to Investors' interests in a loan. For example, we can require that a guarantor obtain independent legal advice or that the borrower use part of a loan advance to repay other debts. These conditions are applied on a case by case basis.

## Valuation policy

For all security properties, we obtain an independent valuation both at initial approval and at renewal (generally no more than three months old at the first loan advance). These valuations are conducted by a qualified and registered valuer who is independent both of the borrower and of La Trobe Financial and who adheres to an industry code of conduct. The exception to this is that, in some cases in relation to the Classic Notice, 90 Day Notice and 6 Month Notice Accounts, we may rely on the valuation stipulated in the most recent municipal rates notice if the value of the loan is to be 40% or less of the property value specified in the municipal rates notice valuation or an Automated Valuation Model (**AVM**) valuation (please refer to Benchmark 5 in Section 4 in this PDS).

In some instances, where collateral security is sought, a charge may be registered on a property where a valuation has not been obtained. The collateral security may be secured by a charge such as a caveat or first or subsequent ranking mortgage (which may or may not be registered).

We have a panel of independent valuers. Selection of a valuer for a valuation is based on expertise relevant to the security type and location. Valuers must declare any conflicts of interest.

**Please note:** From time to time we will offer loans outside these parameters to our Select Investment Account Investors. Acceptance of these loans will depend on disclosure to Investors in the relevant SPDS and subsequent Investor consent.

## Other credit assets

Authorised investments include, but are not limited to, the following asset classes:

- mortgage backed securities offered by an AFSL holder where we reasonably expect the investment to be repaid in full within five years (**MBS**) (the 6 Month Notice and the 4 Year Accounts only);
- bonds issued by a State or Federal Government or an Australian financial institution;
- negotiable certificates of deposit issued by an Australian authorised deposit taking institution;
- deposit or term deposit held in an APRA approved deposit taking financial institution;
- cash or cash equivalent asset; and
- interests in other trusts or managed investment schemes.

The 4 Year Account may invest in, among other things, corporate debt which is not secured by a mortgage, notes in securitisation warehouses, Residential Mortgage Backed Securities (**RMBS**), Commercial Mortgage Backed Securities (**CMBS**) and other credit instruments. Depending on the circumstances, they may be rated or unrated, publicly or privately placed. These investments may in some cases be to a related or associated entity of La Trobe Financial.

## 9 | Investment Risks

When making an investment decision you should understand that all investments carry a degree of risk, including the potential for loss of income and/or capital, a less than expected rate of return or a delay in payment. An investment in the Fund is subject to these and other specific risks. When considering your investment in the Fund it is important that you consider such things as:

- the risks involved in investing in the Fund;
- the extent that the Fund fits your financial objectives and goals;
- your risk appetite; and
- the risks that other investment opportunities have.

The terms "risk" and "volatility" are often interchangeable. Volatility is generally used to describe the extent to which an investment can vary in value over time. It is generally considered that investments offering a higher level of return potentially carry a higher level of volatility or risk.

Accordingly, the term "risk" can mean different things to different people. It may refer to the likelihood that an investment may fail to achieve its expected return or where the investment has a reduction in its capital value.

Investors should seek their own independent financial advice before investing in the Fund.

### **Warning: Risks attaching to the Fund's investments include:**

- you may not receive the return you expected and may lose some or all of your return on investment; and
- you may lose some or all of your funds invested.

The degree of risk associated with an investment in this Fund as to the loss of capital or investment return relates to the financial performance of the individual Investment Account chosen by you and to fluctuations in the value of the underlying security properties or assets. These will be affected by factors including the borrower's ability to repay their loan, the Investment Manager's competence in acquiring, managing and servicing the Fund's underlying assets, fluctuations in the property market generally and fluctuations in market interest rates. These latter two are in turn influenced by external factors such as general economic conditions and government policy.

While we are unable to eliminate all investment risks, we aim to reduce the impact of risk through our established management procedures such as our lending approval processes and investment mandates.

Neither La Trobe Financial, the Investment Manager, nor their employees nor any other related company, nor La Trobe Financial's Authorised Representatives guarantee the performance of the investments of the Fund or the repayment of capital invested. The Investment Accounts of the Fund are subject to investment and other risks.

This could involve delays in repayment, loss of investment returns and capital, and means investment returns may fluctuate.

## Risks of managed funds generally

Some risks generally relevant to managed investments include:

**Market risk** is the risk that negative market movements will affect the price of assets within a particular market. By their very nature, markets experience periods of volatility involving price fluctuations of varying magnitudes. In general, shares and listed property investments experience more volatility than fixed interest investments and mortgages, which in turn experience more volatility than cash investments. For Mortgage Investments this means the investment return receivable from your investment may not move in line with general interest rate markets and the amount you receive as income may vary over time. For example, this may occur where the Fund holds fixed rate mortgages, or because of a legal liability on the part of the Investment Manager to give appropriate notice to borrowers of an intended rate increase.

**Investment specific risk** is the risk that an individual investment may fall in value for reasons relating to the particular investment.

In relation to mortgage investments this may mean that the underlying value of the security taken for the mortgage investment has reduced in value.

Changes in taxation, interest rates and the economic outlook can all have an effect on property market values and could result in:

- reduced sale prices;
- delays in selling (caused by excess supply and low demand);
- reduced ability of borrowers and buyers to obtain finance;
- increased risk of default if pre-sales do not proceed or sales forecasts now make the project less viable for the developer; and
- purchasers who have bought "off the plan" failing to complete.

**Documentation risk** is the risk that a deficiency in documentation could, in certain circumstances, adversely affect both the return on an investment and the recovery of the investment.

**Credit risk** is the risk that the borrowers may not meet their obligations in full and not pay interest and repay capital or other financial obligations on time, and the value of the investment might become impaired where underlying loans are not repaid in full.

Examples of credit risk include where the borrower is:

- an individual and becomes bankrupt, or dies; or
- a company, and becomes insolvent or under external administration.

For the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and the 2 Year Accounts we seek to reduce risk by investing in a diversified portfolio of loans across many borrowers, industries and geographic sectors. We employ a range of investment and risk management strategies to

identify, evaluate and manage the Fund's credit risk. Similarly, the 4 Year Account seeks to generate competitive risk-adjusted returns for investors by investing in assets including mezzanine credits of various kinds.

**Investment Manager risk** exists in all managed investments and refers to the possibility, amongst other things, that the Investment Manager may fail to anticipate market movements, to manage the investment risks appropriately or to execute the Fund's investment strategy effectively. Secondary risks associated with the death or departure of La Trobe Financial's and the Investment Manager's key personnel are also inherent in the operations of managed investments. La Trobe Financial and the Investment Manager are required to continuously have sufficiently trained personnel in the management of the Fund to minimise this risk, and to ensure adequate succession planning. The Investment Manager employs approximately 523 staff at the date of this PDS.

**Regulatory risk** is the risk that the value of some investments may be adversely affected by changes in government policies, regulations and taxation laws – for example, changes to the rules on negative gearing.

You should be aware that GST may be payable on the sale of a Fund property by La Trobe Financial as mortgagee in possession in certain circumstances and this will reduce the funds available for investor returns to Investors.

Borrower hardship claims or complaints under our Dispute Resolution Scheme may also delay or reduce funds available for interest payments.

La Trobe Financial cannot predict future policy changes but monitors updates from ASIC and regularly reviews changes in the law.

**Economic risk** is the risk that a downturn in general economic conditions either inside or outside Australia may adversely affect investments.

**Concentration risk** is the risk that the portfolio may lack diversification of assets. La Trobe Financial manages concentration risk in the Fund by the following six methods:

1. The Fund's seven Investment Accounts allow Investors to diversify their exposure to the asset class. Five of the Investment Accounts, the Classic Notice, the 90 Day Notice, 6 Month Notice, the 12 Month Term and the 2 Year Account, are pooled Investment Accounts built around diversified portfolios. The 4 Year Account is also a pooled Account, built around diversified investments into loans and mezzanine credits of various kinds. The Select Investment Account is peer to peer in nature, so that Investors can choose the individual loans in which they are investing and so construct their own diversified portfolios.
2. Our unique 'co-investment' model means that the various Investor Accounts within the Fund can co-fund individual assets. This means that individual Investor Accounts and Investors can increase the number of investments they hold, decrease the size of each of these investments and so diversify their overall portfolio.
3. We diversify our portfolio by primarily targeting smaller assets. This increases the number of holdings in each of the Investor Accounts and decreases the effect that the performance of any one asset can have on the performance of our portfolio.
4. We source our assets from across Australia (unless disclosed in an SPDS), broadly in line with Australia's population and economic activity. This geographic diversification mitigates the effect that specific regional factors may have on overall portfolio performance.
5. We diversify our loans by sector, investing in assets secured by residential, commercial and light industrial security types, among others. This mitigates the effect that any one sector can have on overall portfolio performance.

## Fund capital risks

**Your investments in the Fund are not capital guaranteed.** Changes in the value of property taken as security for each Mortgage Investment may change in accordance with cycles in the property market and other factors beyond the control of La Trobe Financial. In the event of property repossession, it is possible for the security property to be sold at a price less than the amount required to satisfy the loan amount and capitalised costs i.e. unpaid interest, fees and legal recovery costs incurred, in which case your capital may be diminished. You should be aware that GST may be payable on the sale of a security property repossessed by La Trobe Financial in certain circumstances and this will reduce the funds available for investor returns to Investors. This may have an effect on all seven Investment Accounts.

We manage this aspect of capital risk by complying with documented lending practices, advancing a limited percentage of the property's current value, and actively managing any loans in arrears. The Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts do not limit individual mortgage risk, but they do reduce the impact of such loss from any one mortgage investment by diversifying Investors' exposure across many underlying Mortgage Investments. Similarly, the 4 Year Account seeks to generate competitive risk-adjusted returns for investors by investing in loans and mezzanine credits of various kinds. In the event of a default by the underlying borrower or borrowers, these investments will rank behind senior credit providers and this could reduce investor interest and/or capital return.

Investors in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts may also benefit from an Investor Reserve maintained by La Trobe Financial. This Investor Reserve is maintained by La Trobe Financial at its discretion and is available to be used for the sole benefit of Investors in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts in order to offset credit risk, as well as to manage income risk.

## 9 | Investment Risks

La Trobe Financial sets a target range for each Investment Account's Investor Reserve (where applicable) as a percentage of assets under management of that Investment Account. This target range is based on the medium term expected average loss rate of the Investment Account, and La Trobe Financial makes contributions out of the amount we receive from the Fund accordingly. More information on the operation of the Investor Reserve can be found in Section 11 of this PDS.

**Valuers may not properly or accurately value the security.** Most importantly in managing capital risks in all mortgage investments, we contract independent registered valuers in order to minimise the risk that the value may not accurately reflect the true value of a security property at the time the valuation is undertaken. La Trobe Financial will only instruct an Approved Valuer to conduct valuations of securities considered acceptable for the Fund. An Approved Valuer is a person who is approved by La Trobe Financial and who La Trobe Financial believes in good faith at the time of the valuation:

- is a current member of the Australian Property Institute (**API**), the national professional body responsible for regulating valuers Australia wide;
- has not and whose partner/s have not acted as a valuer, agent or broker in relation to the acquisition of the property to be valued;
- is independent of La Trobe Financial, the Investment Manager and the borrower;
- has executed La Trobe Financial's Standing Valuers Instructions;
- carries Professional Indemnity insurance. If the loan size is larger than the sum insured carried by the valuer there remains a risk of a 'gap' in the valuer's professional indemnity insurance coverage, meaning that it will cover part of the loan or a shortfall but may not cover the entire loan or shortfall; and
- prepares the valuation report on a 'market value' basis.

The 'market value' is the price at which the security property might reasonably be expected to be sold at the valuation date assuming:

- a willing but not anxious buyer and seller;
- a reasonable period having been allowed to negotiate the sale having regard to the nature of the property and the state of the market for a property of the same kind; and
- the property was reasonably exposed to the market for a property of the same kind.

Valuations are carried out on an 'as is' basis, and for development properties also on an 'as if complete' basis.

**Note:** Valuers instructed by the Fund are not La Trobe Financial's agent and are therefore acting only as independent contractors. This means that La Trobe Financial is not liable for any errors and omissions or negligence in their conduct, or any resulting loss to Investors arising out of improper or negligent valuations, provided La Trobe Financial was acting in the proper performance of its duties.

In some cases, we may rely on the valuation stipulated in the most recent municipal rates notice if the value of the loan is to be 40% or less of the value of the property specified in the municipal rates notice valuation or on a valuation obtained through an Automated Valuation Model ('AVM') product (please refer to Benchmark 5 in Section 4 in this PDS).

### Higher Risk Select Investment and 4 Year Accounts

Some investments are to be regarded as more complex (such as the underlying asset class of the 4 Year Account or Select Investment Accounts respectively or higher risk). The higher risk is attributed to the fact that it generally takes longer to recover the investment in those securities where the borrower defaults and also that the values of those securities are more likely to be adversely affected by an economic downturn. Loans secured by second or subsequent ranking securities also carry a higher risk (Select Investment Account only). The lower the priority security ranking, the greater the risk. Other risks relating to individual Select Investment Account investments will be disclosed in the relevant SPDS.

### MBS risk

MBS is a type of Asset-Backed Security that is secured by a pool of registered first mortgages held over real property. Residential Mortgage Backed Assets (**RMBA**) is an investment that is secured by Australian residential mortgages and includes Residential Mortgage Backed Securities (**RMBS**), Residential Mortgage Backed Loans (**RMBL**). RMBS and RMBL are secured against a pool of residential mortgages. Each pool supports a number of tranches of investments with different risk/ return characteristics and priorities. RMBS and RMBL can be rated by external rating agencies or unrated. The majority of investments issued in respect of RMBS and RMBL are repaid within a period of one to five years. However, the maximum investment term could be longer, up to the length of the longest mortgage term loan in the portfolio (generally, up to 30 years).

**Repayment Risk:** Principal and interest paid on an MBS note will in part depend on whether the underlying borrowers default on the loans held by the MBS trust. If an underlying borrower does default on their loan, the following steps will usually occur:

- legal action commenced to recover the loan;
- possession taken of the property used as security for the loan;
- sale of the security property;
- any shortfall to be firstly absorbed by the net interest margin of the MBS trust;
- if the net interest margin is insufficient then the cash reserve, if any, would be used to meet the short fall; and
- if the cash reserve is insufficient then the principal of the lowest Class notes is reduced. If the lowest Class note is insufficient then the principal of the next lowest Class notes is reduced. If that Class note is insufficient then the principal of the next lowest Class note is reduced and so on.



Given this order of loss priority proceeding from the lowest Class note to the highest Class note, the highest Class notes will have a lower interest rate because of their security position at the top of the principal and interest priority order. Lower Class notes have a higher interest rate given their overall security position in the principal and interest priority order. MBS investments are held within the 6 Month Notice and 4 Year Accounts only.

**Secondary market risk:** MBS investments are less susceptible to market risk caused by periods of volatility involving price fluctuations given they are not subject to ongoing revaluation (like a share). However, given the specific nature of the investment (a note in an MBS issuance), there is no assurance that there will be a secondary market available to provide liquidity of investment. To the extent it will be possible to effect a sale of an MBS investment, there is no assurance that it will not be at a discount to the acquisition price.

We seek to mitigate these risks by diversifying our MBS investment holdings and, with the exception of the 4 Year Account, by maintaining a very low proportion of investments in MBS in our accounts.

**Prepayment risk:** The returns and duration of MBS investments can be impacted by, but are not limited to, the exercising of any call options, the principal and interest received on the underlying pool of mortgages, any defaults or losses within the underlying pool and the rate in which the underlying pool of mortgages backing the notes are sold or refinanced.

**Related Party Risk:** La Trobe Financial Services Pty Limited (the Investment Manager) and La Trobe Financial Custody & Securitisation Services Pty Ltd (a related bodies corporate to La Trobe Financial and the Investment Manager), provides Servicer, Originator and / or Trust Manager services to some MBS investments. In performing those duties, LFS and/or LFCSS will act in the best interests of all investors (the majority of which will be third parties) in those MBS investments, including any investments made by the Fund.

## Fund liquidity risks

A key objective of the Fund is to invest in loans that are secured by real mortgages, which are, by their very nature, long term investments. This may in some circumstances potentially impact the ability of the Fund to pay withdrawal requests within the time frames provided for in the Constitution and disclosed in this PDS.

