



MA ASSET MANAGEMENT
MOELIS AUSTRALIA

MA PRIORITY INCOME FUND
PRODUCT DISCLOSURE STATEMENT

ISSUER AND RESPONSIBLE ENTITY

MAAM RE LIMITED

ACN 135 855 186, AFSL 335 783

MANAGER

MA INVESTMENT MANAGEMENT PTY LTD

ACN 621 552 896, AFSRN 001258449

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IMPORTANT NOTICES

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.

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 Limited 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, available at the <https://moelisaustralia.com/asset-management/retail-funds/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.

Lodgement

This PDS is dated 12 April 2021 and an in-use-notice relating to this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. 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,

IMPORTANT NOTICES (continued)

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

Information in the PDS (including the Booklet) may need to be updated from time to time. 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 website at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>. A paper copy of the Updated Information will be provided free of charge on request. 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.

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, Moelis Australia, 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 lodgement 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.

I M P O R T A N T N O T I C E S (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, you declare that you were given access to the entire PDS, together with the Application Form. 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 |
|--|--|---------------------|
| Fund Name | MA Priority Income Fund | |
| ARSN | ARSN 648 809 849 | |
| Fund Structure | <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).</p> <p>The Master Trust is an unregistered wholesale Australian 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> | Sections 6 |
| Responsible Entity | MAAM RE Limited ACN 135 855 186, AFSL 335 783 (MAAM RE) acts as responsible entity of the Fund. | Section 4 |
| Manager | MA Investment Management Pty Ltd ACN 621 552 896, AFSRN 001 258 449 (Manager or MAIM) acts as the investment manager of the Fund and the Master Trust. | Section 4 |
| Custodian | Certane CT Pty Limited ACN 106 424 088 | Section 11 |
| Administrator | Alter Domus Australia Pty Limited ACN 607 738 125 | Section 11 |
| Base currency | The Fund is denominated in Australian dollars (AUD). | |
| Target Return | 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 |
| Investment strategy | The Fund will seek to achieve its Target Return by investing in Class A units of the Master Trust (Fund Investment). | Section 6 |
| Investment strategy of Master Trust | 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 Moelis Australia proprietary and third-party origination platforms. | Section 6 |

1 FUND FEATURES (continued)

| Feature | Summary | Further Information |
|--|---|---------------------|
| Investor profile | A typical investor will invest into this Fund to seek exposure to a diversified portfolio of credit investments and stable monthly distributions and with a focus on capital preservation. 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. | Section 7 |
| Risk level of the Fund | Low, however all investments have risk, please refer to Section 7 for more detail on the Fund's risks. ¹ | Section 7 |
| Minimum suggested time frame for holding investment | At least 3 years. Please note this is a guide only, not a recommendation. | |
| Minimum investment | Minimum initial investment: \$10,000 Minimum additional investment: \$1,000 Minimum regular investment plan: \$1,000 per month. | Section 9 |
| Management fees² | <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 of 0.50% of the Master Trust's NAV per annum, accrued daily and payable monthly in arrears (Master Trust Management Fee).</p> <p>Responsible Entity's Fee</p> <p>The Responsible Entity is entitled to a fee out of the assets of the Fund of up to 2% (excluding GST) of the Fund's NAV, accrued daily and payable monthly in arrears (Responsible Entity Fee). The Responsible Entity waives its entitlement to this fee for as long as MAIM remains Manager of the Fund and Master Trust. If MAIM ceases to be Manager of the Fund and Master Trust, the Responsible Entity intends to charge this fee.</p> | Section 8 |
| Unit pricing frequency | Monthly | Section 9 |

¹ Financial Services Council Standard Risk Measure: "Low" risk is based on an estimated 0.5 to less and 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 |
|----------------------|---|---------------------|
| Redemptions | <p>You may request that the Manager 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 |
| Distributions | <p>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.</p> | Section 5 |
| Key risks | <p>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.</p> <p>Key risks of an investment in the Fund include but are not limited to:</p> <ul style="list-style-type: none"> • the inability of the Fund to meet redemption requests; • the risk that the Fund does not achieve its investment objective; and • the risk that Unitholders may lose some or all of their capital invested in the Fund. | 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 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 Class A units and cash. The terms of issue of the classes are otherwise identical.

The Responsible Entity has appointed MA Investment Management Pty Ltd ACN 621 552 896, Australian financial services representative number (AFSRN 001 258 449) (**MAIM**) as the investment manager of the Fund (**Manager**). MAIM is a wholly-owned subsidiary of MAAM Holdings Pty Ltd ACN 621 215 450 (**MAAM Holdings**). MAAM Holdings is a wholly owned subsidiary of Moelis Australia Limited ABN 68 142 008 428 (**Moelis Australia**). 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 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.³

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.⁴

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 a wholly owned subsidiary of Moelis Australia invests in a separate class of units in the Master Trust an amount equal to 10% of the Fund's capital (**Manager Co-Investment**). The Manager Co-Investment will be made on a first-loss and subordinated basis which means that:

- the Manager Co-Investment is first impacted in the event of an impairment of capital, 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 priority returns, providing a significant degree of capital and income protection.

