

Product Disclosure Statement

MILLBROOK CREDIT FUND

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Corporate Directory

Millbrook Credit Fund

ARSN 125 042 480

Responsible Entity

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ABN 81 123 219 732

AFS LICENCE 335001

AUSTRALIAN CREDIT LICENCE 335001

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This PDS consists of 2 parts:

Part A contains Important Notices on page 1 that you should refer to, explains the Fund's features and the nature of your investment and your rights as a member of the Fund; and

Part B shows fees and other costs that you may be charged.

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IMPORTANT NOTICES

The meaning of important terms used in this Product Disclosure Statement (PDS) and any subsequent Supplementary Product Disclosure Statement (SPDS) is contained in the Definitions.

This PDS is issued by Millbrook Asset Management Ltd (Millbrook), and consists of 2 parts: **Part A** explains the Fund's features and the nature of your investment and your rights as a member of the Fund; **Part B** sets out the fees to be charged by Millbrook and the Registration/ Application Form.

In preparing this PDS, we have not taken into account your investment objectives, financial position or particular needs. Before making an investment decision on the basis of this PDS, you need to consider whether this investment is appropriate in light of your individual circumstances. Investments in the Fund are subject to investment and other risks, including possible delay in repayment and loss of income and principal invested. Neither we or our auditors, accountants, solicitors, shareholders, employees, officers, directors or agents guarantees or underwrites the performance of the Fund, any particular rate of return from the Fund or the repayment of investments in the Fund.

Millbrook reserves the right to withdraw this offer without notice.

Interests in sub-schemes of the Fund will be issued to persons receiving this PDS (including an electronic version of this PDS) within Australia and New Zealand. The electronic PDS can be accessed at our website millbrookgroup.com.au/invest. The offer of interests pursuant to this PDS is only available to persons receiving an electronic version of this PDS within Australia. Any person may obtain a free paper copy of the PDS from us (see our contact details in the Corporate Directory).

The Australian Securities and Investments Commission takes no responsibility for the contents of this PDS.

PART A

Fund Information

Definitions

The following is a list of important terms which are given a defined meaning where used in this PDS.

“Borrower”

A person, persons or other legal entity who the Fund makes a loan to.

“Certified Valuer”

A property valuer who Millbrook believes in good faith:

- is a current member of the Australian Property Institute and a registered valuer in the State in which the person operates;
- is independent from Millbrook and the Borrower; and
- prepares a valuation report on a ‘market value’ basis to our specific written instructions.

“Compliance Plan”

The compliance plan adopted by the Directors which sets out the measures that Millbrook applies in operating the Fund to ensure compliance with the Corporations Act and the Constitution.

“Constitution”

The constitution deed dated 20 December 2019 entered into by Millbrook that sets out the rights and obligations of members in the Fund and the Responsible Entity. All members of the Fund are bound by the constitution as amended from time to time.

“Corporations Act”

The Corporations Act 2001 (Cth).

“Credit and Lending Guidelines”

The assessment criteria used by Millbrook from time to time to select a Borrower loan and the Security to constitute a Mortgage Investment. Specific areas assessed are listed under Investing in the Fund – 3. What does the Fund invest in? – Mortgage Investments.

“Credit Checks”

Part of our mortgage lending guidelines and are undertaken on all loan applicants to check their credit history through our subscription with mercantile agents as part of the loan assessment process.

“Custodian”

Perpetual Corporate Trust Limited (ABN 99 000 341 533 AFSL 392673) acts as Custodian for the Fund.

“Defaulting Mortgage Fee”

A fee charged by Millbrook in respect of a defaulting mortgage in a Select Option sub-scheme. Where Millbrook has compensated Investors in the defaulting

sub-scheme by paying the same rate of interest as if there was no default, Millbrook is then entitled to receive the Defaulting Mortgage Fee payments to the extent paid by the Borrower to remedy the default.

Should Millbrook choose not to compensate Investors by continuing the normal interest payments, the Investors in the defaulting Mortgage Investment (sub-scheme) are then entitled to receive 80% of the Defaulting Mortgage Fee payments (to the extent paid by the Borrower to remedy the default). The remaining 20% of the Fee is paid to Millbrook to offset their time and costs in managing the recovery process.

“Director”

A person holding office as a director of Millbrook.

“Diversified Option or Diversified Mortgage Investment”

An investment option of the Fund constituted by a single sub-scheme comprising of loans to a number of Borrowers secured by registered mortgages and cash which will be held in the sub-scheme’s name in the Fund’s Investor Trust Deposit Account.

“Fees”

Refer to Part B for fees applicable to Investors in the Fund. Where possible any fees associated with the assessment, approval, settlement and management of a Mortgage Investment will be charged to and paid by the Borrower. The exception to this is if after a property has been sold and if there is a shortfall in the realisable value of the property held as the Security, which would affect the return of interest and/or capital to the Investor. Refer Investing in the Fund – 8. What are the investment risks and how are they managed?

“Fund”, “the Scheme”

The Millbrook Credit Fund ARSN 125 042 480 which comprises the ITD and Mortgage Investments (“the sub-schemes”) on issue from time to time.

“Interest”

Borrowers pay interest on their mortgage loans. This is then distributed monthly to Investors less our fee (if any) for managing the investment. Where interest rates are referred to in this PDS or subsequent SPDS those interest rates are quoted on a percent per annum basis and can refer to the amount payable by a Borrower on a mortgage loan, or the amount distributed each month to Investors who have monies invested in a mortgage investment or in the ITD.

Definitions

Continued

Investors in the Diversified Option receive a pre-determined rate of interest as set from time to time by us. Where Borrower payments exceed the pre-determined rate of interest due to Investors, we retain that surplus in compensation for the costs of managing the sub-scheme and the risk associated with guaranteeing the interest of Diversified Option investors.

“Investor”, “you”, “your”

A person, persons or other legal entity that applies for and is accepted by Millbrook as a member of a sub-scheme in the Fund.

“ITD”

The Investor Trust Deposit, an investment trust account of the Fund and a separate sub-scheme of the Fund where Investor funds are held pending allocation to a Mortgage Investment.

“License”

The Australian Financial Services Licence No 335001 held by us which authorises us to operate the Fund.

“Loan to Valuation Ratio”, “LVR”

The measure commonly describing the ratio of the assessed market value of the Security for a Mortgage Investment to a Borrower’s proposed principal loan amount, in each case determined at the time the loan is advanced. The LVR for each Mortgage Investment is disclosed in the relevant SPDS.

“Market Value for mortgage purposes”

Market Value is determined by a Certified Valuer on an “as is” basis in accordance with specific written instructions by Millbrook.

The definition provided by (and relied on by us) is stated within each Valuation Report and used by the Australian Property Institute (or an equivalent body where the property is located outside of Australia) is as follows:

“Market Value – is the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein parties had each acted knowledgeably, prudently and without compulsion”.

“Millbrook”, “Manager”, “Responsible Entity”, “we”, “our”, “us”

Millbrook Asset Management Ltd ABN 81 123 219 732.

“Millbrook Group”

Refers to Millbrook Asset Management Ltd, Millbrook Finance Pty Ltd and Millbrook Funds Pty Ltd.

“Mortgage”

The instrument executed by the Borrower to charge property as Security for the loan and therefore the Security of a Mortgage Investment. The Mortgage is registered with the relevant state Titles Office and is used by Millbrook to protect the interests and rights of the Investors. This may include a mortgagee auction to recover the Mortgage Investment, Interest, Fees and costs.

“Mortgage Allocation Facility”

A facility offered by Millbrook to Investors in the ITD under which Millbrook is authorised to allocate part or all of an Investor’s ITD interest to a Mortgage Investment. In the case of a Select Mortgage Investment, Millbrook will still provide the appropriate information on the Mortgage Investment to the Investor via a SPDS and the Investor still has the opportunity to “opt out” of (i.e. not to invest in) the proposed Mortgage Investment (Refer Investing in the Fund – 4. How do I invest in the Fund?).

“Mortgage Investment”

Refers to investments in either the Fund’s Select or Diversified Options.

“Mortgage Investment Certificate”

A certificate issued by the Fund Manager detailing an Investor’s investment in the Fund.

“NCCPA”

The National Consumer Credit Protection Act 2009 (Cth).

“Non-specialised properties”

Properties whose usage is common and widespread and for which a ready resale market is perceived to exist. Examples would be standard residential, commercial and industrial properties for which a range of possible alternative uses exist. Alternatively, specialised properties are those with limited alternative use and hence a thin or limited resale market which may result in a prolonged selling period or a materially reduced selling price in the event of a mortgagee auction. Examples of specialised properties could include equestrian centres, service stations, and night clubs. Specialised properties are generally not accepted as security by Millbrook unless the LVR is sufficiently low to compensate for the perceived deficiencies and risks the specialised nature of the Security represents.

**“Options”**

Refers to the Fund’s Select or Diversified investment options.

“PDS”

This Product Disclosure Statement, and any Supplementary Product Disclosure Statement relating to this document, on issue from time to time and which describes the main features of the Fund.

“Registration Form”

The Registration Form attached to Part B of this PDS under which an applicant provides required information to Millbrook to become a registered member of the Fund and the ITD.

“Security”, “Secured”

Refers to the property offered by the Borrower as security for the loan. Security is the term used by Millbrook to advise Investors how the Mortgage Investment (sub-scheme) is to be secured i.e. the property that will have a mortgage registered through the applicable state Titles Office. Also refer to “Mortgage” above.

“Supplementary Product Disclosure Statement”, “SPDS”

Investors offered Select Mortgage Investments will receive an SPDS from us that will provide specific additional details of the proposed sub-scheme Mortgage Investment.

“Select Option or Select Mortgage Investment”

An investment option of the Fund constituted by a loan to a Borrower secured by a registered mortgage. Information about this select Mortgage Investment is contained in a SPDS, sent to prospective Investors. Membership of a Mortgage Investment is restricted to those persons whose investment has contributed to the loan advanced, as specified in the register of members kept by Millbrook.

“Unit Value”

The value in dollar terms of one unit in the Diversified Option sub-scheme. See Investing in the Fund – 4. How do I invest in the Fund? – To Invest in a Diversified Mortgage Investment.

Introduction and Investment Overview

Millbrook Credit Fund is a registered managed investment scheme regulated by the Australian Securities & Investment Commission (ASIC) under the Corporations Act 2001.

Millbrook Asset Management Ltd has acted as the Manager or Responsible Entity of the Fund since 2007 and holds a Financial Services Licence and Credit Licence issued by ASIC.