The return of the funds you have invested, especially with the Select Investment Account, could be delayed for any of the following reasons:

- where the borrower has requested a renewal of the loan term, unforeseen circumstances may extend the renewal of the loan term past the expiry date;
- where the borrower has informed La Trobe Financial that the loan will be discharged, there may be a delay in repaying the loan due to the refinance being through another financial institution;
- where the loan is not performing and may be in arrears, the recovery proceedings may extend beyond the expiry date; and
- where the loan is performing, but La Trobe Financial has decided to ask the borrower to repay the loan or the borrower has informed us that it wishes to repay the loan, La Trobe Financial, where we consider that it is in the best interests of all Investors, may decide at our discretion to allow the borrower extra time to repay the loan without the application of the higher rate of interest or the commencement of recovery action.

Further to the above, the return of the funds you have invested, especially with the 4 Year Account, could be delayed as your investment includes mezzanine credits of various kinds. In those circumstances where a borrower has committed an event of a default, these investments will rank behind senior credit providers and this could reduce your interest and/or capital return.

La Trobe Financial, at its discretion, may elect to extend a mortgage investment past its expiry date. This extension may be required to provide borrowers with extra time to complete the renewal process or finalise the refinance or repayment of the loan or to finalise the sale of the security property. For Investors in the Select Investment Account we will write to you informing of these instances.

La Trobe Financial in these instances will also use its discretion in deciding whether or not to apply the default rate of interest (late payment fee) after considering factors including the best interests of all Investors.

## Redeeming from the Fund

La Trobe Financial is only permitted to action withdrawal requests while the Fund is "liquid" as defined under the Law.

Withdrawals from the Fund are generally available only:

- for Investors in the Classic Notice, 90 Day Notice and 6 Month Notice Account, two business days, 90 days and 180 days respectively after you have made your withdrawal request, and there is sufficient ability to realise relevant assets for value to meet all withdrawal requests. Under the Constitution of the Fund, we have 12 months from receipt of your notice within which to comply with your withdrawal request, if for whatever reason there is insufficient liquidity in the Account. However, we will make **every endeavour** to release your funds within 2 business days for Classic Notice Account, 90 days for the 90 Day Notice Account, and 180 days for the 6 Month Notice Account after receiving your withdrawal request. As at the date of this PDS, there has never been a case in the history of the Fund when we have not honoured a withdrawal request on time due to a lack of liquidity;
- for Investors in the 12 Month Term Account, where the initial 12 month investment term has expired and 30 days' written prior notice has been given or the withdrawal request is in accordance with the Regular Access Investment provisions and 30 days' written notice has been given and there is sufficient ability to realise relevant assets for value for the Fund to meet all withdrawal requests (noting the alternate arrangements for platform investors);

## 9 | Investment Risks

- for Investors in the 2 Year Account, where the initial 24 month investment term has expired and 60 days' written prior notice has been given or the withdrawal request is in accordance with the Regular Access Investment provisions and 60 days' written notice has been given and there is sufficient ability to realise relevant assets for value for the Fund to meet all withdrawal requests (noting the alternate arrangements for platform investors);
- for Investors in the Select Investment Account, when the term of the selected loan has expired and the loan capital has been repaid by the borrower; and
- for Investors in the 4 Year Account, where the initial four year investment term has expired and three months' written prior notice has been given and there is sufficient ability to realise relevant assets for value for the Fund to meet all withdrawal requests.

### Switching between Fund Accounts

If, instead of a withdrawal, an Investor seeks to switch their investment from an Investment Account (the **first Investment Account**) to another Investment Account with a longer investment term prior to the Maturity Date of the first Investment Account, we may action such a switch at our absolute discretion, subject to the interests and needs of all other Investors. Such a switch will not be subject to an Early Withdrawal Fee.

### Liquidity in Extra Ordinary Circumstances

La Trobe Financial has never in the history of the Fund (which has included extra-ordinary circumstances such as the Global Financial Crisis, the COVID-19 pandemic and other periods of liquidity stress) suspended or withheld payments to Investors due to reasons of illiquidity.

That being said, as outlined within the Constitution, La Trobe Financial can suspend withdrawals and payments where it is reasonably of the view that it is necessary to do so in order for La Trobe Financial to comply with its obligations under Law. A suspension may occur due to one or more circumstances outside of La Trobe Financial's control which could not have been reasonably foreseen at the relevant time, such as restricted, suspended or permanent cessation of trading or extreme price fluctuation or uncertainty in the market for an asset. Such measures shall be for as long as La Trobe Financial is reasonably of the view that it is not in the best interests of Investors for it to process withdrawals or make payments.

### When the Fund is not Liquid

La Trobe Financial is only permitted by the Law to action withdrawal requests while the Fund is "Liquid".

When the Fund is not Liquid, withdrawal is permitted only by acceptance of a withdrawal offer made by La Trobe Financial in accordance with the Law. La Trobe Financial is not obliged to make a withdrawal offer. If there is no withdrawal offer currently open for acceptance by Investors, an Investor has no right to withdraw from the Scheme. Any withdrawal offer will be communicated to Investors by La Trobe Financial as outlined in the Constitution. If an offer is made and insufficient money is available to satisfy all Investor acceptances, the amount each Investor is able to withdraw may be less than the amount they have applied to withdraw. If La Trobe Financial receives a withdrawal request before it makes a withdrawal offer, it may treat the request as an acceptance of the offer effective as at the time it makes the withdrawal offer.

### Fund income risks

The Fund derives income from the loans secured by the mortgages in all Investment Accounts, and from the range of non-mortgage investments utilised in the pooled portfolio accounts. There is a risk that these investments will not generate the expected income returns.

For Investors in the pooled portfolio accounts, it is likely that at any one time the majority of investments will generate their expected investment returns. The Fund manages income risk for these six Investment Accounts by diversification of investments. The remaining income risk is borne in the variable investor returns payable to Investors based on the investment returns of the entire portfolio determined at the end of each month.

La Trobe Financial may also use the Investor Reserve to support temporarily the investment returns of the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts. While there is a risk that there may be insufficient funds available in the Investor Reserve to support the payment of investment returns, as at the date of this PDS, there has never been a case in the history of these Investment Accounts where there have been insufficient funds.

For Investors in the Select Investment Account, their income is dependent on the borrower or underlying borrowers paying the contracted interest payments on time, and there is a risk that the borrower will not do so. Where a borrower defaults by non-payment of either interest or capital and does not remedy this situation, La Trobe Financial may be required to institute recovery action in relation to the mortgage. In the event that a borrower defaults on a loan and recovery action is undertaken, Investors in the Select Investment Account may not receive all investor returns for that investment and may not receive a return of all of their capital invested, affecting the rate of return achieved. Similarly, investors in the 4 Year Account, given the nature of certain investments (mezzanine credits), will rank behind senior credit providers and this could reduce investor interest and/or return of funds invested. Full recoupment of capitalised interest payments for Select Investors will be determined upon completion of successful recovery action in relation to the defaulting mortgage, creating a delay in the receipt of income and capital.

Investors in the Select Investment Account can spread the Maturity Dates for their investments by investing in different mortgages and also to vary the timing of investor returns they receive.

Early loan repayment by borrowers may also involve income opportunity loss resulting from the discharge of a loan prior to expiry.

**Reverse mortgages and aged care loans:** The Classic Notice and 90 Day Notice Accounts may from time to time invest in reverse mortgages and aged care loans. These loans involve deferred repayments and capitalisation of interest, which is payable at maturity. The capitalising component forms part of the LVR assessment of the security property. These loans may not generate an income for the Account for some time.

Additionally, reverse mortgages may be affected by a 'no negative equity' pledge that could reduce the income paid to the Account.

## Non-Performing Borrowers

There is a risk that a borrower may default in the payment of interest or the repayment of capital. La Trobe Financial will ensure that default management activities are undertaken automatically on your behalf and that your privacy is protected.

If a default occurs, La Trobe Financial will take all necessary action to remedy the default, including:

- collectively representing all Investors in the mortgage investment;
- pursuing recovery of arrears of income and capital;
- arranging the issue and service of all default notices and other notices of demand;
- taking possession of the security property;
- exercising the power of sale pursuant to the mortgage; and
- otherwise dealing with the security property and collateral security, such as enforcing guarantees, to protect the Investors' interests.

For the Select Investment Account, Investors are notified of interest arrears if they continue for 10 days after any grace period that exists. The conduct of borrowers and involvement of the Courts or the Australian Financial Complaints Authority (**AFCA**) can delay recovery action which may result in erosion of borrower equity and increase the risk of a shortfall on interest and/or capital if the matter is not resolved in a reasonable time.

La Trobe Financial has insurance policies for fidelity and fraud including title protection insurance.

## Specific 6 Month Notice and 4 Year Account Risks

It is important that you understand the risks relevant to these Investment Accounts and how they relate to your own financial needs and objectives. Refer to 'MBS Risks' in this PDS for explanation of investment risks. Some of the key risks specifically relevant include:

**Subordination risk:** These Investment Accounts seek to generate competitive risk-adjusted returns for investors by investing in loans and mezzanine credits of various kinds. In the event of a default by the underlying borrower or borrowers, these investments will rank behind senior credit providers and this could reduce your interest and/or capital return.

**Counterparty concentration risk:** The Investment Accounts will invest in loans and asset-backed securities originated and managed by La Trobe Financial. This gives La Trobe Financial greater control over the assets than would ordinarily be the case for a portfolio of this nature, but also exposes you to increased counterparty concentration.

**Investments in other trusts:** The 4 Year Account may invest in other trusts or managed investment schemes directly or indirectly. The risks associated with these types of investments include:

- potential for volatility due to the nature of the asset class and investment vehicle (which may be a unitised trust);
- potential delays in redemption requests given that redemptions may be dependent on the liquidity offered by the other trust or managed investment scheme;
- adverse currency movements where the currency movement is not hedged (or not adequately hedged);
- counterparty risk; and
- regulatory and political risks associated with investing in another jurisdiction.

## Other risks

**Pre-paid and capitalised interest:** The Fund may capitalise interest payments on loans, by including the interest payable on the loan in the original loan amount. This is often referred to as 'pre-paid interest'. The interest is therefore not funded out of the borrower's ongoing cash flow. This arrangement is more common with construction and development loans, reverse mortgages and aged care loans, where the loan and interest are to be repaid out of the proceeds from the sale of the property. Therefore, there is a risk that the proceeds that the borrower achieves out of the sale of the property may not be sufficient to repay the total loan, which includes both principal and interest.

The Fund may also capitalise interest where a loan falls into arrears or hardship in accordance with our regulatory obligations. This means that the total amount owed by the borrower increases as the borrower fails to make the required payments under the loan. The loan is still regarded by the Fund as being in arrears.

**Construction and development lending:** Construction or development loans include additional risks when compared to loans over existing improved property. These additional risks can be associated with the timing, completion and sale of the project.

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With construction and development lending, there is no guarantee that the project will actually be completed, nor is there any guarantee that the project will ultimately be worth the value attributed to it at the outset. This valuation is often referred to as the 'value as if complete' or the 'on completion valuation', which may not always be achieved. We manage this risk initially by obtaining appropriate valuations from our panel valuers, and then by only advancing funds on construction and development loans progressively as building works are completed, to ensure that we always retain sufficient funds to complete the project. Cost overruns and escalations, variations, disputes, delays and other unforeseen issues can however result in the retained funds becoming insufficient to complete the project.

In the event that a borrower is unable to complete a development or has 'cut corners' in the construction that has resulted in the need for extensive rectification works to be completed, the Investment Manager will be required to make the decision as to whether the property is to be sold 'as is' or the project completed. Ultimately, the decision will be made by La Trobe Financial taking into account the best interest of Investors having regard to the value of the asset at the relevant stage of construction.

In this scenario, it is anticipated that there will be delays in finalising the investment as negotiations with external stakeholders such as the council, the builder and contractors take place. This causes extra expense which must be recovered from the sale of the security property.

It also causes delay which increases holding costs, including interest. These extra costs erode the equity in the project. Any costs the Investment Manager incurs during this process will need to be recouped from the sale proceeds which ultimately may result in a shortfall of interest or interest and capital.

There are also particular risks associated with loans that involve vacant land and properties that are not able to generate an income when a default occurs as there is no income being generated to assist in rectifying the default. The risks associated with such properties can be mitigated by reduced loan to valuation ratios for this type of security.

**Second and subsequent mortgages:** Loans available to Select Investment Account Investors may include second and subsequent mortgages. They are riskier than other loans because they rank behind first or preceding mortgages in priority. The first mortgage must be paid out before the second mortgage can be paid out and so on, exposing investors in the second and subsequent mortgages to the risk of capital and/or interest loss.

**Alternative documentation lending:** There is a risk with 'alternative documentation lending' that the information provided by the borrower may not be complete. We manage this risk by adopting an alternative income verification methodology and obtaining information we consider necessary to assess the character and the 'credit worthiness' of the borrower. The capacity of the borrower to service the loan is determined as described in Section 8 in this PDS.

**Recovery action:** If you are an Investor in the Select Investment Account you may be asked to contribute money to the Fund to take recovery action if there is a loan shortfall. Contribution is voluntary. However, if you elect not to contribute to the cost of recovery action, your entitlements in the event of a recovery will be subordinate to contributing Investors. You will only receive a repayment of your shortfall amount if there are surplus funds available after contributing Investors and La Trobe Financial have received their full entitlements. We manage this risk by always ensuring that you are kept informed in relation to recovery action. La Trobe Financial has no obligation to contribute to the cost of any recovery action on behalf of Investors. In relation to the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts, Investors enjoy the benefit of the Investor Reserve, which may be utilised to, amongst other things, cover individual loan losses.

**Cyber Risk:** A cyber-attack is an attempted or actual incident that either:

- uses computer technology or networks to commit or facilitate the commission of traditional crimes, such as fraud and forgery – for example, identity or data theft (computer assisted); or
- is directed at computers and computer systems or other information communication technologies – for example, hacking or denial of services (computer integrity).

A successful cyber attack may result in significant disruption of services or data and privacy breaches as a result of hacking. Hackers can be sophisticated criminal gangs whose purpose is to redirect funds for their own use or to cause general disruption.

Our cyber resilience includes sophisticated systems to detect, manage and mitigate cyber attacks, including a detailed and robust business continuity process.

### Fund Investors' liability

You are bound by the provisions of the Fund's Constitution and accordingly we have no claim against you beyond this. However, the determination of your ultimate liability rests with the courts.

**While the Fund is a registered scheme, La Trobe Financial is not liable in contract, tort or otherwise to Investors for any loss suffered in any way relating to the Fund except to the extent that the law imposes such liability or the loss arises from La Trobe Financial's gross negligence, wilful misconduct or fraud or that of its employees, officers, agents, contractors or appointed receivers.**

# Frequently Asked Questions | 10

To assist Investors in their factual understanding of mortgage investments, the following provides answers to the questions most frequently asked of us. If any of the answers provided require further factual clarification or expansion, please contact your financial adviser, La Trobe Financial, or one of our Authorised Representatives.

**The following FAQs are a guide only and are not a substitute for personalised advice.** Should you have any questions concerning the information contained in this PDS please contact La Trobe Financial on **1800 818 818**. You must take responsibility for your own investment decisions and to this end you should consider obtaining independent advice before making any investment or financial decisions.

## What is a mortgage-secured investment?

A mortgage-secured investment is a form of fixed term investment. The monies you invest in the Fund may be invested in any investment that La Trobe Financial considers appropriate and suitable for the Fund. In general, the Fund makes loans to various borrowers, and these loans are secured by registered mortgages over real property in Australia.

## How secure is a mortgage-secured investment?

The security is established by a number of key elements including:

**Detailed Credit Assessment:** Our trained credit analysts conduct a rigorous assessment of the loan and the borrower before approval. Section 8 in this PDS outlines this process in more detail.

**The Loan-to-Valuation Ratio (LVR):** An independent valuation is obtained on each security property in order to confirm with suitable confidence an appropriate value for the underlying mortgage asset. Please see Section 8 in this PDS for our valuation policy and the circumstances in which we may rely on the valuation in a municipal rates notice or Automated Valuation Model (**AVM**) valuation. The loan is made based on the value of the property. We may use a valuation based on a 'value as if complete' in making our assessment of the loan. Please see 'Investment Snapshot' in Section 3 in this PDS for the Fund's historical weighted average LVR.

**Enforceability of loan documentation:** The Investment Manager obtains a Solicitor's Certificate prior to settlement of the proposed mortgage in which the solicitor certifies that the property is free from all encumbrances (save and except those on the title search) and that the solicitor has obtained a current Council and water rates notice and these confirm there are no rate arrears that the mortgage is registrable and will be registered forthwith and that following registration, the mortgage will be enforceable upon default by the borrower.

**Professional full time funds management:** It is essential that all mortgage payments are monitored so that in the event of a delay in payment, appropriate steps can be implemented for recovery. The Investment Manager has specialised in mortgage investments since 1952 and has served over 240,000 customers for both credit finance and investments, with over \$105 billion in originations. Active and experienced arrears management of the mortgage portfolio is an important consideration in reducing risk exposures in the Fund.

