

# MA Priority Income Fund

Product Disclosure Statement

1 November 2024

ARSN 648 809 849

**ISSUER AND RESPONSIBLE ENTITY**

MAAM RE Ltd ACN 135 855 186,  
AFSL 335783

**MANAGER**

MA Investment Management Pty Ltd  
ACN 621 552 896, AFSRN 001 258 449

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# Important notices

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**This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this product disclosure statement.**

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This document is a product disclosure statement (PDS) for the purposes of Part 7.9 of the Corporations Act. This PDS is issued by MAAM RE Ltd ACN 135 855 186, AFSL 335 783 (Responsible Entity, MAAM RE, us, our or we), as responsible entity of the MA Priority Income Fund ARSN 648 809 849 (Fund). The Corporations Act allows us to provide certain information to you separately to this PDS. Where you see references to “Additional information is incorporated by reference” additional information concerning this topic has been incorporated by reference and forms part of the PDS. This information can be found in the Booklet, which forms part of this PDS and is, available free of charge on the Fund’s webpage at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](http://MAFinancial.com/invest/private-credit/ma-priority-income-fund). You should read this information before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. This PDS is a summary of significant information about the Fund.

## Lodgment

This PDS is dated 1 November 2024 and an in-use-notice relating to this PDS has been lodged with the Australian Securities and Investments Commission (ASIC). ASIC does not take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. Units in the Fund (Units) issued under this PDS will be issued by the Responsible Entity on the terms and conditions set out in this PDS.

## Invitation to apply for Units

This PDS contains an invitation to apply for Units. No person is authorised to provide any information, or to make any representation, about the Fund or the invitation to apply for Units that is not contained in this PDS. Potential investors should only rely on the information contained in this PDS. Any information or representation not contained in this PDS may not be relied on as having been authorised by the Responsible Entity or MA Investment Management Pty Ltd (Manager) in connection with the invitation to apply for Units. Except as required by law and only to the extent required by such law, neither the Responsible Entity, the Manager nor any other person associated with the Responsible Entity or the Manager (or the invitation to apply for Units) guarantees or warrants

the future performance of the Fund, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units.

Before deciding to invest in the Fund, investors should read the entire PDS (including the Booklet) in its entirety. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Fund or the Units under this PDS. The invitation under this PDS does not take into account the investment objectives, financial situation or particular needs of individual investors. An investment in the Fund should be considered speculative. You should carefully consider the risks (including those set out in Section 7) that impact on the Fund in the context of your personal requirements (including your financial and taxation position) and, if required, seek professional guidance from your financial advisor, solicitor, accountant or other professional adviser prior to deciding to invest in the Fund.

The invitation to apply for Units under this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia and does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. Units have not been registered under the United States Securities Act of 1933 (as amended) (US Securities Act) or the securities laws of any state of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This PDS may not be transmitted in the United States or distributed, directly or indirectly, to any “US person” (as defined in Regulation S under the US Securities Act) (a US person). It does not constitute an offer to sell, or a solicitation of an offer to buy, or an invitation to subscribe for or buy Units in the United States or to any US person or for the benefit of a US person, and is not available to persons in the United States or US persons or for the benefit of US persons.

Each Applicant will be taken to have represented and warranted to the Responsible Entity that such Applicant is not a US person and is not acting on account of a US person.

## PDS updates

The information in this PDS is up-to-date at the time of preparation. However, the information in the PDS (including the Booklet) may need to be updated from time to time.

## Important notices (continued)

Any updated information in this PDS that is considered not materially adverse to holders of Units (Unitholders) (Updated Information) will be made available by the Responsible Entity by publishing such information on the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund). A paper copy of the Updated Information can be obtained free of charge by contacting Client Services via the contact details specified in the 'Corporate Directory' section (Section 13) of this PDS. Any new or updated information that is materially adverse to Unitholders will be available to Unitholders via a supplementary or new PDS accessible via the Fund's website, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

Where Unitholders have provided us with their email addresses, we will send notices of meetings and other meeting-related documents electronically unless the Unitholders elect to receive these in physical form and notify us of this election. You, as a Unitholder, have the right to elect whether to receive some or all of these communications in electronic or physical form. You also have the right to elect to receive a single specified communication on an ad hoc basis, in an electronic or physical form.

We will notify Unitholders of their right to elect to receive meetings and other meeting-related documents electronically or in physical form at least once each financial year via our website [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

Annual Financial Statements are available via our website at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

This PDS and the constitution of the Fund dated 12 November 2018 as amended (Constitution) supersede and replace any earlier information provided by the Responsible Entity, MA Financial Group, their affiliates and their respective representatives and agents in respect of the Fund.

### Risks

An investment in the Units is subject to risk (refer to Section 7), which may include possible delays in repayment and loss of income and capital invested.

None of the Responsible Entity, the Manager, or any of their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income invested in, the Fund described in this PDS. The Responsible Entity, the Manager and their related entities may invest in or provide other services to the Fund.

### Forward-looking statements

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

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Responsible Entity, its Directors and its management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

As set out above, the Responsible Entity, the Manager, or any of their related entities, directors or officers do not make any representation, express or implied, in relation to forward looking statements and you are cautioned not to place undue reliance on these statements.

These statements are subject to various risk factors that could cause the Fund's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 7.

These and other factors could cause actual results to differ materially from those expressed in any statement contained in this PDS (including the Booklet).

### Information about the Manager

To the extent that this PDS includes statements by the Manager or includes statements based on any statement of, or information provided by the Manager, the Manager consents to each such statement being included in this PDS in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgment of this PDS.

### Websites

Any references to documents included on the Fund, the Responsible Entity or Manager's website are provided for convenience only, and none of the documents or other information on those websites is incorporated by reference into this PDS, except where the document or other information is Updated Information.

### Currency

References in this PDS to currency are to Australian dollars unless otherwise indicated.

# Important notices (continued)

## Time

All references in this PDS to time are to the legal time in Sydney, Australia.

## Glossary

Certain terms and abbreviations in this PDS have defined meanings that are explained in the Glossary to this PDS. Defined terms are generally identifiable by the use of an upper case first letter.

## Diagrams

Diagrams used in this PDS are illustrative only.

## Privacy

Please refer to Section 11.15 for information regarding the handling of your personal information in relation to the invitation to apply for Units.

## Applications

By lodging an Application Form (electronically or otherwise), you declare that you were given access to the Financial Services Guide, the entire PDS, together with the Application Form, and read and understood those documents. The Responsible Entity will not accept a completed Application Form if it has reason to believe that it has been altered, or tampered with, in any way.

# 1. Fund features

This section presents an overview of a selection of the Fund features in a summarised and simplified form and is intended to provide a convenient way of locating where the further detail is located in this PDS. You should read the whole of this PDS before making an investment decision, and not rely solely on this section.

Feature	Summary	Further Information
<b>Fund Name</b>	MA Priority Income Fund	
<b>ARSN</b>	ARSN 648 809 849	
<b>Fund Structure</b>	<p>The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. The Fund gains its investment exposure by investing in Class A units in the MA Master Credit Trust (Master Trust). All rights and entitlements of the Fund in the Master Trust relate only to the rights, entitlements, obligations, assets, liabilities and other amounts referable to Class A units of the Master Trust and to no other class of Units.</p> <p>The Master Trust is an unregistered wholesale Australian multi-class unit trust which invests in a portfolio of credit investments. The trustee of the Master Trust is MA Asset Management Ltd ACN 142 008 535, AFSL 427 515 (Trustee).</p>	Section 5
<b>Responsible Entity</b>	MAAM RE Ltd ACN 135 855 186, AFSL 335 783 (MAAM RE) acts as responsible entity of the Fund.	Section 4
<b>Manager</b>	MA Investment Management Pty Ltd ACN 621 552 896 (Manager or MAIM) acts as the investment manager of the Fund and the Master Trust.	Section 4
<b>Custodian</b>	Certane CT Pty Limited ACN 106 424 088	Section 11
<b>Administrator</b>	Alter Domus Australia Pty Limited ACN 607 738 125	Section 11
<b>Base currency</b>	The Fund is denominated in Australian dollars (AUD).	
<b>Target Return</b>	The Fund aims to distribute a net cash yield (after all fees and costs) equal to the RBA Cash Rate + 4.00% per annum (Target Return). This is a target only and may not be achieved.	Section 5 and 6
<b>Investment strategy</b>	The Fund will seek to achieve its Target Return by investing in Class A units of the Master Trust (Fund Investment).	Section 6
<b>Investment strategy of Master Trust</b>	The investment strategy of the Master Trust is to create a credit investment portfolio diversified across credit market segments, borrowers, industries, credit qualities and origination channels. The investment strategy is primarily focused on Australian private debt that is secured, asset-backed or otherwise has defensive characteristics. The Manager anticipates that investments will be sourced from both MA Financial Group proprietary and third-party origination platforms.	Section 6

# 1. Fund features (continued)

Feature	Summary	Further Information
<b>Investor profile</b>	<p>This product is intended to be up to 25% of a portfolio's allocation, for a consumer who is seeking monthly income and capital preservation and has a low risk and return profile for that portion of their investment portfolio.</p> <p>Prospective investors should ensure they have an informed understanding of the strategies and techniques employed by the Manager, the risks of the Fund and that the risk profile of the Fund is compatible with their own risk tolerance. Investors in the Fund should plan to invest their money for at least 3 years. The Fund is not suitable for investors who cannot tolerate any loss of capital. The Fund may be suitable for prospective investors seeking a longer liquidity period than monthly. It is not suited to investors seeking daily or weekly liquidity. The Fund may be suitable for investors with low, medium or high risk tolerance.</p>	
<b>Risk level of the Fund</b>	Low, however all investments have risk, please refer to Section 7 for more detail on the Fund's risks. <sup>1</sup>	Section 7
<b>Minimum suggested time frame for holding investment</b>	At least 3 years. Please note this is a guide only, not a recommendation.	
<b>Minimum investment</b>	<p>Minimum initial investment: \$10,000</p> <p>Minimum additional investment: \$1,000</p>	Section 9
<b>Management fees<sup>2</sup></b>	<p>Master Trust Management Fee</p> <p>The Manager of the Master Trust is entitled to a fee out of the assets of the Master Trust (equal to 0.5% of the NAV of Class A and Class B units), accrued daily and payable monthly in arrears (Master Trust Management Fee). It is estimated that the proportion of the Master Trust Management Fee that will be attributable to Class A units and hence borne by the Fund as an indirect cost will be 0.50% of the NAV of the Fund.</p>	Section 8
<b>Unit pricing frequency</b>	Monthly	Section 9
<b>Redemptions</b>	<p>You may request that the Responsible Entity redeem part or all of your investment, with a 30 day notice period, by providing a redemption notice prior to the end of a calendar month, each being a redemption notice date. Redemption requests will only be accepted in the limited circumstances described in Section 9.</p> <p>Under the Constitution, the maximum period for redeeming Units the subject of an accepted Withdrawal Request is 545 days.</p>	Section 9

1. Financial Services Council Standard Risk Measure: "Low" risk is based on an estimated 0.5 to less than 1.0 number of negative annual returns over any 20 year period.

2. Unless provided otherwise, all fees and costs quoted in this PDS are quoted, if applicable, on an Australian GST inclusive basis and net of any applicable reduced input tax credits (RITCs).

# 1. Fund features (continued)

Feature	Summary	Further Information
<b>Distributions</b>	The Responsible Entity expects to pay distributions monthly, subject to the Fund receiving distributions from the Fund Investment. Distributions will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant.	Section 5
<b>Key risks</b>	<p><b>All investments are subject to risk, which means the value of your investment may fall and the income derived from your investment may rise or fall. Before making an investment decision, it is important to understand the risks that can affect the value of your investment.</b></p> <p>Key risks of an investment in the Fund include but are not limited to:</p> <ul style="list-style-type: none"><li>• the inability of the Fund to meet redemption requests;</li><li>• the risk that the Fund does not achieve its investment objective; and</li><li>• the risk that Unitholders may lose some or all of their capital invested in the Fund.</li></ul>	Section 7

## Further information

The PDS contains important information regarding the Fund. We encourage you to read it carefully and in its entirety, including without limitation Section 7 which sets out certain key risks associated with an investment in the Fund, and Section 8 which sets out the fees and other costs associated with investing in the Fund. If you have any questions, you should seek relevant professional advice before making an investment decision.



## 2. Investment Summary

### 2.1 Structure

The Fund is a multi-class unit trust which is registered with ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The Fund will seek to gain its investment exposure by investing in Class A units in the Master Trust. The Fund currently has issued two classes of Units, one of which remains open to new investors and is offered for investment under this PDS. The classes are exposed to separate assets pools, both of which comprise units in the Master Trust (of the relevant class) and cash. The terms of issue of the classes are otherwise identical. The Responsible Entity may in the future issue other classes of Units which differ from these classes.

The Responsible Entity has appointed MA Investment Management Pty Ltd ACN 621 552 896, Australian financial services representative number 001 258 449 (MAIM) as the investment manager of the Fund (Manager). Both the Responsible Entity and MAIM are wholly-owned subsidiaries of MAAM Holdings Pty Ltd ACN 621 215 450 (MAAM Holdings). MAAM Holdings is a wholly owned subsidiary of MA Financial Group Limited ABN 68 142 008 428 (MA Financial Group). The Fund was established under the Constitution.

### 2.2 Target assets

#### **Designed for investors seeking regular, stable returns from a lower-risk vehicle**

The Fund, via its exposure to Class A Units of the Master Trust seeks to provide Unitholders with exposure to a diversified portfolio of credit investments. The Fund is structured with the objective of providing investors capital preservation, stable monthly cash distributions and an attractive risk-adjusted return.<sup>3</sup>

The Master Trust's investment strategy targets a broad spectrum of credit market segments, with a focus on Australian private credit that is secured, asset-backed or otherwise have defensive characteristics.<sup>4</sup>

For further information on the Fund's investment strategy please refer to Section 6 of this PDS.

### 2.3 Manager alignment and capital and income preservation features

As at the date of this PDS, one or more MA Financial Group Entities invest in a separate class of units in the Master Trust, being Class B Units of the Master Trust, in an amount equal to 10% of the Fund's capital (Class B Co-Investment).

Pursuant to the terms of issue of Class A and Class B units, the Class B Co-Investment will be made on a first-loss and subordinated basis which means that:

- the Class B Co-Investment is first impacted in the event of an impairment of capital that is attributable to Class A and Class B units, providing Unitholders with the benefit of a Capital Buffer (for information on the Capital Buffer please refer to Section 5.5 of the PDS and Section 2.3 of the Booklet); and
- Unitholders are expected to benefit from receiving returns in priority to returns payable in respect of the Class B Co-Investment, providing a significant degree of capital and income protection.

An MA Financial Group Entity will only receive a return on their Class B Co-Investment if Unitholders have been paid the full Target Return (in all prior periods) and the Capital Buffer is equal to 10% of the Fund's invested capital (Invested Capital).

In this PDS, where we refer to the Fund's investments we generally do so on a 'look-through' basis; that is, we are referring to the assets of the Master Trust that are properly referable to Class A units of the Master Trust, which the Fund is exposed to through its investment in Class A units of the Master Trust.

### 2.4 Target Return

The Fund aims to distribute a net cash yield (after all fees and costs) equal to the RBA Cash Rate plus 4.00% per annum (Target Return). This is a target only and may not be achieved. The Fund's total return may rise or fall based on a number of factors including the performance of the underlying loan assets of the Master Trust and movements in the RBA Cash Rate.

3. The Fund may not be successful in achieving this objective.

4. The Master Trust may not be successful in achieving this objective.

## 2. Investment Summary (continued)

### 2.5 Potential benefits

The following are the key potential investment benefits of the Fund, however please refer to the risks of investing in the Fund set out in Section 7.