The Fund offers two investment options to investors in Australia and New Zealand:

1. Diversified Option

This investment option provides investors with the ability to invest in a diversified range of mortgages with different security, terms and LVR's while knowing their initial interest return is underwritten by the Fund Manager.

Investments in this Option have a minimum term of 12 months after which an application to withdraw can be made.

The rate of return on this investment option is variable as determined by us from time to time. Any change in the Diversified Option's rate of return will be advised to all investors in the Diversified sub-scheme with the change not taking effect until 30 days after the date of issue of that advice.

2. Select Option

A contributory or peer-to-peer mortgage investment where one or more Members invest in a Select mortgage loan. Their interest return is dependent on the Borrower of the loan invested in making loan repayments in a timely manner. Investors recovery of their principal is dependent on the Borrower repaying their loan and/or the Fund recovering the investors capital from realisation of the security held for the loan. Investors in a sub-scheme have no rights in respect of any Fund sub-scheme other than the one they are invested in.

This investment option permits investors to select a mortgage investment that meets their personal risk profile.

Repayment of your principal is dependent on the sub-scheme's Borrowers repaying their loans and/or the Fund achieving full recovery from realisation of the Security held for the loans.

Measuring The Funds Performance

We consider it useful to measure the performance of the Fund against objective, measurable benchmarks such as the Bloomberg AusBond Bank Bill Index plus 1.50% which we consider appropriately reflects the risk and return combination the overall Fund offers.

We aim to exceed this benchmark through the economic cycles and have a target return objective of 3.5% (net of fees) above the Reserve Bank of Australia cash rate.

While we aim to exceed the benchmark and return objectives over the long term, actual exposures will vary on a day-to-day basis, depending on market conditions. With a choice between the Select Option, which offers investment in individual 'peer to peer' mortgages, and the Diversified Option, which pools multiple mortgages. Investors' returns will vary according to their selections.

Since inception the Fund has consistently exceeded these benchmark and return objectives.

General Information

The aim of the Fund is to offer Investors access to Mortgage Investments secured against non-specialised properties. Mortgage Investments are sourced direct from applicants or referred by accredited introducers and provide the security of a registered mortgage over property with monthly returns.

The Constitution of the Fund allows for rates payable to Investors to be either fixed or variable. Variable returns reflect movements in interest rates generally, thereby ensuring your return always reflects the rates currently applicable on investments of that type. While we expect to always have Mortgage Investments available for intending investors in our Select Option, your funds also earn interest, while held in our Investor Trust Deposit "at call" pending allocation to a Mortgage Investment.

Risks

Past performance is not a reliable indicator of future performance.

An investment in the Fund is not a bank deposit and investments in the Fund are not guaranteed by any entity. Withdrawal rights are subject to liquidity and may be delayed or suspended. See "Disclosure Principle 8: Withdrawal Arrangements" (page 9) for further information.

No investment, in a mortgage or otherwise, is entirely risk free and in the case of Mortgage Investments there is a risk to both income and capital. Amongst other things these risks include Borrower default, changes in interest rates generally, decline in the value of the Security, and/or inadequate risk management strategies by the Fund manager. Investing in the Fund - Section 8 (page 15) describes these risks and our risk management strategy in detail.

ASIC Benchmarks and Disclosure Principles

Australian Securities & Investments Commission (ASIC) Regulatory Guide 45 "Mortgage Schemes – improving disclosure for retail investors" (RG 45) sets out eight benchmarks and eight disclosure principles developed by ASIC to assist retail investors understand the risk, assess the rewards being offered, compare this product with others in the market and decide whether these investments are suitable for them. RG 45 requires that responsible entities of unlisted mortgage schemes, such as Millbrook, should disclose against the benchmarks on an 'if not, why not' basis and address the disclosure principles.

We provide the following information with respect to the benchmarks and the disclosure principles:

ASIC Benchmarks

DISCLOSURE PRINCIPLE 1: LIQUIDITY

Benchmark

For a Diversified mortgage scheme, the Responsible Entity must have cash flow estimates for the scheme that:

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

Statement

This Benchmark is met in respect of the Fund's Diversified Option sub-scheme.

This Benchmark is not applicable to the Fund's Select Option sub-scheme, as it is a contributory mortgage option, not a Diversified scheme.

DISCLOSURE PRINCIPLE 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 as the Scheme has no borrowings and we will not borrow on behalf of the Scheme.

DISCLOSURE PRINCIPLE 3: PORTFOLIO DIVERSIFICATION

Benchmark

For a Diversified 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 Manager will endeavour to ensure diversification in respect of the Diversified Option sub-scheme's assets. However, as the sub-scheme may only hold a limited number of loans it is likely that single borrowers will exceed 5% of the sub-scheme's assets and as such the Benchmark would not be met.

This Benchmark is not applicable to the Select Option sub-scheme as it is a contributory mortgage option, not a Diversified scheme.

DISCLOSURE PRINCIPLE 4: RELATED PARTY TRANSACTIONS

Benchmark

The Responsible Entity does not lend to related parties of the Responsible Entity or to the scheme's investment manager.

Statement

This Benchmark is met as the Fund does not and will not lend to any of our related parties.

DISCLOSURE PRINCIPLE 5: VALUATION POLICY

Benchmark

In relation to valuations for a 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;

ASIC Benchmarks and Disclosure Principles

Continued

- 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:
 - (1) for development property, on both an 'as is' and 'as if complete' basis; and
 - (2) 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

This Benchmark is not met. While valuations of Security for a loan to a Borrower will be conducted prior to the initial issue of most loans, at our discretion we may not require a formal valuation of Security where the LVR is 50% or less of our opinion of the value of the Security based on the range of evidence as available to us (see Investing in the Fund – 3. What does the Fund invest in? – Valuation of 'Low LVR' Securities for further information).

Also, where a loan for an initial term of 12 months or less is renewed at maturity, a revaluation of the Security is not necessarily made where the previous valuation is dated less than 15 months prior to the renewal date. The decision whether to revalue is at our discretion and in making that decision we will consider aspects such as the loan LVR and any factors we believe may have materially reduced the market value of the Security. As a result, it cannot be said that valuations will always be obtained before the renewal of a loan to a Borrower.

DISCLOSURE PRINCIPLE 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 (less any costs

to complete the development) 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 Benchmark is met. As at the date of this PDS the Fund holds loans for property construction or development in which the LVR does not exceed 70% of the 'as if' complete value (less any remaining costs to complete that development/construction). In respect of all other loans the LVR (based on the latest valuation) does not exceed 80%.

DISCLOSURE PRINCIPLE 7: DISTRIBUTION PRACTICES

Benchmark

The Responsible Entity will not pay current distributions from scheme borrowings.

Statement

This Benchmark is met as the Fund does not have any scheme borrowings and therefore does not make any distributions from scheme borrowings.

Provided that a Mortgage Investment is not in default, distributions to members are generally sourced from income by way of interest paid by Borrowers and are paid by us on a monthly basis to Investors.

Distributions to investors in the Diversified Option sub-scheme are made at a rate as determined by us from time to time. Should repayments received from Borrowers in that sub-scheme fall short of the distribution due to investors, we undertake to pay that shortfall from our own equity.

However, if a Select Option loan is in default, we may, as we determine in our absolute discretion, compensate Investors by paying distributions as if there were no default. Any such compensating distribution payments are paid from our own funds and as such are completely separate from any sub-scheme's assets.

Where we have compensated Investors in respect of a Mortgage Investment that is in default, we are then entitled to receive any Defaulting Mortgage Fee payments to the extent paid by the Borrower to remedy the default.

DISCLOSURE PRINCIPLE 8: WITHDRAWAL ARRANGEMENTS

Benchmark

For liquid schemes:

- a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 365 days;
- b) the Responsible Entity will pay withdrawal requests within the period allowed for in the constitution; and
- 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:
 - 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
 - ii assets that the Responsible Entity can reasonably expect to realise for market value within 10 business days.

For non-liquid schemes, the Responsible Entity intends to make withdrawal offers to investors at least quarterly.

Statement

This Benchmark is not met.

We will manage the cash flow of the Diversified Option sub-scheme to ensure as far as possible liquidity is available to meet withdrawal requests. To date, Millbrook Group has always been able to pay withdrawal requests, however past performance is not a guarantee of future performance.

Select Option sub-scheme investments

Once monies in a Select Option are committed to loans this sub-scheme will be illiquid. Withdrawal from the Select Option may not be available for a period of three years or longer. This takes into account:

- the term of a loan to a Borrower being up to a period of 3 years; and
- the potential for Borrowers to default in repayment of the loan at maturity.

Withdrawals by Investors are funded by repayment of the loan by the Borrower or in the case of default by a Borrower, the enforcement of the Security relevant to the loan.

While we endeavour as far as possible to meet all withdrawal requests in full, where there is insufficient cash available, withdrawals will be paid by us on the last day of each month in accordance with the following formula:

The amount of money available	x	The amount an Investor has requested to withdraw
		Total of all amounts Investors request to withdraw

The ITD will be liquid. While monies are held in the ITD that have not been allocated to a Sub-scheme and there is sufficient cash on hand available, withdrawal will be permitted on giving 48 hours notice.

Investing in the Fund

1. The Fund

The Fund is a registered mortgage investment scheme available for minimum investments of \$10,000. The Fund comprises subschemes that each have their own members from time to time and separate and distinct assets from each other. Investors join the Fund by:

(a) becoming members of the ITD, and then subsequently participating in Select Mortgage Investments, or

(b) becoming members of the Diversified sub-scheme.

Investors have rights to receive income or capital distributions in each sub-scheme in which they invest and are a member, in proportion to their share of ownership of the sub-scheme.

In the case of the Diversified sub-scheme, members are entitled to receive income distributions (but not capital distributions) at a rate determined by us from time to time.

The Fund provides Investors with the following investments:

(1) The ITD is a holding account nominated by us as a Trust account where cash investments earn interest pending allocation to a Select Mortgage Investment.