## What are the risks?

Please refer to Section 9 titled 'Investment Risks' in this PDS. You may also choose to discuss these issues with your financial adviser.

## How much do I need to invest?

The minimum investment for the Classic Notice, 90 Day Notice, 6 Month Notice, 2 Year and 12 Month Term Account is \$10.

A minimum investment of \$1,000 generally applies to the Select Investment Account although this may be varied in the SPDS made available to Investors. The minimum investment for the 4 Year Account is \$250,000. There is no maximum amount, although La Trobe Financial reserves the right to decline an investment in its absolute discretion if it considers it appropriate to protect the interests of all Investors.

## Do my returns change depending on how much money I invest?

No. The rate of return is the same regardless of whether you invest \$1,000 or \$1,000,000, although La Trobe Financial reserves the right to charge differential fees to sophisticated or wholesale investors.

## How long do I need to commit my money to the Fund?

If you have money invested in the Classic Notice, 90 Day Notice or 6 Month Notice Account, you can have access to your money by giving written notice to La Trobe Financial. La Trobe Financial will generally satisfy requests for withdrawal in two business days from the Classic Notice Account, 90 days from the 90 Day Notice Account and 180 days from the 6 Month Notice Account, following receipt of your withdrawal notice if permitted to do so by the Law and subject to available liquidity; however, under the Constitution it has up to 12 months to satisfy the request.

# 10 | Frequently Asked Questions

The minimum term for the 12 Month Term Account is 12 months. The minimum term for the 2 Year Account is 24 months.

The average term for a Select investment is between 12-24 months with the longest investment period of generally 60 months, as specified in the SPDS.

The minimum term for the 4 Year Account is four years.

If an Investor wishes to have access to their money for the purposes of investing those funds into another investment option with a longer investment term the Investor may, at the discretion of La Trobe Financial, be given earlier access to their money without being charged an Early Withdrawal Fee.

Under the Constitution of the Fund, La Trobe Financial may also withhold or suspend withdrawals or defer its obligation to pay an amount in respect of a withdrawal while and for as long as La Trobe Financial is reasonably of the view that it is not in the best interests of Investors for it to process withdrawals or make the payment (as applicable) due to circumstances outside La Trobe Financial's control which could not have been reasonably foreseen or it is necessary to do so in order for it to comply with its obligations under the Law.

**La Trobe Financial is only permitted by the Law to action withdrawal requests while the Fund is "Liquid".** The Fund is Liquid if liquid assets (including assets which La Trobe Financial reasonably expects can be realised for market value within the period specified in the Constitution for satisfying withdrawal requests) account for at least 80% of the Fund's value. While the Fund is not Liquid, withdrawal is permitted only by acceptance of a withdrawal offer made by La Trobe Financial in accordance with the Law. La Trobe Financial is not obliged to make a withdrawal offer. If an offer is made and insufficient money is available to satisfy all Investor acceptances, the amount each Investor is able to withdraw may be less than the amount they have applied to withdraw.

## What happens if I need my money in the case of an emergency?

The Fund must be treated as a fixed term investment. Please see Section 5 for how long we have under the Constitution to process withdrawal requests for each Investment Account. This is in line with La Trobe Financial's obligation as the Responsible Entity of the Fund to maximise available returns to all Investors. However, La Trobe Financial may, at its discretion and subject to the availability of substitute Investors to take your place or other available funds, consider early withdrawal requests in exceptional circumstances.

There will be a fee charged for early withdrawal requests that are granted (except for the Classic Notice Account) unless waived – please refer to Section 7 in this PDS.

## Does La Trobe Financial originate all of its own loans?

The La Trobe Financial Group has been in continuous operation for more than 70 years, originating in excess of \$105 billion, and serving over 240,000 customers. It has a broad national distribution capability and an established lending footprint. As part of its normal operations, the La Trobe Financial Group from time to time acquires portfolios of seasoned loans to complement its own lending activities. These loans are typically credit assessed on a portfolio basis and are subject to the Fund's standard asset allocation criteria.

## What happens if the borrower is late or fails to make payments?

Borrowers are required to make payment on time and are encouraged to do so. We believe that it is prudent to start default procedures as early as possible to save time and to protect the value of your investment in the event that the borrower fully defaults. At La Trobe Financial's discretion, and taking into account all the circumstances of the case, including payment clearance periods and legal obligations to provide hardship assistance, a defaulting borrower may be required to pay interest at a higher 'mortgage default rate'.

The impact of late borrower payments on the Fund's seven Investment Accounts is as follows:

### **Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts**

While the Classic Notice, 90 Day Notice and 6 Month Notice Accounts invest in a range of different asset classes, they, like the 12 Month Term and 2 Year Accounts, have a substantial exposure to mortgages. Therefore, payment arrears on any one loan may have an effect on, but will not cause a cessation of, your monthly investment return payment. Investors therefore still receive their monthly payment usually within 14 days after the end of the month. Rates of return to Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Account Investors are variable and determined after accounting for such events at the end of each month.

### **Select Investment Account**

As your investment is of your own selection, ordinary periodic investment return payments to Select Investors will only be available where borrowers are servicing the loan(s) in accordance with the loan contract. Therefore, we

will write to you in relation to a selected mortgage if it falls into arrears. As a consequence of the loss of cash flow associated with that mortgage being in arrears, a half of the higher rate of interest collected from borrowers by reason of the default, which we call a late payment fee or default rate of interest on the mortgage for late payment, will be paid to you as an Investor (upon collection) to compensate for the lack of timeliness of investment return payments to you; the balance is retained by the Investment Manager for the default recovery action involved.

# Frequently Asked Questions | 10

In some instances, where La Trobe Financial considers that it is in the best interests of Investors, La Trobe Financial may decide not to apply the default rate of interest.

If you are a Select Investor, we can only repay your investment once the borrower has repaid the loan.

## 4 Year Account

The 4 Year Account will invest in loans and asset-backed securities originated and managed by the Investment Manager. This gives the Investment Manager greater control over the assets than would ordinarily be the case for a portfolio of this nature. As the 4 Year Account invests in assets including mezzanine and junior credits of various kinds, in the event of a default by the underlying borrower or borrowers, these investments will rank behind senior credit providers which could reduce your interest and/or capital return.

## What happens if a loan is not repaid by its Maturity Date?

La Trobe Financial, at its discretion, may elect to extend a loan past its Maturity Date if it is believed to be in the best interests of Investors. This extension may be required to provide borrowers with extra time to complete the renewal process or finalise the refinance or repayment of the loan or to finalise the sale of the security property. For investors in the Select Investment Account we will write to you informing you of these instances.

La Trobe Financial in these instances will also use its discretion in deciding whether or not to apply the default rate of interest after considering the best interests of Investors.

## What is the priority of debts when a loan is partially repaid or in a Mortgagee in Possession situation?

In a case where a loan is partially repaid or where following a borrower's default La Trobe Financial has sold a security property or recovered all or part of the Investors' capital investment, the following order of priority applies to payment of money received in accordance with La Trobe Financial's obligations at law:

- first, towards payment of other liabilities having priority at law to the mortgage investment, for example, Council rates, GST obligations & liquidators' fees;
- secondly, in payment of La Trobe Financial's or the Investment Manager's fees, charges and other costs or expenses incurred in the proper performance of their duties (including legal costs on a full indemnity basis);
- thirdly, in payment of the funds invested by Investors; and
- fourthly, in payment of any interest at the lower rate, and thereafter at the higher rate (if applicable), as it falls due to which the Investors are entitled but not yet paid.

For Select Investment Account Investors who have chosen a second or subsequent mortgage, all amounts owing in respect of the first (and other prior ranking) mortgage must be paid out before the Select Investors receive payment of any funds invested and interest under the second or subsequent mortgage.

Investors should be aware that GST may be payable on the sale of a property by La Trobe Financial in certain circumstances and this will reduce the funds available for investor returns to Investors.

After the sale of the security property, La Trobe Financial has no obligation to fund or otherwise pursue further recovery action. However, La Trobe Financial will liaise with Investors to determine whether Investors would like to contribute on a voluntary basis to the costs of further recovery action. If further recovery action results in the recovery of funds, the priority of distribution of these funds will be determined by La Trobe Financial.

## If the borrower defaults, who is responsible for the legal costs?

The borrower is responsible for legal costs which are debited to the borrower's loan account. However, should the sale of the security property not realise sufficient funds to repay the capital invested, the interest outstanding and legal costs debited to the loan, the Fund will be liable for such costs. Under the Constitution, and subject to its duties at Law, La Trobe Financial is not required to contribute any of its own funds to any action to recover amounts from the borrower.

This may result in a reduction or loss of funds invested and investment returns to Investors. If the reduction or loss is directly attributable to a selected mortgage, then the Select Investors will correspondingly experience a reduction or loss on their investment. La Trobe Financial may offer Investors the opportunity to fund on a voluntary basis all or part of any action to recover funds from a borrower. La Trobe Financial will determine the priority in which any net proceeds resulting from the recovery action will be allocated between Investors. La Trobe Financial has no obligation to pursue further recovery action after the security is sold.

# 10 | Frequently Asked Questions

## What happens if the borrower pays out the loan early or makes a capital reduction during the loan term?

The borrower always has the right to pay out the loan early. However for each mortgage loan made by La Trobe Financial, the borrower is encouraged to fulfil the agreed loan term.

### **Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts**

If the borrower pays out the loan early or makes capital reductions during the term of the loan, the funds will be re-lent as further loan applications are approved or re-invested into mortgage assets as they become available. Investors will not be affected by early repayments or capital reductions unless, as a result, the amount of cash held in the Account becomes significant, reducing the overall return of income to the Account. Should this be the case, investment returns may on a temporary basis not be as high as expected. The Investment Manager will retain 100% of any fee collected from the borrower in association with early repayment or capital reduction.

### **Select Investment Account**

Upon repayment of a Select Investment loan, Investors consent to the capital sum being placed in their Classic Notice Account or can elect for funds to be transferred to another investment account or to their nominated bank account. However if the borrower pays out the loan early or makes capital reductions during the term of the loan, Select Investors may receive up to a half of one month's additional interest depending on the arrangement made with the borrower and permitted by law. This may provide an even greater effective return on your selected mortgage investment. The Investment Manager will retain the balance of any amounts collected by way of early repayment. For capital reductions received from borrowers, the borrower will sometimes pay an early repayment fee on the amount of the reduction.

### **4 Year Account**

The 4 Year Account invests into loans and medium term credit assets.

For medium term credit asset investments, the return of investor funds (principal) is determined by the repayment of the credit asset (i.e. the note) and not the loan or loans themselves. It is accordingly unlikely that the early repayment of a loan within the underlying pool of mortgages securing the credit asset will result in an early distribution of principal to investors.

In any event, the Investment Manager maintains a rotating pool of investments in the 4 Year Account, and any early repayment of any one credit asset will be re-invested by the Investment Manager in the usual course.

## How much does it cost me up front to invest in the Fund?

Nothing. All up front costs are paid by the borrower at the application stage of the loan and there are no investment entry fees. You as the Investor do not pay any establishment fees in relation to the loan or the mortgage. All establishment and loan management fees are paid by the borrower.

Please refer to Section 7 in this PDS for other fees that may be payable by you as an Investor.

## If I invest in the Fund how will this affect my pension?

To answer that question you should consult your financial adviser, accountant or Centrelink's Older Australians Services Line on 13 23 00, or Disability and Carers' Line on 13 27 17. How it will affect your pension will depend on your individual circumstances. Centrelink classifies the Fund as a managed investment, which means that the investment returns you receive will be subject to income tests.

## Does the Fund invest in other unlisted mortgage trusts?

No.

## Can I invest in the Fund if I am not an Australian resident? If I can, how much tax will I pay?

Persons who are not Australian residents are, subject to their local laws, allowed to invest in registered managed investment schemes. Such persons should be subject to withholding tax on the interest component of any distributions paid at a maximum rate of 10%.

## Is the Fund rated?

The Fund and its Investment Accounts have been rated by a number of independent Ratings Agencies, who generally receive a fee for rating the Fund. Copies of the rating reports are available for wholesale investors and advisers at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au). Ratings are only one factor to be taken into account in deciding to invest.



## After maturity how do I re-invest?

If you would like to re-invest your money after the maturity of an Investment in the Select Investment Account and your money has been repaid to you, you will need to complete a new SPDS in relation to a new Select Investment Account. Alternatively, you could elect to invest in either the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year or 4 Year Account (minimum investment applies).

With respect to the 12 Month Term, 2 Year and 4 Year Account, your money will be automatically rolled for a further term unless a withdrawal request is received by La Trobe Financial prior to the prescribed time for each investment option:

- 12 Month Term Account (30 days);
- 2 Year Account (60 days); and
- 4 Year Account (3 months).

See pages 29, 33 and 34 for further details.

## How do I make additional investments?

For Investors in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts, following your initial registration with the Fund you will be given a unique Investor Account Number. You can make initial or subsequent investments via our market leading online investment app, La Trobe Direct (see [www.latrobedirect.com.au](http://www.latrobedirect.com.au) or your app store for more details), cheque, electronically using internet banking, or BPay® or Direct Debit from your nominated account. Cheque deposits can only be applied to Select Investment Account when they are cleared funds. Transfers between Investment Accounts can be arranged by calling La Trobe Financial on **1800 818 818**. For Investors in the Select Investment Account,

if you wish to make additional investments into those accounts, you will have to complete the Application Form attached to each new relevant SPDS. The P2P Investment Shopping List is available at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) or by calling **1800 818 818**.

## Is there a cooling-off period?

There is no cooling-off period if you invest in the Fund when it is not Liquid (see FAQ: 'How long do I need to commit my money to the Fund?' above). If the Fund is Liquid when you invest, you are entitled to a 14 day cooling-off period commencing from the earlier of:

- the date on which you receive confirmation of your investment; or
- the end of the fifth day after the day we accept your investment.

If you wish to exercise this cooling-off right, you must notify La Trobe Financial by letter, or email. This cooling-off period does not apply to an Investor who has exercised any of the Investor's rights or powers as an Investor.

## Does the Fund require mortgage insurance to be taken out by borrowers?

The Fund's current policy for the Classic Notice, 90 Day Notice, 6 Month Term Notice, 12 Month Term and 2 Year Accounts is not to lend on an LVR exceeding 80%. The Fund does not require lender's mortgage insurance to be taken out by borrowers. However, lender's mortgage insurance may be required if the LVR were to exceed 80%. It is possible that a loan in the Select Investment Account may exceed an LVR of 80% but lender's mortgage insurance may not be sought. In such instances, all relevant details will be disclosed in the specific SPDS.

## If a borrower makes a partial capital repayment, how will the proceeds be distributed among the Investors?

The partial capital repayment will be distributed equitably among Investors in a manner determined by La Trobe Financial.

## How are distribution payments for construction loans affected by progress payments?

Distributions to Investors are usually paid on a set period basis e.g. per calendar month. However, during the construction process, interest payments may be calculated on a daily basis where funds are advanced to the borrower during an interest period. This may result in a slightly higher or lower interest payment (depending on the number of days in that payment period) which is different to the interest entitlement stated in the relevant SPDS.

## Who is the registered mortgagee on title?

La Trobe Financial has appointed Perpetual Corporate Trust Limited as the custodian for the Fund and it is registered as the mortgagee on title. Occasionally, for the Select Investment Account, and at the discretion of La Trobe Financial, the individual Investor may be the registered mortgagee.

# 10 | Frequently Asked Questions

## How does the Fund manage undrawn loan commitments?

The Fund manages all loans that are to be drawn down progressively by ensuring that, at the time of the initial advance of the loan, all subsequent advances are fully funded or otherwise specified in the relevant SPDS. Please refer to the Fund Portfolio Metrics for details of undrawn loan commitments.

## Does the Fund use derivatives or undertake any borrowings?

The Fund does not currently use derivatives and has no borrowings.

## How are multiple investments made within a month administered?

If you make multiple investments in the same Investment Account within a month, we reserve the right to consolidate these investments and process them as at the middle of the month or such other day nominated by La Trobe Financial during the month.

## How does the Investor Reserve work?

La Trobe Financial controls and maintains an Investor Reserve for the sole benefit of Investors in the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year and 4 Year Accounts.

The operation of the Investor Reserve is set out on page 71-72 of the PDS.

## What is the effect on my investment if La Trobe Financial or a shareholder gets into financial difficulties?

As a managed investment scheme, the Fund is a trust under Australian law. This means that the assets of the Fund are held by La Trobe Financial on trust for investors and are not available to creditors of La Trobe Financial and its related entities. Neither creditors nor shareholders of La Trobe Financial have recourse to the assets of the Fund.

