



Funding Investment Trust

Product Disclosure Statement

ARSN 616 185 276

MANAGER

Funding.com.au Pty Ltd

ACN 603 756 547

RESPONSIBLE ENTITY AND TRUSTEE

Melbourne Securities Corporation Ltd

ACN 160 326 545, AFSL 428289

CUSTODIAN

Sandhurst Trustees Limited

ACN 004 030 737

7 May 2021

Important Notices

This Product Disclosure Statement ("PDS") is dated 7 May 2021.

Melbourne Securities Corporation Ltd ACN 160 326 545 ("Trustee") holds an Australian Financial Services Licence ("AFSL"), number 428289, and is the Responsible Entity and Trustee of Funding Investment Trust ("Trust") available for investment through this PDS. Funding.com.au Pty Ltd (ACN 603 756 547) is the Fund Manager of the Trust. The Fund Manager is an authorised representative (No: 1239776) of MSC Advisory Pty Ltd (ACN 607 459 441, AFSL 480649). The Trustee is the issuer of the PDS and the Units in the Trust. Units to which this PDS relates will only be issued on the receipt of a properly completed Application Form included in or accompanied by this PDS or obtained from the Trustee and any other required information as to an investor's identity and the source of payment of the application monies.

The Trust is subject to investment risk, including possible delays in repayment and loss of income and principal invested. The performance of your investment in the Trust will be linked to the loans you choose to invest in and the ability of the borrowers under those loans to repay. Your investment does not represent deposits or other liabilities of the Trustee, Funding.com.au Pty Ltd ("Funding.com.au" or "Fund Manager") or any other person. None of the Trust, the Trustee, Funding.com.au or any of their associates or any of its related bodies corporate, guarantees in any way the performance of the Trust, repayment of capital from the Trust, any particular return from, or any increase in, the value of the Trust. Any prospective financial information in the PDS is predictive in nature, may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from the results ultimately achieved.

This PDS has been prepared without taking into account the investment objectives, financial situation or needs of any particular investor. Before deciding whether to make an investment decision you should carefully read all of this PDS and obtain professional advice about an investment in the Trust having regard to your particular investment needs, objectives and financial circumstances before

investing. Past performance is not an indicator of future returns.

Any information or representation not contained in this PDS must not be relied on as having been authorised by the Trustee or Fund Manager.

The offer to which this PDS relates is only available to people receiving this PDS in Australia and New Zealand. This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would be unlawful to make such an offer or invitation. Any person receiving this PDS in New Zealand should refer to Section 11 (Important Information for New Zealand Investors) on page 37.

The information in this PDS is current as at 7 May 2021. Information in this PDS may change from time to time. Changes to information regarding the Trust that is not materially adverse will be published through the Platform at www.funding.com.au. A paper copy of this information is also available free of charge upon request from the Fund Manager.

Terms used in this PDS are defined in the Glossary in Section 13.

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1. Key Features of the Trust

Trust Name	Funding Investment Trust ARSN 616 185 276
Trustee and Responsible Entity	Melbourne Securities Corporation Ltd ACN 160 326 545
Australian Financial Services No.	AFSL 428289
Fund Manager	Funding.com.au Pty Ltd ACN 603 756 547
Authorised Rep No.	1239776 for Funding.com.au Pty Ltd
Custodian	Sandhurst Trustees Limited ACN 004 030 737 or such other person appointed by the Trustee from time to time.
Auditor	Moore Australia
Asset Class	First Mortgages / Fixed Income.
Investment Type	The Funding Investment Trust ('Trust') provides investors with access to investments in Loans, secured by a first mortgage, facilitated by Funding.com.au. As an investor, you select which Loans you want to invest in based on information provided and you receive monthly interest distributions when the Borrowers of those Loans make repayments.
Target Returns	The Trust aims to provide investors with returns of 5% - 9%. The rate of return will be dependent on the specific mortgage investment selected.
Eligible Investors	Retail and Wholesale Investors.
Minimum Investment	You can invest in the Trust with as little as AU\$5,000. Each additional investment must be at least AU\$1,000. The minimum amount may change from time to time at the discretion of the Trustee on the direction of the Fund Manager.
Investment Term	1 to 36 months.
Interest payments / Distributions	Under each Loan, the Borrower will generally be required to make monthly repayments of interest to the Lender. The Lender will then pass on the repayments to the Trust, after deducting any applicable Lender fees - see section 8. You will receive your proportionate share of repayments for the Loans you have invested in. Distributions will be automatically reinvested in the Trust and held in Cash. You can use these amounts to invest in other Loans at any time, see section 4.8
Redemptions	You can withdraw your Cash balance from the Trust at any time. You cannot generally withdraw amounts which have been lent to Borrowers and not yet repaid or amounts for Loans that you have selected to invest in which are not yet fully funded.
Fees & Costs	Fees and costs will apply - See section 8

Risks	There are risks associated with investing in the Trust which may result in Investors losing some or all of their investment – See section 7.
Investing in the Trust	<p>Members create their account and transfer their initial investment funds to the Trust’s bank account. These funds will be held as Cash by the Custodian of the Trust and the investor will be allocated Cash Units, 1 Cash Unit is worth AU\$1 invested. Note. Members can withdraw their Cash Units at any time.</p> <p>Members can then access the available investments online at www.funding.com.au or via the management team by calling 1300 44 33 19. The available investments will include details and key information on the Loan, property and Borrower.</p> <p>Members can then select Loans and use the Cash to invest in Loans or fractions of Loans. You can make additional investments or reinvest your distributions at any time.</p>

Risk warning

Marketplace lending involves a number of risks, including the possibility that a Borrower defaults and does not repay all of the money you have invested. Not all of the investments offered through the Platform involve the same level of risk. The Fund Manager provides certain information to inform Members as to the relative level of risk of individual investments, but the information is not perfect and Members will not see all of the information provided by Borrowers. Members should consider the experience of the Fund Manager, along with the process the Fund Manager follows in selecting loans for the marketplace. Please also refer to the MoneySmart website for more general information on marketplace lending.

<https://www.moneysmart.gov.au/investing/managed-funds/peer-to-peer-lending>

2. Funding Group

THE TRUST

The Funding Investment Trust (“the Trust”) is an ASIC registered managed investment scheme where Members of the Trust are provided with exposure to select first mortgage loans provided to creditworthy Borrowers.

The Trust receives the principal and interest repayments associated with the Loans in which it invests. Interest repayments are used to fund distributions to Investors.

ABOUT FUNDING

“Funding” in this document references to the companies within the Funding Group and Funding.com.au.

Funding is Australia’s leading mortgage marketplace. The home of a faster, simpler, more reliable mortgage and online investing.

Founded in 2015, Funding has established itself as an awarded non-bank mortgage lender, trusted by both borrowers and investors in the short-term mortgage market.

Funding’s customers consist of both borrowers seeking loans and investors seeking to invest in the mortgage asset class.

THE MARKETPLACE PLATFORM

Once an investor has signed up, they can select, invest and manage their investments via www.funding.com.au, its online platform (“the Platform”) and its professional management staff. An investor can choose to fully fund a Loan or invest alongside other Members of the Trust in a particular Loan.

Each investment is in a single stand-alone mortgage and the investor can diversify their portfolio by selecting and investing in multiple investments on offer.

FIRST MORTGAGES

All Loans within the Trust are backed by a secured first mortgage loan against real estate. A first mortgage is a first charge over real estate owned by the borrower. If there is a Default in repayment of the Loan, the property can be sold in order to recover the Loan and repay Members.

CREDITWORTHY BORROWERS

Borrowers must meet stringent lending criteria and are approved by our credit committee with combined decades of experience in credit and mortgages. Funding’s borrowers are property investors and property owners who have decided to find an alternative to the banks.

The information available to investors to assist with the investment selection includes:

- The rate of return;
- The location of the property;
- The description of the property;
- The value of the property;
- The total Loan amount;
- The purpose of the Loan;
- The Loan to Value Ratio (“LVR”);
- The term of the investment.

SUITED INVESTORS

The Trust’s mortgage investments are tailored to investors who seek higher levels of passive income, capital preservation through real property mortgages. Investors may include:

- Individual and company investors.
- Self-managed super funds (“SMSF”).
- Property investors.
- Retail and wholesale investors.
- Institutional and Sophisticated investors.

As with any investment there are inherent risks in investing in the Trust, including the risk that the investment may result in a reduction in, or total loss of, the capital value of the investment, loss of

income and returns that are less than expected or delays in repayment of capital. Income returns and repayment of capital are not guaranteed. Any past performance information is not indicative of future performance, see section 7 for more information about the risks involved.

BENEFITS OF THE TRUST

- Stable and Consistent Income Stream.
- Capital preservation through the use of real property with first mortgage security and conservative Loan to Value Ratio (LVR)'s to a maximum of 70%
- Regular interest payments.
- Short to medium investment terms (1 month to 3 years).

FEATURES OF THE TRUST

- An investment structure with access online and/or via the Fund Manager.
- The ability to self-select investments and diversify across multiple stand-alone investments (ie. non-pooled).
- A low minimum investment amount.
- Melbourne Securities Corporation Ltd, an independent Trustee who holds an AFSL and whose key role is to protect Members' interests.
- Sandhurst Trustees Limited, an Independent Custodian appointed to hold assets of the Trust.
- An experienced Fund Manager with expert management team, for more information about the Fund Manager and the management team see section 5.

ASIC REGULATED

As mentioned above, the Trust is an ASIC registered managed investment scheme. The Constitution and the Compliance plan have been lodged with the regulatory body. The Trust and the Compliance plan

are subject to minimum yearly audits by the independent licensed Auditor, Moore Australia.

THE LENDER

The Lender conducts due diligence on each borrower and follows a credit decisioning and underwriting process, based on senior staff and directors combined decades of mortgage lending experience.

The Lender, which makes the Loans for consumer purposes where the *National Consumer Credit Protection Act 2009* (Cth) ("NCCP Act") applies, is also the holder of an Australian Credit Licence (ACL Number 483665) and is required to lodge a yearly compliance certificate with ASIC in relation to its consumer lending.