(2) Mortgage Investments (referred to as sub-schemes) under either the Select or Diversified Options. The difference in these investment Options are detailed below:

	Select Option	Diversified Option
The nature of the investment:	Investors invest in a single mortgage loan with their risk and return dependent on the performance of that mortgage alone. It enables selection of investments that suit individual investors risk/reward profile.	Investors invest in a sub-scheme that contains a number of mortgage loans with their risk to capital dependent on the overall performance of the sub-scheme's loans.
Security type	1st mortgage over Australian and New Zealand real estate.	
Type of property lent against	Any improved or unimproved residential, commercial, industrial or rural property identified as having appropriate resale potential. Unless a loan evidences a very low LVR or collateral security is held, the Fund does not lend against specialised assets (such as childcare centres, hotels, service stations, nightclubs, broadacre farms etc).	
Interest	Interest is calculated monthly in arrears on the last day of each month and paid to investors by the 15th day of the following month. Payment of interest and repayment of capital is dependent on the Borrower of the loan invested in meeting their repayments to the Fund. The interest rate on investments can be either fixed or variable as determined by us from time to time. Any change in variable interest rate will be advised to investors within 30 days after being applied.	Interest is calculated monthly in arrears on the last day of each month and paid to investors by the 15th day of the following month. Investors can elect to have their distribution reinvested by having it added to their existing investment. Repayment of capital is dependent on sub-scheme Borrowers meeting their repayments to the Fund. The interest rate on investments is variable as determined by us from time to time. Any change in interest rate will be advised to investors 30 days prior to being applied.
Investment term	The same term as the loan invested in – which can be 3 months to 3 years. The average term of a Fund loan is approximately 12 months.	An initial term of 12 months applies. Upon maturity investments will be rolled into a further 12 month term if withdrawal is not requested by written advice to us 60 days prior to maturity.
Withdrawals	Withdrawal prior to repayment of the loan invested will not be available. However, at our sole discretion, we will consider requests to allocate or substitute another investor. See "Disclosure Principle 8: Withdrawal Arrangements" above for further information.	Withdrawals will be available subject to 60 days written advice to us prior to the investment's maturity, and the sub-scheme having sufficient liquidity. See "Disclosure Principle 8: Withdrawal Arrangements" above for further information.
Management Fee:	As disclosed in your SPDS but usually in the range of 1.0% – 2.0%	The difference between the interest received from the sub-scheme's Borrowers less the interest paid to the sub-scheme's Investors.



2. Custodian

Millbrook have appointed Perpetual Corporate Trust Ltd as Custodian of the Fund's assets. All receipts and payments from and to investors will be made by the Custodian, adding an important layer of protection to investors' funds.

3. The Responsible Entity

The Manager

Millbrook Asset Management Ltd (the Responsible Entity) manages the Fund in accordance with the Fund's Constitution, the Corporations Act and our Financial Services Licence (which permits the Fund to invest in mortgage assets for retail clients).

The Manager provides the Mortgage Investments made available in the Fund to Investors and then manages those investments until their maturity and repayment by Borrowers. It also manages the investment of the ITD.

Millbrook is committed to protection of its Investors' funds and aims to provide security and consistent monthly returns by ensuring high levels of service and acting at all times with integrity and professionalism.

4. What does the Fund invest in?

Investor Trust Deposit (ITD)

The ITD account is essentially a holding account until Select Mortgage Investments are allocated to investors in the Fund's Select Option.

Monies held in the ITD are deposited with Australian trading bank(s) in the name of the Fund (New Zealand investors monies are held in an ITD deposited with New Zealand trading bank). Interest accrues daily on the balance of funds in the Investor's name and is payable monthly in arrears (no later than the 15th of each month).

Mortgage Investments

Each Mortgage Investment will be a loan to a Borrower secured by a registered mortgage over freehold or leasehold property in the name of the Custodian.

For proposed Mortgage Investments, we will have received a loan application from the proposed Borrower and assessed it in terms of the Fund's Constitution and Credit and Lending Guidelines (as reviewed and amended by us from time to time).

As an example, we believe that the general profile of a loan would be a combination of the following:

- **Borrower** – Self-employed individuals, business entities (companies) or investors.
- **Term** – 3 months to 3 years but generally 12 months.
- **Loan purpose** – Predominantly for business and investment use but may include bridging finance to purchase or change properties.

While the above is a very broad definition, it is intended the Fund have a wide range of Borrowers and loan terms on the basis it represents good management policy. Diversification permits the Fund to avoid a concentration of Borrowers and loans sharing similar risk profiles. No such advantage applies to individual Investors in a Select Option sub-scheme because an individual investment is in itself, not diversified. Conversely, we intend that the Fund's Diversified Option sub-scheme will be backed by a diverse range of loan terms as well as security and borrower profiles, thereby mitigating some concentration risk.

To ascertain the value of the Security offered for a Mortgage Investment and thus determine the maximum loan advance to the Borrower, Millbrook will typically instruct a member of its panel of Certified Valuers to inspect the proposed Security and determine its Market Value for mortgage purposes. However, where we believe the LVR is 50% or less of our opinion of value (based on a range of evidence) we may not require a formal valuation of Security.

When assessing a loan application, Millbrook considers the following factors prior to preparing a Select proposal for a Mortgage Investment:

- A credit check of the Borrower, and where applicable, any loan guarantor.
- An ASIC company search for any corporate Borrower.
- A completed statement of the Borrower's assets and liabilities.
- If considered necessary additional financial information and/ or a statement of income supporting serviceability may be sought.
- The property forming security for the loan must meet our Credit and Lending Policy as reviewed and approved by its Board from time to time.
- A market value assessment of the Security by a Certified Valuer to our Select instructions on an "as is" basis (where conducted). For construction or development loans the valuer will determine an 'as if complete value' and an estimated cost of completion of the construction or development works.

Our Directors

David Lyall

With 20 years' experience in business and lending, David oversees the day to day operations and management of the Fund.

David established Millbrook Finance Pty Ltd, a specialist non-bank property lender, in Melbourne in 2005 and today additionally operates two mortgage fund managers, Millbrook Asset Management Ltd and Millbrook Funds Ltd.

David has owned and operated a number of other businesses in home building, land subdivision, insurance, finance and farming industries.

He holds a Bachelor of Law from the University of Canterbury in New Zealand and is a Responsible Officer for the Fund.

Matthew Bush

Matthew has been involved in banking and finance for over 40 years and has extensive skills in retail and commercial lending, and loan administration. Since 2000 Matthew has been a Director of Capital Access Victoria Pty Ltd which operates as a specialist consultant in commercial property and business finance.

Matthew is a Fellow of the Financial Services Institute of Australasia and holds a Diploma in Accounting, Diploma of Financial Services (Finance/Mortgage Broking Management).

George Lyall

George had several years' experience as a credit analyst for a major mortgage fund manager in Melbourne before moving to the UK and working for a firm of specialist private lenders. He joined Millbrook in 2020.

George holds a Bachelor of Finance from the Swinburne University of Technology and a Diploma of Building and Construction from the Royal Melbourne Institute of Technology (RMIT), Melbourne.

- Where a loan is for construction or development purposes, during the period of the construction or development works, we can at our discretion accept a more limited valuation or a report by an independent quantity surveyor or civil engineer instead of a valuer, in relation to the assessment of drawdowns. We use independent valuers, quantity surveyors and engineers with experience and skills in their areas of professional practice.
- The Loan to Valuation Ratio (LVR) which will generally not exceed 75%.
- The overwhelming majority of loans advanced by the Fund will be for commercial, business or investment purposes. We hold an Australian Credit Licence meaning the Fund can consider loans regulated by the National Consumer Credit Protection Act (NCCP). However, Millbrook only considers regulated loans in exceptional circumstances and when doing so complies with the requirements of responsible lending.

Once we have confirmed our Credit and Lending Guidelines have been satisfied the loan is advanced by us as an asset of the Diversified Option sub-scheme from cash held in that sub-scheme; OR prospective Investors in the Fund's Select Option are sent a SPDS containing information about the proposed loan including:

- the investment rate of return;
- the investment term to maturity;
- the Borrower's details;
- details about the security property for the mortgage; and
- the date and amount of the Certified Valuer's market valuation of the Security (where conducted). With the exception of 'Low LVR' securities (see below) valuations need to be no more than 3 months old.

Valuation of 'Low LVR' Securities

Occasionally, we have the opportunity to obtain mortgage business with low LVR's providing we can settle the loans quickly, often with insufficient time to arrange a formal valuation. Where the LVR is less than 50% we may not require a formal valuation and arrive at our own opinion of value based upon a mixture of evidence from one or more of the following:

- valuations provided by the borrower that are less than **12 months old**;
- informal expressions of likely sale price value from local real estate agents or from one of our panel valuers (including comparable sales information);
- contracts of sale for the property that are less than 12 months old; and
- Council rate information (valuations undertaken by Council valuers and used for rating and land tax purposes).

Where the property value is reliant on improvements, we will obtain a kerbside inspection by our agents or staff to ensure as far as possible that those improvements are intact.

These sources of evidence referred to above are not prepared for our purpose and do not provide formal advice intended to create a legal relationship or reliance as would be the case were a formal valuation subsequently prove to have been negligently prepared. The SPDS we provide to you will outline the methodology used in arriving at our opinion of value, but we are not valuers and you need to rely on your own assessment of value in such cases.

How will my investment be managed?

Your investment in the ITD, the Diversified Option, or a Select Mortgage Investment under the Fund's Select Option will be managed by our Directors and staff who possess a wealth of expertise in managing Mortgage Investments. The Fund's external custodian manages all investor receipts and payments as well as holding the Fund assets for the benefit and protection of investors.

5. New Zealand Investors

Unless they direct otherwise, New Zealand investors wishing to invest in the Fund will be invested in a sub-scheme designated Diversified Option (NZ). This sub-scheme has the same procedures, rights and obligations as the Diversified Option outlined elsewhere in this PDS except it will only hold loans to New Zealand borrowers secured by New Zealand real estate.

Investors in the Diversified Option (NZ) are protected from any currency exchange risk due to,

- repayments on loans being made in New Zealand dollars;
- any cash held by the Diversified Option (NZ), including the Option's Investor Trust Deposit Account, being deposited with a New Zealand trading bank; and
- any distribution on investments in the Diversified Option (NZ) being paid in New Zealand dollars.

New Zealand investors wishing to invest in the Fund's Select Option or Australian Diversified Option may do so but will incur a currency exchange risk unless investing in a Select Option loan to a New Zealand borrower secured by New Zealand property. (See New Zealand Investors Warning Statement).

6. How do I invest in the Fund?

Complete the Registration Form

To be accepted as an Investor in the Fund, you need to complete and forward to us the Registration Form together with payment for your investment. Funds can also be transferred by way of electronic funds transfer (EFT) to our bank account by arrangement with us. We must receive a properly completed Registration Form before your investment will earn interest. You can then request us to invest your funds in either our Diversified or Select investment Options. If you select the Diversified

Option your investment will immediately begin earning interest at the rate applicable to that Option. If you ask that your funds be directed to our Select Option they will be held in the Fund ITD account while you select an appropriate Mortgage Investment.