Moelis Australia will only receive a return on the Manager 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 to which the Fund is exposed to through its investment in 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.

| | |
|--|---|
| <p>Stable monthly income</p> | <ul style="list-style-type: none"> • The Fund seeks to provide stable and consistent monthly income, across all market conditions. • Target Return of RBA Cash Rate plus 4.00% p.a. (after all fees and costs), paid monthly. • This is a target only and may not be achieved by the Fund. |
| <p>A focus on capital preservation*</p> | <ul style="list-style-type: none"> • A defensive investment strategy focused on preserving investor capital. • Achieved via a distinctive Fund investment strategy and structure: <ul style="list-style-type: none"> – invests in a diversified portfolio of credit investments across market segments, borrowers and origination platforms – the investment strategy is primarily focused on Australian credit that is secured, asset backed or otherwise has defensive characteristics. <p>The Fund structure seeks to mitigate downside risk while aligning Moelis Australia and investor interests.</p> |
| <p>Prioritises income and capital preservation*</p> | <ul style="list-style-type: none"> • The Fund's downside risk is sought to be mitigated by a material 10% subordinated, first loss co-investment by Moelis Australia in the Master Trust. The Fund benefits from prioritisation of income and capital preservation in the Master Trust as any realised losses will first be absorbed by Moelis Australia's investment in the Master Trust. • This arrangement seeks to ensure a strong alignment of interest between Investors and Moelis Australia. <p>See Section 5.5 of this PDS and Section 2.3 of the Booklet for full details on the Priority Return features.</p> |
| <p>Experienced investment manager</p> | <ul style="list-style-type: none"> • Actively managed by a team of experienced investment professionals. • Deep expertise in credit and loan structuring. • Access to specialist lending opportunities originated through Moelis Australia's proprietary platforms and channel relationships. • The Fund has an unbroken track record since inception in November 2018, with investors receiving the full monthly distribution and the Capital Buffer remaining fully intact since inception*. <i>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.</i> |
| <p>Monthly Liquidity</p> | <p>Investors may request to redeem part or all of their capital on a monthly basis, with a 30 day notice period. You may not always be able to withdraw your investment from the Fund. See Section 9.11 for more information on withdrawal restrictions.</p> |
| <p>Through-the-cycle returns</p> | <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 Moelis Australia's Manager 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

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 Website before making a decision in respect of the Fund.

4 ABOUT THE MANAGER AND THE RESPONSIBLE ENTITY

4.1 About Moelis Australia

About Moelis Australia

Moelis Australia is a leading financial services group listed on the Australian Securities Exchange (**ASX**) (ASX:MOE). Moelis Australia operates across asset management, corporate advisory and equities.

Through its asset management division, MAAM, Moelis Australia currently manages over \$5.4 billion in assets across both alternative and traditional asset classes. MAAM adopts an investment philosophy based on developing focused and bespoke investment strategies outside of traditional asset classes. This is a key differentiator of the business as it is able to provide investors exposure to alternative asset classes that are generally not available to retail investors.

Across the firm, there is a deep speciality in credit and real estate, together with a focus on alignment of interests. The firm's approach is to think and act like a principal investor and to invest alongside its clients.

MAAM managed funds primarily invest in the following alternative asset classes:

- credit, hybrid securities and structured investments;
- real estate; and
- private equity and venture capital.

MAAM also manages traditional asset classes including cash, bonds and listed equities.

4.2 The Manager

MAIM is the manager of the Fund and the Master Trust. The Manager is a wholly owned subsidiary of Moelis Australia. The Manager has been appointed by the Responsible Entity as the manager of the Fund under the Fund IMA and by the Trustee as manager of the Master Trust under the 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 Investment Management Agreement, the Manager has agreed to:

- (i) implement the investment strategy, including actively manage and supervise the Master Trust's investments;

4 ABOUT THE MANAGER AND THE RESPONSIBILITY ENTITY (continued)

- (ii) construct and manage the portfolio of the Master Trust in accordance with the investment guidelines set out in the Master Trust Investment Management Agreement;
- (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 and that do not involve a related party of the Trustee 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 the Moelis Australia 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.

5 OVERVIEW OF THE FUND AND INVESTMENT STRUCTURE

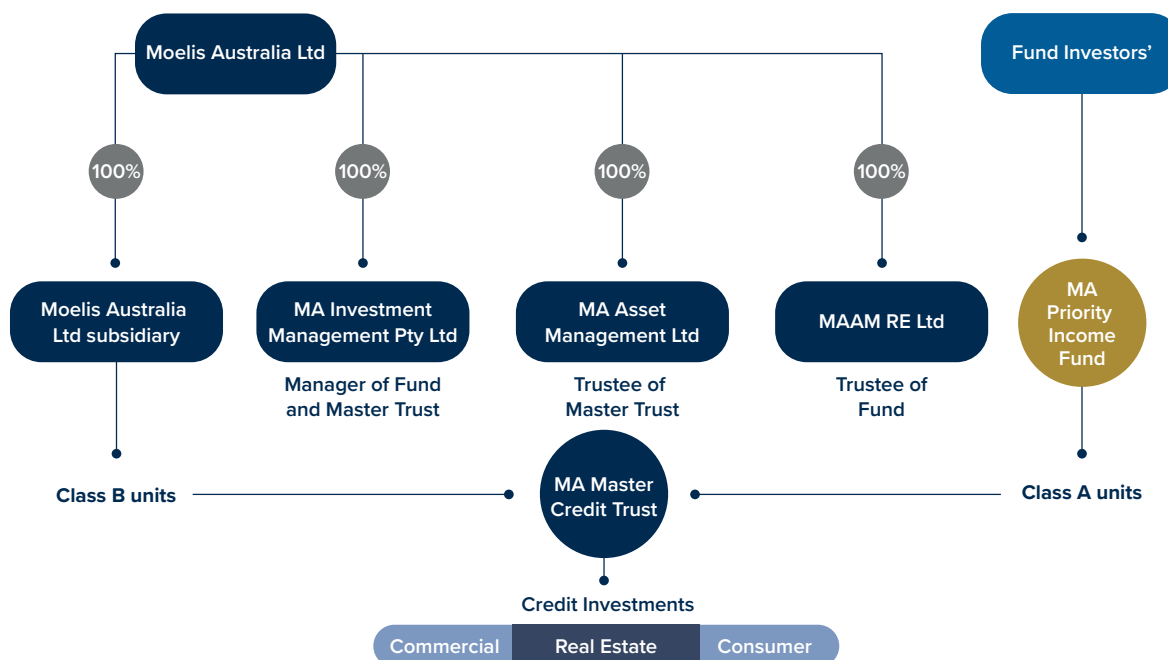
5.1 Overview of the Fund

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 Website.