<b>Stable monthly income</b>	<ul style="list-style-type: none"><li>• The Fund seeks to provide stable and consistent monthly income, across all market conditions.</li><li>• Target Return of RBA Cash Rate plus 4.00% p.a. (after all fees and costs), paid monthly.</li><li>• This is a target only and may not be achieved by the Fund.</li></ul>
<b>A focus on capital preservation*</b>	<ul style="list-style-type: none"><li>• A defensive investment strategy focused on preserving investor capital.</li><li>• Achieved via a distinctive Fund investment strategy and structure:<ul style="list-style-type: none"><li>– invests in a diversified portfolio of credit investments across market segments, borrowers and origination platforms.</li><li>– the investment strategy is primarily focused on Australian credit that is secured, asset backed or otherwise has defensive characteristics.</li></ul></li></ul> <p>The Fund structure seeks to mitigate downside risk while aligning MA Financial Group Entity and investor interests.</p>
<b>Prioritises income and capital preservation*</b>	<ul style="list-style-type: none"><li>• The Fund's downside risk is sought to be mitigated by a material 10% subordinated (to Class A units), first loss co-investment by MA Financial Group Entities in Class B of the Master Trust. The Fund benefits from prioritisation of income and capital preservation in the Master Trust as any realised losses in respect of Class A units and Class B units will first be absorbed by MA Financial Group Entity's Class B Co-Investment in the Master Trust.</li><li>• This arrangement seeks to ensure a strong alignment of interest between Unitholders and MA Financial Group.</li></ul> <p>See Section 5.5 of this PDS and Section 2.3 of the Booklet for full details on the Priority Return features.</p>
<b>Experienced investment manager</b>	<ul style="list-style-type: none"><li>• Actively managed by a team of experienced investment professionals.</li><li>• Deep expertise in credit and loan structuring.</li><li>• Access to specialist lending opportunities originated through MA Financial Group's proprietary platforms and channel relationships.</li><li>• The Fund has an unbroken track record since inception in November 2018, with Unitholders receiving the full monthly distribution and the Capital Buffer remaining fully intact since inception*. <b>Past performance is not a reliable indicator of future performance and may not be repeated. The Fund and the Master Trust may not be successful in maintaining these distribution and capital levels.</b></li></ul>
<b>Monthly Liquidity</b>	<p>Unitholders may request to redeem part or all of their capital on a monthly basis, with a 30 day notice period. <b>You may not always be able to withdraw your investment from the Fund. See Section 9.10 for more information on withdrawal restrictions.</b></p>
<b>Through-the-cycle returns</b>	<p>The Fund aims to deliver returns across different market conditions. However, the Fund is subject to risks affecting all credit investments as well as general investment risks. Please refer to Section 7 for more information on the Fund's risks.</p>

\* For further information on Class B Co-Investment and the associated Capital Buffer please refer to Section 5.5 of this PDS and Section 2.3 of the Booklet.

## 3. Australia's Credit Market

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### Additional information is incorporated by reference

You should read the important information about Australia's credit market in Section 1 of the Booklet available at the webpage before making a decision in respect of the Fund.

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## 4. About the Manager and the Responsible Entity

### 4.1 About MA Financial Group

We invest. We lend. We advise.

MA Financial Group is a global alternative asset manager specialising in private credit, real estate and hospitality. We lend to property, corporate and specialty finance sectors and provide corporate advice.

#### Alternative Asset Management

We are a global alternative asset manager specialising in private credit, core and operating real estate, hospitality, private equity and venture capital as well as traditional asset classes.

Our investment teams have diverse skill sets and experience across a range of strategies and market conditions and are focused on delivering long-term growth. Our conviction runs deep and as testament to this we co-invest in many of our strategies alongside our clients, aligning our interests with theirs.

#### Lending & Technology

We offer a range of non-bank residential lending solutions including home loans and commercial loans for individual borrowers. We operate a large residential mortgage marketplace representing over \$100 billion in loans from over 80 bank and non-bank lenders as at the date of this PDS.

We also offer specialty finance solutions including legal disbursement funding and bespoke receivable finance as well as asset-backed and corporate lending.

#### Corporate Advice

Our Corporate Advisory business (MA Moelis Australia) provides companies with financial advice for clients across mergers and acquisitions and strategic advisory, equity and debt capital markets, capital structure advisory, equities research and trading.

We are a global strategic alliance partner and exclusive Australian partner of NYSE-listed global investment bank Moelis & Company.

Our Equities business provides equities research, sales and trading execution services..

### 4.2 The Manager

MAIM is the manager of the Fund and the Master Trust. The Manager is a wholly owned subsidiary of MA Financial Group. The Manager has been appointed by the Responsible Entity as the manager of the Fund under the Fund Investment Management Agreement (Fund IMA) and by the Trustee as manager of the Master Trust under the Master Trust Investment Management Agreement (Master Trust IMA).

The Manager's investment team comprises professionals with experience across a range of credit sectors and is responsible for sourcing and managing the Fund and the Master Trust's investment portfolio. The investment committee is responsible for implementation of the Fund's investment strategy and approval of investments and divestments.

### 4.3 Role of the Manager

The primary responsibility of the Manager is to implement the investment strategy and manage administration of the investment structure.

#### (a) Manager of the Master Trust

As Manager of the Master Trust under the Master Trust IMA, the Manager has agreed to:

- (i) implement the investment strategy, including actively manage and supervise the Master Trust's investments;
- (ii) construct and manage the portfolio of the Master Trust in accordance with the investment guidelines set out in the Master Trust IMA;

## 4. About the Manager and the Responsible Entity (continued)

- (iii) regularly update the Trustee regarding the Master Trust's portfolio and provide all information necessary for the maintenance of the Master Trust's financial accounts to be completed; and
- (iv) provide administrative support to assist and ensure the maintenance of the Master Trust's records and compliance with the Corporations Act.

### (b) Manager of the Fund

As Manager of the Fund, the Manager will:

- (i) manage the Fund's investment in Class A units on an ongoing basis;
- (ii) regularly update the Responsible Entity regarding the Portfolio and provide all information necessary for the maintenance of the Fund's financial accounts to be completed; and
- (iii) provide administrative support to assist and ensure the maintenance of the Fund's records and compliance with the Corporations Act.

### 4.4 Investment Committee

The Manager has established an investment committee to assist with the governance and decision making for the Fund and the Master Trust. While the board of the Trustee (Trustee Board) will have ultimate responsibility for the management of the Master Trust, the authority to approve individual investment decisions is delegated to the following bodies:

- the Manager's Portfolio Manager, who may make decisions on transactions involving amounts less than 5% of the NAV of the Master Trust or non-material amendments and waivers and that do not involve a related party of the Trustee, Responsible Entity or the Manager;
- the investment committee of the Master Trust, which is required to approve any transaction involving an amount of 5% or more of the NAV of the Master Trust; and
- the investment committee of MA Financial Group (Group Investment Committee), which is required to approve any transaction involving a related party of the Trustee or Manager. See Section 11.11 for further information on related party transactions;
- the delegations set out above (including the threshold for approvals) may be changed by the Trustee Board from time to time.

### 4.5 About the Responsible Entity

#### Role of the Responsible Entity

The Responsible Entity is responsible for the overall management of the Fund in accordance with its duties to unitholders. While the Responsible Entity has the power

to delegate investment management and administrative services to other entities, it retains ultimate responsibility for these functions. As such, the Constitution contains indemnity provisions covering the Responsible Entity for losses and liabilities incurred in connection with the operation of the Fund subject to certain limited exclusions.

The Responsible Entity holds an AFSL issued by ASIC, which authorises it to operate the Fund.

The Responsible Entity is bound by the Constitution and the Corporations Act. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution and the Corporations Act.

The Responsible Entity has appointed Certane CT Pty Limited ACN 106 424 088 as the Custodian, Alter Domus Australia Pty Limited ACN 607 738 125 as the Administrator and Boardroom Pty Limited ACN 003 209 836 as the unit registry (Unit Registry). A summary of the service provider arrangements are set out in Section 11.2.

### 4.6 Investment Group

The Investment Group is responsible for investing and overseeing the Fund and underlying funds, including origination, negotiation of investment terms, credit assessment, credit analysis, portfolio construction, investment management and portfolio operation.

The Investment Team is structured to focus on three main areas: Investment Management, Portfolio Management and Investment Governance.

#### Investment Team

Investment Team sources and carries out investments, overseeing the entire process from initial review to final execution. They are responsible for maintaining the quality of the portfolio and work collaboratively on managing the investments throughout their duration.

#### Portfolio Managers

Portfolio Managers are responsible for the overall composition and health of the investment portfolio. They manage the investment strategy, manage cash flow, and work with the Investment Group to maintain a strong investment process.

#### Investment Committee

The Investment Committee includes senior members who oversee the investment strategy. See section 4.4 for additional information on the role of the Investment Committee.

# 5. Overview of the Fund and Investment Structure

## 5.1 Overview of the Fund

The Fund was established on 12 November 2018 and is a registered managed investment scheme under the Corporations Act.

The NAV and Unit price of the Fund is available at the webpage.

Unitholders hold Units in the Fund, which represent their beneficial interest in the assets of the Fund, but do not give an interest in any particular asset of the Fund. As at the date of this PDS the Fund has two classes of Units on issue. The Responsible Entity may at its discretion, issue additional Units in the Fund of the same class or of a different class to the Units already on issue. The Fund will invest solely in Class A units in the Master Trust.

The following diagram shows the Fund's structure and the flow of investment money through the structure.

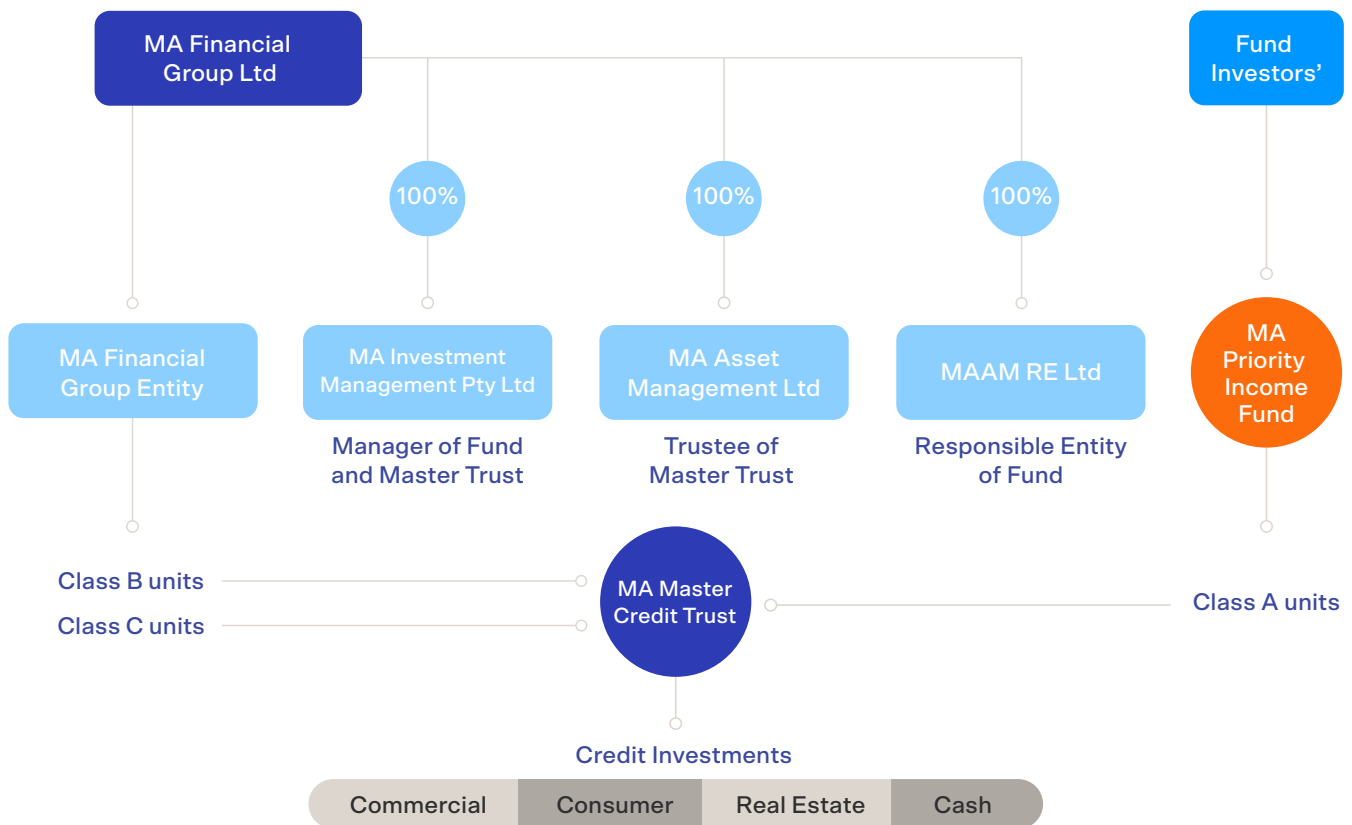
## 5.2 Investment Objective and Target Return

The Fund's investment objective is to provide Unitholders with stable monthly cash distributions and a strong risk-adjusted return through exposure to a portfolio of credit investments while preserving and protecting capital.<sup>5</sup>

The Fund obtains an underlying exposure to the Portfolio through investing solely in Class A units in the Master Trust (Fund Investment).<sup>6</sup>

The Fund's target return is the RBA Cash Rate plus 4.00% per annum (net of fees and costs), payable monthly (Target Return).

The Fund's Target Return is only a target and is not a guarantee of the actual return of the Fund which may be lower than the Fund's Target Return. Investors should review the risk summary set out in Section 7. The Fund may not be successful in achieving its objective or Target Return.



5. The Fund may not be successful in achieving its objective.

6. Together with minimal cash balances from time to time.

## 5. Overview of the Fund and Investment Structure (continued)

### 5.3 Investment Structure and the Master Trust

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#### **Additional information is incorporated by reference**

You should read the important information about the Master Trust in Section 2.1 of the Booklet available at the webpage before making a decision in respect of the Fund.

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### 5.4 Overview of the Investment Structure

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The Fund invests all its capital (other than fees and costs) in Class A units of the Master Trust.

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#### **Additional information is incorporated by reference**

You should read the important information about the Fund's investment structure in Section 2.2 of the Booklet available at the webpage before making a decision in respect of the Fund.

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### 5.5 Priority Return

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The Fund is expected to benefit, due to its investment in Class A units of the Master Trust, from an arrangement whereby it invests alongside MA Financial Group in the Master Trust and it will receive capital and income in priority to MA Financial Group's Class B Co-Investment.

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#### **Additional information is incorporated by reference**

You should read the important information about the Priority Return features in Sections 2.3 and 2.4 of the Booklet available at the webpage before making a decision in respect of the Fund.

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### 5.6 Distribution Reinvestment Plan (DRP)

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As at the date of this Product Disclosure Statement, Distribution Reinvestment Plan (DRP) is available for the Fund.

Unitholders have the option of opting into the DRP. The DRP provides Unitholders with the option of automatically reinvesting all or part of their distributions as additional Units in the Fund.

The price of the Units allotted from the DRP will be the applicable NAV per Unit of the Fund (as at the last Business Day of the month prior to which the distribution entitlement arose) minus transaction costs (DRP Issue Price). A Unit issued under the DRP will not have a right to distributions in respect of the period to which that distribution relates.

While the DRP is open, you can elect to participate in the DRP at any time. The DRP Form must be received by the Unit Registry no later than 5.00 pm Australian Eastern Time on the last Business Day of the calendar month in order to participate in the DRP for that particular month's distribution (if applicable).

Subject to the Corporations Act, the Responsible Entity may accept or refuse a DRP election without giving reasons for its decision. The Responsible Entity may, subject to applicable law, also determine that a Unitholder's DRP election is valid even if the DRP election is incomplete, contains errors or is otherwise defective. By submitting a DRP election, each Unitholder is taken to have authorised the Responsible Entity (and its delegates or agents) to correct any error in, or omission from, the Unitholder's DRP election.

No cooling off period applies in relation to the acquisition of Units under the DRP.

You can reinvest all or part of your distributions. If you choose to reinvest all of your distributions, the DRP will apply to all amounts paid by the Fund as a distribution on all of the Units registered to that holding, including any further Units issued to you under the DRP. If you choose to reinvest only part of your distribution, you can specify either the number of Units, or the percentage of your total Units, you wish to be subject to the DRP on the DRP Instruction Form.

If you specify the number of Units, your level of participation is fixed and all Units in excess of this number, including any new Units you may acquire in the future will not participate in the DRP. If you sell some of your Units in the future, such that your total holding becomes less than the number of Units you have specified to participate in the DRP, your participation level will automatically be reduced down to the total number of Units you hold as at the last Business Day of the relevant calendar month. However, if you later acquire more Units in the Fund, these will participate in the DRP to the extent indicated in your last DRP Instruction Form.

If you nominate a percentage, your level of participation will automatically change if you acquire or redeem Units in the future.

## 5. Overview of the Fund and Investment Structure (continued)

The number of Units you will receive will be calculated as the amount of the distribution you are entitled to receive in respect of the number or proportion of your Units participating in the DRP (which may be all of your Units), of Units you hold, divided by the DRP Issue Price. The number of Units to be issued will be rounded down to the nearest four decimal places.

Participation in the DRP will automatically continue until:

- you notify the Unit Registry that you no longer wish to participate by submitting a DRP election;
- the DRP is suspended or withdrawn by the Responsible Entity; or
- you submit a full redemption request to the Unit Registry.

The DRP will be automatically suspended upon the Responsible Entity determining to suspend the DRP. If the DRP is suspended, an election as to your participation in the DRP will also be suspended and all Units are taken not to be participating in the DRP for the purpose of any distribution paid while the DRP is suspended. Upon reinstatement of the DRP, all of your prior elections are reinstated unless a DRP election is validly submitted by you by 5.00 pm Australian Eastern Time on the last Business Day of the calendar month for the next distribution which follows the reinstatement of the DRP.