## What happens to my investment if a borrower claims hardship?

La Trobe Financial, like all financial institutions have a consistent approach to dealing with borrowers who claim hardship in accordance with the relevant legislation. Upon approval of hardship, arrangements are made with borrowers to return their repayments to normality. In the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term and 2 Year Accounts, investments are in a range of diverse assets (see Section 5 for further detail) to protect the investor returns. For Select Investments, returns are linked to the repayment practices of the borrowers. The 4 Year Account invests predominantly in credit assets such as credit notes which are indirectly impacted by any hardship claims.

## Anti-money laundering and counter-terrorism financing

Pursuant to the requirements of the *Anti-Money Laundering/Counter-Terrorism Financing Act 2006* (Cth) (**the Act**), the Federal Government requires organisations like La Trobe Financial to have an anti-money laundering and counter-terrorism financing program. This includes undertaking a risk assessment in relation to the potential for money laundering and terrorism financing in their organisation and instituting compliance structures to manage those risks.

As part of the program, La Trobe Financial identifies all new investors and verifies certain information that it has received in relation to each Investor's identity to authenticate the identity of its Investors. This process is referred to as Know Your Customer or 'KYC'.

All investors are required to be identified. We can complete your Identity Verification electronically or, if we can't identify you electronically or you don't wish to be verified electronically, you will need to be identified by providing certified copies of identity documents.

We may verify your identity using information held by a Credit Reporting Body (**CRB**). To do this, we may disclose personal information such as your name, date of birth and address to the CRB to obtain an assessment as to whether that personal information matches information held by the CRB. Alternative means of verifying your identity are available on request.

The verification process depends on the type of investor you are.

## Third Party Access to your account

Any information in relation to your application or your investment is made available to your financial adviser or Investor Representative.

If you have a financial adviser who handles your affairs, an accountant or a trusted friend or associate, you may appoint them as your Investor Representative to authorise them to transact on your account by completing the relevant part of Section I of the Application Form or the form available on our website.

Account Enquiry access will only allow the Investor Representative to discuss your investments in the Fund. This authority does not give this person the authority to make or withdraw investments or transact on your account.

If you wish for your Investor Representative to be able to transact on your account, the Investor Representative has the power to make or withdraw investments in the Fund on your behalf or to make written requests to the Fund.

**As a security measure, we will not accept a request for a change of bank account details from a third party.**

**All changes to bank accounts require a verbal confirmation from the investment account owner.**

In the case of an Investor Representative which is a corporation or a partnership, La Trobe Financial may act on the instructions of an authorised officer or partner of the same and any instruction given by such an officer or partner shall be deemed to have been given by your Investor Representative. You may at any time, in writing, notify us of the revocation by you of the appointment of your Investor Representative. Such revocation, however, will not be effective until we have acknowledged the revocation in writing.

By signing the authority on the Application Form, you agree to release, discharge and indemnify La Trobe Financial and the Investment Manager from and against:

- all actions, proceedings, accounts, claims and demands whatsoever reasonably arising out of the release of information to your Investor Representative; and
- in respect of any loss or liability arising out of any transaction or dealing made pursuant to an actual, or alleged direction or authority of your Investor Representative, notwithstanding the fact that the transaction or dealing occurred without your knowledge or authority except to the extent that the loss or liability arises from La Trobe Financial or its employees, officers, agents or contractors' willful misconduct, gross negligence or fraud.

**Warning: You should not appoint anyone as your Investor Representative unless you are quite certain that person can be trusted. There is also a risk that someone who has access to your Investor Number and a copy of your Investor Representative's signature may give inappropriate instructions.**

## Investment decisions

It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by La Trobe Financial, or any associate of La Trobe Financial or any other person concerning an investment in the Fund.

Readers should not rely on this PDS as the sole or principal basis of a decision to invest in the Fund and should seek independent financial, legal and taxation advice before making a decision whether to invest.

Nothing in this PDS may be relied upon as, a representation as to the future performance of the investments of the Fund.

# 11 | Additional Fund Information

## Updates relating to this PDS

La Trobe Financial may make available updated information relating to this PDS. Investors may access this information at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) or alternatively may request a copy of this information free of charge from their financial adviser or by contacting La Trobe Financial on **1800 818 818**. The information which La Trobe Financial will make available by way of these updates is subject to change from time to time and will not be information which is materially adverse to Investors.

## Electronic copies

This PDS is available on the internet at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au). Paper copies of this PDS (with the attached Application Form) will be sent by La Trobe Financial to any person who so requests free of charge. To obtain a paper copy please call **1800 818 818**.

Alternatively, the operator of your platform or wrap account service will be able to provide you with paper copies free of charge.

## Cooling-off

Please note that certain cooling-off rights apply in respect of a purchase of investments in the Fund – see Frequently Asked Questions, page 61, "Is there a cooling-off period?".

## Approach to Sustainability

As part of our ESG Framework we have committed our approach to sustainability as a core business commitment. We believe that our sustainability objective will:

- contribute to better outcomes for our planet and for our investors;
- be achieved in relation to our emissions commitment by 2030; and
- achieve the highest levels of reporting and transparency.

Whenever possible, we will look to reduce and offset the environmental impact of our operations through the implementation of long-term strategies. To read more on our ESG commitments, please refer to our ESG Framework located on our website.

## The Responsible Entity

Your investment funds are managed by a 'Responsible Entity' – in this case, La Trobe Financial – licensed by ASIC. La Trobe Financial is responsible for the functions of both manager and trustee, including ensuring that Fund assets are held in safe custody.

La Trobe Financial has appointed Perpetual Corporate Trust Limited as the custodian for the mortgage assets of the Fund.

La Trobe Financial continues to hold cash and other liquid assets of the Fund. The Fund is a registered managed investment scheme and has Australian Registered Scheme Number (**ARSN**) O88 178 321. As such, the Fund and its Responsible Entity, La Trobe Financial, must comply with the requirements of the Law. La Trobe Financial as the Responsible Entity holds an Australian Financial Services Licence which authorises it to operate 'mortgage investment schemes' generally. La Trobe Financial is also authorised to deal in basic deposit products and other cash and fixed interest type investments and to provide general financial product advice.

La Trobe Financial holds Australian Financial Services Licence (**AFSL**) No. 222213 and Australian Credit Licence (**ACL**) 222213. La Trobe Financial's role as the Responsible Entity includes:

- ensuring that Fund property is held in trust for you as an Investor;
- managing and investing Fund property; and
- ensuring that Fund property is managed and dealt with in accordance with the Fund's Constitution, the Fund's Compliance Plan and the Law.

The Responsible Entity has a Board of Directors, a Compliance Committee and a senior management team with a strong record and considerable experience. Please see our website at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) for further details.

## The Fund's Constitution

When you want to know your rights, the first place to look is the Fund's Constitution. The Fund is governed by the Constitution which is a legal agreement between La Trobe Financial as the Responsible Entity, the Investment Manager and all those Investors who from time to time apply for and are accepted as Investors in the Fund.

Investors are members of the Fund and are bound by the Fund's Constitution and amendments to it.

A copy of the Fund's Constitution is available on our website at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) or we can provide you with a copy for the fee prescribed by Law within seven days of request. The following brief summary does not refer to every provision of the Fund's Constitution, and should be read in conjunction with other references to the Fund's Constitution contained in this PDS.

The Fund's Constitution:

- allows La Trobe Financial or you to call meetings of Investors and sets out how meetings will be run;
- provides for La Trobe Financial to retire as Responsible Entity in certain circumstances;
- allows La Trobe Financial to vary the Fund's Constitution subject to Investors' approval by resolution if the amendment may affect Investors' rights adversely;
- limits our liability in contract, tort or otherwise to Investors for any loss suffered in any way relating to the Fund except to the extent that the law imposes such liability;
- makes provision for the handling of Investors' complaints; and
- sets out the rights of Investors to withdraw from the Fund while the Fund is Liquid, as defined under the Law, and specifies that some of those rights do not apply at any time while the Fund is not Liquid.

## Investor Accounts

La Trobe Financial maintains a separate Investor Account in respect of each Investor's investment in an Investment Account. An Investor Account records for the Investor's investment in the relevant Investment Account:

- the total application money received;
- any withdrawals made; and
- any fees, expenses, liabilities, taxes, amounts withheld for FATCA that La Trobe Financial determines to be properly referable to allocated to the Investment Account or to the Investor to the extent that those amounts will not reduce the distributable or net income of that Investment Account.

For investments in an Investment Account other than the Select Investment Account, an Investor Account will also record the appropriate allocation of any shortfalls and net gains allocated to the Investment Account or Investor under the capital provisioning and net gains policies operated by La Trobe Financial in respect of that Investment Account.

For investments in the Select Investment Account, an Investor Account will also record the appropriate allocation of any:

- amounts received by La Trobe Financial in respect of the Investor's selected mortgage investment after the Maturity Date of that mortgage investment to the extent that those amounts exceed the Investor's application money and will not be included in the net income for that Investment Account;
- actual losses of the Investor's application money to the extent that those amounts will not reduce the net income for that Investment Account; and
- amounts set aside by La Trobe Financial to meet actual or anticipated expenses and liabilities of the Investment Account to the extent that those amounts will not reduce the net income for that Investment Account.

## Joint tenancy

Where funds are jointly invested, they will be deemed to be held for the Investors as joint tenants, unless we otherwise agree. This means that, on the death of one of the Investors, the interest in the investment will pass to the surviving Investor(s).

Each investment creates a corresponding interest in the relevant Account. An Investor in an Investment Account receives an interest in the assets of the relevant Investment Account in the proportion to which amounts in their Investor Account for that Investment Account bears to the total value of amounts invested in that Investment Account.

## Ensuring compliance with the Law and the Fund's Constitution

La Trobe Financial has in place a framework to that ensure compliance with the Law and the Fund's Constitution:

First, the Compliance Committee of La Trobe Financial comprises a majority of members who are independent of, and external to, La Trobe Financial and the Investment Manager. The Compliance Committee, in ensuring compliance with the Law and the Fund's Constitution:

- monitors the extent to which La Trobe Financial complies with the Fund's Compliance Plan (**the Plan**);
- monitors any breaches by the Fund of the Law and the Fund's Constitution;
- reports directly to ASIC if the Compliance Committee is of the view that La Trobe Financial has not taken, or does not propose to take, appropriate action to deal with a matter reported to it by the Compliance Committee in relation to any breaches by the Fund of the Law and the Fund's Constitution; and
- regularly assesses whether the Plan is adequate, and if necessary, implements improvements to the Plan.

Secondly, the Fund has a Compliance Plan, in addition to the Fund's Constitution, which prescribes many requirements and procedures of the Fund's operations to ensure that the Fund is operated in accordance with the Law and the Fund's Constitution. The Plan is audited annually by the Fund's independent and external Compliance Plan Auditor. You should note that the Compliance Plan audit is in addition to the financial audit of the financial statements of both the Fund and La Trobe Financial as the Responsible Entity.

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## Investing through Australian financial advisers

If you invest in the Fund through a licenced Australian financial adviser, we will treat you as a separate class of investor. Whilst your rights and obligations as an Investor remain the same as those of all other Investors, we will apply a differential fee arrangement to all new investments by you in the 12 Month Term Account, 2 Year Account and Select Investment Account.

For accounts opened after 1 July 2013, unless you instruct us to do so in accordance with Section H of the Application Form, we will:

- rebate 0.50% per annum out of our Management Costs to you in relation to the 12 Month Term Account and 2 Year Account; or
- increase your rate of return for investments in the Select Investment Account by reducing the Management Costs in the amount of 0.50% per annum compared to the advertised rate.

If you have a financial adviser, your financial adviser should provide you with either a Financial Services Guide or a Statement of Advice which will detail their remuneration and other benefits. If you wish to change or cancel payments to your financial adviser, you can do this by writing to us.

We do not pay any rebates in relation to the Classic Notice Account or in relation to investments made in the 4 Year Account after 31 May 2019. 4 Year Account investments made up to and including 31 May 2019 are treated in the same manner as the 12 Month Term Account.

You should seek independent tax advice in relation to the tax treatment of any rebate.

## Payments to your financial adviser or referrer on your behalf

You may instruct us to make additional payments to your financial adviser or referrer. These payments can be in the following forms:

- **Upfront payment** (paid upon your initial investment from your investment amount);
- **Upfront payment** for subsequent investments (paid upon your subsequent investments from your investment amount); and
- **Ongoing payment** (paid on a monthly basis from your interest payments).

By completing the Application Form, you can instruct us to deduct these amounts from your account and pay them to your financial adviser or referrer.

If, at any time, you wish to change these payments, you can do so by writing to us and instructing us to change these. Such instructions may be subject to the specified terms and conditions of your existing investments, including any SPDS.

When we make these payments, we will provide information about your investments in the Fund to your financial adviser or referrer.

## Instructions by email and via La Trobe Direct

You may give us instructions by email or via our online Investor Platform, La Trobe Direct. Each time you or your Investor Representative do so, you release us from, and indemnify us against, all losses and liabilities reasonably incurred arising from any payment we make, or any action we take, based on any instruction that we receive from your La Trobe Direct Account or your email address contained in the Application Form completed by you, or subsequently notified by you, other than any losses and liabilities arising from La Trobe Financial's employees, officers, agents or contractor's gross negligence, willful misconduct or fraud.

You also agree that neither you nor any one claiming through you has any claim against us or the Fund in relation to these payments or actions. Please be careful. There is a risk that a fraudulent email instruction could be made by someone who has access to your Investor Number, your email account and a copy of your signature. We reserve the right to add further requirements at any time to protect your investment and we will notify you in writing if we do so.

If you provide us with your email address in the Application Form, you agree that we can send you information about the Fund and about La Trobe Financial by email. You will always have the right to opt-out of receiving marketing emails from us.

## Complaints resolution

If you have a complaint about the services provided to you by La Trobe Financial, you can lodge a complaint by taking the following steps:

- Email:** customerresolution@latrobefinancial.com.au
- Mail:** La Trobe Financial Asset Management Limited  
GPO Box 2289,  
Melbourne, Victoria 3001 Australia
- By phone:** 13 80 10

We will try and resolve your complaint quickly and fairly, and respond within 21 days in accordance with our Internal Dispute Resolution policy.

If you are a retail client under the Law, you have the right to complain to the Australian Financial Complaints Authority:

**Online:** [www.afca.org.au](http://www.afca.org.au)  
**Email:** [info@afca.org.au](mailto:info@afca.org.au)  
**Phone:** 1800 931 678 (free call)  
**Mail:** Australian Financial Complaints Authority  
GPO Box 3,  
Melbourne, VIC 3001

Your complaint will be recorded in La Trobe Financial's complaint register and acknowledged in writing. La Trobe Financial is committed to fair and prompt dealings of all complaints and welcomes suggestions for service improvement or commendations about our staff. A copy of our Complaints Policy is available at [www.latrobefinancial.com.au/policies/](http://www.latrobefinancial.com.au/policies/).

If you have invested in the Fund through an investment platform (see page 40 of this PDS), and if you have a complaint about the Fund, you can also take the steps that we have set out above to have your complaint resolved.

## Conflicts of interest

We take our obligation to act in your best interests very seriously. We will always ensure that the services that we provide to you are provided efficiently, honestly and fairly, and if there is a conflict between your interests and our interests, we will give priority to your interests. We invite you to contact us if you believe that we have not served your best interests.

Investments by the Fund into trusts where La Trobe Financial or a related body corporate is trustee may involve a conflict of interest due to La Trobe Financial's position as trustee and responsible entity of the Fund. In particular, a conflict may arise if La Trobe Financial receives management fees for investments at both the trust and Fund levels. This conflict is managed and monitored through La Trobe Financial's Conflicts of Interest Policy and includes mechanisms to ensure that La Trobe Financial does not "double-dip" on management fees on any proportion of the Fund's investment accounts invested in the trust.

## Documents available for inspection

The following Fund documents are available for inspection during normal business hours free of charge at our office:

- the Fund's Constitution;
- the Fund's Compliance Plan;
- the consents to the issue of this PDS;
- the Target Market Determinations for each of the investment accounts;
- La Trobe Financial's AFSL No. 222213; and
- La Trobe Financial's ACL No. 222213.

A copy of the Fund's Constitution is also available on our website at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) or we can provide you with a copy for the fee prescribed by Law within seven days of your request.

Investors in the Select Investment Account may also request copies of the following documents on a similar basis with each relevant SPDS under consideration:

- valuations of the security properties secured by the individual mortgages in which you have invested; and
- the registered instrument of mortgage.

Investors in the Classic Notice, the 90 Day Notice, the 6 Month Notice, the 12 Month Term, the 2 Year and the 4 Year Accounts will not be permitted to inspect copies of any valuations.