Minimum investment and balance

The minimum investment and account balance is \$10,000. Additional investments may be made in multiples of \$5,000.

To invest in a Diversified Option Mortgage Investment

When you invest in the Fund's Diversified Option your money earns interest at that Option's then current interest rate from the date of receipt.

For platform investors please refer to section 19 Platform Investments (page 21)

To invest in a Select Option Mortgage Investment

While you are a member in the ITD under the Select Option, we may send you one or more SPDSs that provide information about potential Mortgage Investments for you to consider.

Mortgage Investments offer the participating members a variable or fixed rate of return and you may select the mortgages in which you want to invest. This may be done in one of two ways dependent on whether you have elected not to use the "Mortgage Allocation Facility".

Members who use the "**Mortgage Allocation Facility**" (refer to the Registration Form), authorise us to make an initial allocation of part or all of their ITD investment to Select Mortgage Investments as determined by us.

You will then be sent an SPDS which contains information about your participation in a Mortgage Investment described in the notice. Your investment in the specified Mortgage Investment will be effective unless within 10 business days of the date of issue of our notice you advise us that you opt-out, (i.e. choose not to invest in) the selected Mortgage Investment.

While the Mortgage Allocation Facility allows us to allocate Investors to a Select Mortgage Investment it does not minimise the information we provide to you in the SPDS or remove or reduce your right to review the proposed Mortgage Investment and choose not to invest in it should you so desire.

Members who do not wish to use the Mortgage Allocation Facility must tick this preference on the Registration Form or advise us in writing. Where you do not use the facility, you will still be sent SPDSs about Mortgage Investments, however these will constitute an offer to you to participate in the Mortgage Investment described in the notice. You must notify us if you want to use part or all of your ITD investment to acquire an interest in the Mortgage Investment. Your request to invest in a Mortgage Investment will be treated on a 'first come, first served' basis until sufficient applications have been received and accepted by us.

Holding money in the ITD

Your investment in the ITD is held pending allocation to a Mortgage Investment. All monies held in the ITD earn income at a rate determined from time to time by us. All registered members of the Fund will be advised in writing of any changes to the interest rate payable on the ITD and the effective future date of that change. Details of the rate of interest currently paid by the ITD is available upon request from our office.

Interest is calculated daily and distributed to Investors in the ITD monthly in arrears (no later than the 15th of the month). Refer *Investing in the Fund* – 7. What returns will my investment provide? and **Part B** of this PDS for more information.

No Advice

Please note that we do not provide financial product advice nor make any investment recommendations. In considering whether to invest you are encouraged to seek independent advice from your financial adviser..

7. Cooling off period

A cooling off period applies when you invest in the ITD under our Select Option for the first time. The cooling off period is the period of 14 days starting on the earlier of the day on which you received confirmation of your investment and the end of the fifth business day after the day on which the product was sold or issued to you. During the cooling off period you can write to us (including electronically – info@millbrookgroup.com.au) to have your registration money repaid.

The cooling off period for the Select Option finishes at the end of the 14 day period referred to above, unless if before that date you exercise your right to apply your ITD interests to acquire interests in a Mortgage Investment (including by operation of the Mortgage Allocation Facility if selected by you).

There is no cooling off period in a Mortgage Investment (including our Diversified Option Mortgage Investments), however this does not affect your right to opt-out of a particular Select Mortgage Investment under the Mortgage Allocation Facility within 10 business days of the date of the SPDS we send to you.

8. Mortgage Investment settlement

With the Fund's Select Option sub-scheme we will co-ordinate subscription for a particular Mortgage Investment until the loan amount and any related costs (if applicable) has been reached. Upon settlement of a Mortgage Investment and registration of the Mortgage, we will send the participating Investors a Mortgage Investment Certificate confirming their interest.

9. What returns will my investment provide?

Investments under the Diversified Option

The rate of return on this investment option is variable as determined by us from time to time. Any change in the Diversified Option's rate of return will be advised to all investors in the Diversified sub-scheme with the change not taking effect until 30 days after the date of issue of that advice. Calculated daily, your return will be paid to you monthly in arrears (by the 15th of the following month) by means of direct credit to your nominated bank account.

We review the Option's return from time to time and may vary it at our discretion. Any change in the return will be advised to all Members of that sub-scheme with any change not commencing until 30 days from the date of that advice.

Investments under the Select Option

The performance of each Mortgage Investment varies according to its particular terms and repayments made by the Borrower. Each Mortgage Investment in which you invest will have the returns set out in the SPDS. The rate of return on your investment may be variable or fixed for the term of each Mortgage Investment and will be calculated daily up to the end of each month. After the deduction of our management fee as specified on the applicable SPDS your return will be paid to you (by the 15th of the following month) by means of direct credit to your nominated bank account.

ITD

Your return from the ITD is variable and calculated on the daily balance of your investment in the ITD up to the end of each month after which it is paid to you (by the 15th of the following month) by means of direct credit to your nominated bank account. Factors which may affect the ITD earning rate are summarised in *Investing in the Fund* – 4. How do I invest in the Fund? Any variation to the rate will be advised in writing to each Investor prior to the change.

10. What are the investment risks and how are they managed?

While the Fund has never lost the capital of any Investor it has offered a Mortgage Investment to, no investment is risk free and there remains a risk of loss of all or part of capital invested

The investments of the Fund, including the ITD have not been rated by any credit rating agency.

However, other risks to income and capital as outlined below for Select Mortgage Investments also apply to the Diversified Option.

With the Select Investment Option:

We do not guarantee the performance of the ITD or any particular Mortgage Investment (including the repayment of capital invested).

The principal investment risks are risks to capital and risks to income due to Borrower default on a loan, which will affect the Investors who participate in that Mortgage Investment but not other Mortgage Investments.

Borrowers of the Fund may be subject to circumstances that make it difficult to obtain finance from traditional or lower cost lenders. Examples of reasons why such a situation may arise could be because the Borrower:

- requires the loan funds more urgently than a traditional lender can provide.
- may not have up to date and/or complete financial statements.
- may have some past credit defaults.
- may have recently commenced a new venture and as such their future income is not ascertainable.
- may simply prefer to deal with a non-traditional lender.

For construction or development loans, additional risks arise related to timing, completion and sale of the project. Partially completed projects are generally more difficult to sell upon a default by a borrower. Due to the construction or development process, properties may take longer to come to market and so they may be exposed to downward shifts in the property market, which can affect our ability to recover the amount owing under the loan upon completion of the project.

These risks are mitigated by some or all of the following:

- the valuation process;
- a requirement for a fixed price contract with the builder/ contractor to ensure that the agreed cost of the project is not exceeded;
- a requirement for a certain level of presales before loan drawdown; and
- ensuring that the amount remaining undrawn on the loan is equal to or more than the "cost to complete" as certified by the valuer, quantity surveyor or civil engineer.

Some of the items listed above may increase the risk of the Borrower defaulting on their obligations. Millbrook will seek to limit any perceived risk and should the loan be approved, may impose special lending terms and conditions on the Borrower. Should this be the case these special conditions will be disclosed in the SPDS sent to each Investor.

Diversified Investment Option:

If the Diversified sub-scheme were to realise a loss on a loan it holds, each Investor in the sub-scheme would have the value of their investment reduced by an amount equal to that loss in the proportion that their investment bears to the total value of loans in the sub-scheme

Example: Assuming the Diversified Option sub-scheme holds \$10 million of loans of which \$100,000 is lost on realisation of a loan of \$1 million. The sub-scheme will then hold \$9,900,000 of assets (\$9 million of loans and \$900,000 cash) backing the \$10 million in funds initially invested in the sub-scheme by its Investors. Each \$1.00 originally invested by Investors would now be worth \$0.99 and this would be the amount they would receive if they chose to withdraw their investment. Under this scenario an investor who originally invested \$100,000 prior to the sub-scheme recording any losses would only receive \$99,000 when withdrawing their investment. Conversely, new Investors in the sub-scheme would be entitled to \$1.0101 of the assets of the sub-scheme for each \$1.00 they invest.

The value of the Diversified Option sub-scheme's assets is referred to as its Unit Value and in the example above, Unit Value would be \$0.9900. The Unit Value of the sub-scheme is calculated as at the end of each month and will appear on Diversified Option Investors monthly interest statements. The current unit value can also be found on our Diversified Option web page at (millbrookgroup.com.au/invest) or upon request from our office.

The Unit Value applicable to new investments in the Diversified Option sub- scheme will be disclosed in the Investment Certificate provided to Investors in that sub-scheme.

Interest Rate Risk

Variable Interest rates – You should be aware that a variable rate investment has the prospect of decreasing returns as well as increasing returns. Variable rate investments should only be considered if you are aware and accept the risks of fluctuating investment returns given the return on variable rate investments may vary significantly from time to time.

Fixed Interest rates – A rate fixed for the term of the Mortgage Investment does not vary, for instance, with changes in market rates. If those rates fall, Investors will still be entitled to the interest rate that we have agreed to pay. However, if interest rates rise, we are not obliged to increase the rate of interest being paid. Increasing interest rates would also affect the ability of Millbrook to substitute Investors in Mortgage Investments, refer Investing in the Fund – 10. Can I withdraw from a Mortgage Investment prior to maturity?

Risk to capital

Investments are not capital guaranteed. The risk to capital is affected by the ability of the Borrowers to repay loans, the quality of properties forming Security for Mortgage Investments, adequate insurance of improvements on those properties, and a general fall in property values – all of which may result in a mortgagee sale delivering less than a full return of capital to Investors.

Risk to income

The income of Investors in the Fund is at risk if Borrowers default under the terms of their mortgages and fail to make agreed loan repayments as they fall due. There is also risk of Investors to the solvency of the responsible entity.

Your investments in the Fund are not capital guaranteed. Investors risk losing some or all of their principal investment.

The risk to capital is affected by the ability of the Borrowers to repay loans, the quality of properties forming Security for Mortgage Investments, adequate insurance of improvements on those properties, and a general fall in property values – all of which may result in a mortgagee sale delivering less than a full return of capital to Investors.

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. At the time of this PDS, we have not lost any investor capital.