If you submit a partial redemption, the DRP remains on for Units you still hold unless you change your DRP election.

Your right to participate in the DRP is not transferable.

Participating Unitholders may vary the level of participation or withdraw from the DRP at any time by submitting a new DRP form. Any variation to participation will take effect from the next distribution, provided that notification is received by no later than 5.00 pm Australian Eastern Time on the last Business Day of the applicable calendar month. Notices received after this time will take effect from the following Distribution Period. If you choose to withdraw from the DRP, your distributions will be paid by direct credit to your nominated bank account recorded under your investment, prior to your participation in the DRP.

The Responsible Entity may, at its sole and absolute discretion, modify, suspend or terminate the DRP at any time. The modification, suspension or termination shall take effect from the date specified by the Responsible Entity. Sufficient written notice shall be given to all Unitholders prior to the changes occurring to allow Unitholders to withdraw from the DRP before the changes come into effect (except in the event the Responsible Entity considers in its absolute discretion that the

change is not adverse to Unitholders, in which case such notification only needs to be given within the three month period after the change is made).

The Responsible Entity may, in its sole and absolute discretion, arrange for the DRP to be underwritten in respect of a particular distribution on any terms it considers appropriate.

The Responsible Entity may delegate any of its powers, discretions, authorities or functions under these rules to any person or persons.

You should be aware that, by electing to participate in the DRP in accordance with these rules, you:

- acknowledge that the Responsible Entity may at any time, by giving notice to eligible Unitholders, limit participation in the DRP. This may include a determination that there will be a maximum or minimum number of Units permitted per Unitholder, whether this is in respect of a particular distribution or distributions generally;
- acknowledge that the Responsible Entity, its officers, employees, representatives or agents are not responsible for any loss or alleged loss or disadvantage suffered or incurred directly or indirectly by you as a result of the establishment, or operation, of the DRP, participation in the DRP or any advice given in relation to participation in the DRP.

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### Additional information is incorporated by reference

You should read the important information about the distribution policies of the Fund and the Master Trust contained in Section 2.5 of the Booklet available at the webpage before making a decision in respect of the Fund.

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## 5.7 Fund operations and service providers

The Responsible Entity has outsourced:

- investment valuation, accounting and certain administrative functions to the Manager;
- administration services to Alter Domus Australia Pty Limited;
- custody services to Certane CT Pty Limited; and
- unit registry services to Boardroom Pty Limited.

KPMG has been appointed as the Independent auditor of the Fund and the Compliance Plan.

## 5. Overview of the Fund and Investment Structure (continued)

### 5.8 Leverage

#### (a) Fund leverage

It is not anticipated that the Fund will have any debt.

#### (b) Master Trust leverage

While the Master Trust Deed does not impose a cap on the level of leverage the Master Trust may incur, the Manager does not anticipate that leverage at the Master Trust level will exceed 25% of the Master Trust's NAV. Such leverage, if applicable, is intended to be incurred for purposes including but not limited to:

- financing to enable the Master Trust to undertake its investment activities;
- increased the Portfolio size in advance of a follow-on equity raising; and
- meet short-term working capital requirements.

The Master Trust may enter into a revolving loan facility with MA Financial Group on arm's length terms under which the Master Trust may draw down funds in order to finance its working capital requirements.

The intention of the Trustee is that long-term leverage will not be used as a means of enhancing the Portfolio return.



## 6. Overview of the Investment Strategy

### 6.1 Investment Strategy

The investment strategy is to gain exposure via an investment in Class A Units in the Master Trust to the Portfolio of credit investments diversified across credit market segments, borrowers, industries, credit qualities and origination platforms. The Portfolio will be constructed and actively managed in accordance with the investment guidelines set out in Section 6.2. These are guidelines only and the portfolio construction of the Master Trust may not always reflect these guidelines.

The Portfolio is primarily focused on Australian debt that is secured, asset-backed or otherwise has defensive characteristics. The Manager seeks assets

that it considers offer an attractive risk adjusted return after application of its investment process outlined in Section 6.3.

The Manager will seek to construct the Portfolio with the following features:

- highly diversified lending base, with low underlying individual borrower exposure;
- predictable and resilient through the cycle returns;
- bias towards capital preservation and on minimising losses; and
- portfolio driven analysis that supports strong serviceability prospects.

The Fund's investment strategy, which will be achieved through its investment in Class A units of the Master Trust, covers four primary credit segments:

Credit Segment	Description
Commercial	<ul style="list-style-type: none"><li>• The Commercial lending strategy encompasses financing to small to medium sized enterprises and is focused on asset-backed or specialised lending</li><li>• Examples of commercial lending include, debtor and trade finance, legal disbursement funding, insurance premium funding, fleet and equipment finance, commercial automotive finance and supply chain finance</li></ul>
Consumer	<ul style="list-style-type: none"><li>• The Consumer lending strategy involves financing individual and household consumers</li><li>• Consumer lending can either be secured or unsecured loans</li><li>• Examples of consumer lending includes automotive loans, personal loans, bridge finance, education financing, and strata finance</li></ul>
Real Estate	<ul style="list-style-type: none"><li>• The Real Estate lending strategy involves financing backed by either residential or commercial real estate</li><li>• Examples of real estate lending include RMBS and first lien mortgages</li></ul>
Cash	<ul style="list-style-type: none"><li>• The portfolio is expected to maintain an allocation towards cash and other liquid assets such as bonds and money-market instruments</li><li>• Cash will be held for liquidity and portfolio risk management purposes and to allow the Fund to take advantage of investment opportunities as and when they arise</li></ul>

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#### Additional information is incorporated by reference

You should read the important information about the distribution policies of the Fund and the Master Trust contained in Section 2.5 of the Booklet available at the webpage before making a decision in respect of the Fund.

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## 6. Overview of the Investment Strategy (continued)

### 6.2 Investment Guidelines

As at the date of this PDS, the investment guidelines construction and management of the Portfolio are set out below:

CATEGORY	GUIDELINES																		
Credit segments	<p>The Master Trust may invest in a broad range of credit segments. The primary credit segments and target Portfolio allocation bands (as at the time of the Master Trust's investment) are set out below:</p> <ul style="list-style-type: none"> <li>• Commercial: 30% to 60%;</li> <li>• Consumer: 1% to 40%;</li> <li>• Real Estate: 20% to 60%;</li> <li>• Cash: 1% to 10%;</li> <li>• Cash and other liquid assets: 5% to 25%.</li> </ul> <p>The credit segments and target Portfolio allocation bands may change from time to time.</p> <table border="1"> <thead> <tr> <th>Segment</th> <th>Lower Band</th> <th>Upper Band</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>30%</td> <td>60%</td> </tr> <tr> <td>Consumer</td> <td>1%</td> <td>40%</td> </tr> <tr> <td>Real Estate</td> <td>20%</td> <td>60%</td> </tr> <tr> <td>Cash</td> <td>1%</td> <td>10%</td> </tr> <tr> <td>Cash and other liquid assets</td> <td>5%</td> <td>25%</td> </tr> </tbody> </table>	Segment	Lower Band	Upper Band	Commercial	30%	60%	Consumer	1%	40%	Real Estate	20%	60%	Cash	1%	10%	Cash and other liquid assets	5%	25%
Segment	Lower Band	Upper Band																	
Commercial	30%	60%																	
Consumer	1%	40%																	
Real Estate	20%	60%																	
Cash	1%	10%																	
Cash and other liquid assets	5%	25%																	
Permitted investments	<p>The Master Trust may invest in a broad range of fixed income and debt securities, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Cash and cash equivalents</li> <li>• Loans, notes, bonds and other debt securities</li> <li>• Leases and hire purchase</li> <li>• RMBS and ABS securities</li> <li>• Structured credit investments</li> <li>• Derivatives (limited to risk management purposes only)</li> <li>• Equity arising from features of debt instruments.</li> </ul>																		
Investment characteristics	<p>Investments in the Portfolio may feature a broad range of credit investment characteristics, including:</p> <ul style="list-style-type: none"> <li>• Senior or subordinated ranking</li> <li>• Secured or unsecured positions</li> <li>• Private or liquid/traded credit</li> <li>• Rated or unrated by a credit rating agency</li> <li>• Predominantly unrated or sub-investment grade</li> <li>• Cash and/or payment-in-kind interest components</li> <li>• Tenors up to 5 years, unless otherwise agreed by the investment committee.</li> </ul>																		
Geography	<p>While the Manager currently intends to invest the Portfolio in predominantly Australian credit assets, it may choose to invest in New Zealand if it identifies attractive investment opportunities.</p>																		

## 6. Overview of the Investment Strategy (continued)

CATEGORY	GUIDELINES
<b>Direct vs indirect assets</b>	The Portfolio may be invested directly in loans with the end borrower and indirectly against portfolios of receivables, generally via securitisation, that have been originated by a variety of lending platforms.
<b>Maximum exposures</b>	Investments in the Portfolio will be subject to the following exposure limits: <ul style="list-style-type: none"><li>• no exposure to an underlying borrower (on a look-through basis) exceeding 20% of the Portfolio.</li><li>• no Investment in foreign jurisdictions excluding New Zealand.</li></ul>
<b>Currency, hedging and derivatives</b>	The Master Trust will invest primarily in Australian dollar denominated assets, however, may also invest in assets denominated in foreign currencies. The Manager may choose to hedge foreign currency denominated investments in the Portfolio back to Australian dollars or remain unhedged. The Manager intends only to use derivatives and other hedging techniques for risk management and not for speculative purposes.

While the intention is to construct and manage the Portfolio in accordance with the investment guidelines, the overriding objective is to invest the Portfolio in assets that generate the best risk-adjusted return with low capital volatility. This may result in the Master Trust having investment concentration in particular areas. It also reflects that investment portfolio originations are opportunistic by nature. The investment guidelines may be updated from time to time.

### 6.3 Investment process

The Manager's investment process in relation to the Master Trust is enabled by its expertise in structuring credit investments, analysing loan portfolios and structuring fixed return investments with a focus on capital preservation and delivering strong through-cycle

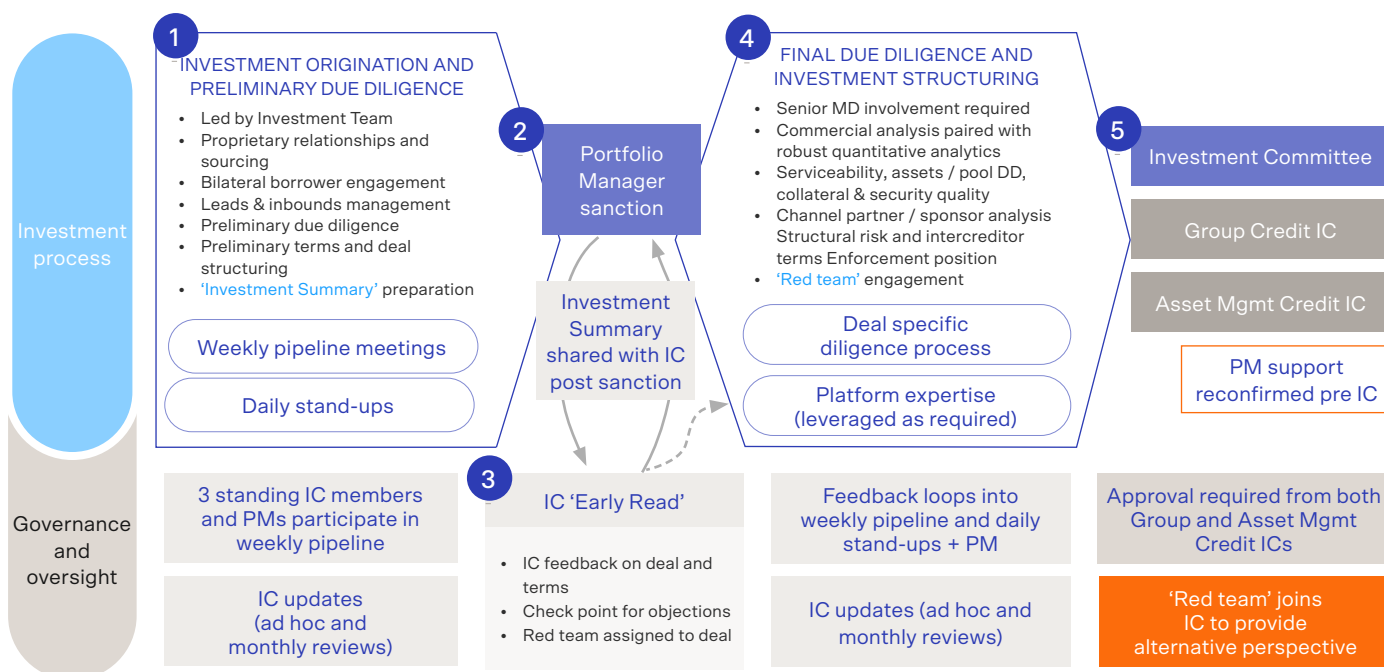
returns. The investment philosophy incorporates the following three key tenets:

1. **Low risk:** the focus is to identify structural features and characteristics of loans and overall loan portfolios that mitigate risks to both Unitholders and the Class B Co-Investment. By building high quality portfolios based on pricing discipline, the objective is to deliver consistent returns with low impairment rates.
2. **Resilient returns:** the focus is on rigorous and disciplined analysis to determine the strength of the serviceability prospects of loans and an overall loan portfolio. The aim is to ensure yield and returns are resilient through cycles and market conditions.
3. **Capital preservation:** the focus is to undertake an assessment of loan recoverability to determine and mitigate downside risks to Class A and B Unitholders' capital. This reflects the primary concern, which is to preserve and protect capital.

## 6. Overview of the Investment Strategy (continued)

### Rigorous investment process

The Manager has adopted a rigorous, five-phase investment process across the Global Credit Solutions group governed by a dual-structured Investment Committee.



Note: Relevant PM(s) is a function of Allocation Framework. Key considerations for PM include (inter alia) fund mandate, portfolio construction, treasury & risk, in addition to idiosyncratic issues related to specific investment.

#### 1. Investment origination and preliminary due diligence

The first phase involves sourcing potential investments through proprietary networks. The investment team conducts initial discussions with borrowers and performs preliminary checks on financial health and risks. They summarise their findings in an investment summary for portfolio manager review (Investment Summary) for the Portfolio Manager's review.

#### 2. Portfolio Manager sanction

The Portfolio Manager evaluates the opportunity based on the Investment Summary, considering its fit with the fund's goals, impact on the portfolio, and specific risks. If the evaluation is positive, the opportunity moves forward for an initial review by the IC.

#### 3. Investment Committee 'early read'

At this stage, the Investment Committee conducts an initial assessment of the deal, while a 'red team' provides an independent review of potential risks. This ensures that all concerns are identified and addressed before proceeding.

#### 4. Final due diligence and investment structuring

This phase involves a comprehensive review by senior management, focusing on the investment's financial viability, counterparty risk, and structural considerations. This detailed analysis prepares the investment for the final decision by the IC.

#### 5. Investment Committee

The final phase is where the Investment Committee makes the ultimate decision on whether to proceed with the investment. This involves assessments by two subgroups within the Investment Committee, ensuring a thorough evaluation from all relevant perspectives. If approved, the investment is incorporated into the portfolio.

The Manager employs a robust framework for governing and managing investments across the Fund with embedded checks and balances.

## 6. Overview of the Investment Strategy (continued)

### Investment governance and portfolio management

The Manager employs a robust framework for governing and managing investments across the Fund with embedded checks and balances.

Investment Governance	Frequency description	Manager approach
Investment Management	Ongoing	The Investment Team is accountable for handling each individual investment, and the deal originator retains ownership of the investment throughout its lifespan.
Portfolio Management	Ongoing	The Investment Team is tasked with constructing and managing the Fund's portfolio in accordance with the fund or investment mandates.
IC Approval	Ongoing	The Investment Committee responsibilities include reviewing and approving investments, providing oversight for Portfolio Management and Investment Management teams, and setting strategies across various asset classes.
IC Reviews	Monthly	Deals are thoroughly reviewed monthly. Any potential risks or concerns are identified and added to a watch list for further monitoring.
Asset Management Reviews	Quarterly	At the broader Asset Management level, portfolios undergo a comprehensive review on a quarterly basis. During this review, platform insights and intellectual property are shared across teams to facilitate crosspollination and collaboration. Additionally, the efficacy of existing strategies is validated and correlations between investment approaches are explored.
Stress Testing	Semi-annually	Semi-annual 'war game' simulations focus on capital protection strategies in adverse scenarios such as market, counterparty, and asset level risks. Customised strategies are developed to rectify issues identified on from the resultant risk 'watch list'.
Market Analysis	Daily	Daily stand-up meetings are held to gather and incorporate market feedback.