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations, and copies of documents lodged with ASIC in relation to the Fund may be obtained from or inspected at an ASIC office.

## Taxation

We cannot give tax advice so the following is a broad summary of some of the basic taxation matters applicable to the Fund and applies only to those Investors who are individuals that are Australian residents for tax purposes (unless otherwise indicated). It is based on information and taxation legislation that are current at the date of issue of this PDS. Given the complexity of taxation legislation and the ongoing changes introduced by the Government, it is strongly recommended that you seek independent professional tax advice that takes into account your personal circumstances, particularly if the information contained in this summary does not apply to you.

# 11 | Additional Fund Information

## Income tax

La Trobe Financial is not liable for the income tax positions or liabilities of Investors. Under existing Australian tax legislation, the Fund is a 'flow through' entity and the net income derived (for taxation purposes) by the Fund should be taxable to Australian Resident Investors to the extent it is distributable to them. To the extent that the net income is fully distributed to Investors there should be no tax payable at the level of the Fund in respect of Australian resident investors.

La Trobe Financial expects that the distributed payments made by the Fund will have the character of Australian sourced interest income, but will notify Investors if this is not the case. It is possible that the amount that an Investor receives upon exiting an investment in the Fund may be less than the corresponding amount invested.

## Australian Resident Investors

As an Australian Investor, you can choose whether or not you wish to quote your Tax File Number (**TFN**) or Australian Business Number (**ABN**). You are not required to give us your TFN or ABN and it is not an offence not to do so. However if you do not quote a TFN or ABN or do not claim an exemption, we are required to deduct from your payments, tax at the highest marginal tax rate plus any additional levies on all income investment returns made. Current exemptions claimable, if applicable, which should be noted on your Application Form are:

- a. **Child:** I am a child under the age of 16 years and earn less than the maximum prescribed by law per year;
- b. **Pensioner:** I receive the Age, Disability Support (Invalid), Wife, Carer, Widow B, Sole Parent, Special Benefits, Special Needs or Service (Veterans) Pension;
- c. **Non-Resident:** I am a Non-Resident of Australia not operating through a place of business in Australia, in which case withholding tax will apply; or
- d. **Association etc:** I am an entity not required to lodge a tax return.

## New Zealand Resident Investors

The following is a broad summary of some of the taxation matters applicable to the Fund and applies only to those Investors that are New Zealand tax residents for New Zealand tax purposes. It is based on information and New Zealand taxation legislation that are current at the date of issue of this PDS. Given the complexity of New Zealand taxation legislation and the ongoing changes that it is subject to, these comments are general in nature and therefore cannot (and should not) be relied on. It is strongly recommended that you seek independent professional tax advice that takes into account your personal circumstances, particularly if the information contained in this summary does not apply to you.

The Fund is a Managed Investment Scheme that is an Australian tax resident trust. For New Zealand tax purposes, the Fund is considered to be a unit trust, meaning it is deemed to be a company (despite the fact that legally the Fund is not a unitised investment structure). New Zealand tax resident Investors of the Fund are therefore treated as holding shares in an Australian resident company. The following summary relates to direct investment into the Fund and assumes that no New Zealand resident Investor will have an interest in 10% or more of the Fund (in which case different New Zealand international tax rules would apply).

New Zealand tax resident Investors of the Fund will generally be deemed to hold an interest in a Foreign Investment Fund (**FIF**), subject to some exemptions (discussed later in this section in further detail). FIF income must be calculated each year using one of five methods prescribed by Inland Revenue, being:

- a. Fair dividend rate method (**FDR**);
- b. Comparative value method (**CV**);
- c. Attributable FIF income method;
- d. Deemed rate of return method; or
- e. Cost method.

The default method is the Fair Dividend Rate method, which taxes New Zealand tax resident Investors on 5% of the New Zealand dollar opening market value of their investment of the Fund at the beginning of the income year. There are specified currency conversion methods to calculate the opening market value in New Zealand dollars.

An adjustment is required to an Investor's FIF income for any gains or losses on "quick sales" during the income year (i.e., units that are bought and sold during the same income year). "Quick sales" give rise to taxable income generally calculated as the lesser of the actual return on the quick sale and 5% of the cost of the investments (determined on an average cost basis).

Under the FDR method, dividends or any gain on the redemption of their investments in the Fund are not separately taxed in New Zealand.

New Zealand natural persons and eligible family trust investors can alternatively elect to be taxed on their actual gain (i.e., aggregate gains and losses in market value over the year, distributions and net sale or redemption proceeds) under the comparative value method. Under this method, FIF income for an investor will be the total annual return from holding (including distributions and capital appreciation) or disposing of the investment. Currency fluctuations for investments denominated in currencies other than New Zealand dollars must also be factored into the calculation.

We note that individuals and eligible family trusts are currently able to choose between the FDR method and CV method, depending on which method produces the lower taxable income each income year. However, the selected method must be applied consistently to all FIF interests for that income year.



No tax deduction is available for any losses under the FDR or CV method.

The other calculation methods may be applicable depending on whether certain eligibility criteria have been met. It is recommended that you seek independent professional tax advice if you would like further information in relation to these other calculation methods and the eligibility criteria of each method.

There is an exemption from the FIF rules that applies to New Zealand Investors that are natural persons and a limited range of trusts including testamentary trusts who hold offshore portfolio investments with an aggregate cost of up to NZ\$50,000 (**De Minimis Concession**).

In calculating the aggregate cost of the offshore portfolio investments, this excludes the cost of certain Australian listed shares and certain Australian unit trusts which regularly turn-over their assets and maintain a New Zealand resident withholding tax proxy. Investors may choose whether to apply the De Minimis Concession or apply the FIF rules instead. Investors who apply the De Minimis Concession will be taxed under the ordinary tax rules on distributions from the Fund. Distributions from the Fund will be treated as deemed dividends (and includes any Australian withholding tax deducted) for New Zealand tax purposes and taxed at the Investor's marginal tax rate.

In certain circumstances for Investors that apply the De Minimis Concession, they may be taxed on the exit from, the Fund. It is recommended that you seek independent professional tax advice if these circumstances are relevant to you.

Any Australian withholding tax deducted from distributions from the Fund may be credited against the New Zealand resident investor's income tax liability in respect of the investment in the Fund calculated under either the FIF rules or ordinary tax rules. The amount of the credit allowed is the lesser of the New Zealand tax payable on the FIF income for the interests in the Fund or the Australian withholding tax paid. Note however, that New Zealand tax resident Investors are generally not entitled to claim a tax credit in NZ for overseas withholding tax deducted with respect to the Fund's underlying investments.

No New Zealand GST is payable on any distributions nor in respect of the subscription, acquisition, disposal, redemption or withdrawal of investments in the Fund.

## Other Non-Resident Investors

If you are not an Australian resident for taxation purposes, you are subject to the tax laws in your country of residence and we recommend that you seek tax advice in relation to the tax laws in your country of residence before investing. To the extent that payments made to a foreign investor have the character of interest, Australian withholding tax will normally be deducted from the payments before payment to you. The applicable interest withholding tax rate should be 10%, but may be reduced in some instances (for example, under the terms of any applicable tax treaty, or if an exemption is available). Any withholding tax deducted from your interest payments will be paid to the Australian Taxation Office on your behalf, and you are generally not required to lodge an Australian tax return in respect of such payments.

If the payments include an amount that does not have the character of the interest, then the ordinary withholding tax rules do not apply. In this instance, the Fund may be required to pay tax on your behalf, but will deduct this tax from the payments paid to you.

## Disclosure to taxation authorities

In accordance with tax legislation and regulations, La Trobe Financial is required to periodically provide information to the Australian Taxation Office, including Investor details, investment returns, ABNs and TFNs.

You may need to provide us additional tax registration information to meet reporting obligations under either:

- Foreign Account Tax Compliance Act (**FATCA**); or
- Common Reporting Standard for the Automatic Exchange of Financial Account Information (**CRS**).

The Australian Taxation Office may share this information with overseas jurisdictions. Further information regarding FATCA and CRS is included in the FATCA and CRS Details Form which can be found in our Investor Forms section on our website.

## Government charges

In general, you will be required to pay the usual taxes on deposits and withdrawals on the operation of your own bank account. State or Federal government charges may apply to your investment account operation.

## Your Centrelink entitlements

Centrelink classifies the Fund as a managed investment, which means the investment returns you receive will be subject to income tests.

## Goods and Services Tax (GST)

Under current GST regulations in Australia, interest payments from the Fund will be considered a financial supply and are therefore input taxed only. This means that GST is not levied on interest payments from the Fund. Supplies to the Fund (including those of the Investment Manager's fees and other Fund expenses) will however generally include GST. However, a reduced input tax credit will be available for specific supplies to the Fund to offset this tax at 75% of the GST paid.

The valuations that we obtain for security properties do not necessarily take into account any GST implications if the property has to be sold by La Trobe Financial as mortgagee in possession. In assessing the Loan to Valuation Ratio (**LVR**) on all mortgage investments, we endeavour to establish whether there might be any GST implications in relation to the sale of the security property. If GST is to apply, the valuer is generally instructed to value the security

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property exclusive of GST. This gives an LVR that is unaffected by GST. However, as it is not always possible to establish the potential GST implications prior to sale, it is possible that the LVR may not allow for GST. You should therefore be aware that GST may be payable on the sale of the security property by La Trobe Financial as mortgagee in possession and this may affect the amount available for investor returns to Investors.

## Investor statements of account

A statement of account (Investor Activity Statement) noting all investor returns paid or accrued in respect to that financial year, amounts invested and applicable return is available electronically to investors or issued in hard copy to investors on an annual basis at no cost. Monthly statements are also available electronically. More frequent statements can be arranged if necessary and fees may apply. Transaction histories and reports can also be accessed through La Trobe Direct, our online investor platform.

An Annual Taxation Statement will be provided to all Investors after the end of the financial year and before the due date required by Australian regulations at no cost.

An Investment Maturity Certificate is available upon request for 12 Month Term Account, 2 Year Account and 4 Year Account Investors. You may need to recognise unpaid investment returns as income.

## Fund financial reports

La Trobe Financial is responsible for preparing, and will prepare, the Annual Financial Report for the Fund, which is subject to audit by the Statutory Auditor of the Fund and lodged with ASIC.

A half yearly financial report for the Fund, which is subject to review by the Financial Auditor of the Fund, is also prepared and lodged with ASIC.

The audited Annual Financial Report of the Fund as at 30 June each year will be available on our website at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) within 90 days of the end of each financial year.

Upon request, by simply calling **1800 818 818**, a copy of the Fund's latest audited Annual Financial Report or Half Year Financial Report can be sent by mail (free of charge).

## Fund financial information 2022-2024

A summary of the Investor funds under management of the Fund as at 30 June for the last three financial years is set out below.

Funds Under Management	30 June 2024 \$,000	30 June 2023 \$,000	30 June 2022 \$,000
Cash	457,088	175,797	171,754
Note Investments & Other Credit Assets	368,642	282,059	244,131
Mortgage Investments	9,895,212	8,723,587	7,180,572
<b>Total</b>	<b>10,720,942</b>	<b>9,181,443</b>	<b>7,596,457</b>

## Consents

**EY** has consented to being named in this PDS as the Statutory Auditor of La Trobe Financial, the Statutory Auditor of the Fund, and as the Compliance Plan Auditor of the Fund for information purposes only. EY has had no involvement in the preparation of this PDS other than in relation to this paragraph and the appearance of its name in the Corporate Directory, has not authorised or caused the issue of the whole or any part of this PDS and expressly disclaims and takes no responsibility for any statements in or omissions from this PDS.

**Perpetual Corporate Trust Limited** has consented to being named in this PDS as the Custodian for the Fund, for information purposes only. Perpetual Corporate Trust Limited has had no involvement in the preparation of this PDS other than in relation to this paragraph and the appearance of its name in the Corporate Directory, has not authorised or caused the issue of the whole or any part of this PDS and expressly disclaims and takes no responsibility for any statements in or omissions from this PDS.

**La Trobe Financial Services Pty Limited** as the Investment Manager of underlying investments available for investment through the Fund has given, and has not withdrawn, its consent to be named in this PDS. The Investment Manager has not issued, or caused the issue of, this PDS. The Investment Manager is not responsible for the making of any disclosure or the failure to make disclosures in the PDS.

**Money magazine** has consented to being named in this PDS to reflect their assessment of the Credit Fund over the past 15 years. *Money* magazine has not authorised or caused the issue of the whole or any part of this PDS and expressly disclaims and takes no responsibility for any statement in or omissions from the PDS.

## Issuer

This PDS has been prepared by La Trobe Financial based on information within its own knowledge or provided to it by its advisers. None of La Trobe Financial, the Investment Manager or any expert gives any guarantee with respect to the performance of the investment. La Trobe Financial has authorised the issue of this PDS.

## Privacy

We understand how important it is to protect your personal information. Our Privacy Policy sets out our commitment in respect of the personal information we collect about you, how we hold it and what we do with that information. The personal information we collect about you will only be used for the purposes for which we have collected it or as allowed by law. Our commitment with respect to personal information is to abide by the Australian Privacy Principles for the protection of personal information as set out in the Privacy Act and any other relevant law. Please also refer to the signature Section in the Application Form.

Our Privacy Policy is available on our website [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) or by calling us on **1800 818 818**.

## Design and Distribution Obligations

The Design and Distribution Obligations (**DDO**) regime commenced on 5 October 2021 and La Trobe Financial has complied with the legislative requirements from that date. La Trobe Financial has integrated into its corporate governance framework the necessary policies, procedures and documentation to ensure it complies with the DDO requirements placed on certain financial product issuers and distributors, as required by Pt 7.8A of the Law. Two of the principal elements of the DDO regime are (1) the publication of Target Market Determinations for all products subject to 'retail product distribution' and (2) the establishment and embedding of a product governance framework to ensure that financial products are critically evaluated through their lifecycle, meeting the DDO requirements relating to design, review and data collection.

Since 5 October 2021, La Trobe Financial has had in place Target Market Determinations for the Fund investment accounts which are available to be viewed publicly on La Trobe Financial's website. Further, a fit for purpose product governance framework has been established and embedded which provides an overarching framework for La Trobe Financial's compliance with the DDO requirements including ensuring the distribution of products is in line with the Target Market Determinations, directly through La Trobe Financial and through its third-party distributors.

## Related party transactions

Refer to Disclosure Principle 4 – Related party transactions in Section 4 of this PDS for information on related party transactions.

## Investor Reserve

La Trobe Financial may establish, control and maintain an Investor Reserve in relation to an Account (or Special Mandate), such as the 12 Month Term Account, for the sole benefit of Investors in the relevant Account (or Special Mandate). The Investor Reserve is segregated by Account, which means that, for instance, the Investor Reserve for Classic Notice Account cannot be used for the benefit of Investors in the 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year or 4 Year Account and vice-versa. The Investor Reserve for an Account cannot be overdrawn and since inception of those investor reserves, they have never been fully exhausted, although there is a risk this could occur.

For each Account a target range (as a percentage of assets under management in the relevant Account) or a minimum amount is set by La Trobe Financial for the Investor Reserve for that Account. The target range or minimum amount takes into consideration the investment profile and the Investor Reserve usage experience of the relevant Account and is reviewed periodically. The actual level of the Investor Reserve for an Account may fall outside the target range, or below the minimum amount, due to the timing of contributions and usage.

The Investor Reserve is held by La Trobe Financial directly and does not form part of the Fund's assets. La Trobe Financial contributes to the Investor Reserve out of the management income it receives on a cash received basis each month with the contribution rate depending on the investment profile and Investor Reserve target range, or minimum amount, of the relevant Account. Where insufficient management fees, after payment of mortgage trail commissions, are received for a month, the contribution may be reduced. As at the date of this PDS, La Trobe Financial contributes the following for each Account:

- Classic Notice Account – La Trobe Financial may make contributions to the Investor Reserve for the Classic Notice Account as and where deemed necessary. Contributions are based on a proportion of the average daily investor balances in the Classic Notice Account and can be made monthly as required.
- 90 Day Notice Account – La Trobe Financial may make contributions to the Investor Reserve for the 90 Day Notice Account as and where deemed necessary. Contributions are based on a proportion of the average daily investor balances in the 90 Day Notice Account and can be made monthly as required.
- 6 Month Notice Account – La Trobe Financial may make contributions to the Investor Reserve for the 6 Month Notice Account as and where deemed necessary. Contributions are based on a proportion of the average daily investor balances in the 6 Month Notice Account and can be made monthly as required.

