



Landen

FUNDS

# Landen Funds

PRODUCT DISCLOSURE STATEMENT

5 November 2021

Responsible entity for Landen Funds ARSN 653 001 015  
is One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042

This Product Disclosure Statement (**PDS**) provides a summary of general terms and significant information about *Landen Funds* (the **Fund**). You should read and consider the information contained in this PDS, any Supplementary Product Disclosure Statement (**SPDS**) for a Specific Investment Fund and the Target Market Determination for the relevant Specific Investment Fund (**TMD**) before making a decision about investing in this product. The information in this PDS, any SPDS and any TMD is general information only and does not take into account your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.



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# Important Information

The interests in Landen Funds ARSN 653 001 015 (**Fund**) offered under this Product Disclosure Statement (**PDS**) dated 5 November 2021 and the relevant SPDS are issued by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (**OMIF**) in its capacity as responsible entity of the Fund (**Responsible Entity**).

OMIF is licensed to operate registered managed investment schemes that hold deposits and mortgages for retail and wholesale clients.

## No guarantee

An investment in the Fund, including through the interests offered under this PDS, is not guaranteed or otherwise supported by OMIF. You should consider this when assessing the suitability of the investment and particular aspects of risk. This PDS and the relevant SPDS contains important information, but it does not take into account your investment objectives, financial situation or particular needs. Before making any decision to invest in the Fund based upon information contained in this PDS, and the relevant SPDS, you should read each document carefully in its entirety, together with the relevant TMD, and consult a financial adviser and/or tax adviser.

## References to certain terms

In this document, the description 'we', 'us' or 'our' refers to OMIF. The description 'you' and 'your' are references to investors.

A reference to 'Landen' is a reference to Landen Funds Management Pty Ltd ACN 651 892 152 (CAR 001292417), the investment manager and includes those entities within the Landen Group undertaking investment activities.

## Acknowledgements

You acknowledge that:

- no person has been authorised to give any information concerning the Responsible Entity, the Fund or the units in the Fund other than as contained in this PDS and the relevant SPDS, and, if given, that information cannot be relied upon as having been authorised by us; and
- you have been afforded an opportunity to request, and have received and reviewed, all information considered by you to be necessary and appropriate to verify the accuracy of, or to supplement the information contained in, this Product Disclosure Statement and to make an informed decision about investing in the Fund and to obtain exposure to the underlying investment held by a Specific Investment Fund.

## Jurisdictions outside of Australia

This PDS has been prepared to comply with the requirements of the laws of Australia. No interests are offered to any person whose registered address is outside of Australia unless OMIF is satisfied that it would be lawful to make such an offer.

The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this PDS should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No investments will be accepted on the basis of this document once it is replaced with a later PDS.

## Business day

In this document, 'business day' refers to a Sydney business day on which Australian financial institutions are open for business excluding Saturday, Sunday and public holidays.

## Currency

All dollar amounts referred to in this PDS are in reference to the Australian currency.

## Availability of this PDS

This PDS and the relevant SPDS is available in electronic format, including access via the Fund's website at [www.funds.landend.com.au](http://www.funds.landend.com.au). If you receive it electronically, please ensure that you have received the entire PDS, the relevant SPDS and the Application Form. If you are unsure whether the electronic document you have received is complete, please contact us. A printed copy is available free of charge.

## Updates to this PDS

Information in this PDS which is not materially adverse information that is subject to change from time to time, may be updated via the Fund's website and can be found at [www.funds.landend.com.au](http://www.funds.landend.com.au). A paper copy of updated information is available free of charge by contacting us on [landen@oneinvestment.com.au](mailto:landen@oneinvestment.com.au) or + 612 8277 0000.

## Obtaining other information before making a decision

Visit the Fund's website [www.funds.landend.com.au](http://www.funds.landend.com.au) for further information about the Fund. We recommend that you review all information before you make a decision to invest in the Fund. You can call us on + 612 8277 0000 during business hours and we can send you copies of the PDS, SPDS, Constitution and any other policy referred to in this PDS or SPDS.