Investors in the Fund 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. We may at our 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.⁵ The Fund obtains an underlying exposure to the Portfolio through investing solely in Class A units in the Master Trust (**Fund Investment**).⁶

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

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 Website before making a decision in respect of the Fund.

5.4 Overview of the Investment Structure

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

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 Website before making a decision in respect of the Fund.

5.5 Priority Return

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 Moelis Australia in the Master Trust however, it will receive capital and income in priority to Moelis Australia.

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 Website before making a decision in respect of the Fund.

5.6 Distributions

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 Website before making a decision in respect of the Fund.

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.

Deloitte Touche Tohmatsu has been appointed auditor of the Fund and will perform certain audit procedures in relation to the investment valuation, accounting and administration roles performed by the Manager relevant to Deloitte Touche Tohmatsu's obligations as the financial statement auditor and compliance plan auditor of the Fund.

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 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 Moelis Australia on arms' 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 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 the Master Trust, covers four primary credit segments:

| Credit Segment | Description |
|----------------|--|
| Commercial | <ul style="list-style-type: none"> - The Commercial lending strategy encompasses financing to small to medium sized enterprises and is focused on asset-backed or specialised lending - <i>Examples of commercial lending include, debtor and trade finance, legal disbursement funding, insurance premium funding, fleet and equipment finance and supply chain / inventory finance</i> |
| Consumer | <ul style="list-style-type: none"> - The Consumer lending strategy involves financing individual and household consumers - Consumer lending can either be secured or unsecured loans - <i>Examples of consumer lending includes personal loans and strata finance</i> |
| Real Estate | <ul style="list-style-type: none"> - The Real Estate lending strategy involves financing backed by either residential or commercial real estate. - The Fund will have limited Real Estate exposure for liquidity and short term allocation purposes - <i>Examples of real estate lending include RMBS and first lien mortgages</i> |
| Cash | <ul style="list-style-type: none"> - The portfolio is expected to maintain a small allocation towards cash and other liquid assets. - 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 |

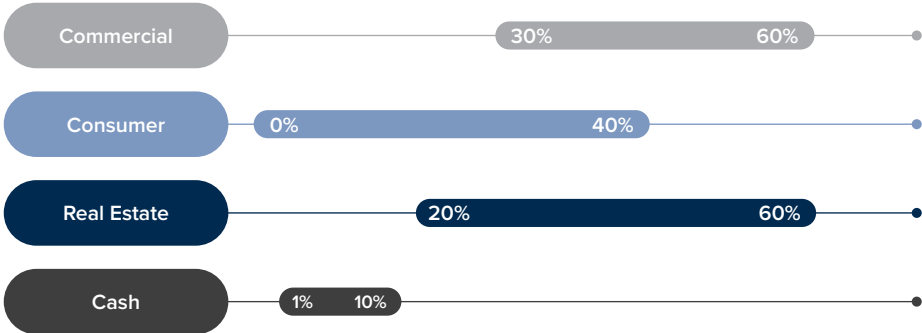
Additional information is incorporated by reference

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 Website before making a decision in respect of the Fund.

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"> • Commercial: 30% to 60%; • Consumer: 0% to 40%; • Real Estate: 20% to 60%; • Cash: 1% to 10%. <p>The credit segments and target Portfolio allocation bands may change from time to time.</p>  <table border="1" data-bbox="464 936 1390 1267"> <thead> <tr> <th>Segment</th> <th>Start (%)</th> <th>End (%)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>30%</td> <td>60%</td> </tr> <tr> <td>Consumer</td> <td>0%</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> </tbody> </table> | Segment | Start (%) | End (%) | Commercial | 30% | 60% | Consumer | 0% | 40% | Real Estate | 20% | 60% | Cash | 1% | 10% |
| Segment | Start (%) | End (%) | | | | | | | | | | | | | | |
| Commercial | 30% | 60% | | | | | | | | | | | | | | |
| Consumer | 0% | 40% | | | | | | | | | | | | | | |
| Real Estate | 20% | 60% | | | | | | | | | | | | | | |
| Cash | 1% | 10% | | | | | | | | | | | | | | |
| 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"> • Cash and cash equivalents • Loans, notes, bonds and other debt securities • Leases and hire purchase • RMBS and ABS securities • Structured credit investments • Derivatives (limited to risk management purposes only) • Equity arising from features of debt instruments. | | | | | | | | | | | | | | | |
| Investment characteristics | <p>Investments in the Portfolio may feature a broad range of credit investment characteristics, including:</p> <ul style="list-style-type: none"> • Senior or subordinated ranking • Secured or unsecured positions • Private or liquid/traded credit • Rated or unrated by a credit rating agency • Predominantly unrated or sub-investment grade • Cash and/or payment-in-kind interest components • Tenors up to 5 years, unless otherwise agreed by the investment committee. | | | | | | | | | | | | | | | |

6 OVERVIEW OF THE INVESTMENT STRATEGY (continued)

| Category | Guidelines |
|--|---|
| Geography | While the Manager currently intends to invest the Portfolio in predominately Australian credit assets, it may choose to invest in New Zealand if it identifies attractive investment opportunities. |
| Direct vs indirect assets | 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. |
| Maximum exposures | Investments in the Portfolio will be subject to the following exposure limits: <ul style="list-style-type: none"> • no exposure to an underlying borrower (on a look-through basis) exceeding 20% of the Portfolio • no Investment in foreign jurisdictions excluding New Zealand. |
| Currency, hedging and derivatives | 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. |