### 6.4 Portfolio Construction

#### Portfolio construction methods

Assets for the Portfolio are sourced primarily from specialty non-bank lending platforms, including the MA Financial Group lending business and a variety of other third-party platforms and channel partners. Investments take a variety of forms, with the majority of investments being in structured credit products, including Asset Backed Securities (ABS), Commercial Mortgage-Backed

Securities (CMBS), and Residential Mortgage Backed Securities (RMBS). Whole-loan investments may also be made from time to time. The allocation of funds between MA Financial Group lending business and third-party platforms and/or channel partners will be determined by the Manager and will depend on a number of factors. These may include the availability of investment opportunities and market or economic conditions. Assets will be assessed on an individual and portfolio level basis and the Manager will select investment opportunities that it believes will achieve the investment objective of the Master Trust and the Fund.

## 6. Overview of the Investment Strategy (continued)

### Investment in assets originated by third party platforms

The Master Trust may invest in assets originated by a variety of third-party platforms, including non-bank finance businesses and peer to peer lenders. As at 30 November 2023, the Master Trust held investments originated by 26 channel partners representing 93.1% of the Portfolio. These investments are typically undertaken via participation in securitisation warehouses, however there may also be whole loan investments within portfolio constraints.

### Investment in loans originated by MA Financial Group

MA Financial Group operates a lending business that comprises principal platform operations and loan portfolio funding. MA Financial Group lending platforms currently include residential mortgage lending through MA Money Financial Services Pty Ltd<sup>7</sup> (MA Money) (a related party of MA Financial Group) and specialty finance such as legal disbursement funding loans. The Master Trust may invest in securitisation warehouses that acquire loans originated by the MA Financial Group lending business provided:

- the warehouse investment is in accordance with its investment strategy and investment parameters;
- the loan assets acquired by, or equitably assigned to, the warehouse comply in all material respects with applicable law;
- the loan assets acquired by, or assigned to, the warehouse are performing loans at the time of investment;
- the loan assets acquired by, or equitably assigned to, the warehouse are on arm's length terms.

The Master Trust is not obliged to further invest in any securitisation warehouse beyond the committed lending terms of the warehouse lending agreement. The Master Trust will consider acquiring assets offered for investment by the MA Financial Group lending business only to the extent that the Manager determines such investment to be beneficial to the Master Trust having regard to its investment objectives.

### Co-investment alongside a MA Financial Group entity

The Master Trust may invest in securitisation warehouses controlled by a third-party or a MA Financial Group entity where a MA Financial Group entity, or a fund managed by MA Financial Group, also invests in the securitisation warehouse. The Master Trust investment may rank senior,

pari passu or junior to investments made by MA Financial Group entities or other funds managed by MA Financial Group. When the Master Trust invests in securitisation warehouses in these circumstances, the assessment and approval process is completed at arm's length and independently of other MA Financial Group entities and managed funds.

### Acquisition of future assets from MA Financial Group

The Master Trust may, from time to time, acquire assets from MA Financial Group or from other related parties of MA Financial Group on arm's length terms, provided that:

- the investment is in accordance with its investment strategy and investment parameters;
- the loan assets are performing loans that comply in all material respects with applicable law; and
- the loan assets are acquired on arm's length terms.

The Master Trust is under no obligation to acquire assets or invest in securitisation warehouses that are offered for investment by MA Financial Group or related parties of MA Financial Group.

See Section 11.11 for details on related party transaction policies.

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### Additional information is incorporated by reference

You should read the important information about the Fund's and the Master Trust's portfolio construction in Section 3 of the Booklet available at the webpage before making a decision in respect of the Fund.

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## 6.5 Changes to investment strategy

It is expected that the investment strategy of the Fund will be implemented as detailed in this PDS. However, changes in the market conditions, which could be favourable or adverse to the Portfolio's performance, may require the Manager to adopt changes to the investment strategy and the investment guidelines. Subject to compliance with the Corporations Act, the Manager may change the investment strategy in order to achieve the Fund's investment objective (subject to the Responsible Entity's consent which must not be unreasonably withheld).

7. On 29 October 2022, MKM NewCo Pty Ltd changed its legal entity name to MA Money Financial Services Pty Ltd.

# 7. Risks

## 7.1 Introduction

You should be aware that an investment in the Fund involves material risks. The value of your investment may fall for a number of reasons, which means that you may receive back less than your original investment or you may not receive income over a given timeframe. The level of income distributed can also vary from month to month or no distribution may be made. Before making an investment decision, it is important to understand the risks that can affect the value of your investment.

While not exhaustive, this section identifies the risks that the Responsible Entity and Manager regard as the major risks associated with an investment in the Fund. You should read the whole of this PDS in order to fully appreciate the risks of an investment in Units before any decision is made to subscribe for Units.

Different strategies may carry different levels of risk, depending on the assets that make up the investment strategy and past performance is not a reliable indicator of future performance. The value of Units may decline significantly if the Fund's business, financial condition or operations were to be negatively impacted. In these circumstances, you could lose all or part of your investment in the Fund.

If you are considering an investment in the Fund, you are also strongly advised to consider whether the Units are a suitable investment having regard to your personal investment objectives and financial circumstances (and the risk factors set out in this Section 7). If you are in any doubt about the suitability of an investment in the Fund, you should consult with your financial adviser, stockbroker, solicitor, accountant or other professional adviser before deciding whether to apply for the Units.

## 7.2 Investment strategy risk

### Construction and management of the Portfolio

The investment strategy to be used by the Manager includes inherent risks. These include, but are not limited to, the ability of the Manager to build and maintain a Portfolio that achieves the Fund's investment objective, and which is consistent with the investment strategy and investment guidelines set out in this PDS and as permitted under the law.

While the Manager attempts to moderate these risks, there can be no assurance that the investment strategy will be managed successfully or that the Fund will meet its investment objectives. Failure to do so could negatively impact the performance of the Fund.

### Manager risk

The success and profitability of the Portfolio, and therefore the Fund, will depend in large part upon the performance of the Manager, which is dependent on the skill and expertise of the Investment Group. The Manager may not manage the Portfolio in a manner that consistently achieves the Fund's investment objective over time.

If the Manager was to lose the services of its key members of the Investment Group or otherwise be precluded from providing its management services (for example, by virtue of the loss of their respective licenses or registration), the success and profitability of the Portfolio could be materially and adversely affected. There can be no assurances that the Investment Group will remain wholly intact or that the Manager will maintain key licences and registrations throughout the term of the Fund.

If the Manager ceases to manage the Fund or the Master Trust, the Responsible Entity will need to identify and engage an alternative, and suitably qualified and experienced investment manager. This may affect the Fund's success and performance.

See Section 11.1 for further details of the terms of the Fund IMA.

### Related investments

The Master Trust may invest in loans or portfolios of loans which rank equally, senior or junior to other funds operated by, or entities which are related to, MA Financial Group and may be wholly owned by MA Financial Group. It is the Manager's policy, in the event of any default, to exercise all the enforcement rights held by a lender, regardless of any cross-holdings by MA Financial Group or its related entities (including any funds managed by such).

### Investment sourcing

The success of the Fund depends on the ability of the Manager to identify suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Manager. There can be no assurance that the Manager will be able to identify sufficient investment opportunities to enable the Fund to meet its investment objective.

### Leverage risk

While the Master Trust does not intend to use leverage as a part of its investment strategy, the Master Trust does intend to borrow to manage its liquidity, including through short-term financing to enable the Master Trust to undertake its investment activities and to meet short-term working capital requirements of the Master Trust. The Master Trust may invest in underlying investment vehicles that may use leverage to fund their investments (Underlying Funds). The principal, interest expense and

## 7. Risks (continued)

other costs incurred in connection with any borrowing of the Master Trust or Underlying Funds may not be recovered by the income from and appreciation in its investments. Gains realised with borrowed funds may cause the Master Trust's returns to increase at a faster rate than would be the case without borrowings. If, however, investment results fail to cover the principal, interest and other costs of borrowings, the Master Trust's returns could also decrease faster than if there had been no borrowings. If the Master Trust or Underlying Funds use leverage to fund investments and the counterparty to a debt investment defaults on payment, the Master Trust or the Underlying Funds will still be obliged to service its interest and principal payment obligations. Their inability to do so may give rise to the Master Trust or Underlying Funds debt provider taking action under the relevant debt facility terms to recover amounts owed. The debt provider would be senior ranking to investors (including the Fund and MA Financial Group) and have a first claim over the loans (and associated assets) and cash flows of the Master Trust and the Underlying Funds in a winding-up scenario.

### Currency risk

For investments in global assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of the Portfolio. The Manager may seek to mitigate currency risk by hedging foreign currency exposures to the Australian dollar, including by using derivatives. There can be no assurance that such currency hedging will be effective or available.

### Limited performance history of the Fund and the Master Trust

The Fund was established on 12 November 2018 and the Master Trust was established on 4 January 2019, therefore limiting the performance history of the investment strategy. In addition, historic performance of both the Fund and the Master Trust cannot be relied on as a guide to future performance of the Fund or the Master Trust.

### Insufficiency of Class B Co-Investment

Whilst the Class B Co-Investment is designed to provide protection (through the Income Priority and Capital Buffer and Priority as described in this PDS) to the Fund with respect to its investment in Class B of the Master Trust, there can be no assurance that the Class B Co-Investment will be sufficient to absorb all losses attributable to Class A of the Master Trust and therefore insulate the Fund's investment in Class A units in the Master Trust from any such losses.

Unitholders should note that MA Financial Group is not required to contribute additional capital to replenish any losses suffered by the Class B Co-Investment.

## 7.3 Portfolio and asset class risks

### Credit risk

Credit risk is the risk that one or more assets in the Portfolio may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions.

While all debt instruments are subject to credit risk, to the extent the Portfolio is invested in subordinated, sub-investment grade or unrated debt (which exposure may be significant for the Portfolio), it will be exposed to a greater degree of credit risk than a portfolio invested purely in investment grade debt. The prices of lower grade or unrated debt instruments are more sensitive to negative developments, such as a decline in the borrower's cash earnings or a general economic downturn, than are the prices of higher-grade debt instruments. Debt instruments of sub-investment grade and unrated debt instruments are higher risk with respect to the counterparty's capacity to pay interest and repay principal when due and therefore involve a greater risk of default.

While investments in the Portfolio may have security over certain assets to reduce the impact of credit and default risk, this security in addition to third party guarantees may not be considered to fully mitigate the risk of credit loss.

### Interest rate risk

Interest rate risk is the risk that the investment value or future returns of an asset may be adversely impacted by changes in interest rates. The Portfolio may comprise both fixed rate and floating rate instruments, both which have their own interest rate risks. For fixed rate investments, interest rate risk relates to the risk of a change in value of a private debt instrument due to a change in interest rates. For floating rate investments, the amount of income generated can rise or fall with movements in the relevant base rate. This may impact the relative attractiveness of these investments relative to other assets.

The Manager may seek to mitigate interest rate risk by using derivatives. There can be no assurance that such interest rate hedging will be effective or available.

### Credit margin risk

Credit margin risk is the risk of a change in the value of a debt investment due to a change in credit margins. Longer term assets are generally more impacted by credit margin risk than short term assets. As credit margins increase, the security value may decrease and as credit margins decrease, the security value may increase.



## 7. Risks (continued)

### Liquidity risk

Liquidity risk arises when there is a shortage of buyers and sellers in the marketplace and refers to the ability to realise full market value for the sale of investments. The Portfolio will include private debt investments, some of which are considered to be illiquid investments. Prices realised on any sale of illiquid investments may be less than the prices that were used in calculating the NAV per Unit of the Fund.

### Asset backed securities risks

The value of ABS and RMBS can be affected by a number of factors, including:

- (i) changes in the market's perception of the underlying assets backing the security;
- (ii) economic and political factors such as interest rates and levels of unemployment which can impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security;
- (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures;
- (iv) changes in the perceived creditworthiness of the originator, of the underlying security or any other third parties to the transaction; and
- (v) the speed at which loans within the pool are repaid by the underlying borrowers (whether voluntary or due to arrears or foreclosures).

The investment characteristics of ABS and RMBS differ from traditional debt securities. Among the major differences are the interest and principal payments are made more frequently, often monthly, and the principal may be repaid at any time because the underlying loans are often capable of being prepaid at any time.

### Utilisation risk

The Portfolio may include investments in drawn and undrawn loans. Undrawn loans include revolving loans and facilities where the borrower can draw down and repay the facility over time, subject to an overall facility limit. For these investments, returns will vary depending on the level of utilisation of the revolving loan facility by the borrower. In addition, the Master Trust may need to hold higher levels of cash or other liquidity to allow for undrawn capacity on its revolving loan investments, which may reduce overall Portfolio returns.

### Risk associated with the acquisition of assets from MA Financial Group

The Master Trust may, but is not obliged to, invest in securitisation warehouses, or acquire certain assets from MA Financial Group. Whilst such assets will be acquired

on arm's length terms at face value (being the amount of the outstanding principal plus any accrued or capitalised interest and fees) and will be performing loans as at the time of acquisition, there can be no assurance that the terms of acquisition will be favourable to the Master Trust or such assets will continue to be performing until disposal by the Master Trust. Investors should note that the Master Trust may suffer losses if any such asset becomes non-performing or its fair value falls below the acquisition price.

### Class risk

Class A of the Master Trust has been established as a separate class of units to other classes of units in the Master Trust. As the assets are held on trust for all investors in the Master Trust, there is a risk that investors of Class A units, may be exposed to liabilities of another class of units.

## 7.4 Risks of a trust

### Redemption risk

The Responsible Entity may accept or reject requests to withdraw from the Fund in its absolute discretion. Whilst it is expected that under normal market conditions requests to redeem Units will be accepted and processed monthly (with a 30-day notice period) and paid within 365 days, this may not always be the case. Factors affecting whether redemption requests can be accepted include the ability of the Responsible Entity to redeem the units it holds in the Master Trust, the level of redemption requests received by the Trustee and prevailing market conditions. If the Fund is not liquid as determined by the Corporations Act, the Responsible Entity cannot accept redemptions other than pursuant to a withdrawal offer regulated under the Corporations Act.

There may be times at which an Investor's ability to redeem from the Fund is restricted. The Responsible Entity may suspend redemptions in certain circumstances and redemptions may also be staggered over a period of time.

### Distribution risk

The Fund's ability to pay a distribution is contingent on the income it receives from its investments (primarily, the Master Trust). No guarantee can be given concerning the future earnings or capital appreciation of the Fund, the Master Trust or the Portfolio. The Manager may make poor investment decisions which may result in the Fund's returns being inadequate to pay distributions to Unitholders.

## 7. Risks (continued)

### Valuation risks

The Fund and the Master Trust will rely on the Manager for valuation of their assets and liabilities. Certain securities and assets held in the Master Trust may not have readily assessable market values. In such instances, the Manager will determine the fair value of such securities and assets in their reasonable judgement based on various factors and may rely on internal pricing models. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities or assets. Due to a wide variety of market factors and the nature of certain securities to be held in the Master Trust, there can be no assurance that the value determined by the Manager will represent the value realised on the eventual realisation or disposition of an investment or the fair market value of the investment.

The Fund's valuation policy can be obtained free of charge by contacting the Responsible Entity.

### Operational risk

There is a risk that inadequacies with systems and procedures or the people operating them could lead to a problem with the Fund's or the Master Trust's or the Manager's operation and result in a decrease in the value of Units or otherwise disadvantage to the Fund. Operational risks include, but are not limited to, portfolio investment and liquidity models and assumptions, systems and procedures implemented include, but are not limited to, those that identify and manage conflicts of interest.

### Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to Unitholders' personal information as a result of a threat or failure to protect such information or data.

## 7.5 Conflicts of interest and related party risks

### Related party/conflict of interest risk

The Fund's structure assumes a number of ongoing related party arrangements, which must be carefully managed to ensure that the Responsible Entity and Manager are acting in the best interests of Unitholders in the Fund.

The Manager is, and may continue to be, the manager or adviser to other funds and investment vehicles. It is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and therefore may be detrimental to the Master Trust, the Fund and consequently Unitholders.

The Manager has implemented various structural features and procedures to ensure the manager's alignment with Unitholders. These features include (however are not limited to) the Class B Co-Investment in the Master Trust and the Priority Return features benefiting Fund Unitholders.

Please refer to Sections 5.4 to 5.5 and 11.11 for further information.

### Potential conflicts of interest of the Responsible Entity, the Trustee, the Manager and their affiliates

The Responsible Entity, the Trustee, the Manager and third-party service providers of the Fund may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Fund and its Unitholders. The Manager, the Responsible Entity, the Trustee and their affiliates are part of MA Financial Group. MA Financial Group's businesses include asset management, lending and technology, corporate advisory and equities businesses. MA Financial Group may in the future acquire interests in other businesses.