Consequences of a defaulting mortgage

From time to time, a loan may fall into default and we will review and manage that defaulting loan as described in Investing in the Fund – 11. *What happens if the Borrower is late or fails to make repayment?*

We will endeavour to ensure that a full return of principal and interest will be made to all Investors in respect of defaulting loans. Where a Select Option sub-scheme Borrower is in default under a mortgage, we reserve the right to continue to pay the normal rate of interest to you, and if so, we will be entitled to retain any penalty interest payable by the Borrower (including the Defaulting Mortgage Fee refer **Part B** of this PDS) as a consequence of default. In the event we elect not to continue to pay the normal rate of interest, then 80% of any penalty interest recovered from the Borrower will be paid to you. The other 20% will be paid to us to offset our time and costs in costs in managing the recovery process.

In the event of property repossession after a loan falls into default, it is possible for the Security to be sold at a price less than the amount required to satisfy the loan amount and capitalised cost (including unpaid interest, fees, the Defaulting Mortgage Fee and legal recovery costs) which will result in a loss of capital.

Risk Management Strategy

We use risk management strategies, policies and procedures to manage and limit the likelihood of loss of Investors' capital and income. Some of the key procedures which we have adopted include:

- a) loan applications for Mortgage Investments are assessed in accordance with our Credit and Lending Guidelines;
- b) a market valuation of most Securities by a Certified Valuer who is a member of the Australian Property Institute (or equivalent body where the Securities are located outside of Australia), is instructed by us and where that valuer holds an appropriate level of confirmed Professional Indemnity insurance cover (see Section 3 "Valuation of 'Low LVR' Securities" for further information);
- c) loans advanced for Mortgage Investments generally do not exceed 65% of the Security's market valuation;
- d) our lending policy requires Borrowers to have up-to-date building insurance adequately covering the value of improvements on the property offered as Security, and noting our interest;
- e) the assets of the ITD and each Mortgage Investment sub-scheme are clearly identified and separately held from the assets of Millbrook and each other sub-scheme;
- f) we review and actively manage loan repayments on a monthly basis;
- g) our staff are experienced and knowledgeable in dealing with defaulting Borrowers and will actively manage the collection of loan payment arrears and the default process; and
- h) we have an internal and external investor complaints handling process.

The risk management arrangements are reviewed annually by our Directors and quarterly by our Compliance Committee which has a majority of external members.

11. Can I withdraw from the ITD?

You can withdraw all or part of your investment held in the ITD as long as these funds have not been allocated to a Mortgage Investment. Your principal withdrawal will be returned to your nominated bank account within seven (7) days of our receipt of your written notice. The minimum withdrawal amount is \$10,000 (or, if your investment held in the ITD is less than \$10,000, the minimum withdrawal amount is the total amount of your investment).

If payment of a withdrawal request will result in a member's account balance in the ITD falling below \$10,000, we may treat the request as being for the balance of the member's account.

12. Can I withdraw from a Mortgage Investment prior to maturity?

Diversified Option investments have a minimum term of 12 months, but no fixed maturity date. Applications to withdraw Investments requires 60 days written notice to us. See "Disclosure Principle 8: Withdrawal Arrangements" above for further information.

Select Option investments are made for a fixed term and you have no right to withdraw from a sub-scheme prior to maturity. We will however use our best endeavours to accommodate your written request for early withdrawal as long as we are able to identify a replacement Investor willing to accept the terms and conditions of your Mortgage Investment.

If your Mortgage Investment is subject to a fixed rate and interest rates have risen since your investment was originally made it may not be possible for us to identify a replacement Investor. Conversely, it will be easier for us to meet your withdrawal request if your Mortgage Investment is subject to a variable rate as the return it offers should have kept pace with changes in interest rates generally.

In the event that such a request is granted, there is an "Early withdrawal or transfer fee" payable by you, the Investor, as per the table regarding fees and other costs in Part B of this PDS).

We do not provide financial product advice nor make any recommendation to Select Investors to participate in, or dispose of an interest in, a particular Mortgage Investment.

13. What happens if the Borrower is late or fails to make repayment?

From time to time a Borrower may be late in making a payment. If a payment is not received by the due date (or an allowed grace period of up to 7 days thereafter), the Borrower may be charged a higher 'default rate' for the month in which the payment is late. We will commence proceedings in relation to defaulting loans at our discretion after proper regard for our risk management arrangements and the Borrower's circumstances, which may for example include arrangements for the Borrower to bring payments up to date over an agreed period.

If a default occurs, we will inform Select Option investors in that sub-scheme within 30 days of being aware of the default and whether the rate of return for the Select Mortgage Investment will be affected.

Where Select Option Investors rate of return is unaffected by the defaulting payment because we agree to compensate them for the Borrower's default by continuing to remit interest at the normal rate of return, we will be entitled to receive repayments subsequently paid by the Borrower before the normal rate of return on the defaulting loan is reinstated – i.e. we will retain the higher interest rate (default rate) as compensation for continuing payments to Investors.

If we do not maintain the level of return in the event of a loan default, Select Option Investors are entitled to receive 80% of the higher interest rate (default rate) with the remaining 20% being paid to us to offset our time

and costs in managing the recovery process. However, Investors actual rate of return will be determined by the repayments actually received from the Borrower and/or the amount recovered from the sale of the Security (i.e. mortgagee's auction), less a Defaulting Mortgage Fee (refer to Part B of this PDS) due to us in compensation for our costs in managing the recovery process. In these circumstances the Defaulting Mortgage Fee will be the amount specified in the SPDS for the sub-scheme, which can not exceed 5% per annum of the defaulting loan amount.

Diversified Fund investors will earn the current rate of return applicable to the sub-scheme as a whole and as determined by us from time to time. A Borrower default in the Diversified sub-scheme that requires a provision for an anticipated loss (and subsequently adjusted for the actual loss) will result in a reduction in the Unit Value of investments in the sub-scheme (i.e. a proportional loss of Investor's capital). The current value of each Investor's Investment in the Diversified sub-scheme is calculated by multiplying the original investment amount by the Unit Value of the Fund (initially \$1.0000) will appear on each Investor's monthly statement.

If the Security is sold at a price less than the amount required to satisfy the loan amount and capitalised cost (including unpaid interest, fees and legal recovery costs, advertising, marketing, and auction costs and commissions and the Defaulting Mortgage Fee) the return of investment capital may be diminished in relation to investments in the defaulting sub-scheme.

Following a default in the mortgage payment, we may, as we see fit, sell the Security and recover all or part of Investors' capital investment, then the following order of priority applies to payment of money received:

- firstly, towards payment of other liabilities having priority at law to the Mortgage Investment;
- secondly, in payment of our fees including the Defaulting Mortgage Fee (refer Part B of this PDS), charges and other costs and expenses incurred in the proper performance of our duties;
- thirdly, in payment of the Investors' capital investment;
- fourthly, in payment of any interest to which the Investors are entitled but has not yet been paid.

In the event the monies from the sale of the Security are insufficient to repay Investors' capital and interest, or the value of the sub-scheme assets are insufficient to cover the cost of further recovery action against the Borrowers or other parties, it is at our discretion whether we undertake further action. If requested by Investors to take additional recovery action in these circumstances we may only do so where the Investors indemnify us for our costs (including that of our time) and lodge appropriate collateral to cover those costs.

14. What happens to a Select Mortgage Investment at its maturity?

On the maturity of a Mortgage Investment, the principal amount repaid on your Mortgage Investment will be deposited in your name, either to your nominated bank account or in the ITD.

Interest on the matured Mortgage Investment will be remitted to your nominated bank account at the next monthly interest installment date.

During this time (when you do not have any funds in a Mortgage Investment and the principal amount repaid on your Mortgage Investment is deposited in your name in the ITD), you may withdraw from the ITD by giving us written notice. We will send you further information about new investment opportunities.

In some cases a mortgage loan may be repaid either earlier or later than the maturity date as they are by nature non-liquid and may be either renewed by us for another term, repaid by the borrower or by the borrower seeking to refinance the loan. Until this occurs we may not be able to repay your investment in the mortgage sub-scheme. Investors in the Select Option sub-scheme will be notified of these instances.

Any request from a Borrower to extend their loan (and therefore the sub-scheme Mortgage Investment) will be assessed in the same manner as a new loan application (with the exception that a re-valuation of the property the subject of the Security may not be required where the most recent valuation is less than 15 months old).

All information from the Borrower will be updated and assessed in terms of the Mortgage Lending Guidelines and if approved new SPDSs will be forwarded to those Investors in the sub scheme to consider. In these circumstances, you will be provided with the opportunity to redeem your investment or continue your investment in the new Mortgage Investment based on the updated information. Withdrawal from a Mortgage Investment at maturity does not incur any penalty or cost to the Investor, refer **Part B** of this PDS.

15. What are my rights?

Constitution

The Fund is established under the Constitution. Together with the Corporations Act, the Constitution sets out your rights as an Investor as well as our rights, duties and obligations, including:

- to keep Fund assets separate from our own assets;
- how meetings of Investors can be called and conducted;
- provisions for us to retire in some circumstances;
- the ability for us to modify the Fund's Constitution subject to Investors' approval where the modification may affect Investors' rights adversely;
- mechanisms for handling Investor complaints; and
- the requirement for the Fund to have a Compliance Plan that contains adequate measures to ensure compliance with the Corporations Act and the Constitution.

The Constitution may be amended by us where we believe the change will not adversely affect the rights of Investors. Otherwise, any amendment must be approved by Investors in the Fund.

A copy of the Constitution is available on request without charge to any Investor in the Fund.

No mortgage of interest

Investors of the Fund cannot mortgage their interest in the ITD or a particular Mortgage Investment to a security provider. No such rights are recognised by us.

Right of secession

Where all Investors in a sub-scheme of the Fund unanimously agree to convert their investment into a contributory mortgage managed by them alone, the Responsible Entity must transfer the mortgage into the individual names of those Investors or their nominee, providing the sub-scheme is in default and all outstanding management costs and disbursements have been paid, including legal costs associated with the secession.

Complaints Handling Process

Any Investor complaints should be addressed to our Compliance Manager, who will acknowledge receipt within 30 days and commence an investigation.

If you believe that we have not satisfactorily resolved your complaint within 45 days (or up to 90 days where we advise you separately in writing that the investigation requires further time) you may take your complaint to the Australian Financial Complaints Authority (**AFCA**) of which we are a member (No 14439). The address for AFCA is:

Australian Financial Complaints Authority Limited

GPO Box 3, Melbourne Victoria 3001

Online: www.afca.com.au

Telephone: 1800931 678

Email: info@afca.org.au

If you have invested in the Fund through an investment platform you can contact your financial advisor or your nominated Authorised Representative. You can also lodge a complaint with AFCA as outlined above.