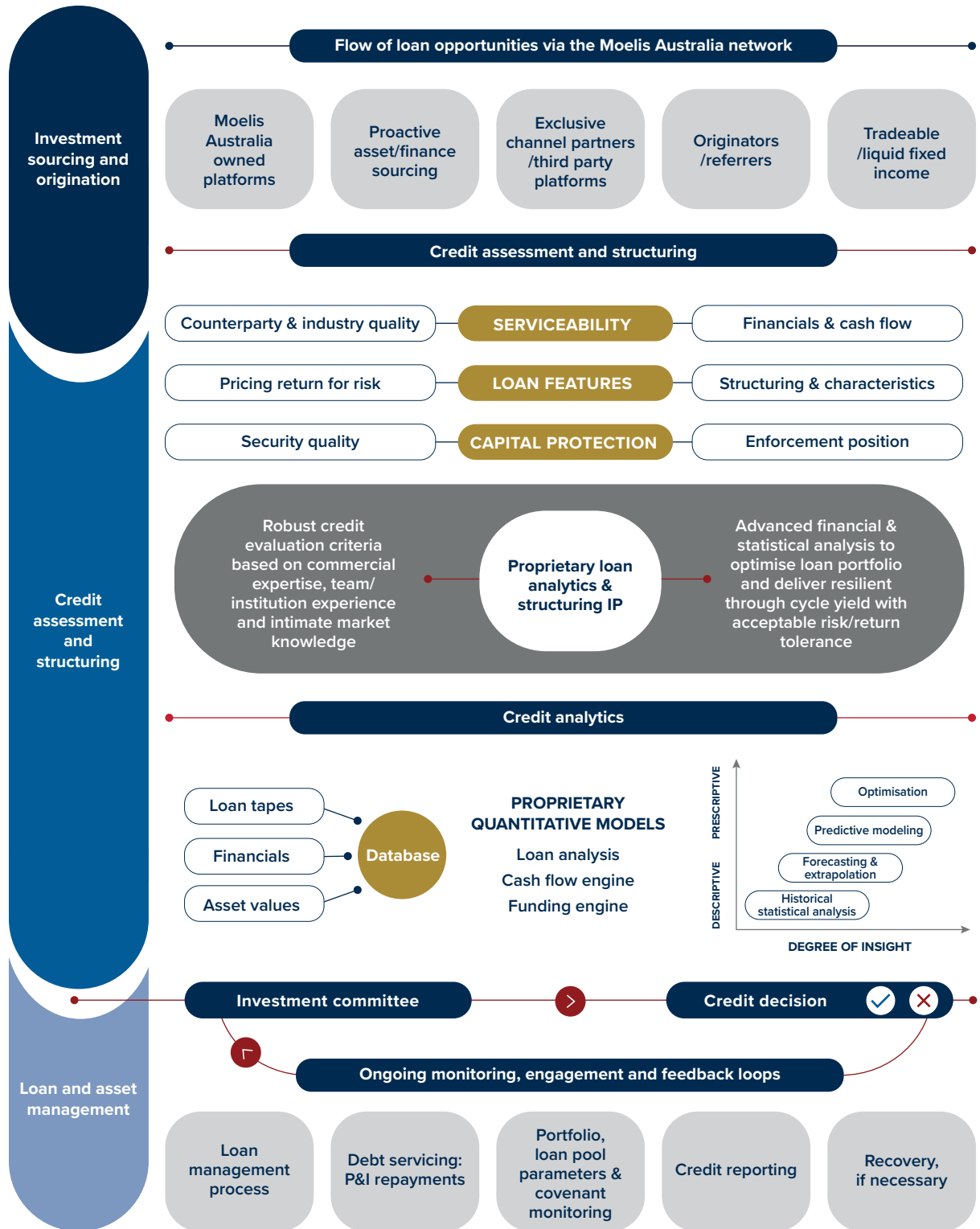
While the intention is to construct and manage the Portfolio in accordance with the investment guidelines, the overriding objective is to invest the Portfolio in assets that generate the best risk-adjusted return with low capital volatility. This may result in the Master Trust having investment concentration 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 investors and the Manager 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 investors' and Moelis Australia's capital. This reflects the primary concern, which is to preserve and protect capital.

6 OVERVIEW OF THE INVESTMENT STRATEGY (continued)



Source: MAIM.

6 OVERVIEW OF THE INVESTMENT STRATEGY (continued)

6.4 Portfolio Construction

Portfolio construction methods

Assets for the Portfolio are sourced primarily from specialty non-bank lending platforms, including MAF Credit and a variety of other third-party platforms and channel partners. Investments take a variety of forms, with the majority on investments being in structured credit products, including Asset Backed Securities (ABS) and Residential Mortgage Backed Securities (RMBS). Whole-loan investments may also be made from time to time. The allocation of funds between MAF Credit 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.

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 31 December 2020, the Master Trust held investments originated by 10 channel partners representing 56% 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 MAF Credit and Moelis Australia

MAF Credit is a specialised lending platform focused on the origination of consumer loans and receivables. MAF Credit is a wholly-owned subsidiary of Moelis Australia and holds an Australian credit licence. The Master Trust may invest in loans originated by MAF Credit provided:

- the investment is in accordance with its investment strategy and investment parameters;
- the loan assets comply in all material respects with applicable law;
- the loans it invests in are performing loans at the time of investment.

Such investments are typically made via an equitable assignment of loans from MAF Credit to the Master Trust (or via an equitable assignment on arms-length terms to a Moelis Australia securitisation warehouse vehicle where the Master Trust will hold the senior note) on arms-length terms in accordance with a sale deed and a servicing deed each dated 1 October 2019 entered into between the Master Trust and MAF Credit. Pursuant to the sale deed, MAF Credit may offer loan assets that it originates to the Master Trust (or via an equitable assignment on arms-length terms to a Moelis Australia securitisation warehouse vehicle where the Master Trust will hold the senior note) by providing the Master Trust with a sale notice. MAF Credit will remain the lender on record in relation to the loans, but MAF Credit's right, title and interest in each loan (and any related security interest) will be equitably transferred to the Master Trust. Pursuant to the servicing deed, MAF Credit is appointed as the servicer of loans assigned to the Master Credit Trust under the MAF Credit Sale Deed, and is entitled to a servicing fee of 0.2% of the average outstanding amount of the loans assigned. MAF Credit will also earn origination fees, annual fees and a drawdown fee in respect of loans that have been assigned to the Master Trust.