CASH UNITS & LOAN UNITS

Members create their account and transfer their initial investment funds to the Trust's bank account. These funds will be held as Cash by the Custodian of the Trust and the investor will be allocated Cash Units, 1 Cash Unit is worth AU\$1 invested. Members can withdraw their Cash Units at any time.

Members can then access the available investments online or via the management team. The available investments will include details and key information on the Loan, property and Borrower.

Members can then select Loans and use the Cash to invest in Loans or fractions of Loans. You can make additional investments or reinvest your distributions at any time.

3. Benchmarks For Unlisted Mortgage Schemes

ASIC has developed 8 Benchmarks and Disclosure Principles designed to provide investors with key

information about investing in mortgage funds. The Benchmarks and Disclosure Principles are contained in Regulatory Guide 45: Mortgage Schemes: Improving disclosures for retail investors. They are outlined below.

Benchmark	Statement
<p>Benchmark 1: Liquidity For a pooled mortgage scheme, the Trustee has cash flow estimates for the scheme that:</p> <ul style="list-style-type: none"> (a) demonstrate the scheme’s capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; (b) are updated at least every three months and reflect any material changes; and (c) are approved by the directors of the Trustee at least every three months. 	<p>The benchmark does not apply to the Trust as it is not a pooled scheme.</p>
<p>Benchmark 2: Scheme borrowing The Trustee does not have current borrowings and does not intend to borrow on behalf of the scheme.</p>	<p>The benchmark is met. The Trust does not engage in any borrowing in its own name.</p>
<p>Benchmark 3: Loan portfolio and diversification For a pooled mortgage scheme:</p> <ul style="list-style-type: none"> (a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region; (b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets; (c) the scheme has no single borrower who exceeds 5% of the scheme assets; and (d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title). 	<p>The benchmark does not apply to the Trust as it is not a pooled scheme.</p>
<p>Benchmark 4: Related party transactions The Trust does not lend to related parties of the Trustee or to the Fund Manager.</p>	<p>The benchmark is not met. This benchmark is not met as the Lender is a related party of the Fund Manager as they share common directors. This conflict has been managed and mitigated through the related party transactions policy, which is reviewed regularly and monitored by the Compliance Committee. The Trustee lends Trust money to the Lender under the Master Loan Agreement. The Lender then enters into Loans with the Borrowers using those funds. The Lender is a pass-through vehicle with the sole purpose of borrowing from the Trust and making loans to Borrowers. The Master Loan Agreement requires the Lender to assess Loans based on</p>

criteria agreed between the Lender and the Trustee. Additional information about the Master Loan Agreement is in section 10.1.

The Lender may also lend to Funding Commercial, which then on-lends the funds to the Borrower. Funding Commercial is a pass-through vehicle with the sole purpose of borrowing from the Lender and passing those Loan funds to Borrowers. These loans are for non-consumer purposes which means that the Loan does not fall under the NCCP Act and the National Credit Code.

Any fees generated by the Fund Manager, Lender or Funding Commercial are included in the Fees and Other Costs at section 8.1.

Benchmark 5: Valuation policy

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

- (a) **a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;**
- (b) **a valuer to be independent;**
- (c) **procedures to be followed for dealing with any conflict of interest;**
- (d) **the rotation and diversity of valuers;**
- (e) **in relation to security property for a loan, an independent valuation to be obtained:**
 - (i) **before the issue of a loan and on renewal:**
 - **for development property, on both an 'as is' and 'as if complete' basis; and**
 - **for all other property, on an 'as is' basis; and**
 - (ii) **within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant.**

The benchmark is not met.

For loans with a loan to valuation ratio of less than 50% we may use a combination of two or more other valuation methods mentioned in section 4.6. These valuations may not be undertaken by a qualified and registered valuer.

For loans with a loan to valuation ratio of more than 50% the benchmark is met. We obtain an independent or external assessment of the market value of the security at the time of making a Loan and upon renewal of a Loan. An additional valuation will be undertaken within 2 months of the directors of the Trustee, Fund Manager or Lender forming a view that there is a likelihood that a decrease in the value of a property may have caused a material breach of the Loan Agreement.

These valuations are undertaken by a qualified and registered valuer. We use a panel of independent valuers which is reviewed annually. We require valuers to declare any conflicts of interest. If a conflict of interest is identified a different valuer will be used.

Benchmark 6: Lending principles—Loan-to-valuation ratios

If the scheme directly holds mortgage assets:

- (a) **where the loan relates to property development—funds are provided to the borrower in stages based on independent evidence of the progress of the development;**

The benchmark is met.

The Trust does not invest more than 20% of its assets in property development loans.

Loans may not have a loan to value ratio which exceeds 70%. Information about the weighted average loan to value ratio for the

- (b) **where the loan relates to property development—the scheme does not lend more than 70% on the basis of the latest ‘as if complete’ valuation of property over which security is provided; and**
- (c) **in all other cases—the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.**

Trust is available on Funding's website at funding.com.au/invest. Loans for developments are advanced to the Borrower in stages based on independent evidence of the progress of the development.

Information about each loan, including the percentage of completion of each property that is currently under development and the current loan to cost ratio, is available on Funding's website at funding.com.au/invest. Property development loans may not have a loan to cost ratio which exceeds 70%.

Benchmark 7: Distribution practices
The Trustee will not pay current distributions from scheme borrowings.

The benchmark is met.

The Trust does not have borrowings and does not intend to borrow.

Distributions are made from the interest payments received from the Borrower and are linked to the Loan selected by the Investor. The Trust will pay monthly interest distributions when Borrowers make repayments.

There are risks which may impact the Trusts ability to pay distributions. These risks are outlined in more detail at section 7.

Benchmark 8:
Withdrawal arrangements

Liquid schemes
For liquid schemes:

- (d) **the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less;**
- (e) **the Trustee will pay withdrawal requests within the period allowed for in the constitution; and**
- (f) **the Trustee only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is:**
 - (i) **money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or**
 - (ii) **assets that the Trustee can reasonably expect to realise for market value within 10 business days.**

The Trust is a non-liquid scheme and the liquid scheme benchmark does not apply.

Non-liquid schemes

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

The benchmark is not met.

The Trust will be non-liquid and the Trustee does not intend to make withdrawal offers at least quarterly.

Distributions from interest payments will be automatically reinvested in the Trust and held in Cash. The Trust has obtained relief from ASIC to allow Members to withdraw Cash Units at any time.

The Trust's withdrawal policy provides that Loan Units are generally not permitted to be withdrawn until the Loan matures. Once the Loan matures and the Lender receives repayment from the Borrower, the Trust will provide distributions to Members for the Loan as described in Section 4.8. These distributions will be held in Cash and will be available to be withdrawn.

A Member may request to withdraw some or all of their Cash Units by completing and lodging a withdrawal request form, which is available on Funding's website at www.funding.com.au/invest.

Where a withdrawal request for Cash Units is accepted the Trust will pay the Member within 5 business days of receiving the withdrawal request.

You should read the important information referenced in the benchmarks before making a decision. Go to funding.com.au/invest for updated information. The information may change between the time you read this PDS and the day when you acquire the product. The information referred to on the website forms part of the PDS.

4. About The Platform

4.1. TRUST STRUCTURE

The Trust is a managed investment scheme which has been registered with ASIC under Chapter 5C of the Corporations Act. The Trustee and Responsible Entity of the Trust is Melbourne Securities Corporation Ltd ACN 160 326 545. The Trustee holds an Australian Financial Services Licence (AFSL No. 428289) which authorises it to operate the Trust.

The Trustee has appointed Funding.com.au Pty Ltd as the Fund Manager of the Trust. Information about the Fund Manager is contained in Section 5.1.

The Trustee has also engaged Sandhurst Trustees Limited, ACN 004 030 737 as the Custodian. The Custodian will hold all assets of the Trust on behalf of the Trustee. The Custodian will hold all assets of the Trust, including the Loan Notes and Cash. This ensures the Trust assets are segregated from the Trustee's own assets. The Custodian does not guarantee the obligations of the Trustee or carry out a supervisory function over the Trustee.

The Trust is open to investment by any Australian or New Zealand resident investors. The minimum initial investment and minimum account balance is AU\$5000. Each additional investment must be at least AU\$1000.

The minimum amount may change from time to time at the discretion of the Trustee on the direction of the Fund Manager.

4.2. PLATFORM

The online marketplace lending platform at www.funding.com.au is operated by the Fund Manager, acting as a credit representative (No: 488424) of the Lender (ACL No: 483665), and provides access to the Loans you can invest in through the Trust.

The Platform also provides information about the Borrowers and Loans, including:

- The rate of return;
- The location of the property;
- The description of the property;

- The value of the property;
- The total Loan amount;
- The purpose of the Loan;
- The Loan to Value (LVR);
- The term of the investment.

The Platform will not display all information the Lender has about a Borrower. For more information, investors can contact the management team by calling 1300 44 33 19.

The Platform will also display current information about your investment in the Trust, including your Cash balance and the details of the Loan Units you hold.

You can access our investments online and/or by calling our professional management team on 1300 44 33 19, if you do not wish to use the online marketplace.

4.3. INVESTING IN THE TRUST

To invest in the Trust, you need to make an application to become a Member. The Trustee can accept or reject your application in its discretion. If your application is accepted, you will be issued with a Foundation Unit and you will be a Member of the Trust. Foundation Units do not carry any rights to the capital or income of the Trust.

As a Member, you can then invest in the Trust at any time by paying an amount to the Trust and following the instructions on the Platform. This amount will be held in Cash in the Trust and you will be issued with Cash Units to represent your Cash at AU\$1.00 per Cash Unit.

You can use your Cash to invest in Loans you select. You can choose to fund the full amount of a Loan or to fund only a portion of the Loan. If you only fund a portion of a Loan, other Members can fund the remainder of that Loan.