As a result of the range of MA Financial Group's activities, the Manager and its affiliates, personnel and associates may have multiple advisory, transactional, financial and other interests and relationships that conflict with the interests of the Fund and the Master Trust. They manage a range of investment funds and vehicles which may compete with the Fund and the Master Trust for investment opportunities. These funds and vehicles may also take actions which are contrary to the interests of the Fund and the Master Trust – in particular, when the securities respectively held do not align in interests.

MA Financial Group may also provide other services to the Fund, the Master Trust and to portfolio companies of the Master Trust. These service providers may receive fees, commissions and other payments for these activities. MA Financial Group also makes substantial investments for its own account, which may have an adverse impact on the Fund and the Master Trust, for example by reducing the amount of an investment opportunity that is allocated to the Master Trust.

The Manager, the Trustee, the Responsible Entity and their affiliates have implemented policies and procedures to seek to identify and manage or avoid conflicts in a fair and equitable manner as described in Section 11.11. There can be no guarantee that any such conflicts will be resolved in a manner that will not have an adverse effect on the Fund and the Master Trust.

## 7. Risks (continued)

### 7.6 General risks

#### General investment risk

The value of an investment in the Units and the Fund's investment in the Master Trust may fall for a number of reasons, including the risks set out in this PDS, which means that Unitholders may receive less than their original investment when they redeem their Units or may not otherwise achieve the targeted yield or overall return from their investment.

#### Market and Economic Risk

The investment returns of the Fund and the Portfolio to which it is exposed may be subject to general economic conditions (including interest rates, unemployment, inflation and economic growth), market conditions and government policy risks. In addition, certain events may negatively impact the prices of investments held in the Portfolio. These may include (but are not limited to) changes in legal, tax, social, technology or political conditions, laws as well as general market sentiment. There is also a risk of industry specific shocks relevant to underlying loan assets and general market disruptions.

#### Legal and regulatory risk

The Fund's and the Master Trust's investments are subject to a range of regulatory controls imposed by government (federal and state) and regulatory authorities (for example, ASIC). The relevant regulatory regimes are complex and are subject to change over time depending on changes in the laws and the policies of the governments and regulatory authorities.

The Fund and the Master Trust are exposed to the risk of changes to the applicable laws and/ or the interpretation of existing laws or the risks associated with non-compliance with these laws (including reporting or other legal obligations), all of which may have a negative effect on the Fund, its indirect investments and/or returns to Unitholders. In addition, differences between rules in domestic and foreign markets, including those relating to taxation, accounting, investments, may adversely impact your investment.

All regulatory approvals for the continued operation of the Fund and the Master Trust, including licenses and exemptions from licensing for the Manager, have been obtained and the Responsible Entity and Manager are not aware of any circumstances which might give rise to the cancellation or suspension of any of those approvals. If any of the approvals are cancelled or suspended, the Fund and the Master Trust may be adversely affected.

#### Accounting policy risk

Changes to accounting policies may influence the approach in determining the fair value of investments held by the Master Trust and the Fund and may have a detrimental impact on the fair value of investments.

#### Taxation laws and policies

Tax laws are in a continual state of change and reform which may affect the Fund's and the Master Trust's performance and/or returns achieved by Unitholders.

There may be tax implications for Unitholders arising from investing in Units, the receipt of distributions and returns of capital from the Fund, and on any disposal of Units. Taxation consequences of any investment in the Fund will depend on the Unitholder's circumstances and it is the responsibility of the Unitholder to make their own enquiries and obtain advice from an accountant or other professional tax adviser concerning the taxation consequences of an investment in the Fund. The Responsible Entity, the Manager and the Fund are not responsible for either taxation or penalties incurred by Unitholders.

#### Litigation risk

From time to time, the Responsible Entity may be involved in litigation. This litigation may include, however is not limited to, documentation enforceability and contractual claims. If a claim is pursued against the Responsible Entity, the litigation may adversely impact on the profits and financial performance of the Fund. Any claim, whether successful or not, may adversely impact on the Fund's Unit price and/or the return on your investment.

#### Counterparty risk

Counterparty risk is the risk that a counterparty, such as a bank, clearing house, securities broker or custodian, will not be able to meet its obligations under a contract.

The investment strategy and the Manager rely on the successful performance of contracts with external parties, including securities brokers and service providers. There is a risk that these counterparties may not meet their responsibilities, including as a result of insolvency, financial distress or liquidation of the counterparty, which may expose the Master Trust to the risk of loss. In the case of a default, the Master Trust could also become subject to adverse market movements while replacement transactions are executed. The ability of the Master Trust to transact business with one or more counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Trust.

## 7. Risks (continued)

A special purpose vehicle (SPV) is an off-balance sheet subsidiary created by a parent company to isolate financial risk. SPVs have a legal status separate to its parent company, which makes its obligations separate and distinct from that of the parent company. It is anticipated the majority of investments of the Master Trust are directly in bankruptcy remote SPVs for the purpose of protecting Unitholders from the impact of potential bankruptcies and defaults.

### Pandemic Risk

Global pandemics such as COVID-19, can result in disruptions to the operation and valuation of the assets of the Fund and the Master Trust to which it is exposed. Therefore, unforeseen disruptions to cash flows and asset valuations may arise in such instances.

### 7.7 Timeframe for investments

Investors are advised to regard any investment in the Fund as a medium to long term proposition and to be aware that fluctuations in the value of their investment may occur.

In addition, the above list of risk factors should not be taken as exhaustive of the risks faced by the Fund and/or the Master Trust or by investors in the Fund. The above factors, and others not specifically referred to above, may in the future materially affect the performance of the Fund and the value of the Units. Therefore, there is no guarantee with respect to the payment of distributions, return of capital or the market value of the Units.

## 8. Fees and other costs

### DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your 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 fees. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

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

### 8.1 Fees and costs summary

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Tax details are set out in the 'Taxation' section (Section 10) of this PDS.

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

#### MA Priority Income Fund

Type of cost*	Amount	How and when paid
<b>Ongoing annual fees and costs**</b>		
<b>Management fees and costs</b> The fees and costs of managing your investment <sup>1</sup>	Estimated to be 0.53% p.a. of the NAV of the Fund, comprised of: <ol style="list-style-type: none"><li>1. A management fee of 0.00% p.a. of the NAV of the Fund***.</li><li>2. Estimated indirect costs of 0.53% p.a. of the NAV of the Fund.</li><li>3. Estimated expense recoveries of 0.00% p.a. of the NAV of the Fund.</li></ol>	<p>The Master Trust Management fee payable by the Master Trust to the Manager is calculated and accrued daily and generally paid monthly in arrears out of the assets of the Master Trust within 20 Business Days after the end of the month. The proportion of the Master Trust Management Fee that is attributed to Class A Units is included in the estimated indirect costs and is deducted from the assets of the Master Trust as and when incurred and reflected in the Unit Price of your investment in the Fund.</p> <ol style="list-style-type: none"><li>1. Indirect costs are generally deducted from the assets of the Fund as and when incurred. Indirect costs include a Master Trust management fee that is attributable to Class A Units of 0.50% p.a. of the NAV of Class A units of the Master Trust.</li><li>2. Expense recoveries are generally deducted from the assets of the Fund as and when incurred.</li></ol>

## 8. Fees and other costs (continued)

Type of cost*	Amount	How and when paid
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	Estimated to be 0% p.a. of the NAV of the Fund. <sup>8</sup>	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund, and are deducted from the assets of the Fund as and when incurred.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)**</b>		
<b>Establishment fees</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee<sup>9</sup></b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy/sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil <sup>10</sup>	Not applicable
<b>Withdrawal fee<sup>9</sup></b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee<sup>9</sup></b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

\* Unless otherwise stated, all fees and costs are quoted inclusive of GST and any applicable stamp duty, and net of any input tax credits ('ITCs') or reduced input tax credits ('RITCs') that are expected to be available to the Fund, and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.

\*\* All estimates of fees and costs in this section are based on the relevant costs incurred during the financial year ending 30 June 2024. Please refer to the "Additional explanation of fees and costs" section below for more information on fees and costs that may be payable.

\*\*\* For certain wholesale clients (as defined in the Corporations Act), the Responsible Entity may, at its discretion and in accordance with ASIC Policy and the Corporations Act, negotiate, rebate or waive all or part of the Responsible Entity's management fee. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

8. The transaction costs disclosed in this fees and costs summary are shown net of any recovery received by the Fund from the buy/sell spread charged to transacting unitholders. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

9. This fee includes an amount payable to an adviser. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

10. As at the date of this PDS, the buy/sell spread is 0% on applications and 0% on withdrawals. In estimating the buy/sell spread, the Responsible Entity has assumed that the applications or withdrawals are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for the Responsible Entity to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

## 8. Fees and other costs (continued)

### Example of annual fees and costs for the Fund

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

Example – MA Priority Income Fund (Managed Fund)	Balance of \$50,000 with a contribution of \$5,000 during the year	
<b>Contribution fees</b>	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management fees and costs <sup>11</sup> comprising:	0.53% p.a. of the NAV of the Fund	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investments \$265.00 each year.
Management fee <sup>12</sup> to the Responsible Entity	0.00% p.a. of the NAV of the Fund	
Indirect costs	0.53% p.a. of the NAV of the Fund	
Expense recoveries	0.00% p.a. of the NAV of the Fund	
<b>PLUS</b> Performance fees	\$0	<b>And</b> , you will be charged or have deducted from your investments \$0 in performance fees each year.
<b>PLUS</b> Transaction costs <sup>11</sup>	0% p.a. of the NAV of the Fund	<b>And</b> , you will be charged or have deducted from your investments \$0 in transaction costs.
<b>EQUALS</b> Cost of Managed Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs in the range of: \$265.00. <sup>12,13,14</sup>  <b>What it costs you will depend on the fees you negotiate.</b>

11. Please refer to footnote \*\* in the Fees and costs summary above.

12. Please refer to footnote \*\*\* in the Fees and costs summary above.

13. Additional fees may apply. In limited circumstances, where a Unitholder directly applies for units in or a redemption of units from the Fund, a buy/sell spread may apply which is not taken into account in this example. Please refer to the 'Additional explanation of fees and costs' in this PDS for further details.

14. This amount excludes fees for any additional contributions that may be made during the year. Please note that the minimum initial investment for the Fund is \$10,000, and the minimum additional investment is \$1,000. We have assumed that the \$5,000 contribution is made at the end of the year and that the value of the investment is a constant. This example is therefore calculated using the \$50,000 balance only. Please note that this is just an example. In practice, actual investment balances are unlikely to vary while the Capital Buffer remains positive, and the actual fees and costs charged are based on the value of the Fund.

## 8. Fees and other costs (continued)

### Additional explanation of fees and costs

The investment returns of the Fund will be affected by the fees and expenses incurred. The formula below broadly outlines the fees and costs associated with your investment in the Fund. Further information on these fees and costs are calculated is set out below in this section.

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Total fees and costs = management fees and costs (comprised of the management fee, indirect costs and expense recoveries (if incurred)) + performance fee (if applicable) + transaction costs + buy/sell spread (if applicable).

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All estimates of fees in this PDS are based on information as at the date of this PDS. All costs reflect the actual amount incurred for the previous financial year, including the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of the relevant PDS.

Unitholders in the Fund typically will not bear any establishment costs, performance fees, contribution fees, withdrawal fees, exit fees or switching fees.

### Management fees and costs

Management fees and costs include the amounts payable for administering the Fund, amounts paid for investing in the assets of the Fund and other expenses and reimbursements in relation to the Fund and investments. The management fees and costs of the Fund are comprised of a management fee, indirect costs and any recoverable expenses (if incurred).

### Management fee (includes normal expenses)

As at the date of this PDS a management fee is not charged directly to the Fund, however the Manager of the Master Trust is entitled to a fee out of the assets of the Master Trust of 0.50% per annum of the NAV of Class A of the Master Trust, accrued daily and payable monthly in arrears (Master Trust Management Fee). This is an indirect cost to the Fund.

The Responsible Entity may rebate all or part of its management fees to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis. For further information, on negotiated fees, see the 'Differential Fees' section below.

Wholesale clients seeking to negotiate alternate fee arrangements can contact the Responsible Entity at the address specified in the 'Corporate Directory' section (Section 13) of this PDS.

The Responsible Entity is entitled to separately recover expenses (such as fund accounting, unit registry, custody, audit costs, postage and preparation of tax returns, etc) from the assets of the Fund. Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by the Responsible Entity from the assets of the Fund.

Other fees and costs may apply to the Fund. Unless otherwise agreed, The Responsible Entity may change the amount of any fees in this PDS (including increasing fees up to the maximum set out in the Constitution) without your consent. Management fees disclosed in this PDS will not be increased without providing at least 30 days' advance notice to you.

The Fund's estimated and/or historical management fees may not be an accurate indicator of the actual management fees you may pay in the future. Details of any future changes to management fees will be provided on the Responsible Entity's website where they are not otherwise required to be disclosed to Unitholders under law.

### Indirect costs

Indirect costs include any amount that we know or reasonably ought to know, or where this is not the case, may reasonably estimate has reduced or will reduce (as applicable), whether directly or indirectly, the return of the Fund, or the amount or value of the income of, or property attributable to the Fund, or an interposed vehicle (including the Master Trust) in which the Fund invests.

The management fees and costs figure disclosed in the fees and costs summary of this PDS includes the estimated indirect costs of the Fund of 0.53% p.a., including the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was unavailable at the date of this PDS.

These indirect costs are deducted from revenue earned by the Fund before distributions are made to unitholders of the Master Trust. In the event where expenses are higher than revenue earned, indirect costs will be reflected in the Unit Price of your investment in the Fund.

The indirect costs may vary from year to year, including to the extent that they rely on estimates. Indirect costs include (where applicable): Trustee fees, security trustee fees, Manager fees, Service fees and Administration fees of underlying investments.

Other indirect costs: In managing the Portfolio, the Trustee may engage in trading activity in certain types of publicly traded securities. Engaging in trade activity of these types of products may give rise to other indirect costs. The actual indirect costs that the Fund incurs



## 8. Fees and other costs (continued)

may differ from the indirect costs disclosed in this PDS. Details of any future changes to indirect costs will be provided on the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](http://MAFinancial.com/invest/private-credit/ma-priority-income-fund) where they are not otherwise required to be disclosed to Unitholders under law.

### Expense recoveries

#### Normal expense recoveries

The Responsible Entity is entitled to separately recover expenses (such as fund accounting, unit registry, custody, audit costs, postage and preparation of tax returns etc) from the assets of the Fund.

Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by the Responsible Entity from the assets of the Fund.

The Trustee of the Master Trust is entitled to separately recover expenses (such as fund accounting, unit registry, custody, audit costs, postage and preparation of tax returns etc) from the assets of the Master Trust.

Provided that the expenses are properly incurred, there is no limit on the amount of these expenses that may be recovered by the Trustee of the Master Trust from the assets of the Master Trust.

#### Abnormal expense recoveries

The Responsible Entity may also recover abnormal expenses (such as costs of unitholder meetings, changes to constitutions, and defending or pursuing legal proceedings) from the Fund.

Abnormal expenses are not generally incurred during the day-to-day operation of the Fund and are not necessarily incurred in any given year. In circumstances where such events do occur, we may decide not to recover these from the Fund. Abnormal costs may vary from year to year including to the extent that they rely on estimates. This amount is not an indication or guarantee of the amount that may be charged in the future.

The management fees and costs figure disclosed in the fees and costs summary in this PDS includes the estimated abnormal expense recoveries of the Fund, which is the amount actually incurred by the Fund for the previous financial year, including the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was unavailable at the date of the PDS.

#### Transaction Costs

Transaction costs are the costs incurred when assets are bought or sold by the Fund and include brokerage, buy/sell spreads, settlement costs (including custody costs),

clearing costs and stamp duty. Transaction costs also include costs incurred by an interposed vehicle (such as the Master Trust) that would be transaction costs if they had been incurred by a Fund and certain costs in relation to derivative financial products.

Generally, the Fund will not directly incur any transaction costs as there are no transaction costs associated with buying and selling of Class A units in the Master Trust. However, as the Master Trust may incur transaction costs when buying and selling its underlying investments, the Fund will indirectly incur transaction costs that are attributable to Class A units in the Master Trust.

Transaction costs are reflected in the Fund's Unit price. As these costs are factored into the value of the Fund's assets and reflected in the Unit price, they are an additional cost to you and are not a fee paid to the Responsible Entity. The impact of transaction costs can be offset in part by the buy/sell spread charged by the Responsible Entity to transacting members. These costs can arise as a result of bid-offer spreads being applied by trading counterparties to securities traded by Master Trust.