The Master Trust is not obliged to invest in any assets offered for investment by MAF Credit and will only do so where the Manager determines such investment to be beneficial to the Master Trust having regard to its investment objectives.

Investments in loans originated by MAF Credit will be made at face value, being the amount of outstanding principal plus any accrued or capitalised interest and fees.

The Master Trust may invest in loans originated by a wholly owned subsidiary Moelis Australia securitisation vehicle. In this Moelis Australia securitisation vehicle the Master Trust may be the senior or mezzanine financing party in the warehouse and its position may be subordinated. The investments in the Moelis Australia securitisation vehicle will be 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.

6 OVERVIEW OF THE INVESTMENT STRATEGY (continued)

Acquisition of future assets from Moelis Australia

The Master Trust may, from time to time, acquire assets from Moelis Australia or from other related parties of Moelis Australia 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 that are offered for investment by Moelis Australia or related parties of Moelis Australia.

See Section 11.11 for details on related party transaction policies.

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 3.2 of the Booklet available at the Website before making a decision in respect of the Fund.

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 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.

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 team. 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 team 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 team 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 entities which are related to Moelis Australia and may be wholly owned by Moelis Australia. 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 Moelis Australia or its related entities (including any funds managed by such).

7 RISKS (continued)

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 principal, interest expense and other costs incurred in connection with any borrowing the Master Trust 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 uses leverage to fund investments and the counterparty to a debt investment defaults on payment, the Master Trust is still obliged to service its interest and principal payment obligations. The inability to do so may give rise to the Master Trust's 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 Moelis Australia) and have a first claim over the loans (and associated assets) and cash flows of the Master Trust 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 Manager Co-Investment

Whilst the Manager 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 the Master Trust, there can be no assurance that the Manager Co-Investment will be sufficient to absorb all losses in the Master Trust and therefore insulate the Fund's investment in the Master Trust from any such losses.

Investors should note that Moelis Australia is not required to contribute additional capital to replenish any losses suffered by the Manager Co-Investment.

7 RISKS (continued)

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 will 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.

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 or quarterly, and the principal may be repaid at any time because the underlying loans are often capable of being prepaid at any time.

7 RISKS (continued)

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 Moelis Australia

The Master Trust may, but is not obliged to, acquire certain assets from Moelis Australia. 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.

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.

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 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.

7 RISKS (continued)

Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Fund or to Investors' 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 investors. These features include (however are not limited to) the Manager 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 Moelis Australia. Moelis Australia's businesses include asset management, corporate advisory and equities businesses. Moelis Australia may in the future acquire interests in other businesses.

As a result of the range of Moelis Australia'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.

Moelis Australia 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. Moelis Australia 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.

7.6 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

7 RISKS (continued)

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 Investor's circumstances and it is the responsibility of the Investor 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 investors.

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, prime 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.

7 RISKS (continued)

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.

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. A number of investments of the Master Trust are directly in bankruptcy remote SPVs for the purpose of protecting investors from the impact of potential bankruptcies and defaults.

Pandemic Risk

On 30 January 2020 the World Health Organisation declared a global emergency and pandemic with respect to a strain of the coronavirus which is the cause of the COVID-19 virus (Virus). Many businesses, including some to which the Fund may have exposure, may be adversely affected by the Virus and any other pandemic or global emergency that may occur. The Virus has caused widespread disruption to business and economic operations and the Virus or any other pandemic or global emergency may have significant adverse impact to the global economy which may impact the investees of the Fund. The potential economic impact caused directly or indirectly by the Virus or any other pandemic or global emergency is uncertain and may affect the ability of borrowers to repay debts, companies to pay dividends and the ability of the Fund or Master Trust to exit investments. Accordingly, the Fund's returns and its ability to pay redemptions may be negatively impacted by the spread or the inability to definitively combat the Virus or any other pandemic or global emergency.

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) 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 |
|---|--|---|
| Ongoing annual fees and costs** | | |
| Management fees and costs The fees and costs of managing your investment ¹ | Estimated to be 0.72% p.a. of the NAV of the Fund, comprised of: <ol style="list-style-type: none"> 1. A management fee of 0% p.a. of the NAV of the Fund***. 2. Estimated indirect costs of 0.56% p.a. of the NAV of the Fund. 3. Estimated expense recoveries of 0.16% p.a. of the NAV of the Fund. | The 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. This fee is included in the estimated indirect costs. <ol style="list-style-type: none"> 1. Indirect costs are generally deducted from the assets of the Fund as and when incurred. Indirect costs include a Master Trust management fee of 0.50% p.a. of the NAV of the Master Trust. 2. Expense recoveries are generally deducted from the assets of the Fund as and when incurred. |

8 FEES AND OTHER COSTS (continued)

| Type of cost* | Amount | How and when paid |
|---|--|---|
| Performance fees Amounts deducted from your investment in relation to the performance of the product | Nil | Not applicable |
| Transaction costs The costs incurred by the scheme when buying or selling assets | Estimated to be 0% p.a. of the NAV of the Fund. ² | 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. |
| Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)** | | |
| Establishment fees The fee to open your investment | Nil | Not applicable |
| Contribution fee¹ The fee on each amount contributed to your investment | Nil | Not applicable |
| Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme | Nil ³ | Not applicable |
| Withdrawal fee¹ The fee on each amount you take out of your investment | Nil | Not applicable |
| Exit fee¹ The fee to close your investment | Nil | Not applicable |
| Switching fee The fee for changing investment options | Nil | Not applicable |

* Unless otherwise stated, all fees and costs are quoted inclusive of GST 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 information available as at the date of this PDS and reflects the Responsible Entity's reasonable estimates of the typical ongoing amounts for the current financial year.

*** 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.

1 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.

2 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.