You may also use our Auto-Invest option if it is available on the Platform to invest in Loans. The Auto-Invest option allows you to give instructions to the Trustee about the term, amount and the LVR of Loans you wish to invest in. If a Loan with the criteria you have selected becomes available, the Trustee can allocate your funds to that Loan. If a Loan meets the Auto-Invest criteria of more than one Member it

creates a queue, and the Trustee will allocate the Loan to the first in line within the queue. You can choose to turn the Auto-Invest option on or off on the Investor Dashboard.

4.4. MAKING LOANS TO BORROWERS

To facilitate the making of Loans, the Trust has entered into a Master Loan Agreement with the Lender. Under this Agreement, the Trust will finance Loans to Borrowers by advancing the Loan amount to the Lender on request. In exchange, the Lender will issue Loan Notes to the Trust which are referable to the Loans. Loan Notes in relation to a Loan represent the Trust's right to receive the benefit of all principal and interest repayments made by the Borrower under the Loan, after the deduction of relevant fees. For further details please refer to the fees section (section 8).

Where the Loan is for non-consumer purposes and therefore it does not fall under the NCCP Act and the National Credit Code, the Lender will provide the Loan funds to Funding Commercial, which will then on-lend the funds to the Borrowers. For all other consumer Loans, the Lender will directly provide the Loan funds to the Borrowers.

Once a Loan is fully funded through the Platform the Trust will advance the Loan amount to the Lender. Each Member who selected to invest in that Loan will have the appropriate number of Cash Units cancelled and will be issued with the same number of Loan Units. The Loan Units will be of a class which is referable to that Loan and will provide the Member with the right to receive the benefit of all repayments referable to the Loan Notes for that Loan. If more than one Member funds a Loan, each Member will receive Loan Units of the same class in proportion to the amount of the Loan each Member funded.

Loan Units for each Loan will be of different classes. As Loan Units are referable to Loan Notes for a particular Loan, the performance of your Loan Units will be dependent on the repayments made under that Loan.

Under the Master Loan Agreement and General Security Deed, the Lender grants the Trust a general security interest over its rights under the Loan Agreements, including any security provided by Borrowers. Among other things, this allows the Trust

to enforce the Lender's rights in certain circumstances where the Lender is unable or unwilling to do so (such as where the Lender has become insolvent). If the Lender were to become unable to perform its duties and manage the Loans, the Trustee could exercise its security interest over the Lender's rights and could also take over the activities of the Lender in respect of the Loan, or to appoint a replacement to step into the Lender's place, if necessary.

Loans you have invested in will be represented by Loan Units with a total Unit Price equal to the amount you agreed to invest in the Loan.

The available investments on the Platform can be either Loans waiting to be funded and commence or Loans that have already commenced and initially funded by the Lender. Loans that have been funded initially by the Lender are typically ones that required an urgent settlement and the Lender's capital will be replaced by an advance from the Trust to the Lender under the Master Loan Agreement.

Depending on investor demand, the closing time of the investment may be brought forward or extended and this will be communicated to investors by the Fund Manager. Once the Loan is funded by you, you will be notified and the Loan will appear in your dashboard. If the Loan fails to proceed, your Cash Units will be unblocked and available to you to invest in other Loans or withdraw.

4.5. LOANS

(a) General comments

Each Loan on the Platform will be between the Lender and a Borrower and may be for personal or business purposes.

Loans will have monthly repayments of interest only and principal repayable on maturity. The Lender may also agree to capitalise interest to the Loan such that no repayments are required until maturity. Alternatively, the Lender may require all interest be prepaid. The Platform will display the nature of repayments required under each Loan.

Interest will be at a fixed rate specified in the Platform. The Lender will set the interest rate based

on the nature of the Loan, Borrower and the prevailing market conditions.

Loans will be secured by first mortgage over real estate and will have a maximum Loan-to-Valuation Ratio (LVR) of 70%. For Loans with capitalised interest, the LVR must not exceed 65 to 70% at any time during the term of the Loan.

The Lender (or Funding Commercial) will hold the first mortgage over the secured real estate. The Trust holds security over the Lender's assets. Further information about the arrangements between the Trust and the Lender can be found in section 6.

The Lender will not accept certain Loans or security including retirement villages, assisted living facilities or substantial development construction loans specialised securities. Loans for developments are advanced to the Borrower in stages based on independent evidence of the progress of the development.

All secured properties must be appropriately insured, with the Lender's interest noted on the policy where possible.

Our loans are generally between AU\$20,000 and AU\$5,000,000, but we may lend outside of this range from time to time.

(b) Early repayment

Borrowers have the ability to repay a Loan before its maturity. This means Members who have invested in that Loan will receive less interest than if the Loan had been maintained until maturity.

The Platform may detail an "earliest end date". If the interest on the Loan is prepaid for the term, the Borrower may be entitled to a refund of the interest on the Loan for the period between the "earliest end date" and the end of the term. The Lender or the Fund Manager has the discretion to adjust the Loan balance to credit the Borrower any refund of interest owed to them.

In some circumstances an early repayment fee may be charged to the Borrower and the Lender at their discretion may pay part of this fee to the Trust for the Member that invested in the particular Loan. The Platform will detail any such fee.

(c) Loan renewals

At the end of the Loan term, the Borrower must repay the Loan in full. Alternatively, a Borrower may seek a further term on expiry. If this is agreed to by the Lender and the Loan becomes fully funded by Members for the renewed term this constitutes a Loan renewal or Roll Over. Any such renewal or Roll over will be assessed in the same fashion as if it was a new Loan, a Member invested in the particular Loan may choose to reinvest all or part of their investment for the renewed term. If a Member chooses not to reinvest all or part of their investment, the Member's portion of the Loan will be made available to other Members on the Platform.

4.6. VALUATIONS

The Lender's valuation policy has been tailored to meet the specific Loan circumstances. This is to ensure that there is an independent or external assessment of the market value of the security at the time of making a Loan and upon renewal of a Loan. These valuations are undertaken by a qualified and registered valuer.

We generally obtain full on-site valuation. However as the LVR decreases, or the coverage of a given Loan by real estate security increases, the need for a full on-site valuation decreases. We may use alternate valuation methods mentioned below if the LVR is estimated to be below 50% or if the loan is a renewal of an existing loan.

- Full on-site valuation: A full onsite inspection and report is provided by a licensed valuer.
- Kerb-side assessment: An exterior assessment to confirm the location and observable condition of a property, used particularly for further advances on an existing mortgage and/or if house prices have not fluctuated significantly. The assessor will often draw on comparisons with properties recently sold in the area to support the estimation.
- Desk-top assessments: A method of assessment that does not involve a physical inspection of the residential property.

- Automated valuation methods (AVMs): A system or process that can provide an estimate of real estate property valuations using mathematical modelling, taking account of relevant factors, combined with a database.
- Municipal valuation: Municipal valuation which indicates that the proposed Loan does not exceed 50% of the value of the security.

We use a panel of independent valuers which is reviewed annually. We require valuers to declare any conflicts of interest. If a conflict of interest is identified a different valuer will be used.

An additional valuation will be undertaken within 2 months of the directors of the Trustee, Fund Manager or Lender forming a view that there is a likelihood that a decrease in the value of a property may have caused a material breach of the Loan Agreement.

4.7. BORROWERS

We will accept individuals, companies and trusts as Borrowers. For individual Borrowers, each person must be over 18 and not currently the subject of bankruptcy. For company Borrowers, each director must be over 18 and not currently the subject of bankruptcy.

The Lender may also obtain one or more guarantees to support the Borrower's obligation to repay. For example, for a Loan to a company, the Lender typically requires personal guarantees from all directors.

The Lender will not make Loans to any of the Trustee, Fund Manager, Lender, Custodian or their directors, offices, shareholders, employees or associates.

4.8. DISTRIBUTIONS

Generally, the Borrower is required to make monthly repayments of interest to the Lender under each Loan. The Borrower will also repay the principal (and any capitalised interest) to the Lender at maturity of the Loan. The Master Loan Agreement requires the Lender to pass on these repayments to the Trust, after deducting any applicable Lender fees. You will

only receive distributions for a Loan where the Lender has received repayment from the Borrower.

Each Member holding Loan Units referable to that Loan will receive a proportionate share of those repayments within 2 to 3 Business days after receipt by Trust. Your distributions will be automatically reinvested in Cash in the Trust and will increase the number of Cash Units you hold.

Any distributions can be rounded up or down to the nearest currency denomination by the Lender.

4.9. WITHDRAWALS

You can withdraw Cash from the Trust at any time, by submitting a request through the Platform or via our management staff. After receiving your request, the Trustee will cancel the relevant Cash Units and pay your withdrawal request within 5 Business Days, unless the Trustee is unable to do so because of the act or omission of another person.

You cannot withdraw your investment from a Loan before the Loan matures, unless permitted by the Trustee, in its discretion, subject to the Constitution and the Corporations Act. As the Loan is repaid, you may receive distributions (as described in Section 4.8 above). These distributions will be held in Cash and will be available to be withdrawn.

4.10. DEFAULTS BY BORROWERS

Investment in the Trust is subject to a number of risks (described in detail in Section 71), including the possibility that a Borrower may not be able to repay a Loan.

Subject to the below, whilst the Loan is in Default, interest on the Loan continues to accrue and the investor maintains their right to their share of the interest. On recovering the interest, it will be paid to the investor's Cash account.

A Loan will be treated as being in Default where the Borrower has failed to pay any amount which was due under the Loan when it was due or where the Borrower has breached any other conditions of the Loan.

The Lender conducts monthly monitoring of any Defaults. Any Loan that is in Default for more than 14

days will be escalated to the Lender's executive team or board of directors. The objective of the recovery management process is to minimise the risk of loss to the Trust.

The Lender may take any and all recovery action available to it where it considers necessary. This may include the Lender exercising its rights as mortgagee and effecting a sale of the security property, enforcing its rights under any guarantees or security interests provided in connection with the Loan. The Lender will manage Defaults in its discretion and the Lender will seek to work with the Borrower where possible and practical.