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- 12 Month Term Account – La Trobe Financial contributes the excess of 1.80% p.a. of the average daily Investor balances in the Account for the relevant month. In other words, La Trobe Financial retains 1.80% p.a. of the management costs collected (being the difference between interest received on investments and investment returns distributed to Investors) for its own use, including the payment of referral fees.
- 2 Year Account – La Trobe Financial may make contributions to the Investor Reserve for the 2 Year Account as and where deemed necessary. Contributions are based on a proportion of the average daily investor balances in the 2 Year Account and can be made monthly as required.
- 4 Year Account – La Trobe Financial may make contributions to the Investor Reserve for the 4 Year Account, as and where deemed necessary, including by contributing a proportion of its management fee equal to the proportion of 4 Year Account assets indirectly invested in the La Trobe US Private Credit Fund. Contribution amounts are determined and paid monthly.

From time-to-time, La Trobe Financial may also make additional contributions to the Investor Reserve from its retained earnings and other income, including any interest earned on the Investor Reserve (on an after tax basis).

The decision to use money held in the Investor Reserve is at the sole discretion of La Trobe Financial. La Trobe Financial may use the Investor Reserve moneys to:

- reduce the volatility of interest payments to Investors;
- cover capital losses incurred on individual assets within the relevant Account;
- pay expenses relating to the relevant Account that could otherwise be charged to Investors under the Fund's Constitution;
- fund loss recovery action in respect of individual assets within the relevant Account; and
- pay other expenses or cover losses incurred by La Trobe Financial or the Investment Manager in acting in its capacity as Responsible Entity or Investment Manager respectively for the Fund.

## Investor identification requirements

Our requirements for non-Australian residents are similar to those for Australian residents (summarised in Section 14 in this PDS). If you are a non-Australian resident and not able to provide a certified copy of your foreign passport (or similar travel document) bearing your signature and photograph or your national identity card issued by a foreign government and bearing your photograph and either a signature or a unique identifier, you must provide two other forms of acceptable identification as detailed in Section 14 in this PDS.

For details on who can certify your identity documents, both in Australia and outside Australia, please see Section 14 in this PDS.

### Payments into your Investor Account

Upon receipt of your Application Form we will provide you with EFT and BPay® details for the deposit of funds. For Investors who do not hold an Australian bank account, we are able to provide a SWIFT code and bank account details for international money transfers.

We will also accept payments via credit card and will provide further details on receipt of your Application Form. A transaction fee of \$1.05 plus 1.5% of the transaction amount will be applied.

## Payments out of your Investor Account

Withdrawal rights are consistent with those previously stated in Section 5 in this PDS. Please note that we do not permit, and will not pay, withdrawals to third party bank accounts.

For each capital redemption to an overseas bank account, a fee of \$30.00 plus currency exchange charges will be applied.

## Reinvestment of New Zealand investors' distributions

If we are directed to reinvest distributions for a New Zealand investor, the investor's distributions will be reinvested in accordance with the terms and conditions set out in sections 2 and 3 of this PDS.

The distribution reinvestment plan described in this PDS is offered to New Zealand investors on the following basis:

- At the time the value of the interests in the Fund allotted pursuant to the distribution reinvestment plan is set, La Trobe Financial will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable value of the interests in the Fund if the information were publicly available.
- The right to acquire, or require La Trobe Financial to issue, interests in the Fund will be offered to all investors of the same class, other than those residents outside Australia and New Zealand who are excluded so as to avoid breaching overseas laws.
- Any additional interests in the Fund arising from a reinvestment of distributions will be issued on the terms disclosed to the investor, and will be subject to the same rights as interests in the Fund of all investors of the same class.

## Taxation

Refer pages 68-69 for details on the tax treatment of non-resident Investors in the Fund. Generally non-residents who invest in the Fund will have 10% non-resident interest withholding tax deducted from all interest payments of the Fund and paid to the Australian Taxation Office. To meet international tax reporting obligations, you may be required to complete an additional FATCA and CRS Details form, which is available from our Investor Services team or in the Investor Forms section of our website at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au). Please see Section 14 of this PDS for further instructions.

## Investor contact with La Trobe Financial

### Investor Services:

(+61) 3 8610 2888 or 1800 818 818

### Hours of operation:

8:30am-5:30pm Monday-Friday (Eastern Standard Time - Australia)

### Send your completed Application Form to:

[investor@latrobefinancial.com.au](mailto:investor@latrobefinancial.com.au)

or

La Trobe Financial  
GPO BOX 2289  
Melbourne VIC 3001 Australia

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### Investor statements of account

A statement of account (Investor Activity Statement) noting all investment returns, amounts invested and applicable return is available electronically to investors monthly or issued in hard copy to investors on an annual basis at no cost. More frequent statements can be arranged if necessary and fees may apply. Statements can also be accessed through La Trobe Direct, our online investor access portal at no cost. An Annual Taxation Statement will be provided to all Investors after the end of the Australian financial year (being 30 June) and before the due date required by Australian regulations at no cost. An Investment Maturity Certificate is available upon request for 12 Month Term Account, 2 Year Account and 4 Year Account Investors via La Trobe Direct, email or post.

<b>Application Form</b>	The Application Form attached to this PDS or the electronic equivalent on our online access investment platform <a href="http://www.latrobedirect.com.au">www.latrobedirect.com.au</a> .
<b>Authorised Representative</b>	The term applying to a third party appointed by La Trobe Financial as an Authorised Representative to act on behalf of La Trobe Financial to attend to your needs.
<b>Commercial property</b>	Commercial properties are those of a retail nature which can be occupied for many commercial purposes e.g. retail shops, commercial offices, supermarkets.
<b>Compliance Committee</b>	The Compliance Committee of La Trobe Financial, which comprises a majority of Members who are independent of, and external to, La Trobe Financial and the Investment Manager.
<b>Compliance Plan</b>	The Compliance Plan sets out the measures that La Trobe Financial applies in operating the Fund to ensure compliance with the Law and the Fund's Constitution.
<b>Construction and development</b>	Construction and development projects include multi-residential dwelling construction, land sub-division, and construction of commercial and industrial properties.
<b>Cooling-Off periods</b>	In some circumstances an Investor may be entitled to a cooling-off period after the Investor's investment. See Frequently Asked Questions, page 61, "Is there a cooling-off period?".
<b>Council Valuation</b>	In some Investment Accounts, we may rely on valuation stipulated in the most recent municipal rates notice to determine the valuation of a property where the LVR is <40%.
<b>Default</b>	This means that the borrower is not currently making the required payments under the loan agreement.
<b>Directors</b>	Directors of La Trobe Financial, unless it is otherwise apparent from the context.
<b>Fund</b>	The registered managed investment scheme known as the La Trobe Australian Credit Fund ARSN 088 178 321 as described in this PDS.
<b>Fund's Constitution or Constitution</b>	The deed entered into by La Trobe Financial, the Investment Manager and Investors from time to time setting out the rights and obligations of each party. All Investors are bound by the Fund's Constitution as amended from time to time.
<b>Fund property</b>	Any mortgage, property, money or money's worth or entitlements thereto which constitute the property of the Fund from time to time.
<b>In arrears</b>	A loan is 'in arrears' if the borrower has not made the required payments under the loan agreement.
<b>Industrial property</b>	Properties which through location or style are commercial in nature but restricted to industrial purposes e.g. warehouses and factories.
<b>Investment Account</b>	Any one of the Classic Notice, 90 Day Notice, 6 Month Notice, 12 Month Term, 2 Year, 4 Year and Select Investment Accounts.
<b>Investment interest</b>	Your undivided interest in a Select Investment Account calculated as the proportion that your application money accepted and allocated into the mortgage, bears to the minimum subscription amount for that mortgage.
<b>Investment Manager</b>	La Trobe Financial Services Pty Limited ABN 30 006 479 527.
<b>Investment risk</b>	In general, risk is the chance that the return from your investment in terms of income and capital will be materially different from what you expect.
<b>Investor</b>	A person or other legal entity that applies to be and is accepted as a legal member of the Fund, insofar as their investment activities are concerned.
<b>Investor Account</b>	The account maintained by La Trobe Financial in respect of an Investor's interest in the Fund.
<b>Investor Representative</b>	An Investor Representative is any company, partnership or individual appointed by an Investor to invest in, obtain investment information, or withdraw monies from the Fund on behalf of that Investor.
<b>La Trobe Financial</b>	La Trobe Financial Asset Management Limited ABN 27 007 332 363 holder of Australian Financial Services Licence No. 222213 and Australian Credit Licence No. 222213 and the Responsible Entity of the Fund.
<b>Law or the Law</b>	The Corporations Act 2001 unless it is otherwise apparent from the context.

## 13 | Glossary

<b>LVR</b>	The 'loan to valuation ratio', calculated as the total amount approved for a loan as a percentage of the value of the security property.
<b>Maturity Date</b>	The day (if any) on which scheduled principal and interest falls due for payment (or such later date that La Trobe Financial determines).
<b>Mezzanine Credit</b>	RMBA's and CMBA's typically issue notes or bonds that are subdivided, and prioritised based on seniority. Known as tranche notes, these range from senior notes through mezzanine to junior notes. Mezzanine credits represents principally investments within RMBA and CMBA vehicles which present a higher risk profile than the most senior tranches.
<b>Minimum subscription</b>	The minimum subscription amount is set for each Select Investment Account and equates to the total amount of the loan facility required by the borrower.
<b>Mortgage Investment</b>	Each individual mortgage – secured loan facility issued by La Trobe Financial from time to time.
<b>Official Cash Rate</b>	The Official Cash Rate means the official cash rate set by the Reserve Bank of Australia and published on its website.
<b>Other income producing assets</b>	These are items such as cash held in short term interest bearing accounts or longer 'fixed interest' assets.
<b>PDS</b>	This Product Disclosure Statement which describes the operation of the Fund. This PDS contains the Application Form which is required to be fully completed for registration as an Investor in the Fund.
<b>Rural &amp; industrial property</b>	Property of broad acres with income producing capabilities, whether that be through direct farming or industrial activities, based on rural-zoned property.
<b>SPDS</b>	Investors who choose the Select Investment Account receive a separate Supplementary Product Disclosure Statement ( <b>SPDS</b> ) which contain information relevant to the specific investment.
<b>Special Mandates</b>	Comprise the following types of investments within the Select Investment Account: <ul style="list-style-type: none"><li>• loans secured by second or subsequent mortgages;</li><li>• third party originated books for which La Trobe Financial takes on the administration on a "workout recovery basis". These portfolios may be referred to as a "closed investment mandate"; and</li><li>• specific investment mandates agreed with individual investors.</li></ul>



# Completing the Application Form | 14

Visit [www.latrobedirect.com.au](http://www.latrobedirect.com.au) to open an account online otherwise investors will need to manually complete an application form.

For investors who choose not to apply online via La Trobe Direct – our online access investment platform – you will need to complete a paper Application Form and provide the relevant information or documentation (including obtaining certified copies of identification as noted below).

Applicant Type	Identification required	Additional documentation required	Sections to complete on Application Form	TFN	Signature required
<b>Individual</b>	Electronic identification required or a certified copy of one of the following documents that contain your photo and full name:	Nil	Required: A, E, F, K & L As applicable: D, G, H, I, J & M	The applicant	The applicant
<b>Joint</b>	<ul style="list-style-type: none"> <li>Australian driver's licence (current)</li> <li>Australian passport (current or expired less than 2 years)</li> <li>Australian State or Territory photo ID card (current)</li> </ul>	Nil	Required: A, C, E, F, K & L As applicable: D, G, H, I, J & M	Each applicant	Each applicant
<b>Superannuation Fund</b>		ABN (if applicable) ACN (if corporate trustee)		The super fund	The trustee(s)
<b>Trust</b>	Individual trustee – for each trustee, same as individual  Corporate trustee – for each company director or person purporting to act on behalf of the corporate trustee (Agent), same as individual	Certified copy of trust deed or certified extract showing: <ul style="list-style-type: none"> <li>Name of super fund/ trust</li> <li>Name of trustees and beneficiaries</li> <li>Place of establishment of super fund/trust</li> </ul> Certified evidence of authorisation of Agent to act on behalf of corporate trustee	Required: A, B, C, E, F, K & L As applicable: D, G, H, I, J & M	The trust	The trustee(s)
<b>Company</b>	For each director, beneficial owner, or person purporting to act on behalf of the company (Agent) the same as individual.	Certified evidence of authorisation of Agent to act on behalf of company	Required: A, B, C, E, F, K & L As applicable: D, G, H, I, J & M	The company	Two directors; or if one director company, sole director
<b>Partnership</b>	For each partner or person purporting to act on behalf of the partnership (Agent), same as individual	Certified copy or extract of partnership agreement or certified copy or extract of minutes of meeting  Certified evidence of authorisation of Agent to act on behalf of partnership	Required: A, B, C, E, F, K & L As applicable: D, G, H, I, J & M	The partnership	All partners
<b>Estate</b>	For each executor, same as individual	Certified copy of death certificate  Certified copy of grant of probate or letters of administration	Required: A, B, C, E, F, K & L As applicable: D, G, H, I, J & M	The deceased person	The executor(s)
<b>Associations</b>	All nominated office holders, beneficial owners and/or person purporting to act on behalf of the association (Agent) the same as individual.	Certified copy or extract of the association rules, constitution, or minutes of meeting evidencing officer holders and authorisation.  Certified evidence of authorisation of Agent to act on behalf of the association	Required: A, B, C, E, F, K & L As applicable: D, G, H, I, J & M	The association	Per the constitution
<b>Minor (under 18)</b>	Certified copy of birth certificate or extract of minor  For each adult (parent/guardian) investing on behalf of the minor, same as individual	Nil	Required: A, E, F, K & L As applicable: D, G, H, I, J & M	Not applicable if child is under 16. See Children and under 18s <a href="http://www.ato.gov.au">www.ato.gov.au</a>	All adults investing on behalf of the minor

# 14 | Completing the Application Form

## Identification Requirements

If you are not opening your account through La Trobe Direct you will need to supply information or documentation to allow La Trobe Financial to complete identification requirements. This will include supplying either your driver's licence/Passport numbers to La Trobe Financial to complete an electronic identification (Section K in Application) or provide certified copies of the relevant identification documents and attach these to the completed Application Form. Documents not in English must be accompanied by an English translation prepared by an accredited translator.

### Identity Verification for Australian Residents

#### Electronic identification requirements include:

- Australian State or Territory Driver's Licence number; **OR**
- Australian Passport number.

#### If you do not wish to complete electronic identification then the following forms of identification will need to be provided:

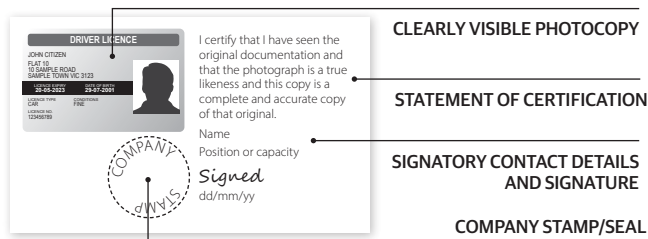
- One certified primary photographic identification document (Category A); **OR**
- One certified primary non-photographic identification document **PLUS** one secondary identification document (Category B).

#### Category A:

A certified copy of **ONE** of the following documents that contains your photo and full name:

- Australian driver's licence (current)
- Australian passport (current or expired less than 2 years)
- Current Australian State or Territory photo ID card

#### Example:



**OR**

#### Category B:

A certified copy of document from **BOTH** i and ii below:

- i**
  - Australian birth certificate
  - Australian citizenship certificate
  - Pension card issued by Centrelink
  - Health care card issued by Federal or State Government; **AND**
- ii** A notice that contains your name and residential address which was issued to you by **EITHER**:
  - The Commonwealth or a State or Territory within the preceding 12 months and records the provision of financial benefits; **OR**
  - The Australian Taxation Office within the preceding 12 months and records a debt payable by or to you; **OR**
  - A local government body or utilities provider within the preceding three months and records the provision of services to you at your residential address.

Please contact La Trobe Financial for other categories.

## Identity Verification for Non-Australian Residents

### Category A:

A certified copy of **ONE** of the following current documents:

- Foreign passport bearing your photograph and your signature or a unique identifier (current)
- National identity card issued by a foreign government bearing your photograph and either a signature or a unique identifier
- Foreign driver's licence that contains your photograph

### OR

### Category B:

If you cannot provide one of the documents in Category A, please provide certified copies of **TWO** of the following current documents:

- Citizenship certificate issued by a foreign government
- Birth certificate issued by a foreign government
- Pension card issued by a foreign authority
- Health concession card issued by a foreign authority

Please contact La Trobe Financial for other categories.

## Certification of documents

### Who can certify?

Anyone listed on the Federal Attorney General's website may certify a document ([www.ag.gov.au/legal-system/statutory-declarations/about-commonwealth-statutory-declarations/who-can-witness-commonwealth-statutory-declaration](http://www.ag.gov.au/legal-system/statutory-declarations/about-commonwealth-statutory-declarations/who-can-witness-commonwealth-statutory-declaration)).