# Glossary

Defined Term	Meaning
<b>Administrator</b>	means Unity Fund Services Pty Ltd ABN 16 146 747 122.
<b>AFSL</b>	means an Australian financial services licence issued by ASIC.
<b>AML/CTF Law</b>	means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
<b>Application Form</b>	means the application form for an Offer of Units in a Specific Investment Fund.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ATO</b>	means the Australian Taxation Office.
<b>Austrac</b>	means the Australian Transaction Report and Analysis Centre, the body responsible for regulating the AML/CTF Law.
<b>Authorised Representative</b>	refers to an authorisation to use the AFSL of Havana Financial Services.
<b>Borrower</b>	means a borrower to which a Specific Investment Fund lends in order to undertake and complete a project.
<b>Class</b>	means a class of Units issued under the Constitution.
<b>Constitution</b>	means the constitution of the Fund, as amended from time to time.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>CRS</b>	means the <i>Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016</i> (Cth).
<b>Disclosure Principles</b>	means the ASIC Disclosure Principles for Mortgage Schemes in RG 45.
<b>FATCA</b>	means the <i>Foreign Account Tax Compliance Act</i> .
<b>Fund</b>	means Landen Funds ARSN 653 001 015.
<b>Havana Financial Services</b>	means Havana Financial Services Pty Ltd ACN 619 804 518 AFSL 500435.
<b>Investment Management Agreement</b>	means the investment management agreement between OMIF as responsible entity of the Fund and the Investment Manager.
<b>Investment Manager</b>	means Landen.

Defined Term	Meaning
<b>Landen</b>	means Landen Funds Management Pty Ltd ACN 651 892 152 CAR001292417.
<b>Landen Financial Services</b>	means Landen Financial Services Pty Ltd ACN 165 178 021.
<b>Landen Group</b>	means each of Landen Property, Landen Funds Management and Landen Financial Services.
<b>Landen Property</b>	means Landen Property Group Pty Ltd ACN 642 578 498.
<b>LVR</b>	means Loan-to-value ratio.
<b>Offer</b>	means an offer of Units in a Class of the Fund referable to a Specific Investment Fund.
<b>OMIF</b>	means One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042.
<b>PDS</b>	means this product disclosure statement or any replacement product disclosure statement in relation to the Offer.
<b>Privacy Act</b>	means the <i>Privacy Act 1998</i> (Cth).
<b>Responsible Entity</b>	means OMIF.
<b>RG 45</b>	means the ASIC Regulatory Guide 45: Mortgage Schemes – Improving Disclosure for Retail Investors.
<b>SPDS</b>	means a supplementary product disclosure statement issued in conjunction with this PDS in relation to an offer of Units in the Fund.
<b>Specific Investment Fund</b>	means a sub-trust of the Fund established for the purpose of investment by the Fund and referable to a Class of Units in the Fund.
<b>TMD</b>	means the Target Market Determination in connection with an Offer by the Fund prepared pursuant to section 994B of the Corporations Act.
<b>Unit</b>	means a unit issued in the Fund in any Class.

# A snapshot of the Fund

Key features	Description	Further information
<b>Responsible Entity</b>	One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 ( <b>OMIF</b> ).	Section 24
<b>Investment Manager</b>	Landen Funds Management Pty Ltd ACN 651 892 152 (CAR 001292417)	Section 25
<b>Investment objective</b>	To provide indirect exposure to investment opportunities with access to periodic income through debt, equity or hybrid investments for a fixed duration.	SPDS
<b>Fund structure</b>	<p>The Fund is an unlisted registered managed investment scheme which operates as a master feeder fund. The Fund intends to issue separate classes of Units referable to a new wholly owned sub fund (<b>Specific Investment Fund</b>) which will lend to a Borrower identified by the Investment Manager and detailed in an SPDS.</p> <p>You can select to obtain exposure to any available Specific Investment Fund which you consider aligns with your personal needs, objectives and circumstances. The investments offered are actively managed and the loans have been procured by the Investment Manager.</p> <p>Upon your application being accepted by the Responsible Entity, you are issued a Class of Units which is referable to that Specific Investment Fund, and described in the relevant SPDS.</p> <p>Investment outcomes, including the rate of return, duration and capital security of funds invested in a Class of Units are isolated and exposed to each Specific Investment Fund.</p> <p>Therefore you should carefully consider the key features of a Specific Investment Fund in the relevant SPDS as it will have direct effect on your investment.</p>	Section 1
<b>The Offer</b>	The Fund will make a separate offer of Units in a Class referable to each Specific Investment Fund. This PDS sets out the general terms that apply to all offers.	SPDS
<b>Key risks</b>	As with any investment, an investment in the Fund is subject to risk, both of a general nature and specific to lending. The key risks of investing in the Fund is clearly set out in the relevant SPDS for each Specific Investment Fund to ensure you can select an investment which aligns with your personal risk profile, objectives and circumstances.	Section 8 and SPDS