The costs of any recovery action will be met by the Lender or the Fund Manager or out of the Trust. The Lender may charge the Borrower default fees and default interest at their discretion. Should they deem fit, the Lender may share part of the default interest with the Trust for investors in a particular Loan.

Where a Loan has been in Default for more than 120 days and the Trustee's reasonable opinion is that the Loan is not likely to be repaid, the Trustee may assign its rights in the Loan. Where this occurs, you will receive the proceeds of the assignment (less the Trustee's costs of making the assignment). This may be less than the outstanding principal under the Loan. This distribution will be automatically converted reinvested in to Cash Units. Your Loan Units referable to that Loan will then be cancelled.

Where a Loan is in Default and the Trustee considers it has exhausted all reasonable steps to recover the Loan (including exercising its rights as mortgagee), the Trustee may deem any outstanding balance of the Loan as unrecoverable. Your Loan Units referable to that Loan will then be cancelled for no further consideration. If part of the Loan is then subsequently recovered by the Trustee, the Trustee may make a payment to a Member of the Trust who is still a Member of to their portion of the recovered amount.

4.11. SOURCING LOANS

For operational efficiency the Lender may from time to time:

- Capitalise/fund loans and make them available to members.

- Capitalise/fund loans alongside members.
- Capitalise/fund loans whereby members units are redeemed (subject to the early repayment term noted in clause 4.5(b)).

For operational efficiency an Associated Lending Entity (ALE) to the Lender or Fund Manager may from time to time:

- Capitalise/fund loans which will then be made available to members.
- Refinance loans whereby the members units are redeemed (subject to the early repayment clause 4.5(b)).
- Capitalise/fund loans subordinated to the Lender.

For example, an ALE may refinance mortgages from the Lender or refinance mortgages to the Lender to allow the Lender to better manage its operations. All such transactions are undertaken at full face value, and on an arm's length basis, subject to member investment terms that may be applicable.

An associated lending entity ("ALE") is defined as one that has common directors, management or shareholders to the Lender or Fund Manager. The Lender is never second ranking or subordinated, to the interests of the ALE.

To minimise potential conflicts of interest, should a conflict of interest be identified, it will be disclosed to the members, recorded in a conflicts register, managed appropriately and monitored.

4.12. HOW TO APPLY TO BECOME A MEMBER OF THE TRUST

To become a Member of the Trust, complete the Application Form available at www.funding.com.au. You will then be issued with a Foundation Unit.

It is the responsibility of the Trustee to comply with the Anti-Money Laundering Requirements. As such, information as to an investor's identity and the source of payment of the application monies must be collected and verified, prior to Units being issued.

Once you hold a Foundation Unit, you will be able to invest through the Platform. On receipt of an investment amount from you, you will be issued with

Cash Units at a Unit Price of AU\$1.00. These amounts can be used to fund Loans through the Platform (as described in Section 4.5).

The Trustee has the discretion to reject part or all of an application for Units, without giving reason for doing so. If the Trustee rejects an application for Units it must give written notice of the rejection and repay the application money (less any Taxes and bank fees incurred by the Trust or the Trustee in connection with the application) to be paid back to the Applicant. Any interest earned on the application account will be retained by the Trust.

4.13. COOLING OFF

Members do not have cooling-off rights under the Corporations Act. Once you have invested in the Trust, you will only be able to withdraw your investment as described in Section 4.15 below.

4.14. MINIMUM INITIAL AND ADDITIONAL INVESTMENTS AND MINIMUM BALANCES

The minimum initial investment and minimum balance is currently AU\$5000, and the minimum additional investment for the Trust is AU\$1000. The Trustee may, in its absolute discretion, accept lesser amounts and may change these amounts from time to time.

4.15. WITHDRAWALS

Cash Units

A Member may request withdrawal of all or part of their Cash Units in the Trust by completing and lodging a withdrawal request through the Platform. The withdrawal request must be in the form and manner as required by the Trustee. The withdrawal request must not exceed the Member's available Cash balance. This will be equal to the total Unit Price of the Member's available Cash Units, less the total Unit Price of any Loan Units the Member has

selected but where the Loan has not yet been advanced.

Withdrawal requests are processed with 5 Business Days of the Trustee receiving the relevant Withdrawal Request, except where the Trustee is unable to do so because of the act or omission of a person other than the Trustee in connection with the withdrawal.

Each time a Member makes a withdrawal request, the Trustee must notify the Member in writing each time as to whether or not it a withdrawal request for Cash Units under a Withdrawal Request provided by the Member has been accepted or denied by the Trustee.

Withdrawal proceeds will be paid to the Member's nominated account.

Loan Units

Loan Units cannot be withdrawn. As the Loan to which your Loan Units relates is repaid, the repayments will be reinvested in Cash Units. You will be able to withdraw your Cash Units as described above.

Unit Price

The Unit Price of a Cash Unit will be AU\$1.00.

4.16. DISTRIBUTIONS

Distributions, if any, in respect of Loan Units will be made by the Trustee at the instruction of the Fund Manager on a monthly basis from the amounts received by the Trustee from the Lender under the Master Loan Agreement, representing principal and interest repayments made by the Borrowers under the underlying Loans, after deduction of applicable fees.

Distributions will be automatically reinvested in Cash Units in the Trust.

5. About The Fund Manager And Service Providers

5.1. FUNDING.COM.AU

The Trustee has appointed responsibility for the management of the Trust to the Fund Manager, Funding.com.au Pty Ltd ACN 603 756 547.

5.2. MANAGEMENT AGREEMENT

The Trustee's appointment of the Fund Manager occurs under a Management Agreement.

The key duties of the Fund Manager under the Management Agreement are:

- Market and source suitable Loans for the Trust;
- Manage the Loans;
- Assist in the administration of the Trust;
- Assist the Trustee in exercising their duties under the Constitution.

5.3. TRUSTEE

Melbourne Securities Corporation Limited ACN 160 326 545 is the Trustee of the Trust and the issuer of this Product Disclosure Statement.

Melbourne Securities Corporation Limited is licensed by the Australian Securities & Investments Commission ("ASIC") under an Australian Financial Services Licence No. 428289 ("AFSL").

The company is required to meet strict financial guidelines as set out in the Corporations Act 2001 and under its AFSL and ACL, including holding adequate professional indemnity insurance, a minimum net tangible assets and it must produce regular cash flow projections to ensure it has the financial resources to meet its obligations on an ongoing basis.

The main responsibilities of the Trustee are to operate the Trust and ensure compliance as legislated by the Corporations Act and governed by the Australian Securities & Investments Commission.

In exercising its powers and duties, the Trustee will:

- act honestly and in the best interests of Unitholders at all times;
- appoint and monitor the performance of the Fund Manager;
- exercise a reasonable degree of care and diligence;
- treat each class of unitholders equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to unitholders;
- comply with the Trust's Compliance Plan and governing documentation and all applicable laws;
- ensure Trust property is separated from the property of and other schemes operated by the Trustee or Fund Manager;
- ensure the Trust is conducted in accordance with the Constitution, the Corporations Act and all other applicable legislation.

In adherence with Corporations Act requirements, Melbourne Securities Corporation is subject to independent financial audit. It is also subject to independent compliance audit on a minimum annual basis.

For further information, please refer to **www.msc.group**.

5.4. CUSTODIAN

The Custodian of the Trust is Sandhurst Trustees Limited, ACN 004 030 737, or such other person appointed by the Trustee from time to time. Sandhurst Trustees is part of Bendigo and Adelaide Bank's wealth division.

6. Lending Policy Overview

Summary	<p>This overview outlines the adopted procedures and guidelines for the Loan origination process by which the Lender and Fund Manager determine whether and under what conditions to make a Loan. All Loan applications are assessed by management and/or directors. Each approving officer carries a wide range of lending experience across all property types, high analytical skills and is experienced in structuring, documenting and negotiating property loans.</p>
General Loan conditions	<p>Loans are made on the following basis:</p> <ul style="list-style-type: none">• First registered mortgage as primary security over acceptable real estate.• Purpose can be for consumer/personal or business use.• Interest only loans with the principal repayable on expiration.• General security interest registered on Personal Property Security Register (PPSR) where applicable (ie. for company borrowers).• The Loan is within the Loan to Value (LVR) requirements;• Borrowers or guarantors have the financial capability to meet repayment requirements.
Borrowers	<p>Borrowing parties can be:</p> <ul style="list-style-type: none">• Individual/s;• Companies;• Trusts with individual trustee;• Trusts with corporate trustee;• Self-managed super funds (SMSF). <p>Borrowers are to receive independent legal advice on the Loan.</p>
Valuations	<p>We have tailored our valuation policy to meet the specific Loan circumstances. This is to ensure that we have an independent or external assessment of the market value of the security at the time of making a Loan.</p> <p>We generally obtain a full on-site valuation. However as the LVR decreases, or the coverage of a given Loan by real estate security increases, the need for a full on-site valuation decreases. We may use alternate valuation methods mentioned below if the LVR is estimated to be below 50%.</p> <ul style="list-style-type: none">• Full on-site valuation: A full onsite inspection and report is provided by a licensed valuer.• Kerb-side assessment: An exterior assessment to confirm the location and observable condition of a property, used particularly for further advances on an existing mortgage and/or if house prices have not fluctuated significantly. The assessor will often draw on comparisons with properties recently sold in the area to support the estimation.• Desk-top assessments: A method of assessment that does not involve a physical inspection of the residential property.• Automated valuation methods (AVMs): A system or process that can provide an estimate of real estate property valuations using