New Zealand investors also refer to Section 21 – New Zealand Investors Warning Statement

16. Keeping you informed

We will keep you updated with regular reporting, including:

- monthly interest statements which for Diversified Option Investors will disclose the Unit Value of the Fund and the current value of their investment;
- annual tax statements as at 30 June each year in relation to your investment;
- information concerning new Mortgage Investment opportunities and current interest rates;
- half-yearly disclosure updates against the ASIC benchmarks and information addressing the disclosure principles, including updates on the status of performance against the benchmarks and information provided under the disclosure principles;
- Section 994B of the Corporations Act 2001 (Cth) requires Millbrook to issue a Target Market Determination (TMD) which sets out the class of consumers for whom this investment product, including its key attributes, would likely be consistent with their objectives, financial situation and needs. The TMD forms part of the design and distribution arrangements for the Millbrook Credit Fund and a copy can be downloaded from www.millbrookgroup.com.au/TMD
- ongoing disclosure as set out immediately below under "Ongoing disclosure" in this clause 14.

Ongoing disclosure

Information that does not constitute materially adverse information may be updated and will be available for viewing and printing from our website (www.millbrookgroup.com.au).

If there has been a material change to information previously disclosed in this PDS, or if we become aware that this PDS omits materially important information, any such additional information that materially affects or changes the contents of this PDS will be promptly advised in writing to all registered members and any prospective investors in a SPDS (or new PDS) as required by the Corporations Act.

17. Privacy statement

You will be asked to give us your personal information in the Registration/Application Form and from time to time in other documents we supply to you. Without this information, we may not be able to process your application or provide you with an appropriate level of service.

We are committed to respecting the privacy of your personal information and are bound by the Australian and New Zealand Privacy Principles for the protection of personal information as set out in the Australian and New Zealand Privacy Acts and any other relevant law. To manage and retain our financial relationship with you, we retain your information in order to provide you with the products and services related to this Fund.

You have a right to access any personal information which we hold about you. If at any time your details change or you would like to update or access any personal information we hold about you, please contact us.

Information relating to your holding in the Fund is required to be entered in a publicly accessible register of members.

18. Taxation

We cannot and do not give tax advice. If you require taxation advice relating to your investment in the Fund, we recommend that you seek professional tax advice. The following information relating to Australian tax residents is a general guide only and should not be relied on without consulting your adviser.

Taxation of the ITD and Mortgage Investments

The ITD and each Mortgage Investment will generally not be subject to tax on income or gains made by either the ITD or any Mortgage Investment, provided all taxable income is distributed to Investors of that sub-scheme at the time of distribution.

Taxation of Investors

The taxable income distributed to you will be made up of income paid to you from your investment in the ITD or a Mortgage Investment.

You are not required to give us your Tax File Number. However, if not provided, we are required by the Australian Tax Office to withhold tax at the highest marginal rate, plus Medicare levy, from income paid to you from the Fund. If a tax exemption category applies to you, you should nominate the exemption category on the Registration Form and provide details in writing.

New Zealand investors should also see Section 18 – Additional information for New Zealand Investors.

19. Platform Investments

The Millbrook Credit Fund Diversified Option sub-scheme is available for investments on certain platforms and wraps. This PDS has been authorised as disclosure to investors who wish to access the Fund through investment platforms.

If you use an investment platform, you should complete the application form provided by the platform operator. You do not yourself become an Investor in the Fund as it is generally the platform operator that has the rights of an Investor. As an indirect investor in the Fund, you will not have the same rights as a direct Investor in the Fund.

Platform investments remain subject to the risks and features as outlined in this PDS, such as investment objectives and strategy, asset allocation, interest payments etc.

Any enquiries regarding your investment should be directed to your platform operator.

Platform investment withdrawal requests must be made to the platform operator. The Fund will only deal with withdrawal requests from the platform operator as they are considered the Investor for the purposes of 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 platform operator. Withdrawal requests will be processed once a month, upon a date agreed with the platform operator who must provide Millbrook with a notice of intention to withdraw at least seven days prior to the agreed withdrawal date. Any withdrawal requests received after this date will be processed in the following month.

Where multiple withdrawal requests per platform are received, we will aggregate and process the total withdrawal requests on the agreed withdrawal date. Where insufficient funds are available to meet platform withdrawal requests relating to a specified withdrawal date, withdrawal payments will be reduced on a pro-rata basis. Unmet portions of any withdrawal request will be cancelled. You can submit a new withdrawal request through your platform. This can be for the balance of the unpaid withdrawal amount or any other amount.

Withdrawals will usually be paid within twenty-one (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 our Total Withdrawals policy.

Total Withdrawal Policy

To permit appropriate management of the Fund, at our total discretion we reserve the right to cap total monthly withdrawals at 3% of a platform investor's total investments with us and 3% of total investments across all platforms.

20. Consents and other disclosures

We, as the Manager and Responsible Entity, are entitled to receive the fees for operating the Fund as stated in **Part B** of this PDS. The Directors and members of the Fund Compliance Committee are remunerated for their services.

Grant Thornton is the Auditor of Millbrook and the Fund and has consented, and not withdrawn their consent, to be referred to in this capacity as described in 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.

21. New Zealand Investors Warning Statement

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.

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.

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.

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.

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.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

New Zealand investors will normally have Australian Withholding Tax deducted from their interest distributions; however, this can usually be claimed back as an income tax offset when the investor lodges their New Zealand tax return.

22. Directors' Report

The Directors of Millbrook report that after due inquiry we are not aware of any circumstances other than those disclosed in this PDS that in our opinion have materially affected or will materially affect the assets and liabilities, financial position, profits and losses and prospects of the Fund, the rights attached to the Fund, the merits of investing and the extent of risks of investment.

The Directors are of the view that, to the best of their knowledge and belief, the information contained in the PDS is correct and there are no material omissions likely to affect the accuracy of the information.

The Directors have authorised the issue of this PDS.

*David Robert Lyall
Matthew Charles Bush
George David McVicar Lyall*

PART B

**FEES AND OTHER COSTS
AND REGISTRATION FORM**

To be read in conjunction with Part A – Fund Information

This PDS consists of 2 parts: **Part A** contains Important Notices on the inside front cover that you should refer to, explains the Fund's features and the nature of your investment and your rights as a member of the Fund; and this **Part B** 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 scheme as a whole.

This **Part B** also contains financial information of the Fund and the Registration Form.

Information about taxation is contained in *Investing in the Fund – 16. Taxation* (Part A).

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 investment 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 administration 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)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees Payable by Members of the Fund

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

The Fund may be required to pay GST on fees and costs. However, where available, the Fund will claim input tax

credit for the GST incurred. All references to fees and costs relate to the GST exclusive value of the fees and costs, unless otherwise stated. The fees stated have been rounded up to two decimal places where applicable.

Fees when your money moves in or out of the managed investment product

Type of fee or cost	Amount	How and when
Establishment fee:	Nil	N/A
Type of property lent against The fee to open your investment.		
Contribution fee:	Nil	N/A
The fee on each amount contributed to your investment.		

Fees and Other Costs and Registration Form

Type of fee or cost	Amount	How and when
Withdrawal fee (excluding early withdrawal):		
ITD – the fee for each withdrawal you make	Nil	N/A
Mortgage Investment – the fee to withdraw on or after the maturity date of the investment	Nil	N/A
Exit fee: The fee to close your investment	Nil	N/A
Early withdrawal or transfer fee: This is the fee charged to break the term of a Select Mortgage Investment and withdraw funds prior to the maturity date – refer to Part A of the PDS <i>Investing in the Fund – 10. Can I withdraw from a Mortgage Investment prior to maturity?</i> Examples include early repayment to a deceased estate, or transfers or assigns to any person resulting from an existing Investor withdrawing their investment prior to maturity.	\$100.00	This fee is payable by the withdrawing Investor and will be deducted from the balance of funds withdrawn
Management Costs		
Administration and investment costs – Mortgage Investment These are the fees for management of a Mortgage Investment by us and includes fees for the security documents, custody of mortgage documents and other expenses incurred in investing in assets of the Mortgage Investment. An example of this fee is provided on page 24.	<p>Diversified Option For Direct Investors this fee is estimated to be 1.53% per annum of the total investor balances of the Investor Account.</p> <p>For Platform Investors this fee is estimated to be 1.03% per annum of the total investor balances of the Investor Account.</p> <p>Select Option The actual fee varies for each Select Mortgage Investment and is stated in the applicable SPDS. With a Select investment the range of fees is quoted as a percentage and varies from .75% to 5% of the loan amount.</p>	<p>Diversified Option Payable monthly in arrears.</p> <p>Select Option Payable monthly in arrears by deduction from the Select Mortgage Investment prior to payment of the declared earning rate on the Mortgage Investment.</p>

Type of fee or cost	Amount	How and when
<p>Defaulting Mortgage Fee: This fee is charged when a loan defaults and is usually paid by the Borrower. It is payable monthly when the loan is in default. However, should the Borrower be unable to pay the fee monthly it will be deducted from the proceeds of the sale of the property held as security.</p> <p>Where we have compensated Investors in the defaulting Mortgage Investment (sub-scheme) by paying the same rate of interest as if there was no default, we are entitled to receive the Defaulting Mortgage Fee to the extent paid by the Borrower to remedy the default.</p> <p>Should we choose not to compensate Investors by continuing the normal interest payments, the Investors in the defaulting Mortgage Investment (sub-scheme) are entitled to receive 80% of the Defaulting Mortgage Fee payments to the extent paid by the Borrower to remedy the default. The remaining 20% of the fee is paid to us to offset our time and cost in managing the recovery process.</p>	<p>The actual fee varies for each Select Mortgage Investment and will be stated in a notice we send to members of the Mortgage Investment if the loan defaults, within 30 days of the default occurring and the maximum payable is no more than 6% per annum of the default loan amount. See Definitions: <i>Defaulting Mortgage Fee</i> for a full explanation.</p> <p><i>Example: The maximum fee of 6% per annum on a loan of \$50,000 equates to \$3,000 per annum.</i></p>	<p>Deducted from any repayments recovered from the Borrower and/ or proceeds of sale of the Security.</p> <p>If the sale of the property does not result in the full recovery of all of the principal loan, interest, fees and charges owing, then any unrecovered Defaulting Mortgage Fee will be paid by the members by it being deducted from the net proceeds due to them from the sale of the Security.</p>
<p>Additional Service Fees</p>	<p>Amount</p>	<p>How and when</p>
<p>Switching fee: The fee for changing investment options</p>	<p>Nil</p>	<p>N/A</p>
<p>We reserve the right to charge certain sophisticated or professional investors or other retail clients fees that will be lower than the fees outlined in the tables above that apply generally to retail investors. The lower fees will be based on individual negotiation between us and the sophisticated or professional investor or other retail client.</p>		