3 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 | |
|---|--|---|
| Contribution fees | Nil | For every additional \$5,000 you put in, you will be charged \$0 |
| PLUS | | And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investments \$358.21 each year. |
| Management fees and costs ² comprising: | 0.72% p.a. | |
| Management fee ³ to the Responsible Entity | 0.00% p.a. | |
| Indirect costs | 0.56% p.a. | |
| Expense recoveries | 0.16% p.a. | |
| PLUS | \$0 | And , you will be charged or have deducted from your investments \$0 in performance fees each year. |
| Performance fees | | |
| PLUS | 0% p.a. | And , you will be charged or have deducted from your investments \$0 in transaction costs. |
| Transaction costs ² | | |
| EQUALS | | 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 \$358.21. ^{1,3,4} |
| Cost of Fund | | What it costs you will depend on the fees you negotiate. |

1 Additional fees may apply. In limited circumstances, where an investor 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.

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

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

4 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.

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).

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.

Investors 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)

The Responsible Entity is entitled to a fee out of the assets of the Fund of up to 2% (excluding GST) of the Fund's NAV, accrued daily and payable monthly in arrears. The Responsible Entity waives its entitlement to this fee for as long as MAIM remains Manager of the Fund and Master Trust.

If MAIM ceases to be Manager of the Fund and Master Trust, the Responsible Entity intends to charge this fee.

The Manager of the Master Trust is entitled to a fee out of the assets of the Master Trust of 0.50% of the Master Trust's NAV per annum, accrued daily and payable monthly in arrears (**Master Trust Management Fee**).

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 at where they are not otherwise required to be disclosed to investors under law.

8 FEES AND OTHER COSTS (continued)

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 0.06% 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 reflected in the Unit price of your investment in the Fund and include any underlying (indirect) management fees and costs and other indirect costs.

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 may differ from the indirect costs disclosed in this PDS. Details of any future changes to indirect costs will be provided on the Responsible Entity's website at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/> where they are not otherwise required to be disclosed to investors 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.

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.

8 FEES AND OTHER COSTS (continued)

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 will incur transaction costs when buying and selling its underlying investments, the Fund will indirectly incur transaction costs.

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 Investors 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's website at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/> where they are not otherwise required to be disclosed to investors under law.

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 unitholders in a 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. **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. Investors are able to direct the Responsible Entity to pay an amount on their behalf to their adviser. To do so, please nominate the payment amount on your Adviser Service Fee Form, and 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.

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.

8 FEES AND OTHER COSTS (continued)

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.

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.

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).

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 for as long as MAIM remains Manager of the Fund.

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. We can vary or waive the minimum investment amount at any time. The minimum investment amounts do not apply if investing through an 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, applications will be processed with an effective date being the date the Unit Registry receives both a completed online application via the application portal link (**Application Portal**) or valid Application Form for the Fund by 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 via the Application Portal or by sending a completed Additional Investment 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 Regular Investment Plan Form and Direct Debit Request Form to nominate the amount you will regularly invest and your direct debit details. The minimum amount for regular investment is \$1000 per month. Your Regular Investment Plan Form and 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, Additional Investment Form, Regular Investment Plan Form and Direct Debit Request Form are available at <https://moelisaustralia.com/asset-management/retail-funds/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 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.

9.3 Restrictions on applications

The Application Form or Application Portal 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. Please note that Application Forms for an initial investment are not accepted by fax or email due to legislative requirements, they must be mailed as originals to the Unit Registry, unless completed via the online application portal.

9 APPLICATIONS AND WITHDRAWALS (continued)

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 via the online 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 documents.

If your Application Form or Application Portal is not complete 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 Application Portal 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 Application Portal please ensure you have read this PDS.

Initial investment

Complete all relevant sections of the Application Portal or Application Form available at: <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/> and, where relevant, return to Boardroom Pty Limited by mail.

Mail: GPO Box 3993,
Sydney NSW 2001

Phone: 1300 135 167 (within Australia)
+61 2 8023 5415 (outside Australia)

Fax: (02) 9252 1987 (within Australia)
+61 2 9252 1987 (outside Australia)

Email: maclientservices@boardroomlimited.com.au

9.7 Additional investment

If you are applying for additional units in the Fund, please complete all relevant sections of the Application Portal or Additional Investment Form, available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/> and, where relevant, return to Boardroom Pty Limited by mail, email or fax.

Mail : GPO Box 3993,
Sydney NSW 2001

Phone: 1300 135 167 (Within Australia)
+61 2 8023 5415 (Outside Australia)

Fax: (02) 9252 1987 (Within Australia)
+61 2 9252 1987 (Outside Australia)

Email: maclientservices@boardroomlimited.com.au

We accept the following payment options:

1. By electronic funds transfer. The details to transfer funds by electronic funds transfer are as follows:

Account Name: Boardroom Pty Limited ITF
MA Priority Income Fund

BSB: 332-027

Account Number: 555 315 962

Description: <Investor Name>

9 APPLICATIONS AND WITHDRAWALS (continued)

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.

To obtain a CRN, please contact the Unit Registry.

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 Biller Code

MA Priority Income Fund 119081

3. By cheque. Please make your cheque payable to "Boardroom Pty Limited ITF MA Priority Income Fund Applications" and crossed "Not negotiable".
4. By direct debit. To use this option you will need to complete the Application Portal or Direct Debit Request Form, provide the details of the bank account 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.

9.8 Indirect investors

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

9.9 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.

9.10 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, Investors 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.

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

9 APPLICATIONS AND WITHDRAWALS (continued)

We 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 9.11.

Withdrawal proceeds will be paid directly into your nominated Australian bank account which must be in your name. If you do not provide us with Australian bank account details, your withdrawal proceeds will 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 at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

9.11 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, Investors 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 Investors; 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;

9 APPLICATIONS AND WITHDRAWALS (continued)

- 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 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.

9.12 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.

9.13 Instructions by fax

None of the Responsible Entity nor any of their duly appointed service providers including the Custodian and the Unit Registry accepts 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.