We will also accept documents certified by a person who is licensed or registered to practice the following occupations:

- Chiropractor
- Dentist
- Legal practitioner
- Medical practitioner
- Nurse
- Optometrist
- Patent attorney
- Pharmacist
- Physiotherapist
- Psychologist
- Trade marks attorney
- Veterinary surgeon

If you need a document certified **outside Australia** we will accept a document certified by the following:

- a staff member at an Australian Consulate
- a person authorised by law in that jurisdiction to administer oaths or affirmations or to authenticate documents (for example, a Notary Public or a lawyer)

### What must the certifying officer do?

A person authorised to certify a document (see above) must:

1. Attest that the document is a true copy of the original by:
  - (a) For a document with a photo:  
"I certify that I have seen the original documentation and that the photograph is a true likeness and this copy is a complete and accurate copy of that original."
  - (b) For a document without a photo:  
"I certify that I have seen the original documentation and this copy is a complete and accurate copy of that original."
2. Sign the copy of the document they are certifying
3. Add their name along with the position or capacity to the document
4. Affix their official stamp or seal (if applicable)

# 14 | Completing the Application Form

## Section A

### Individual Investor Details

If you are an existing Investor, provide your Investor number in the box. We will link your Investment Accounts and may not require identification documents.

If there are more than two applicants, please provide details on a separate page.

For each applicant, we require certification of the tax residency and for applicants that are not Tax Resident in Australia Only, completion of the additional FATCA/CRS form.

Please note that all communications with you will be via email. If you do not provide us with your email address, you will receive communications via post.

## Section B

### Organisation/Trust Details

If you are investing in the name of a company, trust, partnership, association, co-operative, government body or other you must complete both sections A and B.

For each Entity application, we require certification of the tax residency, and we may require completion of the additional FATCA/CRS form depending on which option you select under section B of the Application Form. No FATCA/CRS form is required in connection with completing section A of the form for an Entity application.

Section A is required to be completed for all directors, all beneficial owners, being those individuals who directly or indirectly own 25% or more of the entity, or who control the entity.

## Section C

### Account Authorities

This section applies to joint company and organisation investors and identifies the number of signatories who can authorise transactions on the account such as withdrawals and changes to account details. If left blank, we will assume one signature only is required.

## Section D

### Investment Details

Please indicate the Investment Account in which you would like to invest, how much you would like to invest initially and where your Interest Payments are to be directed to (Reinvested/Nominated Bank Account).

We will pay your income in accordance with your instructions. You can elect to have all or part of your investment returns reinvested in the account aligned to the initial investment and aligned with their notice and maturity requirements, or credited into your nominated bank account.

Please speak to the investor team for more details.

Please note that you can only elect to have income reinvested in the 12 Month Term Account or 2 Year Account if you have an investment in those accounts.

If you have elected to reinvest your investment returns, your Bank Account Details are still required so we can directly credit any withdrawals (capital redemptions). This account is also referred to as your nominated account.

If no selection is made, income will be paid to your nominated bank account. If you have not provided a nominated bank account, investment returns will be reinvested in the Classic Notice Account.

### Investment Method

Please indicate how you wish to fund your Investment Account.

**Cheques** – all cheques must be made payable to La Trobe Financial Asset Management Limited.

**Direct Debit** – please complete the Direct Debit Request Authorisation at the rear of the Application Form. Funds can only be debited from the bank account noted in section E of this Application Form.

**BPAY® or EFT** – These details will be advised to you once your account has been set up.

**Other** – please specify e.g. International Money Transfer, existing account (insert Investor account number).

### Regular Access Cycle

If you have chosen to invest in the 12 Month Term Account, 2 Year Account or 4 Year Account, you may choose a Regular Access Cycle. Please refer to section 5 in this PDS for full details.

## Section E

### Nominated Bank Account

This bank account will be your nominated account into which your withdrawals will be paid. You may also elect to have your distributions paid into this account.

## Section F

### Income Payment Details

If you wish to reinvest your income distributions, please provide us with your instructions. If you do not select an option, income will be paid to your nominated account.

## Section G

### Financial Adviser details (Australian Advisers only)

If you have been referred to the Fund by a Financial Adviser you should ask them to complete this section. Unless you instruct us otherwise, your Financial Adviser will have access to your account information and your financial records in relation to your investment(s).

## Section H

### Payments to your financial adviser or referrer

You can appoint us as agent for the sole purpose of paying certain amounts to your financial adviser or referrer on your behalf. Please see page 66 of this PDS for more information.

This section is optional and if left blank, no payment will be made to your financial adviser or referrer.

## Section I

### Investor Representative

If you wish to appoint a Financial Adviser, solicitor, accountant or another trusted person to discuss and/or deal with your investments in the Fund, please complete this section. This section is optional and you do not have to appoint an Investor Representative. You may need to check page 66 of this PDS for more information.

## Section J

### Power of Attorney/Custodian

If you hold a valid power of attorney or act as a custodian you should complete and sign this section.

## Section K

### Verification of Identity

Verification of identity must be completed electronically or manually by supplying information or certified identity documents to La Trobe Financial. You will be required to provide your consent to La Trobe Financial disclosing your personal information to a third party agency if you choose to have your identification verified electronically. Please confirm that you consent to La Trobe Financial providing your information to credit reporting agencies for verification purposes. These checks do not impact your credit rating.

## Section L

### Declaration & Signature

The Application Form must be signed by all relevant parties.

## Section M

### Direct Debit Request Authorisation

The Application Form must be signed by all relevant parties.

Please email all completed applications through to:  
**investor@latrobefinancial.com.au**

Post your application to:  
**La Trobe Financial  
GPO Box 2289  
Melbourne Victoria 3001 Australia**

**You are required to read and acknowledge the terms of the Product Disclosure Statement (PDS) dated 28 November 2024. An electronic copy of the PDS is available to download at [www.latrobefinancial.com.au/investments/forms-library/](http://www.latrobefinancial.com.au/investments/forms-library/)**

Investment Accounts are able to be opened by the following:

- 1. Online:** To register and open an online account, please go to [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au)
- 2. Calling our team:** Our Investor Team are available to help you open an account. Phone **1800 818 818**. Individuals can open an account over the phone
- 3. Completing this form**

Please note that by completing this application, investors must supply either information to complete electronic identification or certified copy of identification will need to be provided for all individuals identified in Section A and B and attached to this application.

**Please refer to section 14 of the PDS for guidance with completing the Application Form.**

### SECTION A - INDIVIDUAL INVESTOR DETAILS (All Investors)

Please note details of Company directors, Trustees and Partners are required below if completing on behalf of corporation/organisation as per Section B.

#### Applicant 1

##### Existing Investor Number

Investor type:  Individual  Joint  Director  
 Agent  Trustee  Partner  Parent/Guardian

Title \_\_\_\_\_

Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Other names known by \_\_\_\_\_

Date of birth \_\_\_\_\_

Country of citizenship/s \_\_\_\_\_

Tax File Number or Exemption Reason \_\_\_\_\_

##### Individual's Tax Residence Country for individuals investing for themselves. Not required for company/trust investors.

- Tax Resident in Australia Only  
 Tax Resident of another country outside of Australia (or a US Citizen)  
*If you check this box, please also complete the FATCA and CRS Details form available at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) and submit with your Application Form.*

#### Applicant 2

##### Existing Investor Number

Investor type:  Individual  Joint  Director  
 Agent  Trustee  Partner  Parent/Guardian

Title \_\_\_\_\_

Surname \_\_\_\_\_

Given name(s) \_\_\_\_\_

Other names known by \_\_\_\_\_

Date of birth \_\_\_\_\_

Country of citizenship/s \_\_\_\_\_

Tax File Number or Exemption Reason \_\_\_\_\_

##### Individual's Tax Residence Country for individuals investing for themselves. Not required for company/trust investors.

- Tax Resident in Australia Only  
 Tax Resident of another country outside of Australia (or a US Citizen)  
*If you check this box, please also complete the FATCA and CRS Details form available at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) and submit with your Application Form.*

If there are more than two applicants, including trustees or company directors, please provide their full details on a separate page.

### ADDRESS & CONTACT DETAILS

Residential street address \_\_\_\_\_

City, State, Province & Postcode \_\_\_\_\_

Country (if not Australia) \_\_\_\_\_

PO Box or postal address (if different to residential address) \_\_\_\_\_

Phone (business) \_\_\_\_\_

Mobile \_\_\_\_\_

Email \_\_\_\_\_

Residential street address \_\_\_\_\_

Same as Applicant 1

City, State, Province & Postcode \_\_\_\_\_

Country (if not Australia) \_\_\_\_\_

PO Box or postal address (if different to residential address) \_\_\_\_\_

Phone (business) \_\_\_\_\_

Mobile \_\_\_\_\_

Email \_\_\_\_\_

**SECTION B – COMPANY/TRUST DETAILS/SMSF/ASSOCIATIONS**

**Note:** Section A is required to be completed for Individual Trustees.

**If you are investing in the name of a company, trust, partnership or other entity, please complete the following:**

Entity type:  Company  Trust  SMSF  Partnership  
 Sole Trader  Association  Custodian/Attorney  Other

Full name of Entity

Trustee Name (if applicable)

Type of Trust (if applicable)

Appointor/Settlor of Trust

ACN/ARBN

ABN

Tax File Number or Exemption Reason

**Tax Residence Country of the Company/Trust/SMSF/Association (required)**

Please select the most appropriate box from the below:

- Australian superannuation fund (i.e. a superannuation entity or public sector superannuation scheme (including an exempt public sector superannuation scheme or self-managed superannuation fund); or
- Australian "Financial Institution" for FATCA and CRS purposes; or
- Listed public company the stock of which is regularly traded on an established securities market; or
- Australian Government Body, Association or Registered Charity
- Tax Resident in Australia only, Non Financial Institution whose:
  - earnings from 'Investment income (including property)' was < 50% of the Entity's revenues in the preceding reporting period; and
  - assets that generate such income were < 50% of the Entity's assets in that period, (i.e Active NFFE/NFE for FATCA/CRS purposes); or
- None of the above\*

*\*Please complete the FATCA and CRS Details form available at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au) and submit with your Application Form.*

Country of incorporation, formation or registration and name of relevant registered body (if applicable)

Registration or Identification Number

Type of Government body, level of Government and Jurisdiction (Government bodies only)

**OWNERSHIP/DIRECTORS** (Please Note: Section A is required to be completed for all individuals below)

Directors, any individual that owns directly or indirectly (i.e 25% or more) or controls (has the power to make decisions about the entity's finances and operations) the company, trust or partnership, and any individual who purports to act on behalf of the customer (Agent).

**Individual 1 name**

**Individual 2 name**

**Individual 3 name**

**Individual 4 name**

Certified copies of Trust Deeds (and any variations thereto) MUST be supplied with the Application.

Certified copy of authority for Agent to act on behalf of the entity MUST be supplied.

**ADDRESS DETAILS**

**Registered Office**

**Principal Place of Business**

Same as Registered Office

Street address

Street address

City, State, Province & Postcode

City, State, Province & Postcode

Country (if not Australia)

Country (if not Australia)

**ASSOCIATIONS** (Please Note: Section A is required to be completed for all individuals below).

Full name and address of the chairman, secretary and treasurer (or equivalent of these positions), and any individual who purports to act on behalf of the customer (Agent).

Chairman

Secretary

Address

Address

Treasurer

Other

Address

Address

**SECTION C – ACCOUNT AUTHORITIES** (Optional)

Authorisation for investments, account changes and redemptions. If left blank, this will default to one signatory only.

One signatory  All signatories  Other (please specify)

**SECTION D – INVESTMENT DETAILS (Optional)**

Investment Account	Investment Amount	Investment Method	Regular Access Cycle
Classic Notice Account	\$ _____	<input type="checkbox"/> Direct Debit (Please complete Section M)	<input type="checkbox"/> Monthly*
90 Day Notice Account	\$ _____		<input type="checkbox"/> Quarterly*
6 Month Notice Account	\$ _____	<input type="checkbox"/> BPAY	<input type="checkbox"/> ^Half Yearly
12 Month Term Account**	\$ _____	<input type="checkbox"/> EFT	<input type="checkbox"/> ^Yearly
2 Year Account^	\$ _____	<input type="checkbox"/> Cheque	Note: Regular Access Cycle only available post investment maturity on Investment Accounts noted with a ^ or *
4 Year Account^	\$ _____	<input type="checkbox"/> Other (Please specify)	
Total Investment	\$ _____		

**SECTION E – NOMINATED BANK ACCOUNT FOR PAYMENT OF REDEMPTIONS (Optional – complete now or provide your instructions later)**

**Bank Account details – must be in the name of the Investor Account**

Account name \_\_\_\_\_

BSB \_\_\_\_\_ Account number \_\_\_\_\_

Bank/Branch \_\_\_\_\_

**SECTION F – DISTRIBUTION PAYMENT DETAILS (Required)**

Reinvest to Classic Notice Account     Reinvest to 90 Day Notice Account     Reinvest to 6 Month Notice Account

Reinvest to 12 Month Term Account     Reinvest to 2 Year Account     Credit to nominated bank account (Default if not specified)

**SECTION G – FINANCIAL ADVISER RELATIONSHIPS (Advisers only)**

**Adviser details**

Information relating to your investment is provided to your Financial Adviser. You may wish to provide further authority for your Financial Adviser to transact on your account. See Section I.

La Trobe Financial Adviser Number \_\_\_\_\_ Name \_\_\_\_\_

Company \_\_\_\_\_ Dealer group \_\_\_\_\_

Contact name \_\_\_\_\_ Contact phone \_\_\_\_\_

Email \_\_\_\_\_

**Identity verification declaration**

In accordance with the Financial Services Council/Financial Planning Association Industry Guidance Note 24, I confirm that customer identification has taken place under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (Act)* and that I will provide La Trobe Financial with access to the records as required, or that the industry agreed 'Customer Identification Form' confirming compliance is attached. I also agree to forward these documents to La Trobe Financial if I ever become unable to retain the documents. I understand and agree that La Trobe Financial is authorised to conduct random audits of these records in accordance with its obligations under the Act.

Signature of Financial Adviser \_\_\_\_\_ Date \_\_\_\_\_

**SECTION H – PAYMENTS TO YOUR INVESTMENT ADVISER/REFERRER (Optional)**

This section is optional and you may revoke our appointment as your agent at any time by giving us notice in writing.

**Upfront payment:** \$ \_\_\_\_\_ (Paid upon initial investment from your investment amount).

**Ongoing payments:** \_\_\_\_\_ % p.a. Please refer to page 66 of the PDS for further explanation.

I/We appoint La Trobe Financial as my/our agent for the sole purpose of paying certain amounts to my/our financial adviser or referrer (as identified below) on my/our behalf. I/We direct La Trobe Financial to pay the amounts as calculated above to my financial adviser or referrer.

Signature of Investor \_\_\_\_\_ Signature of Investor \_\_\_\_\_

I confirm that I have clearly disclosed and explained the amount of the payments described above and that the client has understood the payment arrangements.

Name of financial adviser or referrer \_\_\_\_\_

Signature of financial adviser or referrer \_\_\_\_\_ Date \_\_\_\_\_

**SECTION I – APPOINTING SOMEONE TO BE YOUR INVESTOR REPRESENTATIVE (Optional)**

**TO BE COMPLETED BY INVESTOR(S)**

You may appoint someone to represent you in dealing with your investments with La Trobe Financial. If you would like to do this, please complete the following steps:

**A. Name and Signature of Investor Representative**

Full name \_\_\_\_\_ Signature \_\_\_\_\_

**B. Level of authority**

There are two types of authority that you can provide to your Investor Representative. Please select your preferred level of authority.

- Enquiry Only:** I/we authorise you as our Investor Representative to make enquiries and receive information from La Trobe Financial in relation to but not to transact on this account.
- Full Transaction Authority:** I/we authorise you as my/our Investor Representative to transact on this account including making further investments, transfers or withdrawals to/from the account.

**Note:** Bank Account amendments will require oral confirmation from investment account holder(s) in all instances.

**C. Declaration**

I/we have read the section on Third Party Access to my/our account in the PDS and agree to its terms and conditions. I/we wish to appoint our Investor Representative to deal with the account as authorised. I/we hereby release, discharge and agree to indemnify La Trobe Financial and the Investment Manager from and against all actions, proceedings, accounts, claims and demands, however arising, resulting from La Trobe Financial and/or the Investment Manager acting upon the instructions of my/our Investor Representative, other than where arising from the negligence, wilful misconduct or fraud of La Trobe Financial, their employees, officers, contractors, agents or that of the Investment Manager or their employees, officers, contractors or agents.