Additional Explanation of Fees and Costs

Indirect Fees – Payable by Borrowers

We also receive fees and charges from Borrowers for providing services which have no impact on the returns generated from the Fund. The Borrowers' fees include:

- Loan establishment fees which are negotiable depending on the complexity and competitiveness of the loan with the minimum fee being the greater of \$1,000 or 1% plus GST of the loan amount. No maximum fee is set. These establishment fees may be shared with the introducers of the loans to us. They are collected to cover the cost of servicing the loan sourcing network, data collection, loan application, loan assessment and the approval process, instructing valuers and solicitors' who are instructed to provide the appropriate legal documentation, settle the loan and register the mortgage. These fees may also be used to meet general administration costs such as salaries, insurance, rent, telephone and advertising costs etc.
- Loan renewal or extension fees when a loan matures and is continued for another term. This may also include an increase in the amount borrowed and commence from a minimum fee of \$500 or 0.5% plus GST whichever is the greater. Fees are calculated on the loan amount borrowed. This fee covers the cost of reviewing the loan file, the payment record of the Borrower and may include updating information held such as the valuation, credit checks, statement of position and serviceability. It will also cover the cost of any documentation required to renew/extend the loan and communicating with the Investors involved in the loan in respect to the renewal or otherwise of their Mortgage Investment.
- Additional or default interest for late payments. The default interest rate will not exceed 6% of the principal sum for the period of default (this is in addition to the interest rate payable by the Borrower when not in default). We may elect to meet some of the interest payments to the Investor on a month to month basis as compensation for the Borrower's default. If so, the additional or default interest paid is due to us for the cost of funding the interest payments to members of the particular Mortgage Investment while the Borrower was in default. This also covers the cost of operation of the arrears management function which includes staffing and reporting to Investors and our senior management.
- We charge Borrowers an early repayment fee for loan payout prior to the contracted maturity date. Where this occurs the fee will be divided equally between you and Millbrook. The fee is an amount equal to:

– *In the case of a loan not regulated by the NCCPA*

1. Where the loan is repaid in full prior to maturity: An amount equal to 1 months' interest on the original loan amount at the higher rate of interest specified in the loan agreement.
2. Where the loan is not repaid in full by the early repayment: An amount equal to 1 months' interest on the early repayment amount at the higher rate of interest specified in the loan agreement.

– *In the case of a loan regulated by the NCCPA, either in accordance with the NCCPA and if applicable the National Credit Code contained in Schedule 1 of the NCCPA; or*

1. Where the loan is repaid in full prior to maturity: An amount equal to 1 month's interest on the original loan amount at the rate of interest specified in the loan agreement plus an early termination fee, also as set out in the loan agreement.
2. Where the loan is not repaid in full by the early repayment: An amount equal to 1 month's interest on the early repayment amount at the rate of interest specified in the loan agreement plus an early termination fee, also as set out in the loan agreement.

Example of Annual Fees and Costs

Mortgage Investment

The "Administration and Investment Costs – Mortgage Investment" fee charged by us for managing the loan (Mortgage Investment) is deducted each month from the Borrower's interest payment. Therefore, the yield or distribution to the Investor is the net amount disclosed on the SPDS. Our Management Fee is also disclosed on the SPDS. So if:

1. Interest paid by the Borrower is stated and calculated at 9.75% per annum, and
2. our Management Fee of 1.50% per annum is then deducted,

the Investor would therefore be offered the Mortgage Investment at a net rate to them of 8.25% per annum.

Example: On a \$50,000 loan where the Borrower is paying 9.75% per annum, we are charging a 1.50% pa Management Fee, and Investors in the loan are therefore receiving 8.25% per annum, over a 12 month period:

1. the Borrower pays the Fund \$4,875 pa (being \$50,000.00 at 9.75% per annum);
2. we receive a Management Fee of \$750 pa (being \$50,000 at 1.50% per annum); and
3. the Investor receives \$4,125 pa (being \$50,000 at 8.25% per annum)

Interest and the management fee are calculated daily and distributed monthly in arrears.

The above example does not include an "Early withdrawal or transfer fee" because it would only apply in circumstances where the Investor withdraws early in accordance with *Investing in the Fund – 10. Can I withdraw from a Mortgage Investment prior to maturity?*

Similarly, it does not include the "Defaulting Mortgage Fee", which would only be payable in the event of loan default and which is usually paid by the Borrower. That fee would be set out in the relevant SPDS.

Investing through Australian financial advisers

If you invest in the fund through a licensed Australian Financial Advisor, we will treat you as a separate class of investor. While your rights and obligations as an investor remain the same as those of all other investors, we will increase your rate of return in the Diversified Option sub-scheme compared to the advertised rate., via a rebate of 0.50% per annum out of our Management Costs.

Brokerage and Commissions

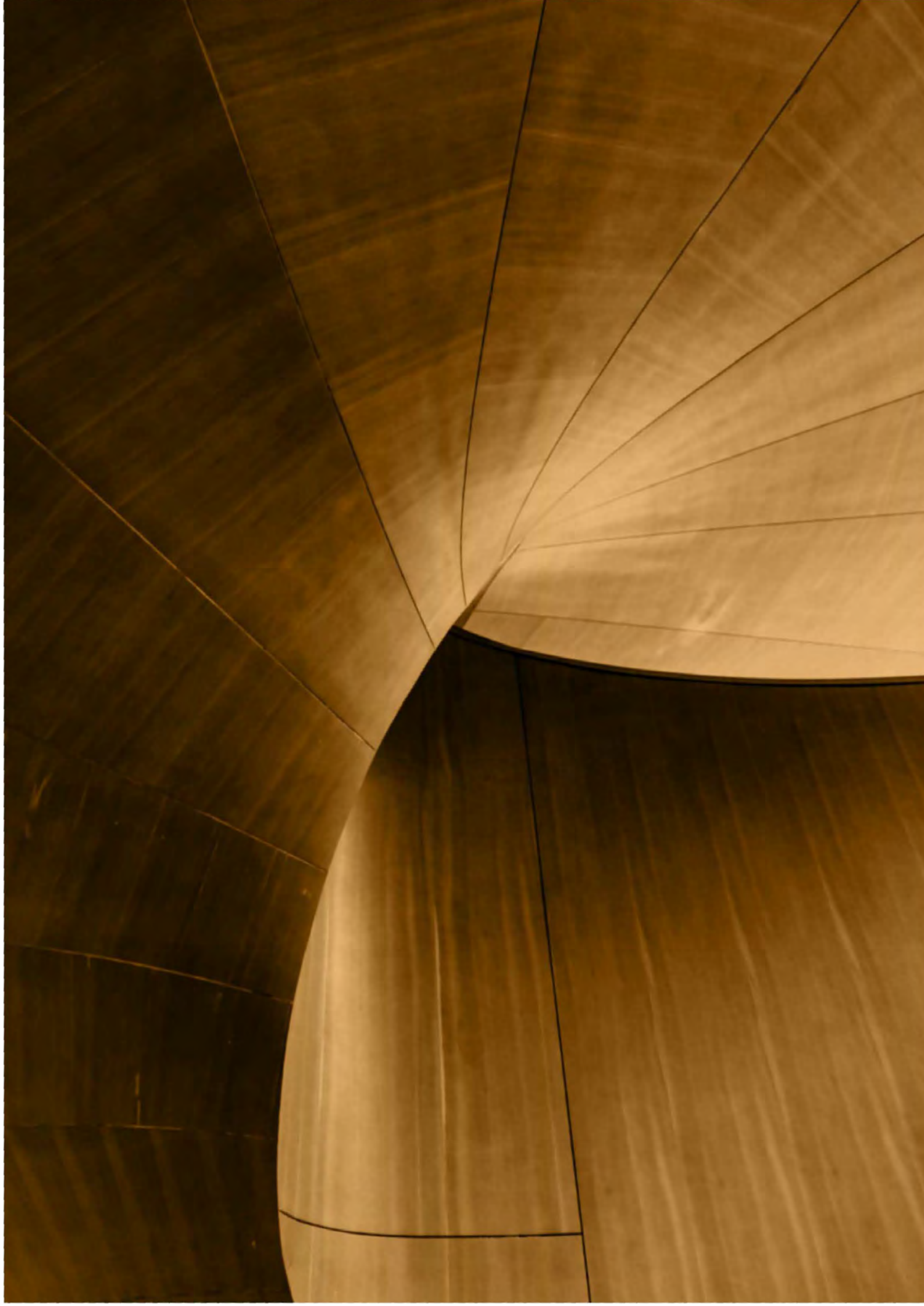
We may pay persons introducing loans or investments to us a one off commission which ranges between 0.25% to 1.25% (plus GST) of the principal amount for the introduced mortgage loan or investment. We may also pay a periodic referral fee between 0.25% to 1.0% per annum (plus GST) representing a share of our interest received or paid on the introduced loan or investment.

The actual amount paid to each introducer may change from time to time without notice based on commercial requirements. These fees are paid by us from our own resources and not deducted from your earning rate on an investment in the Fund.

Applicant (Investor) Identity Verification

To help us protect your investment with us against fraud and identity theft and also comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), we need to properly verify the identity of each individual trustee, director and beneficiary prior to become a member of the Fund. To do this each investor or authorized officer needs to provide appropriate evidence of identification (such as a certified copy of a current driver's licence or Australian Passport) with their completed Registration Form to join the Fund.

You should attach all relevant certified copies of identity to the Registration Form – Director(s), when lodging the form with us.