	<p>mathematical modelling, taking account of relevant factors, combined with a database.</p> <p>Municipal valuation: Municipal valuation which indicates that the proposed Loan does not exceed 50% of the value of the security.</p>
Loan to Value Ratio (LVR)	<p>The ratio of the amount of the Loan outstanding to the value of the property securing the Loan.</p> <p>Prudent LVR limits help to minimise the risk that the property serving as collateral will be insufficient to cover any repayment shortfall. Consequently, prudent LVR limits serve as an important element of portfolio risk management.</p> <p>Our maximum LVR is currently set at 65% or 70% depending on the nature of the security.</p>
Acceptable Security Property	<p>Acceptable security</p> <ul style="list-style-type: none"> • Residential – Free standing • Residential – Unit / town house • Residential – Land • Commercial/Industrial <p>Unacceptable security</p> <ul style="list-style-type: none"> • Large development construction loans (does not include small building/construction loans by investors ie. 5 dwellings or less). • Retirement village as defined by a Retirement Villages Act (not freehold). • Residential facility that provides assisted living.
Property Insurance	<p>The Lender requires acceptable insurance cover on any building for its replacement and reinstatement, noting its interest where possible. Adequate insurance cover is to be maintained for the duration of the Loan.</p>
Credit checks	<p>The Lender conducts due diligence enquiries in relation to Borrowers, including carrying out credit checks or other independent enquiries in respect of Loan applicants. For consumer loans, the Lender complies with its obligations, including in relation to responsible lending requirements, under the <i>National Consumer Credit Protection Act 2009 (Cth)</i>.</p>
Defaults & recovery	<p>Any Loans that fall outside of their contractual terms by a period of greater than 14 days will be managed by top level management or directors. The objective of the recovery management process is to minimise the risk of loss and provide clear and concise guidelines that comply with legal requirements.</p> <p>Investors in a particular Loan will be notified of such an event.</p> <p>The internal procedures of the Lender include monthly monitoring of any Default by the borrower in payment of principal or interest.</p> <p>The Lender's loan management strategy focuses on the management of Loans in arrears with an overarching goal to maximise the recovery of the Loan from all possible sources. The Lender seeks to work with the Borrower where possible and practical. However, where the Lender believes it is in its best interest to do so it will exercise its rights under its loan and security documents. In some situations this may result in the sale of the underlying security by the Lender as mortgagee.</p> <p>In addition to the freehold security held for a Loan the Lender also pursues Guarantors in order to maximise its recovery. It is the Lender's usual practice to ensure that personal guarantees from Directors of the Borrower are taken in support of the Borrowers obligations.</p>

Related party loans	The Trustee does not permit Loans to directors, Fund Managers, secretaries, shareholders, staff members or other related parties of the Trustee, Lender or Fund Manager.
Responsible Lending under NCCP	If the Loan falls within the NCCP Act, responsible lending will be in accordance with the Lender's responsible lending policy.
Capitalised or prepaid interest	The Lender may approve a Loan on the basis that interest will be prepaid on commencement for the term of the Loan or capitalised to the Loan balance each month and the clearance of the debt will be via pending sale of the borrower's or guarantor's property. The aggregate of the Loan and any capitalised interest must not at any time exceed the maximum LVR.
How are the interest rates determined?	During the Loan application process the Lender, Fund Manager and the borrower agree on a suitable interest rate based on the LVR, property location and other factors.

7. Risks

All investments involve risk and there can be no guarantee against loss resulting from an investment in the Trust, nor can there be any assurance that the Trust's investment objectives will be achieved or that any investor will get any of its money back.

The risks identified below have been identified by Funding.com.au, however they are not intended to be a complete list of risks and they do not take account of your personal circumstances.

7.1. DEFAULT OR DELAY BY A BORROWER

The return on your investment in the Trust, and your ability to receive repayment of your capital, depend on the ability of the Borrower to repay the Lender for each Loan you invest in.

Investment in the Trust is not a deposit with, or investment in, the Trustee, the Fund Manager or the Lender. None of these entities guarantee or underwrite the return of capital or performance of the Trust. Furthermore, the Trust does not benefit from the Australian Government's Financial Claims Scheme which applies to protect some bank deposits.

While the Lender will exercise care in the identification of suitable Borrowers, all lending carries a risk of Default. You may wish to consider diversifying your investment across multiple Loans to different Borrowers in different sectors.

7.2. CONCENTRATION

As the Trust provides you with exposure to individual Loans you select, your investment in the Trust could be highly concentrated, as compared to a pooled investment vehicle which spreads your money across a range of investments. You may wish to consider diversifying your investment across multiple Loans to different Borrowers in different sectors.

7.3. LIQUIDITY

The Trust will not be liquid and you will not be able to withdraw Loan Units you hold until maturity of the underlying Loans. Your investment will not be

available throughout the Loan term and, in the event of Default by the Borrower, your investment may not be available until some time after Loan maturity, if at all. You should consider the Trust a short to medium term investment.

7.4. SERVICE PROVIDER RISK

The Trust is operated by a range of service providers, including the Trustee, Fund Manager and, Lender, and Custodian.

The Trustee may become insolvent, lose its Australian Financial Services Licence or otherwise become unable to act as the Trustee. The Trustee may also be removed as the Trustee of the Trust by the Members, in accordance with the Constitution and the Corporations Act. If this occurs, there may not be another entity willing to act as Trustee of the Trust, in which case the Trust would have to be wound up.

The Trustee has engaged the Fund Manager to manage the Trust and the Platform. The performance of the Trust is dependent, among other things, on the Fund Manager properly performing its functions. If the Fund Manager ceased performing this role, it may not be possible to identify a suitable replacement.

As a result of the Master Loan Agreement structure, the Loans to Borrowers are made by the Lender. Accordingly, the Lender holds all legal rights to repayment by the Borrowers. If the Lender became insolvent or otherwise ceased performing its role, the Master Loan Agreement grants the Trustee a security interest in any repayments which have been received by the Lender. The Master Loan Agreement would allow the Trustee to take over the activities of the Lender in respect of the Loan, or to appoint a replacement to step into the Lender's place, if necessary.

7.5. LEGAL REGULATORY RISK

While the Trust complies with current legal and regulatory requirements, the regulation of peer-to-peer lending or marketplace lending is in its infancy in Australia and is subject to change. Any legal or regulatory changes could impact the ongoing viability of the Trust.

7.6. SECURITY BREACH AND TECHNOLOGY RISK

The Trust relies on the technology embodied in the Platform and the systems of the Fund Manager and Lender. The Platform and these systems are subject to cyber security attacks and other vulnerabilities. The Fund Manager and Lender have taken steps to protect these systems, including bank level security encryption keeping information private as it's sent online.

7.7. COVID-19 RISK

The Covid-19 pandemic (and similar epidemic outbreaks) could cause uncertainty in markets and investments. Although the ultimate effect of the Covid-19 pandemic is not yet known, it may have an adverse effect on the performance of the global economy, including causing market volatility, market and business uncertainty and closures.

As a result, the Covid-19 pandemic may have an adverse impact on a Borrower's income and their ability to repay their Loans. This may have a negative impact on distributions received by you, from the Loan that you are invested in, where the Lender has not received repayment from the Borrower. See section 4.10 for more information in the event of a Borrower default.

7.8. GENERAL RISKS

As with other investments, the performance of the Trust is subject to a range of general risks, including changes in interest rates, economic downturn leading to increased default rates, adverse legal or tax changes and inflation.

8. Fees and Other Costs

The Corporations Act requires the Trustee to include the following standard consumer advisory warning in this PDS. The information in the consumer advisory warning is standard across PDSs and is not specific to information on fees and other costs associated with an investment in the Trust.

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

Did you know?

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

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from AU\$100,000 to AU\$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower administration fees where applicable. Ask the Trust or your financial adviser.

To find out more

If you would like to find out more or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneySMART.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the Trust's assets as a whole.

Information about taxes is set out in Section 9 of this PDS.

8.1. FUNDING INVESTMENT TRUST

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Trust		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee The fee to close your investment	Nil	Not applicable.
Management costs ¹		
The fees and costs for managing your investment	Management fees or the margin is no more than 2% of the Loan amount per annum (paid by the Borrower)	Calculated against the Loan amount outstanding and paid by the Borrower. The return shown or advertised to the member is the net return after the margin is deducted by the Lender. If a Borrower has not made an interest payment due under the Loan, the margin will not be collected until the Borrower's repayment is made. Please refer to further information in section 8.2 for details on how this fee is calculated.
Service fees		
Switching fee The fee for changing investment options	Nil	No switching fee is charged.

¹ See Section 9.3(c): "Management Costs" for further details.

<p>Early redemption fee</p> <p>The fee to redeem your Loan Units early</p>	<p>Up to 1.5% of the amount of a Member's Loan Units that are redeemed.</p>	<p>If a Member requests and is granted an early repayment of their Loan Unit, the Fund Manager has the discretion to charge an Early Exit Fee of up to 1.5% of the value of the Loan Units being redeemed. Note the consent of the Fund Manager is required and the Fund Manager is under no obligation to provide consent. Early redemption of Loan Units is subject to the requirements of the Corporations Act.</p>
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8.2. EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs for this managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE		BALANCE OF AU\$50,000 WITH A CONTRIBUTION OF AU\$5,000 DURING YEAR
Contribution Fees	Nil	For every additional AU\$5,000 you put in you will not be charged a fee.
PLUS Management costs	2% per annum	And for every AU\$50,000 you have in the Funding Investment Trust you will be charged AU\$1,000 each year.
EQUALS Cost of Funding Investment Trust		If you put in AU\$5,000 during the year and your balance was \$50,000, then for that year you will be charged fees of AU\$1,000 ²

Note. All targeted rates of return displayed or advertised on the platform are Net of fees. ie the amount you receive after any fees are deducted.

² For illustrative purposes, the above example assumes that management costs were calculated on a balance of AU\$50,000 being maintained throughout the year. Fees will depend on whether the additional investment was at the start or end of the year and whether the balance was held as Cash Units or invested in Loan Units.

8.3. ADDITIONAL EXPLANATION OF FEES AND COSTS

(a) Fees and charges to the Borrower

The Fund Manager may also charge the Borrower an application fee in relation to their application for a loan. These fees are paid directly to the Fund Manager by the Borrower. These fees are generated before the Members fund the loan and are not an expense of the Trust.