Signature of Investor \_\_\_\_\_

Signature of Investor \_\_\_\_\_

**SECTION J – POWER OF ATTORNEY / CUSTODIAN APPOINTMENTS (Required if applicable)**

**TO BE COMPLETED BY APPLICANT’S ATTORNEY/CUSTODIAN**

**A. Name and Signature of Attorney(s) / Custodian**

Full name \_\_\_\_\_ Full name \_\_\_\_\_

**We require a certified copy of the Power of Attorney or Custodian appointment documentation along with certified ID/electronic verification for the individual(s) acting as the attorney(s).**

**B. Declaration**

- (a) to release, discharge and agree to indemnify La Trobe Financial and the Investment Manager from and against all actions, proceedings, accounts, claims and demands, however arising, resulting from La Trobe Financial and/or the Investment Manager acting upon my/our instructions, other than where arising from the negligence, wilful misconduct or fraud of La Trobe Financial, their employees, officers, contractors, agents or that of the Investment Manager or their employees, officers, contractors or agents;
- (b) at the time of submitting this application, I/we declare that we are validly appointed as attorney(s) / custodian and we are not aware of any revocation; and
- (c) (if applicable) if acting as custodian, I/we are licensed to provide custodial services and are providing the same in the ordinary course of carrying on a business providing such custodial services, and have carried out all required customer identification procedures and ongoing customer due diligence in relation to customers to whom I/we are providing custodial services.

Signature of Custodian/Attorney \_\_\_\_\_

Signature of Custodian/Attorney \_\_\_\_\_

**SECTION K – VERIFYING YOUR IDENTITY (Required)**

Commonwealth legislation requires La Trobe Financial to collect and verify information about your identity before providing services to you. Please tick your preferred option for us to verify your identity:

- 1. Online verification (Australian ID documents only):** To complete electronic identity verification you will be required to provide the following information: Driver’s Licence/Australian Passport details. By ticking this box you confirm that you are authorised to provide the personal information presented (including name, residential address, date of birth and Driver’s Licence/Passport number) and consent to that information being disclosed to a Credit Reporting Body, the document issuer or official record holder including via third party systems for the purpose of confirming and verifying my/our identity. You agree that La Trobe Financial may keep full and proper records of all such disclosures, confirmations and consents as necessary or required to comply with its obligations under law;
- OR**  **2. Certified copy of identification:** Certified copy of identification for each Applicant (Section A) or individual (Section B) MUST be attached to the application if this method is selected. Refer to Section 14 for further details.

**APPLICANTS**

**Individual 1**  Australian Driver’s Licence no. \_\_\_\_\_  
 Card no. \_\_\_\_\_  
 State \_\_\_\_\_ Expiry date \_\_\_\_\_

Australian Passport no. \_\_\_\_\_

**or**  Certified copy of identity documents

**Individual 2**  Australian Driver’s Licence no. \_\_\_\_\_  
 Card no. \_\_\_\_\_  
 State \_\_\_\_\_ Expiry date \_\_\_\_\_

Australian Passport no. \_\_\_\_\_

**or**  Certified copy of identity documents

**Individual 3**  Australian Driver’s Licence no. \_\_\_\_\_  
 Card no. \_\_\_\_\_  
 State \_\_\_\_\_ Expiry date \_\_\_\_\_

Australian Passport no. \_\_\_\_\_

**or**  Certified copy of identity documents

**Individual 4**  Australian Driver’s Licence no. \_\_\_\_\_  
 Card no. \_\_\_\_\_  
 State \_\_\_\_\_ Expiry date \_\_\_\_\_

Australian Passport no. \_\_\_\_\_

**or**  Certified copy of identity documents

Investment Accounts are unable to be opened until the verification of identity process has been completed.

Further information on the identification requirements, including alternative forms of identification, can be found on page 78 of the PDS. Please refer to page 78 of the PDS to understand how La Trobe Financial will identify each investor, including to whom La Trobe Financial may disclose your personal information (such as your name, date of birth and address).

**Please note that by signing this Application Form, you will be consenting to La Trobe Financial collecting information about you for the purposes of verifying you. This may include sending your information to credit reporting agencies for the purpose of verification.**



**SECTION L – DECLARATION AND SIGNATURE (Required)**

1. I/We hereby apply for registration in the La Trobe Australian Credit Fund (**the Fund**).
2. I/We declare that I/we have received a paper or electronic copy of the PDS dated 28 November 2024 and read this PDS in full before completing this Application Form and the details in the Application Form are true and correct.
3. Where I/we make a request for an early withdrawal of my/our investment and such request is approved by La Trobe Financial, I/we agree to pay the Early Withdrawal Fee as set out in this PDS and any subsequent Supplementary PDS that I/we execute to La Trobe Financial and agree that La Trobe Financial may deduct the fee from my/our withdrawal proceeds.
4. I/We agree to be bound by the provisions of the replacement Fund Constitution dated 11 October 2023 as amended from time to time, a copy of which is available for my/our inspection and acknowledge the terms of La Trobe Financial’s privacy policy available at [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au).
5. I/We authorise the disclosure to my/our Financial Adviser, Authorised Representative or Referrer and/or other service provider of any information in relation to this application or my/our investment (**personal information**) and I/we consent to the payment of fees to the Authorised Representative or Referrer as set out in this PDS or subsequent disclosure.
6. I/We hereby consent to La Trobe Financial investing any funds I/we have invested in the 4 Year Account into another Investment Account of the Fund should it need to manage the liquidity of that Investment Account.
7. I/We understand and agree that La Trobe Financial may disclose information about me/us to courts, tribunals or as required by law, including to verify my/our identity as necessary for La Trobe Financial to comply with its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act.
8. I/We will provide all additional information, documentation and assistance that La Trobe Financial may request in order for La Trobe Financial and/or the Fund to comply with its obligations under the intergovernmental agreement (**IGA**) entered into between the Australian and U.S. Governments in relation to the U.S. Foreign Account Tax Compliance Act (**FATCA**) on 28 April 2014, Subdivisions 396-A (**FATCA**) and 396-C (Common Reporting Standard) of Schedule 1 to the Taxation Administration Act 1953 (Cth) or any amendment or replacement of those provisions.
9. I/We will promptly provide an updated application within 30 days and notify La Trobe Financial if a change in my/our circumstances means that any of the information or documentation provided for FATCA or CRS purposes (including without limitation tax residence details) is no longer correct.
10. I/We acknowledge that by completing this application, including the FATCA and CRS Details form, I/We am/are providing a self-certification in accordance with FATCA and the CRS.
11. I/We understand that La Trobe Financial may use my/our personal information for marketing to me/us products and services offered by it and organisations with which it is affiliated or which it represents. I/We have the right not to receive marketing material by contacting La Trobe Financial.
12. I/We understand and agree that La Trobe Financial may provide personal information to an external organisation that provides information technology services.
13. I/We hereby irrevocably appoint La Trobe Financial, and any Director, agent, attorney or substitute nominated by it and the Investment Manager to be my/our attorney for the purpose of performing its duties under the Fund’s Constitution in relation to any investment which I/we make.
14. I/We hereby acknowledge that neither La Trobe Financial nor its Authorised Representatives has provided me/us with any financial product advice, made any representation or given any guarantee as to the Fund performance, the maintenance of capital or any particular rate of Investor return.
15. I/We acknowledge and agree to the instructions and email provisions contained in this PDS.

**IMPORTANT: PLEASE READ THE DECLARATIONS ABOVE AND SIGN IN THE SPACES PROVIDED. WE CANNOT PROCESS YOUR APPLICATION UNLESS THIS HAS BEEN COMPLETED.**

<p><b>Signature of Investor</b> <input style="width: 100%;" type="text"/></p> <p>Date <input style="width: 100%;" type="text"/></p> <p>Name <input style="width: 100%;" type="text"/></p> <p>Capacity to execute:</p> <p><input type="checkbox"/> Applicant    <input type="checkbox"/> Director    <input type="checkbox"/> Parent/Guardian</p> <p><input type="checkbox"/> Attorney    <input type="checkbox"/> Trustee    <input type="checkbox"/> Custodian</p>	<p><b>Signature of Investor</b> <input style="width: 100%;" type="text"/></p> <p>Date <input style="width: 100%;" type="text"/></p> <p>Name <input style="width: 100%;" type="text"/></p> <p>Capacity to execute:</p> <p><input type="checkbox"/> Applicant    <input type="checkbox"/> Director    <input type="checkbox"/> Parent/Guardian</p> <p><input type="checkbox"/> Attorney    <input type="checkbox"/> Trustee    <input type="checkbox"/> Custodian</p>
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**Please do not use this Application Form unless accompanied by the PDS.**

La Trobe Financial is not responsible for the return on any investment nor does it make any recommendation of any investment. You and your financial adviser are responsible for the suitability of any investment selected by you.

Post your application to: **La Trobe Financial**  
**GPO Box 2289, Melbourne Victoria 3001 Australia**

Email your application to: **investor@latrobefinancial.com.au**

**La Trobe Financial Authorised Representative Details (if applicable)**

Name

Number

**SECTION M – DIRECT DEBIT REQUEST AUTHORISATION (Optional)**

I/We hereby authorise and request La Trobe Financial (User IDs 404708 (Classic Notice Account), 535941 (90 Day Notice Account), 609932 (6 Month Notice Account), 405155 (12 Month Term Account), 609931 (2 Year Account) or 535931 (4 Year Account)) to debit the nominated financial institution account registered with you through the Bulk Electronic Clearing System (BECS) and credit the payment amount to my/our account with the La Trobe Australian Credit Fund in either the Classic Notice Account, 90 Day Notice Account, 6 Month Notice Account, 12 Month Term Account, 2 Year Account or 4 Year Account, as instructed in accordance with this request and the Direct Debit Service Agreement.

**Payment Details (you want us to debit your bank)**

<input type="checkbox"/> Pay now; <b>OR</b>	Classic Notice Account	\$ _____
<input type="checkbox"/> Date _____	90 Day Notice Account	\$ _____
	6 Month Notice Account	\$ _____
	12 Month Term Account	\$ _____
	2 Year Account	\$ _____
	4 Year Account	\$ _____
	<b>Total</b>	\$ _____

**Nominated financial account details**

Bank account name \_\_\_\_\_

Bank account holder(s) name(s) \_\_\_\_\_

BSB \_\_\_\_\_ Account Number \_\_\_\_\_

Bank/Branch \_\_\_\_\_

**Note:** The provided bank details must match the investor(s) existing nominated bank account held on file.

**Direct Debit Request Service Agreement**

This authority covers La Trobe Financial Asset Management Limited ABN 27 007 332 363 (La Trobe Financial) using APCA User IDs 404708 (Classic Notice Account), 535941 (90 Day Notice Account), 609932 (6 Month Account), 405155 (12 Month Term Account), 609931 (2 Year Account) or 535931 (4 Year Account) as the Responsible Entity for the La Trobe Australian Credit Fund ARSN 088 178 321 (**the Fund**) in which you are an investor. It explains what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit provider. Please download or print this agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your DDR authorisation. By requesting a direct debit by the method presented, you acknowledge that:

1. By entering an amount in the Invest module in La Trobe Direct or by requesting a direct debit by telephone or in writing, you authorise us to arrange for funds to be debited from your nominated bank account registered on our system in accordance with the Agreement.
2. We will debit your nominated bank account held on your account to credit amounts to your account held with La Trobe Financial as and when requested by you via our online platform, La Trobe Direct, by telephone or by completing a Direct Debit Request form.
3. When the payment date is not a business day in Victoria, the direct debit may be processed on the next business day in Victoria. If you are unsure as to when the debit will be processed, you can confirm with your financial institution.
4. You can cancel, defer or amend the Direct Debit Request up to and including the day prior to the payment date online via your account in La Trobe Direct or by contacting La Trobe Financial's Investor team on 1800 818 818. Alternatively, you can cancel the Direct Debit Request by contacting your financial institution. La Trobe Financial cannot amend the Direct Debit Request without authorisation from you, although we may decline to process the Direct Debit Request.
5. Direct debit, through BECS, is not available for all financial institution accounts. You are responsible for checking that your nominated financial institution account is available through BECS and checking that the account details match a recent bank statement prior to agreement with this DDR.
6. If you have requested a Direct Debit by **telephone**, we will provide you with a written Direct Debit Request and Direct Debit Request Service Agreement within 7 days of the processing of the direct debit.
7. It is your responsibility to ensure that there are sufficient cleared funds in the nominated financial institution account, by the payment date, to allow for the debit of the payment amount. Where there are insufficient funds and the debit request is returned unpaid (i.e. dishonoured), you acknowledge that a dishonour fee will be charged to your account with the Fund in accordance with the current Product Disclosure Statement (PDS). You understand your financial institution may also charge a dishonour fee.
8. You may contact either your financial institution or La Trobe Financial to dispute a debit. Initial queries should be made by contacting La Trobe Financial's Investor team on 1800 818 818. La Trobe Financial's process for dispute resolution is outlined in the Fund's PDS.
9. Your account details will be maintained in accordance with the privacy requirements outlined in the Fund's PDS, subject to the provision of any information required by a financial institution in relation to a claim of alleged incorrect or wrongful debit.
10. If you wish to notify us in writing about anything in this agreement you should write to La Trobe Financial GPO Box 2289 Melbourne Vic 3001 and we may respond either electronically or by ordinary post to the email or postal addresses registered with La Trobe Financial. Any notice by post is deemed to have been received on the third business day in Victoria after emailing or posting.
11. La Trobe Financial will provide not less than 14 business days' notice to you if we propose to vary any of the terms of these debit arrangements.
12. The Direct Debit Request Service Agreement can be found on our website [www.latrobefinancial.com.au](http://www.latrobefinancial.com.au)

<b>Signature of Account Holder</b>	<b>Signature of Account Holder</b>
Name _____	Name _____
Date _____	Date _____

## Jurisdiction restrictions

This PDS only constitutes an offer to persons receiving the PDS (electronically or otherwise) in Australia and New Zealand and is not an offer or invitation in any other jurisdiction where such offer or invitation may not be lawfully made.

### New Zealand

- a. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- b. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.
- c. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- d. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
- e. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- f. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- g. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.
- h. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- i. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
- j. The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

### China

This PDS may not be circulated or distributed in the People's Republic of China (**PRC**) for the purposes of the offer of interests in the Fund, except pursuant to applicable laws and regulations of the PRC. Interests in the Fund will not be issued to any resident of the PRC, nor will interests in the Fund be issued to any person for re-offering or resale, directly or indirectly, in the PRC, except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

### Hong Kong

No offer is made under this PDS in Hong Kong, other than where the possession and issue of this PDS complies with section 103 of the Securities and Futures Ordinance (Cap 571) of Hong Kong (**SFO**) or in circumstances which do not constitute an offer to the public within the meaning of SFO.

No person may issue or have in their possession for the purposes of issue whether in Hong Kong or elsewhere, this PDS or any other advertisement, invitation or document relating to the Fund which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to interests in the Fund which are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

### India

This PDS has not been and will not be reviewed by, approved by, or registered as a disclosure document with any regulatory authority in India (including the Securities and Exchange Board, any registrar of companies or any stock

exchange). Other than in compliance with applicable laws and regulations in India, including the Companies Act 1956, this offer of interests in the Fund is not, and should not be construed as, an invitation, offer or sale of any interests to the public in India. This document is strictly personal to the recipient and neither this document nor the offering of interests in the Fund is calculated to result, directly or indirectly, in interests in the Fund becoming available for subscription or purchase by persons other than those receiving the invitation or offer.

### Japan

Interests in the Fund have not been and will not be registered under the Financial Instruments and Exchange Act (**FIEA**). La Trobe Financial has not, directly or indirectly, offered or issued and will not, directly or indirectly, offer or issue any interest in the Fund in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. In this paragraph, "residents of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

# 16 | Selling Restrictions

## Singapore

No offer is made under this PDS in Singapore and this PDS or any other offering document or material has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (**SFA**). Accordingly, this PDS and any other offering

document or material in connection with the Fund may not be issued, circulated or distributed in Singapore nor may any interest in the Fund be offered, for subscription or purchase or sold directly or indirectly, nor may an invitation or offer to subscribe for or purchase any interest in the Fund be made, directly or indirectly, to persons in Singapore other than institutional investors, accredited investors and other relevant persons pursuant to, and in accordance with the conditions specified in the SFA or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## Other jurisdictions

Interests in the Fund may not be offered or issued in any other jurisdiction, except to persons to whom such offer, sale or distribution is permitted under applicable laws.

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1800 818 818  
[latrobefinancial.com.au](http://latrobefinancial.com.au)

**Brookfield** | A portfolio company