Millbrook Credit Fund Registration Form

MILLBROOK
GROUP
ARSN 125 042 480

Reference: _____

Issued by **Millbrook Asset Management Ltd**
ABN 81 123 219 732 | AFSL 335001

INVESTMENT DETAILS

I/We apply for investment of the following amount in the: **You MUST Select an Option below:**

\$ (Minimum \$10,000 investment) Select investment Option
 Diversified investment Option

Investment Distributions Payment Details – Diversified Option Only

Reinvest to Diversified investment Option
 Credit to nominated bank account

Electronic Funds Transfers direct to our bank account as detailed below are preferred but **YOU MUST ADVISE US BY PHONE OR EMAIL OF THE DEPOSIT HAVING BEEN MADE AND THE DEPOSIT MUST REFERENCE YOUR NAME**

Account name: Perpetual Corporate Trust Limited ACF Millbrook Credit Fund BSB: 083 004 Account Number: 294049570

INVESTOR DETAILS

Individual			
Mr/Mrs/etc	Given Names	Surname	Date of birth
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Joint Holding			
Mr/Mrs/etc	Given Names	Surname	Date of birth
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Company/Trustee		Company Name/Partnership/Trust	
<input type="text"/>		<input type="text"/>	
ABN		Contact Name	
<input type="text"/>		<input type="text"/>	
Address			
No. and Street		Suburb	State
<input type="text"/>		<input type="text"/>	<input type="text"/>
Postcode		Phone No (Office Hours)	
<input type="text"/>		<input type="text"/>	
Email			
<input type="text"/>			

LIMITED POWER OF ATTORNEY

I/We hereby irrevocably appoint, Millbrook Asset Management Ltd ACN 123 219 732 (Millbrook) and any Director, agent, attorney or substitute nominated by it to be my/our attorney for the purposes of performing the duties of Responsible Entity under the Constitution of the Millbrook Credit Fund ARSN 125 042 480 and the applicable loan agreement and mortgage security documents in relation to any investment in the Investor Trust Deposit facility and any Fund sub-scheme in which I/we invest.

TAX FILE NUMBER QUOTATION OR EXEMPTION

Tax File Number	or Exemption Reason
<input type="text"/>	<input type="text"/>

Quotation of a Tax File Number (TFN) is not compulsory (although as ABN must be quoted where held), however without it or unless you are exempt tax must be deducted from your Fund income. We will apply a quoted TFN or ABN automatically to all subsequent investments in your name unless you notify us that you do not wish your TFN or ABN to be applied to a particular investment.

This Form must be read in conjunction with the Product Disclosure Statement dated 11 July 2023 to which it relates and must not be issued to any person unless they have received a copy of the Product Disclosure Statement.

Millbrook Credit Fund Registration Form

MILLBROOK
GROUP
ARSN 125 042 480

Payment Details

Unless you choose to have distributions payable from Fund reinvested, they will be paid by direct credit to your nominated account with a financial institution acceptable to Millbrook. Please complete details below. If an account is not nominated payments will be made by cheque however a fee is payable (refer Part B of the Product Disclosure Statement):

Name of Account Holder		
<input type="text"/>		
Bank or Financial Institution	Branch	BSB – Account Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

Mortgage Allocation Facility (Select Option sub-scheme only)

While invested in the ITD, Investors can participate in the Mortgage Allocation Facility (refer Investing in the Fund in Part A of the Product Disclosure Statement, clause 4 "How do I invest in the Fund?" – point 4 "To invest in a Mortgage Investment"). Participating Investors will automatically be allocated available Mortgage Investments and then may opt out within the specified notice period. Refer to PDS as referenced above for full details prior to completion.

If you **DO NOT** wish to participate in the facility, please check this box:

Declaration and Attestation

I/We hereby apply for registration in the Millbrook Credit Fund and acknowledge, agree and understand that:

- I/we declare that the details given in this form are true and correct.
- I/we agree to be bound by the terms of the Constitution of the Millbrook Credit Fund ARSN 125 042 480.
- I/we acknowledge and accept Millbrook may send us at its discretion from time to time one or more SPDSs in respect of Mortgage Investment opportunities.
- I/we acknowledge that we have received and read a copy of this Product Disclosure Statement and the Target Market Determination issued by the Company.
- I/we authorise Millbrook to deduct any fee(s) to which it is entitled as stated in Part B of the Product Disclosure Statement on a monthly basis from my distributions.
- I/we acknowledge Millbrook may accept or reject any registration application.
- I/we hereby execute the Limited Power of Attorney in favour of Millbrook Asset Management Ltd specified overleaf on this Registration Form.

Signing instructions for Joint Applicants and Multi-director Companies

If the application is signed by more than one person, who is authorised to give instructions to Millbrook?

	<input type="checkbox"/> Any to sign	<input type="checkbox"/> All to sign	<input type="checkbox"/> Other (specify):
Signature A	Name	Date	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
	If a Company Officer or Trustee, SPECIFY your title:		
	<input type="checkbox"/> Director	<input type="checkbox"/> Sole Director	<input type="checkbox"/> Trustee
Signature B	Name	Date	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
	If a Company Officer or Trustee, SPECIFY your title:		
	<input type="checkbox"/> Director	<input type="checkbox"/> Sole Director	<input type="checkbox"/> Trustee
Signature C	Name	Date	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
	If a Company Officer or Trustee, SPECIFY your title:		
	<input type="checkbox"/> Director	<input type="checkbox"/> Sole Director	<input type="checkbox"/> Trustee

If this form is signed under Power of Attorney, the Attorney certifies that he or she has not received notice of revocation of that power. Trustees of trusts giving a power of attorney certify that they are authorised to do so by their trust deed. A copy of the Power of Attorney must be forwarded to Millbrook Asset Management Ltd with the completed Application form.

I have enclosed all copies of my identity with this form.

This Form must be read in conjunction with the Product Disclosure Statement dated 11 July 2023 to which it relates and must not be issued to any person unless they have received a copy of the Product Disclosure Statement.

Investor Checklist – Identification Documents

Investor Type	Documents Required		
INDIVIDUAL / TRUSTEE / DIRECTOR	<p>You must supply at least One Primary document</p> <p>OR</p> <p>at least Two Secondary documents</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Primary Documents</p> <ul style="list-style-type: none"> • Certified copy of Passport (Australian) • Certified copy of Australian Driver's Licence • Certified copy of Foreign Passport • Certified copy of Australian Citizenship Certificate • Certified copy of Full Birth certificate (not birth certificate extract) </td> <td style="vertical-align: top; padding-left: 20px;"> <p>Secondary Documents</p> <ul style="list-style-type: none"> • Certified copy of Centrelink Card with reference • Certified copy of Australian Government Pension card • Certified copy of Department of Veterans Affairs card • Certified copy of Medicare Card • Certified copy of Notice from Australian Taxation Office • Certified copy of Notice issued by a Utilities Provider • Certified copy of Credit Card or Bank Account Card • Certified copy of Bank statement (showing transactions) • Certified copy of Taxation assessment notice • Certified copy of Property lease agreement - current address </td> </tr> </table> <p>AND</p> <p>For investment in the Millbrook Income Fund – A Wholesale Investors Certificate from a CPA certifying net assets of \$2.5m</p>	<p>Primary Documents</p> <ul style="list-style-type: none"> • Certified copy of Passport (Australian) • Certified copy of Australian Driver's Licence • Certified copy of Foreign Passport • Certified copy of Australian Citizenship Certificate • Certified copy of Full Birth certificate (not birth certificate extract) 	<p>Secondary Documents</p> <ul style="list-style-type: none"> • Certified copy of Centrelink Card with reference • Certified copy of Australian Government Pension card • Certified copy of Department of Veterans Affairs card • Certified copy of Medicare Card • Certified copy of Notice from Australian Taxation Office • Certified copy of Notice issued by a Utilities Provider • Certified copy of Credit Card or Bank Account Card • Certified copy of Bank statement (showing transactions) • Certified copy of Taxation assessment notice • Certified copy of Property lease agreement - current address
<p>Primary Documents</p> <ul style="list-style-type: none"> • Certified copy of Passport (Australian) • Certified copy of Australian Driver's Licence • Certified copy of Foreign Passport • Certified copy of Australian Citizenship Certificate • Certified copy of Full Birth certificate (not birth certificate extract) 	<p>Secondary Documents</p> <ul style="list-style-type: none"> • Certified copy of Centrelink Card with reference • Certified copy of Australian Government Pension card • Certified copy of Department of Veterans Affairs card • Certified copy of Medicare Card • Certified copy of Notice from Australian Taxation Office • Certified copy of Notice issued by a Utilities Provider • Certified copy of Credit Card or Bank Account Card • Certified copy of Bank statement (showing transactions) • Certified copy of Taxation assessment notice • Certified copy of Property lease agreement - current address 		
COMPANIES	<p>Provide the following:</p> <ul style="list-style-type: none"> • One Primary Document or Two Secondary Documents (as above) for each director • ASIC Annual Company Statement <p>For investment in the Wholesale Fund – A certificate from a CPA certifying net assets of \$2.5m for the company</p>		
WHOLESALE MANAGED INVESTMENT SCHEMES	<p>The following declaration must be completed by an Applicant who is an unregistered managed investment scheme with Wholesale Clients (ONLY)</p> <p><i>We confirm we are an unregistered managed investment scheme with wholesale clients ONLY and we do not make small scale offerings under section 1012E of the Companies Act.</i></p>		
TRUSTS (INCLUDING SUPERANNUATION FUNDS)	<p>Provide ALL of the documents listed below and attach them to the Application Form:</p> <ul style="list-style-type: none"> • Certified copy or Certified extract of the Trust Deed; • Document listing each beneficiary or the details of each class of beneficiary if not included in the trust deed, <p>AND</p> <p>in relation to the trustee, select the appropriate item:</p> <ul style="list-style-type: none"> • if the trustee is an individual, provide verification material for individuals set out above; OR • if the trustee is a company, provide verification material for the type of company set out above. <p>Note: Each director/ beneficiary with a stake of 25% or greater should be identified with One Primary Document or Two Secondary Documents</p>		

PEOPLE AUTHORISED TO CERTIFY DOCUMENTS (As described in Sect 39 of the Oaths and Affirmation Act 2018 such as:)

- Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants.
- Bank officer with 5 or more continuous years of service
- Financial Adviser or Financial Planner
- Legal practitioner
- Medical practitioner – (Doctor, Chiropractor, Dentist, etc.)
- Nurse
- Occupational therapist
- Optometrist
- Pharmacist
- Post Office employee



CALL (03) 8663 1800
EMAIL info@millbrookgroup.com.au
VISIT Level 9, 30 Collins Street
Melbourne Victoria 3000
WEB millbrookgroup.com.au

Important Information

This PDS does not constitute financial advice. Intending investors should seek independent financial advice on whether an investment in the Fund is appropriate for them. All investments, including that of the Millbrook Credit Fund, involve the risk of losing all or part of investors investment capital and/or interest. Past performance is not necessarily a guide to future performance.

MCF003.07/23

MILLBROOK
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