9.14 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 our website at <https://moelisaustralia.com/asset-management/retail-funds/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 Manager 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 adverse market conditions fully eroded the protections provided by the Manager Co-Investment. All Unit prices are calculated to four (4) decimal places. Any rounding benefits will be retained by the Fund.

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 at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

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 Investors 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. Investing in a registered managed investment scheme is likely to have tax consequences. However, taxation laws can change at any time, which may have adverse taxation consequences for Investors concerned. It is recommended that Investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

Managed funds generally distribute all of their income each year so that the fund is not subject to tax. Managed funds do not pay the tax liability on behalf of Australian resident investors. As an investor, you will be assessed for tax on your share of the income and capital gains generated by the Fund. In normal circumstances, you should allow for some income to be generated each year.

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 Website before making a decision in respect of the Fund.

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 Management Company and the Manager (**Master Trust IMA**).

The Manager is wholly owned subsidiary of Moelis Australia Limited.

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 Website before making a decision in respect of the Fund.

11.3 The Constitution

The Fund is governed by the Constitution.

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 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.

11 ADDITIONAL INFORMATION (continued)

Transfer of Units

An 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.

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

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 Website before making a decision in respect of the Fund.

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 Class A units in the Master Trust and at least 75% of votes cast by holders of Class B units in the Master Trust, provided that a new replacement trustee is appointed.

11 ADDITIONAL INFORMATION (continued)

11.5 Material contracts

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 Website before making a decision in respect of the Fund.

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:

Unitholder communications

As a unitholder in the Fund, you will receive the following reports.

Confirmations

You will receive confirmations of all your applications and withdrawals.

Monthly report

A monthly report will be made available on our website <https://moelisaustralia.com/asset-management/retail-funds/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 our website <https://moelisaustralia.com/asset-management/retail-funds/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.

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, a periodic 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 online at <https://moelisaustralia.com/asset-management/retail-funds/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.

11 ADDITIONAL INFORMATION (continued)

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 investors 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 website <https://moelisaustralia.com/asset-management/retail-funds/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 lodgement 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 lodgement 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 Complaints Officer on MAclientservices@moelisaustralia.com.

All Investors (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 paragraph.

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, 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. AFCA provides a fair and independent financial services complaint resolution service that is free to consumers. AFCA is only available to retail clients.

11.10 Indirect investors

Investors and prospective investors 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.

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.

11 ADDITIONAL INFORMATION (continued)

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 Website before making a decision in respect of the Fund.

11.12 Labour standards and environmental, social or ethical considerations

None of the Responsible Entity, the Trustee and the Manager takes into account labour standards environmental, social or ethical considerations for the purpose of selecting, retaining or realising its investments.

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 an investor 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 lodgement 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

Deloitte Touche Tohmatsu has given and, as at the time of lodgement 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. Deloitte Touche Tohmatsu has had no involvement in the preparation of any part of this PDS other than being named as the Auditor. Deloitte Touche Tohmatsu 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 lodgement 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.

11 ADDITIONAL INFORMATION (continued)

Unit Registry

Boardroom Pty Limited has given and, as at the time of lodgement 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 lodgement 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.

Trustee

MAAM has given and, as at the time of lodgement 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.

Moelis Australia

Moelis Australia has given and, as at the time of lodgement 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.

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 Website before making a decision in respect of the Fund.

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.

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 Website before making a decision in respect of the Fund.

11.16 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.

AAS means the Australian Accounting Standards.

ABS means Asset Backed Securities.

Additional Investment Form means the form for making additional investments as described in Section 9.1, which is available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Administrator or **Alter Domus** means Alter Domus Australia Pty Limited.

AFCA means the Australian Financial Complaint Authority.

AML/CTF Act means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth).

Applicant means a person who makes an Application for Units under this PDS.

Application Form means the form for applying to make an initial investment as described in Section 9.1, which is available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Application Portal means the online application portal link described in Section 9, which is available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Application means an application under this PDS.

Application Dealing Day means the day on which Applications are processed.

Application Monies means the monies payable in connection with an Application.

AFRSN means an Australian financial services representative number.

ARSN means Australian registered scheme number.

ASIC means the Australian Securities and Investments Commission.

AUD means Australian dollars (AU\$).

Board or **Board of Directors** means the board of directors of the Responsible Entity.

Boardroom means Boardroom Pty Limited.

Booklet means the additional information booklet in respect of the Fund which is incorporated into and forms part of this PDS, available at the <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Business Day 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.

Capital Buffer and **Priority** has the meaning to that term in Section 2.3(c) of the Booklet.

Capital Buffer relates to the Manager Co-Investment in Class B Units and has the meaning given to that term in Section 2.3(c) of the Booklet.

Capital Buffer Top-Up has the meaning to that term in Section 2.3(d) of the Booklet.

CGT means capital gains tax.

Class A Subscription Amount means in relation to the Capital Buffer, an amount equal to 10% of Class A Invested Capital less any Class A capital returns.

Class A Target Return means the target return to Class A Units, being the RBA Cash Rate plus a 4.0% margin per annum.

Class A Unitholder means the holders of Class A Units.

Class A Units or **Class A** means class A units of the Master Trust.

Class B Unitholder means the holder of Class B Units, being Eastern Credit Management Pty Ltd ACN 623 243 336.

Class B Units or **Class B** means class B units of the Master Trust.

Client Services means MAAM RE Client Services.

Compliance Plan means the compliance plan for the Fund lodged with ASIC, as described in Section 11.6.

Constitution 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.

Corporations Act means *Corporations Act 2001* (Cth) as amended from time to time.

CRS means the Common Reporting Standard as described in Section 4 of the Booklet.

12 GLOSSARY (continued)

Custodian means Certane CT Pty Limited ACN 106 424 088 (AFSL 258829).

Custody Agreement 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.

Direct Debit Request Form means the form to authorise us to arrange for funds to be debited from your account as described in Section 9.7.5, which is available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Directors means the directors of the Responsible Entity.

Expense Reimbursement Agreement 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.