(b) Interest on Cash

The Fund Manager also retains as a fee any interest earned on Cash whilst it is held in the Trust's bank account by the Custodian. The Fund Manager and Trustee at their discretion may decide to pass on the interest to the Members from time to time.

(c) Management Costs

The management costs include the Fund Manager's management fees, the margin, fees and charges to the Borrower, the fees paid to the Trustee and the Trustee's estimated operating expenses in relation to the Trust.

Management fee

For providing the services under the Management Agreement, the Fund Manager is entitled to receive a management fee of 1-2%. The margin will be deducted from interest payments received by the Lender from the Borrower.

Fees and charges to the Borrower

The Fund Manager may also charge the Borrower fees in relation to the setup of their Loan or ongoing attendances on the Loan. These fees are paid directly to the Fund Manager by the Borrower.

The loan setup fees may include a loan commitment fee, a valuation fee and any

advisory fees payable to structure the Loan. The amounts of these fees cannot be ascertained as they will vary from Loan to Loan and are reliant on a future event occurring. These fees are due prior to or on commencement of the Loan.

The Loan setup fees may include a loan establishment fee of between 1% to 4% (plus GST) of the loan amount. These fees are due prior to or on commencement of the Loan.

The ongoing fees may be charged for one off attendances during the loan including to prepare a loan statement, to increase a Loan amount, roll over a Loan, make an early or partial repayment, to substitute the security property or attend to another request of the Borrower. The amounts of these fees cannot be ascertained as they will vary from Loan to Loan and are reliant on a future event occurring.

Fees paid to the Trustee

The Constitution provides that the Trustee may be paid a fee up to the greater of 0.5% per annum of the total assets value of the Trust or AU\$36,000 per annum. The Trustee may charge this fee to the Trust however whilst it is paid for out of the margin or by the Fund Manager, it will not be charged to the Trust.

(d) Expense recoveries

Under the Constitution, in addition to the Trustee fee, the Trustee is entitled to be indemnified for all expenses which are incurred when properly performing or exercising any of its powers under duties or rights in relation to the Trust, including costs associated with operating the Trust such as administration, custody, management and compliance. The Constitution does not impose a limit on the amount that the Trustee can recover from the Trust as expenses provided they are properly incurred in operating the Trust.

loan to loan although market conditions usually dictate the amount.

(e) Referral arrangements

The Fund Manager or Lender may pay fees to mortgage brokers who refer them suitable loans for the Trust.

The Trust does not pay commissions. However, the Fund Manager may agree to pay a third party commissions and if so, such commissions will be disclosed to the Member.

(f) Taxation and GST

Unless otherwise noted, all fees and management costs specified in this PDS (including in the worked example above) are GST inclusive, net of any input tax credits (including reduced input tax credits) available to the Trust. However, if expenses are recovered from the Trust, and the Trustee is required to pay GST or similar taxes in respect of that expense, the Trustee may recover an amount equal to the GST or other tax from the assets of the Trust.

Please also refer to Section 9 of this PDS below.

(g) Increases or Alterations to Fees

Should there be a decision to increase fees and expenses, Members will be given 30 days prior notice.

(h) Margin/servicing/management amount

The Fund Manager may also charge the Borrower a margin/servicing/management amount. This is not an expense of the Trust but rather a component of interest rate pricing to the Borrower. The Fund Manager is entitled to set at its discretion or negotiate the margin/servicing/management amount with the Borrower and therefore the amounts cannot be ascertained as they will vary from

(i) Third party fees

The Fund Manager may pay a fee to the introducing broker for introducing the loan application. The fee may consist of an initial amount calculated by reference to the loan amount.

(j) Adviser fees

The Trust does not pay commissions. However, the Fund Manager may pay third party commissions for example to your financial adviser. Such commissions will be disclosed to you prior to proceeding.

9. Tax Considerations

9.1. TAX SUMMARY

The following provides a summary of the general tax implications for an investment by an Australian resident individual Member who holds their Units on capital account. Each Member's taxation position will depend on their individual circumstances and accordingly this summary is necessarily general in nature.

This summary is based on the taxation laws as at the date of this Product Disclosure Document. Investing in a registered Managed Investment Scheme ("MIS") is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Members concerned.

Each Member must take full and sole responsibility for the associated taxation implications arising from an investment in the Trust including any change in the taxation implications arising during the term of their investment. It is recommended that Members obtain their own professional and independent taxation advice before investing in the Trust.

9.2. INCOME TAX PROVISIONS

Provisions that apply

The income tax treatment of the Trust and its Members will depend on whether the Trustee elects, and is eligible to apply, the Attribution Managed Investment Trust ("AMIT") provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts ("MIT"). Where the AMIT provisions do not apply, the ordinary trust taxation provisions will apply to the Trust.

While the AMIT provisions are not expected to materially change the way in which Members would be taxed (as compared to the ordinary trust taxation provisions), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Trust and its Members.

The Trustee is considering making an irrevocable election to apply the new AMIT provisions. However, there is no guarantee that the Trust will qualify to

apply the new provisions in any particular year of income. Therefore, the section below outlines both the general income tax treatment where the AMIT provisions do not apply and the general income tax treatment where the AMIT provisions do apply.

9.3. INCOME TAX (AMIT PROVISIONS)

(a) About the regime

The AMIT provisions contain specific income tax rules dealing with the income tax treatment of the Trust and its Members, as described below. The provisions can apply where the Trust qualifies as an AMIT for the whole of the income year and where the Trust makes an irrevocable election to apply the new regime.

In order to qualify as an AMIT for an income year, the trust must qualify as a MIT for income tax purposes for that income year and the Members must have clearly defined rights to income and capital.

The Trust believes that it should be in a position to qualify as an AMIT for taxation purposes in order to make the appropriate election.

(b) Income tax treatment of the Trust

Where the AMIT provisions apply to the Trust, the Trust will effectively be treated as a flow-through vehicle for income tax purposes irrespective of whether income or capital is distributed to Members. The Trustee should not be liable to pay Australian income tax on the taxable income derived by the Trust. This is on the condition that the Trust will not be taxed as a company under the public trading trust provisions (discussed below).

(c) Income tax treatment of Members

The AMIT provisions require the taxable income of the Trust to be attributed to Members on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Trustee will seek to allocate taxable income having regard to the Units held by Members, entitlements to income and capital, as well as cash distributions made to such Members during the relevant period. The Trustee believes that this will ensure that the taxable income generated from selected Loan Notes will flow through to Members who hold referable Loan Units.

Where the Trust qualifies as an AMIT for the whole year, the Trust intends to elect to make the irrevocable class election. The AMIT regime also allows the Trustee to make an irrevocable “class election”, whereby each class of Loan Units can be treated as a separate AMIT for income tax purposes. The purpose of this election is to quarantine the income tax calculation on a class by class basis. This can allow income, deductions and tax losses referable to a class of Units to be quarantined in that class, so that they are not spread to Members holding other classes of Units.

Under the AMIT provisions, a Member may be taxable on their share of the Trust’s taxable income prior to receiving distributions from the Trust.

(d) Tax deferred distributions

Under the AMIT provisions, a Member’s cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Member in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Members after year-end.

9.4. INCOME TAX (NON-AMIT PROVISIONS)

(a) General

A Member’s investment in the Trust will comprise of Units in a Unit Trust. While it is possible for Units in a Trust to be considered as debt or securities for income tax purposes, the Trustee believes that the Units in the Trust will not meet this classification. Accordingly, each Member will be regarded as a beneficiary of the Trust and both the Trust and the Members will apply the trust taxation provisions, as outlined below.

(b) Income tax treatment of the Trust

As the Trust is a Unit Trust, the Trust will effectively be treated as a flow-through vehicle for income tax purposes provided that the Trust distributes all of its income to the Trust’s Members on an annual basis. The Trustee should therefore not pay Australian income tax on the taxable income derived by the Trust. This is on the condition that the Trust will not be taxed as a company under the public trading trust provisions (discussed below).

(c) Income Tax treatment of Members

Provided that the Trust is treated as a flow-through vehicle, Members will be assessed on the taxable income derived by the Trust, based on their proportionate share of the annual income of the Trust that is distributed to them in that income year. The Trust’s Members will be required to include their share of taxable income in their tax return.

Unlike the AMIT provisions, the ordinary trust taxation provisions do not allow income and deductions of the Trust to be quarantined to each Class of Units. This can result in all of the tax deductions and tax losses of the Trust being spread against a Member’s share of taxable income of the Trust. Accordingly, a tax deduction that is referable to a Loan Note held by the Trust in respect of other Member’s Loan Units (e.g. a bad debt deduction for a default on a Loan Note) could be applied against the taxable income of a Member holding another class of Loan Units. This can result in tax deferred distributions to that Member (see below).

(d) Tax deferred distributions

Tax-deferred distributions may occur where the Trust distributes an amount of cash that exceeds the taxable income allocated to a Member. A tax-deferred distribution may occur on a return of capital, where expenses of the Trust (e.g. bad debts) are offset against taxable income, or where there are timing differences. Certain tax-deferred distributions that are not assessable to a Member result in a reduction in the cost base of the Units held by the Member. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

(e) Accruals taxation

It is possible that the Trust may derive assessable income prior to those amounts being received. Accordingly, Members may be required to include amounts in their taxable income prior to receiving a distribution of those amounts from the Trust.

(f) Public trading trust provisions

It is noted that a Unit Trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities (“the public trading trust provisions”).

Eligible investment business activities include passive activities, such as investing or trading in secured or unsecured loans, financial securities and arrangements.

The Trust will be regarded as a public unit trust if it either: (a) has 50 or more unit holders (directly or indirectly through other trusts); (b) makes an offer or invitation of its units to the public; or (c) has its units listed for quotation on a stock exchange.

While the Trustee believes that the Trust will satisfy the definition of being a public unit trust, it intends to limit the activities of the Trust to eligible investment business activities so that the public trading trust provisions do not apply to the Trust.