Where Unitholders apply for or redeem units in the Fund from the Responsible Entity, the Fund may charge a buy/sell spread on the application or redemption amount (please refer to the section headed "Buy/sell spread" below). The estimated transaction costs disclosed in the fees and costs summary in this PDS are shown net of any amount expected to be recovered by the buy/sell spread charged by the Responsible Entity, and reflects the amount actually incurred by the Fund for the previous financial year, including the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was unavailable at the date of this PDS.

The total transaction costs incurred by the Fund for the last financial year were 0% p.a. of the NAV of the Fund. The buy/sell spread recovery for the last financial year was 0% p.a. of the NAV of the Fund. As such, the net transaction costs of the Fund (representing the total transaction costs minus the amount recovered through the buy/sell spread) incurred for the last financial year were 0% p.a. of the NAV of the Fund. The dollar value of these costs over a 1 year period based on an average account balance of \$50,000 is \$0.

The Fund's estimated and/or historical transaction costs may not be an accurate indicator of the actual transaction costs you may incur in the future. Details of any future changes to transaction costs will be provided by the Responsible Entity and accessible via the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](http://MAFinancial.com/invest/private-credit/ma-priority-income-fund) where they are not otherwise required to be disclosed to Unitholders under law.

## 8. Fees and other costs (continued)

### Buy/Sell spread

A buy/sell spread is an amount deducted from the value of a unitholder's application money or redemption proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application or redemption.

Applicants and redeeming investors or Unitholders in the Fund will not be charged a 'buy spread' or a 'sell spread'.

### Differential fees

The Responsible Entity may charge, rebate or waive all or part of the management fee to 'wholesale clients' as defined in the Corporations Act on an individually negotiated basis, subject to the Corporations Act and any relevant ASIC policies. In addition, different or additional fees may be applied in respect of investments in the Fund by wholesale clients. The Responsible Entity can be contacted at the address specified in the 'Corporate Directory' section of this PDS for further details.

### Financial advisers

Additional fees may be paid by you to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

### Adviser Service Fee

The Manager does not pay any commission to financial advisers in respect of the issue of Units in the Fund. The Responsible Entity may permit Investors to direct the Responsible Entity to pay an amount on their behalf to their adviser. This amount will be deducted from your applications money and will accordingly reduce the amount of your capital invested in the Fund and corresponding number of Units issued to you. Please contact the Responsible Entity to verify if such payments can be paid to your adviser.

From time to time, the Manager or its affiliates may pay commissions to certain intermediaries (who are not financial advisers) in respect of investments in the Fund by wholesale clients.

### Changing the fees

The Responsible Entity may change the amount of any fees in this PDS (including increase fees up to the maximum set out in the Constitution) without your consent on 30 days' advance notice to you, when legally required to do so.

In accordance with the Constitution and subject to law, The Responsible Entity may vary the amount of abnormal expense recoveries and the buy/sell spread at any time without your consent or advance notice, subject to Corporations Act and ASIC policy.

The Responsible Entity may introduce and increase fees at its discretion, including where increased charges are due to government changes to legislation, increased costs, significant changes to economic conditions and/or the imposition of increased processing charges by third parties.

However, the Responsible Entity cannot charge more than the maximum fees permitted under the Constitution as set out below (otherwise we would need unitholders' approval to increase the fee maximums in the Constitution). All estimates of fees and costs and costs in this section are based on information available as at the date of this PDS. You should refer to the Website from time to time for any updates which are not materially adverse to investors.

### Tax

Information about tax is set out in 'Taxation' section (Section 10) of this PDS.

### Maximum fees

#### Management fees

Under the Constitution the maximum management fee for the Fund is 2% (excluding GST) per annum of NAV. The Responsible Entity has waived its entitlement to this fee.

The current management fee for the Master Trust is 0.50% p.a. calculated on the NAV of the Master Trust (inclusive of GST and less any RITC entitlement).

#### Establishment fee

The Fund has a maximum establishment fee of 3% (excluding GST) of the application money for Units. No establishment fee is currently charged.

#### Additional Fund Administration Services fee

Under the Constitution, the Responsible Entity is entitled to a remuneration fee for time spent by it and Responsible Entity personnel in providing additional fund administration services, as defined in the Constitution.

## 9. Applications and withdrawals

### 9.1 Applications into the Fund

The minimum initial investment amount is \$10,000. The Responsible Entity can vary or waive the minimum investment amount at any time. The minimum investment amount does not apply if investing through an Investor Directed Portfolio Service (IDPS) or master trust. Please refer to Section 11.10 for more information. You should check with the operator of the IDPS or master trust to verify what minimum limits apply for investing in the Fund through that IDPS or master trust.

If accepted, valid applications will be processed on the date the Unit Registry receives both a completed Online Application or Application Form for the Fund by email or mail and your application money in cleared funds. If accepted, valid applications for Units received by the Unit Registry before 2pm on any Business Day will be processed at the application price, and Units will be issued on the first Business Day of the following month (Application Dealing Day).

Applications received by the Unit Registry after 2pm on a Business Day, or on a day that is not a Business Day, will typically be treated as having been received prior to 2pm on the following Business Day.

Once you have made your initial investment in the Fund, you can make additional investments by completing an Online Application or by sending a completed Application Form, by email, fax or mail, to the Unit Registry. The minimum additional investment amount is \$1,000.

You can make a regular investment in the Fund through a Regular Investment Plan via the Application Portal or by sending a completed Direct Debit Request Form to nominate the amount you will regularly invest and your direct debit details. The minimum amount for regular investment is \$1,000 per month. Your Direct Debit Request Form must be received by the Unit Registry 5 Business Days before the start of your Regular Investment Plan. Changes can be made to your regular investments, provided you give us 5 business days to action your request. Your Regular Investment Plan will automatically cease if two consecutive payments are dishonoured.

The PDS, Application Portal, Application Form and Direct Debit Request Form are available on the Fund webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

### 9.2 Identification and verification requirements

The *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) (AML/CTF Act) requires the collection and verification of specific information from

investors and where relevant, from beneficial owners. As well as completing the Application Form or Application Portal, you may also be required to provide identification. The actual documentation required will depend on what type of investor you are (for example, individual, sole trader, superannuation fund, trust or Australian company). The required identification documents are outlined in the Application Form or Application Portal.

Under relevant laws, we may be required to ask you for additional identity verification documents and/or information about you or anyone acting on your behalf, either when we are processing your investment request or at some stage after we have issued units in the Fund. We may pass any information we collect and hold about you or your investment to relevant government authorities.

If we do not receive all the required valid customer identity verification documents with your Application Form or via the Application Portal, or we are unable to verify your identity at any time, we may not be able to commence your investment or may not process any future redemption requests until we receive the required document(s). We will contact you as soon as possible if we require more information. More information regarding our obligations under the AML/CTF Act are provided in Section 11.14 of this PDS.

The Application Form and Online Application includes details of the identification documentation that we are required by law to collect from you before we can issue units in the Fund to you.

### 9.3 Restrictions on applications

Application Forms for an investment may be mailed as originals, emailed as scanned copies or completed via the Online Application portal.

### 9.4 Incomplete or rejected Application Forms

Under the Constitution we can accept or reject investments into the Fund at any time and are not required to give any reason or grounds for such a refusal. To address money laundering and terrorism financing risks, verification of each unitholder's identity, and where relevant, beneficial owner's identity is a prerequisite for all new unitholders. If we do not receive all valid documents with your relevant Application Form or Online Application or we are unable to verify your identity at any time, we may not be able to commence your investment or may not process any future redemption requests until we receive the required documents.

## 9. Applications and withdrawals (continued)

If your Application Form or Online Application is not completed to our satisfaction or accepted by us and we are not able to proceed with your request, we may:

- attempt to contact you; and/or
- hold your application monies in an interest-bearing trust account until we receive the required information. All interest earned will be retained by the Fund.

Monies will be held for a maximum period of one month commencing on the day we receive the monies. After this period your funds will be returned to the source of payment as soon as is reasonably practicable. If your Application Form or Online Application is subsequently completed to our satisfaction and accepted by us prior to the expiration of the one-month period, before 2pm on any Business Day will be processed at the application price, and Units will be issued on, the first Business Day of the following month. Applications received by the Unit Registry after 2pm on a Business Day, or on a day that is not a Business Day, will typically be treated as having been received prior to 2pm on the following Business Day.

### 9.5 Issue price

The issue price of Units will be calculated as at the relevant Application Dealing Day as follows:

$$\frac{(\text{Net Asset Value} + \text{Transaction Costs})}{(\text{Number of Units on issue})}$$

### 9.6 Direct investors

#### Read PDS

Before completing the Application Form or Online Application please ensure you have read this PDS.

#### Initial investment

Complete all relevant sections of the Online Application or Application Form available on the Fund's webpage at: [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund) and, where relevant, return to Boardroom Pty Limited by mail.

**Mail:** GPO Box 3993,  
Sydney NSW 2001

If you require assistance completing an Application Form, you can contact the Unit Registry via the contact details specified in the 'Corporate Directory' section (Section 13) of this PDS.

#### Additional investment

If you are applying for additional units in the Fund, please complete all relevant sections of the Online Application or Application Form, available on the Fund's webpage at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund)

[income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund) and, where relevant, return to Boardroom Pty Limited by mail, email or fax.

**Mail:** GPO Box 3993,  
Sydney NSW 2001

**Fax:** (02) 9279 0664 (Within Australia)  
+61 2 9279 0664 (Outside Australia)

**Email:** [MAclientservices@boardroomlimited.com.au](mailto:MAclientservices@boardroomlimited.com.au)

If you require assistance completing an Application Form, you can contact the Unit Registry via the contact details specified in the 'Corporate Directory' section (Section 13) of this PDS.

We accept the following payment options:

1. **By electronic funds transfer.** The details to transfer funds by electronic funds are available in the Application Form or Application Portal.

2. **By BPAY®.**

To make a BPAY payment you will need an Australian bank account. You can make your payment using telephone or internet banking. You will need to quote the Fund's biller code and your unique Customer Reference Number (CRN) when making a BPAY payment.

The BPAY Biller Code is available in the Application Form and Application Portal. To obtain a CRN, please contact the Unit Registry or complete the Online Application.

Investments made by BPAY will be processed once we receive your funds. Please note that, although your BPAY transaction is processed from your financial institution account immediately, your funds may take some time to be transferred to us from your financial institution. Typically, if your BPAY request is made before your financial institution's cut-off time (usually 5:00 pm Sydney time), we will receive your funds the following Business Day.

BPAY® is registered to BPAY Pty Ltd ABN 69 079 137 518.

3. **By direct debit.** Direct debit payments can only be made from an Australian bank account. Do not select Direct Debit, if you are submitting your application less than 7 business days before the last day of the month. As payments can take a minimum of 3 business days to clear, please take the application cut-off into consideration, as this may result in you missing the application cut-off date and you may receive fund units at a later date. Direct Debit is only available for initial investments less than \$500,000. If your investment is greater than \$500,000, please use BPay, cheque or EFT. To use this option you will need to complete the Application Portal or Direct Debit Request Form, provide the details of the bank account

## 9. Applications and withdrawals (continued)

from which to deduct your investment amount and acknowledge that you have read and understood the terms of the Direct Debit Request Service Agreement set out in the Direct Debit Request Form.

4. By cheque. Please make your cheque payable to “MAAM RE Ltd ATF MA Priority Income Fund” and crossed “Not negotiable”.

### 9.7 Indirect investors

If you are an indirect investor investing via an IDPS you must complete documentation which your IDPS operator requires.

### 9.8 Your cooling-off rights

If you are a retail investor (as defined in the Corporations Act), who invests directly in the Fund, you are entitled to a 14 day cooling-off period during which you may change your mind about your investment. During that time, you may exercise your cooling-off rights by requesting your money be returned. This cooling-off period commences on the earlier of either the date you receive confirmation of your investment or the end of five Business Days after the day on which your Units are issued. The realised market value of the Units will be refunded, less any taxes and reasonable transactional and administrative costs. This may result in you receiving back a lower amount than you originally invested. You may also have capital gain/loss tax implications if you happen to receive a higher or lower amount back than you originally invested.

If you wish to cancel your investment during the cooling-off period, you need to inform us in writing of your intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers you have in respect of your investment in the Fund).

Cooling-off rights will not apply to “wholesale clients” as defined by the Corporations Act.

Also, cooling off rights do not apply in respect of any investment acquired through an IDPS. However, indirect investors should contact their operator and read the operator’s offer document for more information on any cooling-off rights that may apply in relation to the relevant IDPS.

### 9.9 Withdrawals from the Fund

Where the Fund is not liquid, withdrawals from the Fund may only be effected pursuant to a regulated withdrawal offer issued by the Responsible Entity in accordance with the Corporations Act.

Under normal market conditions, the Responsible Entity expects that the Fund will be liquid. Where the Fund is liquid, Unitholders may request to redeem all or a portion of their Units by sending a completed Withdrawal Form, by email, fax or mail, to the Unit Registry (Withdrawal Request) with a 30 day notice period, or a lesser period as determined by the Responsible Entity (Notice Period).

The minimum withdrawal amount is \$1,000. If your withdrawal request results in your remaining investment in the Fund falling below \$5,000, we may require you to withdraw your entire balance.

The Responsible Entity can vary or waive the minimum withdrawal or holding amount at any time.

Subject to the Corporations Act, the Responsible Entity may accept or reject Withdrawal Requests in its absolute discretion. It is expected that, under normal market conditions whilst the Fund is liquid, Withdrawal Requests, when accepted by the Responsible Entity (with 30 days’ notice) will be processed on the first Business Day of each calendar month (Redemption Date) following expiry of the Notice Period. Withdrawal Requests not accepted and processed due to insufficient cash reserves, will be prioritised in the following applicable month. Where the Responsible Entity has accepted a Withdrawal Request, the Units which are the subject of a Withdrawal Request will be redeemed within 365 days of acceptance of the Withdrawal Request unless withdrawals are suspended in accordance with the Constitution.

Under the Constitution, the maximum period for redeeming Units the subject of an accepted Withdrawal Request is 545 days.

Withdrawals from the Fund may be restricted in certain circumstances. Please refer to Section 9.10.

Withdrawal proceeds will be paid directly into your nominated bank account which must be in your name. If you do not provide us with bank account details, your withdrawal proceeds may be paid by cheque. Payment of withdrawal proceeds cannot be made to a third party.

The redemption price of Units will be calculated as at the relevant Redemption Date. The withdrawal price is calculated as follows:

$$\frac{(\text{Net Asset Value} - \text{Transaction Costs})}{(\text{Number of Units on issue})}$$

The Withdrawal Form is available by contacting Client Services.

## 9. Applications and withdrawals (continued)

### 9.10 Restrictions on withdrawals for the Fund

#### Availability of redemptions

The Responsible Entity may determine that, in respect of a specific Redemption Date, a maximum dollar amount of the Fund's assets will be available for the satisfaction of Withdrawal Requests. Where the number of Withdrawal Requests in respect of a Redemption Date exceeds that amount, such Withdrawal Requests will be satisfied on a priority basis based on when each Withdrawal Request was received. Any unsatisfied Withdrawal Request will be carried forward to the next Redemption Date and will be given priority above later Withdrawal Requests.

#### Suspended redemptions

The Responsible Entity may, in accordance with the Constitution and the Corporations Act, at any time suspend the withdrawal of Units for a period of up to 180 days in certain circumstances, including but not limited to where:

- there have been, or the Responsible Entity anticipates that there will be, Withdrawal Requests that involve realising a significant amount of the Fund's assets and the Responsible Entity considers that if those Withdrawal Requests are all met immediately, Unitholders who continue to hold Units may bear a disproportionate burden of capital gains tax or other expenses, or the meeting of those Withdrawal Requests would otherwise be to the existing Unitholders; disadvantage including by way of a material diminution in the value of the Fund's assets or departure from the investment strategy of the Fund;
- the Responsible Entity receives, within one day, Withdrawal Requests which, in the Responsible Entity's reasonable estimation, exceeds 5% of the value of the Fund's assets;
- a withdrawal request is received during any period before or after a distribution which period the Responsible Entity determines to be necessary or desirable to facilitate the calculation and distribution of distributable income;
- the Responsible Entity believes that the Fund's assets cannot be realised at prices that would be obtained if the Fund's assets were realised in an orderly fashion over a reasonable period in a stable market;
- the Responsible Entity considers that it is not possible or it is impracticable for it to process Withdrawal Requests or make the payment (as applicable) Withdrawal Requests due to one or more circumstances outside its control that could not have been reasonably foreseen at the relevant time; or
- it is otherwise legally permitted.

#### Staggered redemptions

Under certain circumstances, such as where there have been, or the Responsible Entity anticipates that there will be, Withdrawal Requests of 5% or more of the total Units, the Responsible Entity may stagger those Withdrawal Requests over the successive calendar quarter in accordance with the Constitution such that one fifth of each Withdrawal Request is processed in each calendar quarter.