FATCA means the Foreign Account Tax Compliance Act, as described in Section 4 of the Booklet.

Fund means the MA Priority Income Fund ARSN 648 809 849.

Fund IMA means the agreement between the Manager and the Responsible Entity dated 8 April 2021.

Fund Investment means the Fund seeking to achieve its Target Return by investing in Class A units of the Master Trust.

Group Investment Committee means the investment committee of the Moelis Australia group.

GST means Australian Goods and Services Tax.

Income Priority has the meaning given to that term in Section 2.3(a) of the Booklet.

Income Shortfall 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.

Income Shortfall Top-Up has the meaning given to that term in Section 2.3(b) of the Booklet.

Investors means a holder of Units in the Fund.

Invested Capital means the amount of capital invested less fees and costs.

LMI or Lenders' Mortgage Insurance is a form of protection required by mortgage lenders in the event of a borrower's default.

LVR or Loan to Value Ratio means the proportion of an asset funded by a lender, expressed as a percentage of the total value of the asset.

MAAM RE means MAAM RE Limited ACN 135 855 186, AFSL 335 783.

MAF Credit means MAF Credit Pty Ltd ACN 623 716 503 ACL 505163.

MAIM means MA Investment Management Pty Ltd ACN 621 552 896, AFRSN 001 258 449.

Manager Co-Investment means the Moelis Australia's investment in Class B Units of the Master Trust described in Section 2.3.

Manager means MA Investment Management Pty Ltd ACN 621 552 896, AFRSN 001 258 449.

Manager's Fee or Management Fee means the fee paid to the Manager for its services as Manager of the Fund.

Master Trust Management Fee has the meaning given to that term in Section 8.

Master Trust Deed means the trust deed of the Master Trust dated 4 January 2019 as amended from time to time.

Master Trust IMA 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.

Master Trust Auditor means the auditor engaged by the Master Trust.

Master Trust means the Moelis Australia Master Credit Trust ABN 56 803 241 782.

Master Trust Liabilities has the meaning given to that term in the Master Trust Deed.

Master Trust Property means the Trust Property of the Master Trust as that term is defined in the Master Trust Deed.

Moelis Australia means Moelis Australia Limited ACN 142 008 428.

Net Asset Value or NAV means, in respect of the Fund or the Master Trust, as the context requires, the value of the Fund's assets minus its liabilities.

12 GLOSSARY (continued)

Original Unit Class means the first class of Units to have been issued in the Fund, being a segregated class of Units not offered under this PDS.

PDS means this Product Disclosure Statement.

Portfolio means the portfolio of securities and other assets and liabilities 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.

Priority Return means the priority return features contained in Section 5.5 of this PDS.

RBA Cash Rate means the Reserve Bank of Australia Cash Rate.

Regular Investment Plan Form means the form to set up a regular direct debit from your account to top up your investment in the Fund on a monthly, quarterly or annual basis, as described in Section 9.1, which is available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Responsible Entity means the Responsible Entity of the Fund, being MAAM RE Limited ACN 135 855 186, AFSL 335 783.

RITCs means reduced input tax credits.

RMBS means Residential Mortgage-Backed Securities.

SME means a small to medium sized enterprise.

Target Return means the target return of the Fund, being the RBA Cash Rate plus 4.0% per annum (net of fees and costs).

Transaction Costs 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.

Trustee means the trustee of the Master Trust, being MA Asset Management Ltd ACN 142 008 535.

Trustee Board means the board of the Trustee.

Unit means a fully paid ordinary unit in the Fund.

Unitholders means a holder of one or more Units.

Unit Pricing Policy means a document that sets out policies and procedures when exercising discretions under the Constitution, which is available at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

Unit Registry or **Boardroom** means Boardroom Pty Limited ACN 003 209 836.

Updated Information means any updated information in this PDS.

US person means “U.S. person” as defined in Regulation S under the US Securities Act.

US Securities Act means the U.S. Securities Act of 1933 (as amended).

Valuation Time has the meaning given to that term in the Master Trust Deed.

Virus means the COVID-19 virus.

Wholesale Applicant, Wholesale Investor or **Wholesale Client** means an Applicant or investor who is (in either and in each case) not a retail client under section 761G or 761GA of the Corporations Act.

Withdrawal Form means a form for requesting withdrawals from the Fund, as described in Section 9.9. The form is available online at <https://moelisaustralia.com/asset-management/retail-funds/ma-priority-income-fund/>.

13 CORPORATE DIRECTORY

Responsible Entity

MAAM RE Limited ACN 135 855 186
AFSL 335 783 (MAAM RE)

Address: Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000

MAAM RE Client Services (Client Services)

Address: Level 27, Governor Philip Tower
One Farrer Place, Sydney, NSW 2000

Phone: 02 8288 5594 (within Australia)
+61 2 8288 5594 (outside Australia)

Email: MAclientservices@moelisaustralia.com

Unit Registry

Boardroom Pty Limited

Address: Level 12, Grosvenor Place
225 George Street, Sydney, NSW 2000

Phone: 1300 135 167 (within Australia)
+61 2 8023 5415 (outside Australia)

Fax: +61 2 9252 1987 (within Australia)
+61 2 9252 1987 (outside Australia)

Email: maclientservices@boardroomlimited.com.au

Administrator

Alter Domus Australia Pty Limited

Address: Level 9, 61 York Street
Sydney NSW 2000

Auditor

Deloitte Touche Tohmatsu Limited

Address: Level 9, 225 George Street
Sydney NSW 2000

Custodian

Certane CT Pty Limited

Address: Level 19, 60 Castlereagh Street
Sydney NSW 2000

Legal Advisor

MinterEllison

Address: Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000

Manager

MA Investment Management Pty Ltd
ACN 621 552 896

Address: Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000

Trustee

MA Asset Management Ltd ACN 142 008 535

Address: Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000

Tax Advisor

ShineWing

Address: Level 8/167 Macquarie Street
Sydney NSW 2000