9.5. DISPOSAL OF UNITS

To the extent that a Member disposes of their Units (e.g. by way of a transfer or withdrawal) a gain or loss may arise. A loss is likely to arise where the Trust does not collect amounts relating to referable Loan Notes. A Member that holds their Units on capital account will incur a capital loss.

In the ordinary case, a gain is unlikely to occur with respect to Units. However, to the extent that such a gain occurs (e.g. where there have been tax-deferred distributions or where Units are disposed of cum-distribution), the ATO may take the view that such gains are ordinary income and therefore are not subject to the CGT 50% discount.

9.6. NON-RESIDENT INVESTORS

The taxation implications for Members that are not Australian residents for tax purposes (“non-resident

Investors”) are not considered as part of this Product Disclosure Document. However, this section provides a general outline of the Australian income tax withholding requirements of the Trust and a general outline on the Australian income tax consequences of a non-resident investor disposing of units in the Trust.

It is recommended that non-resident Investors obtain their own professional and independent taxation advice before investing in the Trust.

(a) Withholding tax

Where a Member is a non-resident Investor or provides details to the Trust that indicate that they are residing outside of Australia for tax purposes, withholding tax may be deducted on your distributions at the applicable rate. The rates may vary according to whether the Trust qualifies as a Withholding MIT, the residency or address of the Member and the components of the distribution. Non-resident Investors may also be subject to tax in the country of their residence (but may also obtain a credit for Australian withholding tax paid).

(b) Interest

To the extent that the interest income is derived by the Trust from an Australian source (either directly or indirectly), the Trustee will generally be liable to withhold 10% as a final Australian withholding tax. Under certain Double Tax Agreements, the withholding rate may be reduced.

(c) Disposal of units

Capital gains realised upon the (direct or indirect) disposal or redemption of Units owned by non-resident Investors will be subject to Australian capital gains tax if the Units are taxable Australian property. This will generally be the case where the relevant non-resident Investor has a non-portfolio interest in the Trust (i.e. a greater than 10% interest) and more than 50% of the market value of the Trust’s assets are attributable to Australian real property.

Based on the assets to be held by the Trust, the Trustee does not believe that the Units will constitute taxable Australian property.

9.7. ANNUAL REPORTING

The Trust will be required to provide distribution information (including tax components) to the ATO on annual basis by lodging the Annual Investment Income Report (AIIR).

The Trust will provide an annual tax distribution statement to Members in accordance with the ATO's guidelines for MITs. The tax distribution statement will reconcile the cash distribution with the taxable distribution for the income year.

Where the Trust is an AMIT, the Trust will be required to provide an annual tax distribution statements in the form of an AMMA statement that complies with the ATO guidelines. The AMMA will reconcile the cash distribution with the taxable distribution for the income year. The AMMA will also provide details on the net tax cost base adjustment for the income year.

9.8. TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN)

As the Trust will be an investment body for income tax purposes, the Trust will be required to obtain a Tax File Number (TFN) or Australian Business Number (ABN) in certain cases from its members.

It is not compulsory for a Trust's member to quote a TFN, claim a valid exemption for providing a TFN, or (in certain circumstances) provide an ABN. However, failure to obtain an appropriate TFN or ABN from members will result in the Trust being required to withhold at the top marginal rate (currently 49%) with respect to distributions to the member (which may be creditable in their tax return).

9.9. GOODS AND SERVICES TAX (GST)

The acquisition and disposal of units in the Trust by the Trust's Members will not be subject to GST.

However, GST may apply if fees are charged to the Trust by the Trustee or the Fund Manager. In such a case, the Trust may be eligible to claim a Reduced Input Taxed Credit of either 75 per cent or 55 per cent of the GST paid on some of the fees charged to the Trust, depending on the type of fee.

9.10. STAMP DUTY

The issue, redemption, transfer or any other arrangement involving a change in the unitholding of the unit trust may result in Stamp Duty consequences (for example, if the change in unitholding occurs at a time when the unit trust holds dutiable property, such as real property, or certain debts in Queensland). Members should confirm the duty consequences of their dealings in units with their taxation advisers.

9.11. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

In compliance with the U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act (FATCA) and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide information to the ATO in relation to: (a) Members that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Trust is intending to register for FATCA purposes and to conduct its appropriate due diligence (as required). Where the Trust's Members do not provide appropriate information to the Trust, the Trust will also be required to report those accounts to the ATO.

9.12. COMMON REPORTING STANDARD (CRS)

The Common Reporting Standard ("CRS") is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Trustee will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

10. Additional Information

10.1. MASTER LOAN AGREEMENT AND GENERAL SECURITY DEED

The Trustee has entered into a Master Loan Agreement with the Custodian and the Lender. Under the Master Loan Agreement, each time a Loan is fully funded, the Trustee will advance to the Lender the amount of the Loan. The Lender must use that money to fund the Loan and the Lender will issue the Trustee with loan notes linked to that Loan. The Lender pays interest on the loan notes which reflects the interest paid by the Borrower and principal repayments the Lender receives from the Borrower to repay that Loan.

The Trustee agrees not to take action against the Lender to recover any amount outstanding under the loan notes except to the extent that amount is actually received or recovered by the Lender in respect of the Loan.

The Lender agrees that it will only borrow money under the Master Loan Agreement for the purposes of funding Loans. The Lender also agrees that it will:

- (a) negotiate Loan terms, undertake credit assessments and prepare relevant disclosure documents as reasonably required for the prudent operation of its business;
- (b) ensure appropriate legal and security documentation has been prepared, collect principal and interest repayments and enforce Loans in the event the Borrower is in Default; and
- (c) act prudently in making any decision to waive or vary the terms of any Loan.

If there is an event of default by the Lender, the Custodian (on instructions from the Trustee) has the power to receive income, sell the property of the Lender and carry on the business of the Lender. It is an event of default under the Master Loan Agreement if the Lender fails to pay any amount outstanding in relation to a loan note within 20 Business Days of the payment due date, breaches a

term of the Master Loan Agreement or General Security Deed (which if remediable, is not remedied within 60 Business Days of notice from the Trustee), or if an insolvency event occurs in relation to the Lender.

The Lender has also granted the Custodian security over the Lender's assets, including the Loans, to secure the obligations of the Lender under the Master Loan Agreement under a General Security Deed. Under which the Lender must not create any security interest ranking in priority to the security interest granted to the Custodian. The General Security Deed also gives the Custodian the power to appoint a receiver to the Lender's business if the Lender becomes insolvent. The receiver would have the power to take possession and control of the secured property and to carry on the business of the Lender.

10.2. CONSENTS

- (a) Funding.com.au Pt Ltd has given and, at the date of this PDS, has not withdrawn its written consent to be named in this PDS and the as the investment manager of the Trust.
- (b) Funding Pty Ltd has given and, at the date of this PDS, has not withdrawn its written consent to be named in this PDS and the as the Lender of the Trust.
- (c) Moore Australia has given and, at the date of this PDS, has not withdrawn its written consent to be named in this PDS as the auditor of the Trust.
- (d) Sandhurst Trustees Limited consents to having been named as custodian in this PDS, and at the date of this PDS has not withdrawn its written consent to be named in this PDS as the custodian of the Trust.

Copies of the above consents are available for inspection.

10.3. WINDING UP THE TRUST

The Constitution provides that the Trust will terminate on the earliest to occur of:

- a date specified by the Trustee as the date of termination of the Trust in a notice given to Members;
- the date determined by the Members by extraordinary resolution;
- the date the Members pass, in accordance with section 601FM of the Corporations Act, an extraordinary resolution to remove the Trustee but do not, at the same meeting, pass an extraordinary resolution choosing a company to be the new Trustee that consents to becoming the Trust's Trustee; and
- the date on which the Trust terminates in accordance with an order of the Court, any other provision of this Constitution or by Law.

10.4. PRIVACY

If you are an individual making an investment in the Trust, you agree to the Trustee and the Fund Manager collecting personal information from you for the purposes of processing your application and providing you with information. If you choose not to provide the information required, we may not be able to supply your investments or services to you.

If you request, the Trustee will give you access to the personal information collected about you, unless it is entitled under the Privacy Act 1988 (Cth), and chooses, not to do so. The Trustee must give access to your information which is entered on the Trust's registers to others as required by the Corporations Act or under relevant tax laws. The Trustee may also give your personal information to other service providers of the Trust.

The Trustee or Funding.com.au may also use personal information collected about you to notify you of other products or services available from either entity. By completing and returning the Application Form, you consent, for the purposes of the Spam Act 2003 (Cth) to receiving commercial electronic messages from the Trustee or Funding.com.au.

If you do not want your personal information to be used in this way, or if you require further information about the use of your personal information obtained

in connection with investing in the Trust, please contact the Fund Manager at the contact details set out in section 12 of this PDS.

The Trustee's privacy statement and details on how you may access or update your personal information can be accessed at: www.msc.group/privacy-policy/.

10.5. ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING LAWS

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ("AML Act") and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Trustee ("AML Requirements"), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre ("AUSTRAC").

The Trustee and the Fund Manager as its agent may request such information from you as is necessary to verify the identity of an Applicant and the source of the payment before such applications can be processed. In the event of delay or failure by the investor to produce this information, your application may be refused and the application monies relating to such application may be returned. Alternatively, the Trustee may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements. None of the Trustee, Funding.com.au or their delegates shall be liable to an Applicant for any loss suffered as a result of the rejection or delay of any application or a delay in the payment of withdrawal proceeds.

The Trustee has certain reporting obligations under the AML Requirements and is prevented from informing you that any such reporting has taken place. Where required by law, the Trustee may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Trustee is not liable for any loss you may suffer as a result of its compliance with the AML Requirements.

10.6. SOCIALLY RESPONSIBLE INVESTMENT DISCLOSURE

The Trustee and Fund Manager have no predetermined view about taking into account labour standards, environmental, social, ethical issues in selecting, retaining and realising any investment in Loans by the Trust. The Fund Manager may take into account any one or a combination of these issues of which it becomes aware if that issue or those issues may financially affect the investment.