### 9.11 Transferring Units

Transferring Units may have tax implications and you should consult your taxation adviser before you arrange any transfer of Units. The Responsible Entity may, in its discretion, refuse to register any transfer of Units and is not required to give any reasons. Where the Responsible Entity refuses to register a transfer, it may compulsorily redeem those Units in accordance with the Constitution. For further information about how you may transfer your Units, please contact us. There is unlikely to be a secondary market in Units.

### 9.12 Instructions by fax

The Responsible Entity does not accept any responsibility or liability for any loss caused as a result of non-receipt or illegibility of any fax notice or for any loss caused in respect of any action taken as a consequence of such fax instructions believed in good faith to have originated from properly authorised persons.

### 9.13 Unit prices

Under the Constitution, Unit prices are generally calculated each month by dividing the NAV by the number of Units on issue in the Fund. Application and withdrawal Unit prices are then calculated by applying a buy or sell spread to the NAV Unit price. The NAV of the Fund includes the assets (including income accumulated since the previous distribution) less any liabilities (including borrowings and expenses). The buy/sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund. For more information on the buy/sell spread, refer to the section entitled 'Buy/sell spread' in Section 8 of this PDS. The NAV at the end of each month can be found on the monthly report, which is available on the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](http://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

The Unit price of the Fund is expected to remain reasonably stable, due to the income and capital buffer enhancements provided by the Class B Co-Investment (please refer to Section 5.5 this PDS and Section 2.3 of the Booklet). The Fund Unit price could fall in value if

## 9. Applications and withdrawals (continued)

adverse market conditions fully eroded the protections provided by the Class B Co-Investment. All Unit prices are calculated to four (4) decimal places.

The Responsible Entity has adopted a Unit Pricing Policy that sets out policies and procedures when exercising discretions under the Constitution. For the purpose of calculating the NAV of the Fund, the Responsible Entity will rely on financial data provided by the Fund's brokers and/or independent third-party pricing services where relevant. The Responsible Entity may also use and rely on industry standard financial models in pricing any of the Fund's securities or other assets. These methods are consistent with ordinary commercial practice for valuing Units in the Fund and/or will be independently verifiable.

A copy of our Unit Pricing Policy is available on the Fund's webpage, free of charge, at [MAFinancial.com/invest/resources/unit-price-policy](https://MAFinancial.com/invest/resources/unit-price-policy).

# 10. Taxation

**WARNING: Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.**

The information in this PDS and the Booklet summarises certain Australian taxation matters you may wish to consider before investing in the Fund on the basis that you will hold your Units on capital account and are not in the business of investing, trading in investments or investing for the purposes of profit making by sale. The information in this PDS and the Booklet should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. Potential Unitholders should seek their own professional advice specific to their own circumstances in respect of any taxation implications of an investment in the Fund.

This summary is based on the taxation laws as at the date of this PDS. However, taxation laws can change at any time, which may have adverse taxation consequences for Unitholders concerned. It is recommended that Unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

The Fund should be treated as a 'flow-through' entity for Australian tax purposes, meaning that the Fund should not be subject to Australian income tax, with tax instead being borne by Unitholders. As a Unitholder, you will be assessed for tax on your share of the taxable income generated by the Fund. In normal circumstances, you should allow for some taxable income to be generated each year.

The following information regarding taxation implications is general in nature and intended as a guide only.

## 10.1 DRP Tax implications

Participating Unitholders should seek professional tax advice on the taxation implications of participating in the DRP, taking into account their specific circumstances.

Reinvested distributions are assessable for income tax purposes as if received in cash. Participating Unitholders who have not supplied their Tax File Number (TFN) or exemption details may have TFN withholding tax deducted from income distributions before being reinvested under the DRP. Participating Unitholders with an address or place of payment outside Australia may have withholding tax deducted from income distributions before being reinvested under the DRP. For capital gains tax purposes, Units issued under the DRP should be treated as a new investment with a cost base that should be equal to the amount reinvested

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### **Additional information is incorporated by reference**

You should read the important information about the Fund's taxation in Section 4 the Booklet available at the webpage before making a decision in respect of the Fund.

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# 11. Additional information

## 11.1 How the Fund is governed and managed

### Manager

MA Investment Management Pty Ltd (MAIM) acts as the Manager of the Fund pursuant to an investment management agreement between the Responsible Entity and the Manager (Fund IMA).

MA Investment Management Pty Ltd acts as the Manager of the Master Trust pursuant to the investment management agreement between the Trustee and the Manager (Master Trust IMA).

The Manager is wholly-owned subsidiary of MA Financial Group.

As at the date of this PDS there has been no adverse regulatory finding against the Manager of the Master Trust or any individuals within their investment teams.

## 11.2 Service providers

### Additional information is incorporated by reference

You should read the important information about the appointment of services providers in Section 5.3 of the Booklet available at the webpage before making a decision in respect of the Fund.

## 11.3 The Constitution

The Fund is governed by the Constitution. A copy of the Constitution, which has been lodged with ASIC, is available free of charge by contacting Client Services and will be sent within five Business Days of receiving a request.

The Constitution (in addition to the Corporations Act and general law) provides an operational framework for the ongoing management of the Fund. It also provides for the Responsible Entity's powers, duties and obligations in respect of the Fund, the limits to our liability and our right to be indemnified for proper administration of the Fund.

The Constitution includes provisions dealing with:

- distributions to Unitholders;
- obligations, duties and powers of the Responsible Entity;
- duration and termination of the Fund and distribution of net proceeds on winding-up;
- reimbursement and indemnification of the Responsible Entity and others for expenses in connection with the Fund;

- procedures for convening and holding Unitholder meetings;
- fees payable to the Responsible Entity;
- issue, transfer and redemption of Units;
- retirement of the Responsible Entity;
- valuation of Fund assets; and
- amendments to the Constitution.

The key provisions of the Constitution are summarised below. The following summary does not refer to every provision of the Constitution and should be read in conjunction with the rest of this PDS. In the event of a conflict between this summary and the Constitution, the Constitution prevails. Copies of the Constitution can be obtained free of charge by contacting Client Services.

### Interests in the Fund

Subject to the power of the Responsible Entity to issue different classes of Units with different rights, obligations and restrictions, each Unit gives Unitholders an equal and undivided interest in the Fund, but does not give Unitholders an interest in any particular asset of the Fund. For the avoidance of doubt and without limiting the powers of the Responsible Entity, the Responsible Entity may in its absolute discretion allocate the issue price, the redemption price, Net Asset Values and distributions from the Fund between different classes of unit.

### Transfer of Units

A Unitholder may only transfer Units in the manner the Responsible Entity determines.

### Unitholder meetings

The Responsible Entity may at any time convene a meeting of Unitholders. Unitholders may appoint proxies to attend and vote at a meeting of Unitholders on their behalf.

### Distributions to Unitholders

Unitholders are entitled to a pro rata proportion of any distributions made by the Fund, calculated on the basis of the number of Units they hold, relative to the total number of Units on issue at the time that entitlements to distributions are calculated.

### Powers of the Responsible Entity

Subject to the Constitution, the Responsible Entity has all the powers in respect of the Fund that it is legally possible for a natural person, corporation or trustee to have.

## 11. Additional information (continued)

### Termination and winding up of the Fund

The Constitution contains provisions dealing with termination and winding up of the Fund. If the Fund is terminated, the net proceeds of the Fund will be distributed pro rata to Unitholders according to their Unit holdings, provided that the Responsible Entity may retain such part of the proceeds it thinks fit to meet all the liabilities and expenses.

The Constitution also contains provisions designed to limit your liability to the amount invested in the Fund. However, you should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

### Retirement of the Responsible Entity

The Constitution contains provisions dealing with the retirement and removal of the Responsible Entity. The Responsible Entity may retire by giving notice to Unitholders in the Fund with such retirement being effective on the appointment of the replacement responsible entity. The Responsible Entity must retire when directed by 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution, provided that a new replacement trustee is appointed.

A copy of the Constitution, which has been lodged with ASIC, is available free of charge to Unitholders by contacting the Responsible Entity.

## 11.4 The Master Trust Deed

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### Additional information is incorporated by reference

You should read the important information about the Master Trust Deed in Section 5.1 of the Booklet available at the webpage before making a decision in respect of the Fund.

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### Retirement of Trustee

The Master Trust Deed contains provisions dealing with the retirement and removal of the Trustee. The Trustee may retire by giving notice to unitholders in the Master Trust with such retirement being effective on the appointment of the replacement trustee. The Trustee must retire when directed by 75% of the votes cast by unitholders of the Master Trust, provided that a new replacement trustee is appointed.

## 11.5 Material contracts

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### Additional information is incorporated by reference

You should read the important information about the Master Trust in Section 5.4 of the Booklet available at the webpage before making a decision in respect of the Fund.

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## 11.6 Compliance plan and compliance committee

The Fund has a compliance plan which has been lodged with ASIC (Compliance Plan). It sets out measures that the Responsible Entity is to apply in operating the Fund to ensure compliance with the Constitution. A compliance committee has been appointed to monitor compliance by the Responsible Entity with the Constitution and Compliance Plan. A copy of the Compliance Plan is available free of charge on request by contacting the Responsible Entity.

## 11.7 How we keep you informed

As a Unitholder you will receive the following information:

### Confirmations

You will receive confirmations of all your applications and withdrawals.

### Monthly report

A monthly report will be made available on the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund). The report will contain performance of the Fund over multiple periods, commentary on the most recent period's performance and certain Fund characteristics.

### Annual report

An annual report will be made available on the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

### Distribution statements

A distribution statement will be provided to you following a distribution. This will contain information in respect of the amount you have received as a distribution, if any, for the Fund.

## 11. Additional information (continued)

### Periodic statements

A periodic statement will be provided to you annually for the year ending 30 June. This will contain your transaction history, investment value at 30 June, investment performance and fees you have paid for the Fund. If a full withdrawal is made, an exit statement will be provided to you for the nearest quarter ending 31 March, 30 June, 30 September or 31 December.

### Tax statements

A tax statement will be provided to you annually for the year ending 30 June. This will contain information on the tax classification of assessable amounts in respect of the Fund.

### Audited financial statements

Audited financial statements of the Fund are generally issued at least annually for the year ending 30 June. They will be prepared in accordance with accounting standards applicable to general financial statements in Australia to the extent that the Fund is required to comply with those standards by the Corporations Act or under the Constitution. The audited financial statements are made available to unitholders via the Fund's webpage, free of charge, at [MAFinancial.com/invest/private-credit/ma-priority-income-fund](http://MAFinancial.com/invest/private-credit/ma-priority-income-fund). A hard copy may be requested free of charge by contacting the Responsible Entity. Audited financial statements will not be mailed to unitholders unless specifically requested.

### Keeping us informed

Our records about you are important. When requesting a change to your records please provide the Unit Registry with the following:

- (i) your Unitholder reference number;
- (ii) the full name/s in which your investment is/ are held;
- (iii) the change(s) you are requesting;
- (iv) a daytime telephone number; and
- (v) ensure the request is signed by the appropriate signatories.

Some changes may require additional documentation, such as a change of name request. If you wish to change your nominated bank account to which withdrawal payments are made, you will be required to complete the Change of Details Form.

## 11.8 Continuous disclosure

Where the Fund is, or becomes, a "disclosing entity" (generally this will occur when the Fund has 100 Unitholders or more) the Fund will be subject to regular

reporting and disclosure obligations. We will comply with our continuous disclosure obligations under the law by publishing new material information about the Fund on our webpage, free of charge, [MAFinancial.com/invest/private-credit/ma-priority-income-fund](http://MAFinancial.com/invest/private-credit/ma-priority-income-fund), in accordance with ASIC's good practice guidance on website disclosure.

In addition, you would have the right to receive the following documents at no charge:

- the annual financial report most recently lodged with ASIC;
- any half-year financial report lodged with ASIC by the Fund after the lodgment of the annual report most recently lodged with ASIC and before the date of this PDS; and
- any continuous disclosure notices given by the Fund after the lodgment of the annual report most recently lodged with ASIC and before the date of this PDS.

Copies of documents lodged with ASIC in relation to the Fund can be obtained from, or inspected at, an ASIC office.

## 11.9 Complaints

The Responsible Entity has a formal complaints handling procedure in place. If you have any concerns or complaints you can contact our Client Services Team at [clientservices@MAFinancial.com](mailto:clientservices@MAFinancial.com). Or by completing the online complaint form via our website [MAFinancial.com/complaints/](http://MAFinancial.com/complaints/). We will acknowledge your complaint within two Business Days of receipt of the complaint and will address your complaint within 30 days of receipt.

All Unitholders (regardless of whether you hold Units directly or indirectly via an IDPS), are able to access the Responsible Entity's complaints procedures outlined in this section.

After receipt of the complaint, the Responsible Entity will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case in accordance with its duties under the Corporations Act.

If you believe that your matter has not been dealt with satisfactorily or we do not address your complaint within 30 days of receipt and an extension has not been agreed, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA) by calling 1800 931 678 or by writing to AFCA at GPO Box 3, Melbourne VIC 3001 or by emailing [info@afca.org.au](mailto:info@afca.org.au). AFCA provides a fair and independent financial services complaint resolution service that is free to consumers.

## 11. Additional information (continued)

### 11.10 Indirect investors

Unitholders and prospective Unitholders may access the Fund indirectly. This PDS has been authorised for use by operators through an IDPS or master trust. Such indirect investors do not acquire the rights of a unitholder of the Fund. Rather, it is the operator or custodian of the IDPS or master trust that acquires those rights. Therefore, indirect investors do not receive income distributions or reports directly from the Responsible Entity, do not have the right to attend meetings of unitholders and do not have cooling off rights. Indirect investors should not complete the Application Form. The rights of indirect investors are set out in the disclosure document for the IDPS or master trust. If you are investing through an IDPS or a master trust, enquiries should generally be made directly to the IDPS operator or the trustee of the master trust. However, the Responsible Entity's complaints handling procedure is also available to indirect investors.

### 11.11 Related Party transactions and conflicts

#### Additional information is incorporated by reference

You should read the important information about the related party transactions and conflicts in Section 5.2 of the Booklet available at the webpage before making a decision in respect of the Fund.

### 11.12 Labour standards and environmental, social or ethical considerations

MA Financial Group's Asset Management division is a signatory of the United Nations Principles for Responsible Investment (PRI), a set of principles designed to highlight the investment implications of environmental, social and corporate governance issues in investment decision making and stewardship practices. The Fund does not have a sustainable investment objective, nor will it be marketed as a sustainability-related product.

The Responsible Entity and the Manager takes into account labour standards, environmental, social and ethical considerations when selecting, retaining or realising investments in the Fund. The Manager believes that a holistic view of environmental, social and governance (ESG) issues can provide a greater understanding of the investment's risks and opportunities that contribute to evaluating better long-term returns for investors.

Whilst the Manager incorporates ESG information or insights as part of its investment process it is not bound by these considerations, unless they form part of an exclusion noted below. Other than in respect of the exclusionary factors described below, the Manager has no predetermined view on the labour standards, ethical or ESG considerations which it will apply or a fixed methodology or weightings for taking these standards and considerations into account when selecting, retaining and realising investments of the Fund, but rather the Manager examines a range of material labour standards, ethical and ESG considerations. The Manager will consider the effect of ESG issues that it becomes aware of and considers to be material, in respect of the creditworthiness of the borrower, issuer or security asset (where relevant), and to the extent that these impact the ability of the borrower or issuer to satisfy its contractual credit obligations.

Whilst, as described above, the Manager has no fixed or predetermined views as to the ESG factors relevant to a potential investment, examples of ESG considerations that may be taken into account on a case-by-case basis are set out below:

- Environmental factors may include, and are not limited to, pollution prevention, biodiversity and natural resource management, climate change risk, energy transition and efficiency and water and waste management.
- Social factors may include, and are not limited to, human rights, indigenous rights, community impacts, modern slavery in the supply chain and responsible lending (including avoidance of predatory lending practices).
- Governance factors may include, and are not limited to, corporate accountability structures, compliance, executive remuneration and incentive plans, negligence and bribery and corruption.

The above ESG factors may be considered selectively based on the type of investment made by the Fund, and the Manager does not represent or warrant that any or all of the above ESG factors will be incorporated into its investment decision making processes.

As part of its approach to investing responsibly, the Manager also incorporates an exclusion criteria for investments. The Manager's due diligence program seeks to avoid investments where the business activity of the counterparty to the loan is directly or indirectly involved with the production of tobacco, production and distribution of controversial weapons, production and operations of pornography and operation and distribution of predatory lending. The exclusion criteria is in accordance with the Responsible Investment Policy that has been adopted by the Manager and is available upon request from our Client Services team.