10.7. LIMITATIONS OF LIABILITY OF MEMBERS

The Constitution seeks to limit the liability of Members by providing that a Member is not obliged to make any contribution to the Trust or to indemnify the Trustee, or any creditor of either or both of them, if there is a deficiency of the assets of the Trust. However, because this is a matter which can ultimately only be determined by the courts, none of the Trustee, or Funding.com.au, any related body corporate of any of them or any of their respective directors, officers or employees gives any assurance or guarantee to this effect.

10.8. CONSTITUTION AND THE TRUSTEE

The Constitution is a Unit trust deed dated 23 November 2016 (as amended), and executed by the Trustee. It binds the Trustee and all Members. A copy of the Constitution is available free of charge from the Trustee on request. Prospective investors should read the Constitution for all the rights and obligations of being a Member in the Trust.

The principal provisions in the Constitution include those dealing with:

- the duration of the Trust including termination;
- duties and obligations of the Trustee;
- the Trustee's powers;
- fees and recoverable expenses, and the limitation of the Trustee's liability and indemnification;
- Members' meetings;

- the method by which complaints are dealt with;
- the payment of distributions;
- applications and withdrawals.

The Constitution may be amended by the Trustee at any time if the amendments are not adverse to the rights of Members. Otherwise, the approval of Members by special resolution must be obtained.

The Trust terminates on the earliest of the dates outlined at 10.2. On termination the Trustee will realise the assets and pay to Members their share of the net proceeds of realisation in accordance with the rights attaching to their Units.

Subject to the Corporations Act, the Trustee will not be liable to Members in excess of the assets of the Trust, except in the case of its own gross negligence, lack of good faith or breach of its obligations under Chapter 5C of the Corporations Act.

10.9. COMPLIANCE PLAN

The Trustee has prepared and lodged a compliance plan for the Trust with ASIC. The plan describes the procedures used by the Trustee to comply with the Corporations Act and the Constitution. The compliance plan is audited by the Compliance Plan Auditor annually and the audit report is lodged with ASIC.

A compliance committee with a majority of external representatives oversees the Trustee's compliance with the compliance plan, the Constitution and the Corporations Act.

As part of the compliance plan, the Trustee operates a service provider monitoring program to ensure service providers are complying with their service agreement obligations.

10.10. COMPLIANCE COMMITTEE

A Compliance Committee has been appointed by the Fund Manager to monitor compliance and report to directors of Trustee on a regular basis regarding adherence in operation of the Trust with the Compliance Plan, the Corporations Act and other ASIC requirements. If any issues or breaches are not

addressed by either the management or the Board of the Fund Manager, the Compliance Committee is obliged to report directly to ASIC.

The Compliance Committee is required to have a majority of independent, external members. The current Compliance Committee comprises two external members and one director of the Trustee

10.11. COMPLAINTS

If you have a complaint about the Fund Manager, Trustee or any product or service provided by any officeholder of these parties, then please notify the Fund Manager or Trustee at your earliest opportunity by contacting the Complaints Fund Manager at:

Funding.com.au Pty Ltd (Fund Manager)
Ground Floor, 50 Appel Street
Surfers Paradise, QLD 4217
Telephone: 1300 44 33 19

Melbourne Securities Corporation Ltd
Level 2, 395 Collins Street
Melbourne, VIC 3000
Telephone: 1300 798 790

We will use reasonable endeavours to deal with and resolve the complaint within a reasonable time.

If you are not satisfied with the outcome, you can refer the complaint to the Australian Financial Complaints Authority ("AFCA"), an external complaints resolution scheme of which the Trustee and Funding.com.au are members. AFCA's postal address is: GPO Box 3, Melbourne, Victoria, 3001 and the toll free number is: 1800 931 678. AFCA's role is specified in the AFCA Complaint Resolution Scheme Rules available from their website: www.afca.org.au/.

10.12. CONTINUOUS DISCLOSURE REQUIREMENTS

Under the Corporations Act, where a registered scheme is a "disclosing entity", it is subject to certain regular reporting and disclosure obligations. If the Trust becomes a disclosing entity, Members have a right to obtain a copy of the following documents:

- The annual financial report most recently lodged with ASIC by the Trust;
- Any half-year financial report lodged with ASIC by the Trust after the lodgement of that annual financial report and before the date of this PDS; and
- Continuous disclosure notices given by the Trust after the lodgement of that annual report and before the date of the PDS.

The above information will also be available through the Platform or can be obtained free of charge by contacting the Trustee. In addition, copies of documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an ASIC office.

11. Important Information for New Zealand Investors

The Fund is registered with ASIC and relies on the mutual recognition regime to make this offer to New Zealand Investors. A copy of the Constitution and this PDS has been lodged with the New Zealand Companies Register.

11.1. Warning Statement

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Law and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Law and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you're are uncertain about whether this Investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

11.2. Additional warning statement: currency exchange risk

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having funds credited to a bank account in New Zealand in New Zealand dollars.

11.3. Additional warning statement: dispute resolution process

The dispute resolution/complaints process described in this offer document is available only in Australia and is not available in New Zealand.

12. Corporate Directory

12.1. FUND MANAGER

Funding.com.au Pty Ltd (Fund Manager)
Ground Floor, 50 Appel Street
Surfers Paradise QLD 4217
Telephone: 1300 44 33 19

12.2. LENDER

Funding Pty Ltd (Lender)
Ground Floor, 50 Appel Street
Surfers Paradise QLD 4217
Telephone: 1300 44 33 19

12.3. TRUSTEE

Melbourne Securities Corporation Ltd
Level 2, 395 Collins Street
Melbourne, VIC 3000
Telephone: 1300 798 790

12.4. CUSTODIAN

Sandhurst Trustees Limited
Level 5, 120 Harbour Esplanade
Docklands, VIC 3008
Facsimile: (03) 8414 7275

12.5. AUDITOR

Moore Australia
Level 18, 530 Collins Street
Melbourne VIC 3000
Phone: 03 9608 0100

12.6. ENQUIRIES

Telephone: 1300 44 33 19
Web: www.funding.com.au
E-mail: info@funding.com.au

13. Glossary

In this PDS, the following terms have the following meaning unless the context otherwise requires:

ABN	Australian Business Number.
AFCA	Australian Financial Complaints Authority.
AFSL	Australian Financial Services Licence.
AML Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).
AML Requirements	The AML Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies.
Applicant	A person who completes, signs and submits an Application Form.
Application Form	The application form available through the Platform to be completed to apply for a Foundation Unit, or such other form as the Trustee determines.
ASIC	Australian Securities and Investments Commission.
AUD	Australian dollars.
AUSTRAC	Australian Transaction Reports and Analysis Centre.
Borrower	Someone who borrows under a Loan, including an individual, a company, a trust with an individual trustee, a trust with a corporate trustee and a self-managed super fund (SMSF).
Business Day	Any day that is not a Saturday, a Sunday, a public holiday or a bank holiday in Melbourne, Australia.
Cash	The assets of the Trust which consist of cash which has not been advanced, or allocated to be advanced, to a Borrower under a Loan.
Cash Units	A class of Unit which gives the holder the right to an equal undivided share of the Cash in the Trust.
CGT	Capital gains tax.
Constitution	The trust deed establishing the Trust dated 23 November 2016, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Custodian	Sandhurst Trustees Limited, ACN 004 030 737 or such other person appointed by the Trustee from time to time.

Default	A Loan where the Borrower has failed to pay any amount which was due under the Loan when it was due or where the Borrower has breached any other conditions of the Loan.
Foundation Unit	A class of Unit in the Trust issued for nil consideration, with no rights to the income or capital of the Trust.
Funding Commercial	Funding Commercial Pty Ltd ACN 634 414 127.
General Security Deed	The deed between the Trustee, Custodian and Lender which grants a general security over the Lender's property.
GST	Goods and Services Tax.
Law	<ul style="list-style-type: none"> (a) principles of law or equity established by decisions of courts; (b) statutes, regulations or by-laws of the Commonwealth of Australia, or any State or Territory of the Commonwealth of Australia or a Government Agency; and (c) requirements and approvals (including conditions) of the Commonwealth of Australia or any State or Territory of the Commonwealth of Australia or a Government Agency that have the force of law.
Lender	<p>Funding Pty Ltd ACN 607 035 861.</p> <p>Where the Loan is for consumer purposes and therefore the NCCP Act and the National Credit Code, loans are made directly by Funding Pty Ltd. For other loans where the Loan is for non-consumer purposes and therefore it does not fall under the NCCP Act and the National Credit Code, the Lender will provide the Loan funds to Funding Commercial, which will then on-lend the funds to the Borrowers.</p>
Loan	A loan by the Lender to a Borrower which is funded through the Platform.
Loan Agreement	The agreement for a Loan between the Lender and a Borrower.
Loan Unit	A class of Unit which is referable to a Loan.
Management Agreement	The agreement between the Trustee and Funding.com.au under which Funding.com.au is appointed to manage the Trust.
Fund Manager, Funding.com.au, we, us	Funding.com.au Pty Ltd ACN 603 756 547.
Master Loan Agreement	The agreement between the Trust and the Lender under which the Trust agrees to lend money to the Lender in order to enable the Lender to make the Loans to Borrowers.

Member, you	A person appearing in the Trust's register as the holder of a Foundation Unit.
National Credit Code	Defined in section 5(1) of the NCCP Act.
NCCP Act	National Consumer Credit Protection Act 2009 (Cth).
Platform	The online loan platform operated by us at www.funding.com.au .
PDS	This Product Disclosure Statement, dated 7 May 2021, as may be supplemented or replaced from time to time.
Responsible Entity, Trustee	Melbourne Securities Corporation Ltd ACN 160 326 545, AFSL 428289.
TFN	Tax File Number.
Trust	The Funding Investments Trust ARSN 616 185 276.
Unit	A unit in the Trust.
Unit Price	The price of a Unit, being: Nil for a Foundation Unit; and AU\$1.00 for a Cash Unit or Loan Unit.