## 11. Additional information (continued)

Where the Manager identifies material ESG issues that it considers cannot be mitigated or appropriately managed, the Manager may avoid that investment, and for an existing investment, may take steps to divest the investment if the Manager's ESG criteria can no longer be met. However, under the relevant transactional documentation in respect of an investment, divestment may not always be possible where the only factor is an ESG issue, and in all circumstances, the divestment of an investment may be delayed. The Manager and Responsible Entity will typically only seek to divest of an asset under these circumstances to the extent they consider that such divestment is, and in a manner, in the best interests of the Fund.

### 11.13 Consents and disclaimers

Each of the parties who is named below:

- (a) has not made any statement that is included in this PDS, or any statement on which a statement is made in this PDS is based, other than as specified in this section;
- (b) has not authorised or caused the issue of any part of this PDS;
- (c) makes no representations or warranty, express or implied, as to the fairness, accuracy or completeness of information contained in this PDS; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements made in, or omissions from, this PDS, other than as specified in this section, and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by a Unitholder as a result of this PDS being inaccurate or incomplete in any way or for any reason.

#### Australian Legal Adviser

MinterEllison has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS as the legal advisers to the offer, in the form and context in which it is named.

#### Auditor

KPMG has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS as the auditor to the Fund, in the form and context in which it is named. KPMG has had no involvement in the preparation of any part of this PDS other than being named as the Auditor. KPMG has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

#### Administrator

Alter Domus Australia Pty Limited has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS as the Administrator of the Fund, in the form and context in which it is named. Alter Domus Australia Pty Limited has had no involvement in the preparation of any part of this PDS other than being named as the Administrator. Alter Domus Australia Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

#### Custodian

Certane CT Pty Limited has not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. Certane CT Pty Limited does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by Certane CT Pty Limited.

To the maximum extent permitted by law, Certane CT Pty Limited expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. Certane CT Pty Limited does not guarantee the repayment of capital or any particular rate of capital or income return.

#### Unit Registry

Boardroom Pty Limited has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS as the Unit Registry of the Fund, in the form and context in which it is named. Boardroom has had no involvement in the preparation of any part of this PDS other than being named as the Fund's Unit Registry. Boardroom has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

#### Manager

MAIM has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS as the Manager and to the inclusion in this PDS of the statements by it, or the statements based on statements made by it, concerning its business, investment strategy and philosophy, its opinions, expectations and beliefs, its financial and investment results, in the form and context in which those statements appear in this PDS.

## 11. Additional information (continued)

### Trustee

The Trustee has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS as the Trustee and to the inclusion in this PDS of the statements by it, or the statements based on statements made by it, concerning its business, in the form and context in which those statements appear in this PDS.

### MA Financial Group

MA Financial Group has given and, as at the time of lodgment of this PDS, has not withdrawn its consent to be named in this PDS and to the inclusion in this PDS of the statements by it, or the statements based on statements made by it, concerning its business, in the form and context in which those statements appear in this PDS.

### 11.14 Anti-money laundering and counter-terrorism financing

The AML Act and other applicable anti-money laundering and counter-terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

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#### Additional information is incorporated by reference

You should read the important information about the Fund's compliance with AML Requirements in Section 5.6 of the Booklet available at the webpage before making a decision in respect of the Fund.

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### 11.15 Privacy

Privacy laws apply to the handling of personal information and the Responsible Entity or Manager will collect, use and disclose your personal information in accordance with its privacy policy.

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#### Additional information is incorporated by reference

You should read the important information about matters related to the privacy of your personal information in Section 5.5 of the Booklet available at the webpage before making a decision in respect of the Fund.

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### 11.16 Target market determination

The target market determination for Units in the Fund is available at the Fund webpage located here [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund), available free of charge.

### 11.17 Governing Law

This PDS and the contracts formed on acceptance of Applications are governed by the laws in force in the State of New South Wales and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

## 12. Glossary

The following terms used in this PDS have the following meanings unless the context otherwise requires.

	DEFINITION
<b>AASB</b>	means the Australian Accounting Standards.
<b>ABS</b>	means Asset Backed Securities.
<b>Administrator or Alter Domus</b>	means Alter Domus Australia Pty Limited.
<b>AFCA</b>	means the Australian Financial Complaints Authority.
<b>AFSRN</b>	means an Australian financial services representative number.
<b>AML/CTF Act</b>	means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
<b>Applicant</b>	means a person who makes an Application for Units under this PDS.
<b>Application Form</b>	means the form for applying to make an initial investment as described in Section 9.1, which is available at <a href="https://MAFinancial.com/invest/private-credit/ma-priority-income-fund">MAFinancial.com/invest/private-credit/ma-priority-income-fund</a> .
<b>Application Portal</b>	means the online application portal link described in Section 9, which is available at <a href="https://MAFinancial.com/invest/private-credit/ma-priority-income-fund">MAFinancial.com/invest/private-credit/ma-priority-income-fund</a> .
<b>Application</b>	means an application under this PDS.
<b>Application Dealing Day</b>	means the day on which Applications are processed.
<b>Application Monies</b>	means the monies payable in connection with an Application.
<b>ARSN</b>	means Australian registered scheme number.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>AUD</b>	means Australian dollars (AU\$).
<b>Board or Board of Directors</b>	means the board of directors of the Responsible Entity.
<b>Boardroom</b>	means Boardroom Pty Limited.
<b>Booklet</b>	means the reference booklet in respect of the Fund which is incorporated into and forms part of this PDS, available at <a href="https://MAFinancial.com/invest/private-credit/ma-priority-income-fund">MAFinancial.com/invest/private-credit/ma-priority-income-fund</a> .
<b>Business Day</b>	means a day, other than a Saturday, Sunday or public holiday on which Australian banks (as defined in the Corporations Act) are open for business in Sydney, Australia.
<b>Capital Buffer and Priority</b>	has the meaning to that term in Section 2.3(c) of the Booklet.
<b>Capital Buffer</b>	relates to the Class B Co-Investment in Class B Units and has the meaning given to that term in Section 2.3(c) of the Booklet.

## 12. Glossary (continued)

	DEFINITION
<b>Capital Buffer Top-Up</b>	has the meaning to that term in Section 2.3(d) of the Booklet.
<b>CGT</b>	means capital gains tax.
<b>Class A Subscription Amount</b>	means in relation to the Capital Buffer, an amount equal to 10% of Class A Invested Capital less any Class A capital returns.
<b>Class A Target Return</b>	means the target return to Class A Units, being the RBA Cash Rate plus a 4.0% margin per annum.
<b>Class A Unitholder</b>	means the holders of Class A Units.
<b>Class A Units or Class A</b>	means class A units of the Master Trust.
<b>Class B Co-Investment</b>	means an MA Financial Group Entity's investment in Class B Units of the Master Trust described in Section 2.3.
<b>Class B Unitholder</b>	means the holders of Class B Units, being one or more MA Financial Group Entities.
<b>Class B Units or Class B</b>	means class B units of the Master Trust.
<b>Client Services</b>	means MAAM RE Client Services.
<b>CMBS</b>	means Commercial Mortgage-Backed Securities.
<b>Compliance Plan</b>	means the compliance plan for the Fund lodged with ASIC, as described in Section 11.6.
<b>Constitution</b>	means the constitution for the Fund dated 12 November 2018 as amended from time to time, a copy of which is available free of charge by contacting the Responsible Entity.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth) as amended from time to time.
<b>CRS</b>	means the Common Reporting Standard as described in Section 4 of the Booklet.
<b>Custodian</b>	means Certane CT Pty Limited ACN 106 424 088 (AFSL 258829).
<b>Custody Agreement</b>	means the agreement entered into between the Custodian and the Responsible Entity in relation to the custody of assets held under the Portfolio dated 12 March 2021.
<b>Direct Debit Request Form</b>	means the form to authorise us to arrange for funds to be debited from your account as described in Section 9.1, which is available at <a href="https://MAFinancial.com/invest/private-credit/ma-priority-income-fund">MAFinancial.com/invest/private-credit/ma-priority-income-fund</a> .
<b>Directors</b>	means the directors of the Responsible Entity.
<b>DRP</b>	means the Fund's distribution reinvestment plan as varied from time to time.



## 12. Glossary (continued)

	DEFINITION
<b>Expense Reimbursement Agreement</b>	means the agreement entered into by the Fund and the Master Trust under which the Master Trust agrees to reimburse the Fund for expenses and fees incurred by the Fund.
<b>FATCA</b>	means the Foreign Account Tax Compliance Act, as described in Section 4 of the Booklet.
<b>Fund</b>	means the MA Priority Income Fund ARSN 648 809 849.
<b>Fund IMA</b>	means the agreement between the Manager and the Responsible Entity dated 1 April 2021.
<b>Fund Investment</b>	means the Fund seeking to achieve its Target Return by investing in Class A units of the Master Trust.
<b>Group Investment Committee</b>	means the investment committee of the MA Financial Group.
<b>GST</b>	means Australian Goods and Services Tax.
<b>Income Priority</b>	has the meaning given to that term in Section 2.3(a) of the Booklet.
<b>Income Shortfall</b>	means an amount equal to the aggregate Target Return relating to Class A Units for that distribution period, less an amount equal to the aggregate distribution paid to Class A Unitholders for that distribution period.
<b>Income Shortfall Top-Up</b>	has the meaning given to that term in Section 2.3(b) of the Booklet.
<b>Invested Capital</b>	means the amount of capital invested by the Fund into Class A units of the Master Trust, less fees and costs.
<b>IDPS</b>	means Investor Directed Portfolio Service.
<b>LMI or Lenders' Mortgage Insurance</b>	is a form of protection required by mortgage lenders in the event of a borrower's default.
<b>LVR or Loan to Value Ratio</b>	means the proportion of an asset funded by a lender, expressed as a percentage of the total value of the asset.
<b>MAAM RE</b>	means MAAM RE Limited ACN 135 855 186, AFSL 335 783.
<b>MA Financial Group</b>	means MA Financial Group Limited ACN 142 008 428.
<b>MA Financial Group Entity</b>	means MA Financial Group, or a subsidiary of MA Financial Group, or a fund managed by MA Financial Group or subsidiary of MA Financial Group.
<b>MAIM</b>	means MA Investment Management Pty Ltd ACN 621 552 896, AFSRN 001 258 449.
<b>Manager</b>	means MA Investment Management Pty Ltd ACN 621 552 896, AFSRN 001 258 449.
<b>Manager's Fee or Management Fee</b>	means the fee paid to the Manager for its services as Manager of the Fund.

## 12. Glossary (continued)

	DEFINITION
<b>Master Trust Management Fee</b>	has the meaning given to that term in Section 8.
<b>Master Trust Deed</b>	means the trust deed of the Master Trust dated 4 January 2019 as amended from time to time.
<b>Master Trust IMA</b>	means the investment management agreement between the Manager and the Trustee in relation to the management of the Master Trust, dated 23 January 2019 as amended from time to time.
<b>Master Trust</b>	means the MA Master Credit Trust ABN 56 803 241 782.
<b>Master Trust Liabilities</b>	has the meaning given to that term in the Master Trust Deed.
<b>Master Trust Property</b>	means the Trust Property of the Master Trust as that term is defined in the Master Trust Deed.
<b>Net Asset Value or NAV</b>	means, in respect of the Fund or the Master Trust, as the context requires, the value of the Fund's assets minus its liabilities.
<b>Original Unit Class</b>	means the first class of Units to have been issued in the Fund, being a segregated class of Units not offered under this PDS.
<b>PDS</b>	means this Product Disclosure Statement.
<b>Portfolio</b>	means the portfolio of securities and other assets and liabilities attributable to Class A of the Master Trust, to be managed in accordance with the Master Trust IMA by the Manager pursuant to the investment strategy and investment guidelines set out in this PDS.
<b>Priority Return</b>	means the priority return features contained in Section 5.5 of this PDS.
<b>RBA Cash Rate</b>	means the Reserve Bank of Australia Cash Rate.
<b>Regular Investment Plan</b>	means a regular direct debit from your account to top up your investment in the Fund on a monthly basis, as described in Section 9.1.
<b>Responsible Entity</b>	means the Responsible Entity of the Fund, being MAAM RE Limited ACN 135 855 186, AFSL 335 783.
<b>RITCs</b>	means reduced input tax credits.
<b>RMBS</b>	means Residential Mortgage-Backed Securities.
<b>SME</b>	means a small to medium sized enterprise.
<b>Target Return</b>	means the target return of the Fund, being the RBA Cash Rate plus 4.0% per annum (net of fees and costs).

## 12. Glossary (continued)

	DEFINITION
<b>Transaction Costs</b>	means an estimate by the Responsible Entity of the total transaction costs that would be incurred to acquire afresh, or dispose of the assets of the Fund (including such costs which would be incurred due to the issue or disposal of Units), or zero where the Responsible Entity makes no such estimate.
<b>Trustee</b>	means the trustee of the Master Trust, being MA Asset Management Ltd ACN 142 008 535.
<b>Trustee Board</b>	means the board of the Trustee.
<b>Unit</b>	means a fully paid ordinary unit in the Fund.
<b>Unitholders</b>	means a holder of one or more Units.
<b>Unit Pricing Policy</b>	means a document that sets out policies and procedures when exercising discretions under the Constitution, which is available at <a href="https://MAFinancial.com/invest/resources/unit-price-policy">MAFinancial.com/invest/resources/unit-price-policy</a> .
<b>Unit Registry or Boardroom</b>	means Boardroom Pty Limited ACN 003 209 836.
<b>Updated Information</b>	means any updated information in this PDS.
<b>US person</b>	means “U.S. person” as defined in Regulation S under the US Securities Act.
<b>US Securities Act</b>	means the <i>U.S. Securities Act of 1933</i> (as amended).
<b>Valuation Time</b>	has the meaning given to that term in the Master Trust Deed.
<b>Webpage</b>	means <a href="https://MAFinancial.com/invest/private-credit/ma-priority-income-fund">MAFinancial.com/invest/private-credit/ma-priority-income-fund</a> .
<b>Wholesale Applicant, Wholesale Investor or Wholesale Client</b>	means an Applicant or unitholder who is (in either and in each case) not a retail client under section 761G or 761GA of the Corporations Act.
<b>Withdrawal Form</b>	means a form for requesting withdrawals from the Fund, as described in Section 9.9. The form is available by contacting Client Services.
<b>Withdrawal Request</b>	means the request by Unitholders to redeem all or a portion of their Units by sending a completed Withdrawal Form.

## 13. Corporate Directory

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<b>Responsible Entity</b>	<b>MAAM RE Ltd ACN 135 855 186 AFSL 335 783 (MAAM RE)</b> <b>Address:</b> Level 27, Brookfield Place, 10 Carrington Street, Sydney NSW 2000
<b>MAAM RE Client Services (Client Services)</b>	<b>Address:</b> Level 27, Brookfield Place, 10 Carrington Street, Sydney NSW 2000 <b>Phone:</b> 02 8288 5594 (within Australia) +61 2 8288 5594 (outside Australia) <b>Email:</b> <a href="mailto:clientservices@MAFinancial.com">clientservices@MAFinancial.com</a>
<b>Unit Registry</b>	<b>Boardroom Pty Limited</b> <b>Address:</b> Level 8, 210 George Street, Sydney NSW 2000 <b>Phone:</b> 1300 135 167 (within Australia) +61 2 8023 5415 (outside Australia) <b>Fax:</b> +61 2 9252 1987 (within Australia) +61 2 9252 1987 (outside Australia) <b>Email:</b> <a href="mailto:MAclientservices@boardroomlimited.com.au">MAclientservices@boardroomlimited.com.au</a>
<b>Administrator</b>	<b>Alter Domus Australia Pty Limited</b> <b>Address:</b> Suite 301, 75 Castlereagh Street, Sydney NSW 2000
<b>Auditor</b>	<b>KPMG</b> <b>Address:</b> Level 38, Tower 3/300 Barangaroo Avenue, Barangaroo NSW 2000
<b>Custodian</b>	<b>Certane CT Pty Limited</b> <b>Address:</b> Level 6, 80 Clarence Street, Sydney NSW 2000
<b>Legal Advisor</b>	<b>MinterEllison</b> <b>Address:</b> Level 40, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000
<b>Manager</b>	<b>MA Investment Management Pty Ltd ACN 621 552 896</b> <b>Address:</b> Level 27, Brookfield Place, 10 Carrington Street, Sydney NSW 2000
<b>Trustee</b>	<b>MA Asset Management Ltd ACN 142 008 535</b> <b>Address:</b> Level 27, Brookfield Place, 10 Carrington Street, Sydney NSW 2000
<b>Tax Advisor</b>	<b>SW Accountants and Advisors Pty Ltd</b> <b>Address:</b> Level 10/530 Collins Street, Melbourne VIC 3000

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