Key features	Description	Further information
<b>Expected key features in relation to classes in the Fund</b>		
<b>Liquidity</b>	A Class of Units in the Fund will not be liquid. Liquidity events only occur at the maturity of the loan or other investment held by a Specific Investment Fund.	Section 10
<b>Specific Investment Fund Terms</b>	<p>The specific terms of a particular Class are contained in the relevant SPDS including details of the intended investments for the relevant Specific Investment Fund which will include:</p> <ul style="list-style-type: none"> <li>• the type of investment for the relevant Specific Investment Fund;</li> <li>• where applicable, the projected rate of return for the Class;</li> <li>• the regularity of distribution payments to investors in the Class;</li> <li>• the expected maturity date of the loan or other investment held by the Specific Investment Fund;</li> <li>• the collateral or security of the held by the Specific Investment Fund; and</li> <li>• the purpose of the loan the subject of the investment.</li> </ul>	SPDS
<b>Offers</b>	<p>The Fund will, over time, offer a range of Classes of Units each referable to a Specific Investment Fund for investors to select to create their own loan portfolio.</p> <p>At the date of this PDS there is one Class of Units offered. As each new Class is made available, an Offer will be made available at <a href="http://www.funds.landend.com.au">www.funds.landend.com.au</a>.</p> <p>An investment in selected one or more Classes of Units referable to a Specific Investment Fund provides less diversification when compared to a pooled fund where a number of investments are co-mingled to provide a return for investors.</p>	SPDS
<b>Other Fund information</b>		
<b>Property valuations</b>	<p>The trustee of a Specific Investment Fund will require property valuations to be completed as part of the loan approval process by qualified independent valuers.</p> <p>The Investment Manager may use its own valuation or an independent valuation depending on the type of loan and the relevant LVR. This will be detailed in the Specific Investment Fund's SPDS.</p>	Section 4.5
<b>Related party transactions</b>	<p>All transactions, including those with related parties of the Responsible Entity and the Investment Manager, are conducted on commercial terms and conditions and on an arm's length basis. Both OMIF and Landen maintain and comply with a written policy on related party transactions.</p> <p>Any Specific Investment Fund which is related to the Responsible Entity or the Investment Manager will be disclosed in that particular Specific Investment Fund's SPDS.</p>	Section 28

Key features	Description	Further information
<b>Fund borrowing</b>	<p>The Fund will not borrow directly. The Fund invests amounts referable to Classes of Units in Specific Investment Funds which will make loans available to a Borrower to finance the acquisition of, construction on and/or development of land. The trustee of the Specific Investment Fund will comply with the LVR requirements set by the Investment Manager for a particular loan.</p> <p>See the SPDS for specific details about the borrowing arrangements for the Borrower in each Specific Investment Fund.</p> <p>The Borrower will grant, at a minimum, a general security in favour of the trustee of the Specific Investment Fund which, it may rank behind a secured senior lender. In some instances there may be other credit providers (in addition to the secured senior lender) who rank ahead of the trustee of the Specific Investment Fund. In other circumstances, this will not be the case. The security held by the trustee of the Specific Investment Fund in respect of the Borrower will be clearly disclosed in the SPDS.</p>	Section 4.2

### Minimum investment amounts

<b>Initial investment</b>	<p>\$100,000.00 in any Class of Units.</p> <p>The Responsible Entity reserves the right to accept lower amounts or reject applications.</p> <p>You should refer to the relevant SPDS to confirm the issue price of a particular Class.</p>	Section 9
<b>Additional investment amount</b>	<p>\$10,000.00 in any Class of Units.</p> <p>The Responsible Entity reserves the right to accept lower amounts or reject additional applications.</p>	

### Fees and costs of the Fund

<b>Management fee<sup>1</sup></b>	Up to 0.8% of the net asset value of the relevant Class.	Section 12
<b>Recoverable expenses<sup>2</sup></b>	Estimated to be up to 1.40% of the average net asset value of the Class.	Section 12
<b>Investment Manager fee<sup>3</sup></b>	A fee is payable to the Investment Manager from the relevant Specific Investment Fund in circumstances where the targeted rate of return for a Class is achieved and has been paid or payable to investors in the Class following the maturity of the relevant loan or other investment held by the Specific Investment Fund.	Sections 12 and 13.5 SPDS

1. Management fees include a responsible entity fee, custody fee and establishment fee are payable from the assets of the Class from amounts paid by the relevant Specific Investment Fund's Borrower pursuant to the terms of the relevant loan agreement.
2. The estimated recoverable expenses do not include expenses relating to abnormal expenses. For more information about Fund expenses, see 'Recoverable expenses' under the heading 'Additional explanation of fees and costs'.
3. The Investment Manager does not anticipate that it will be paid this fee in relation to each Specific Investment Fund.

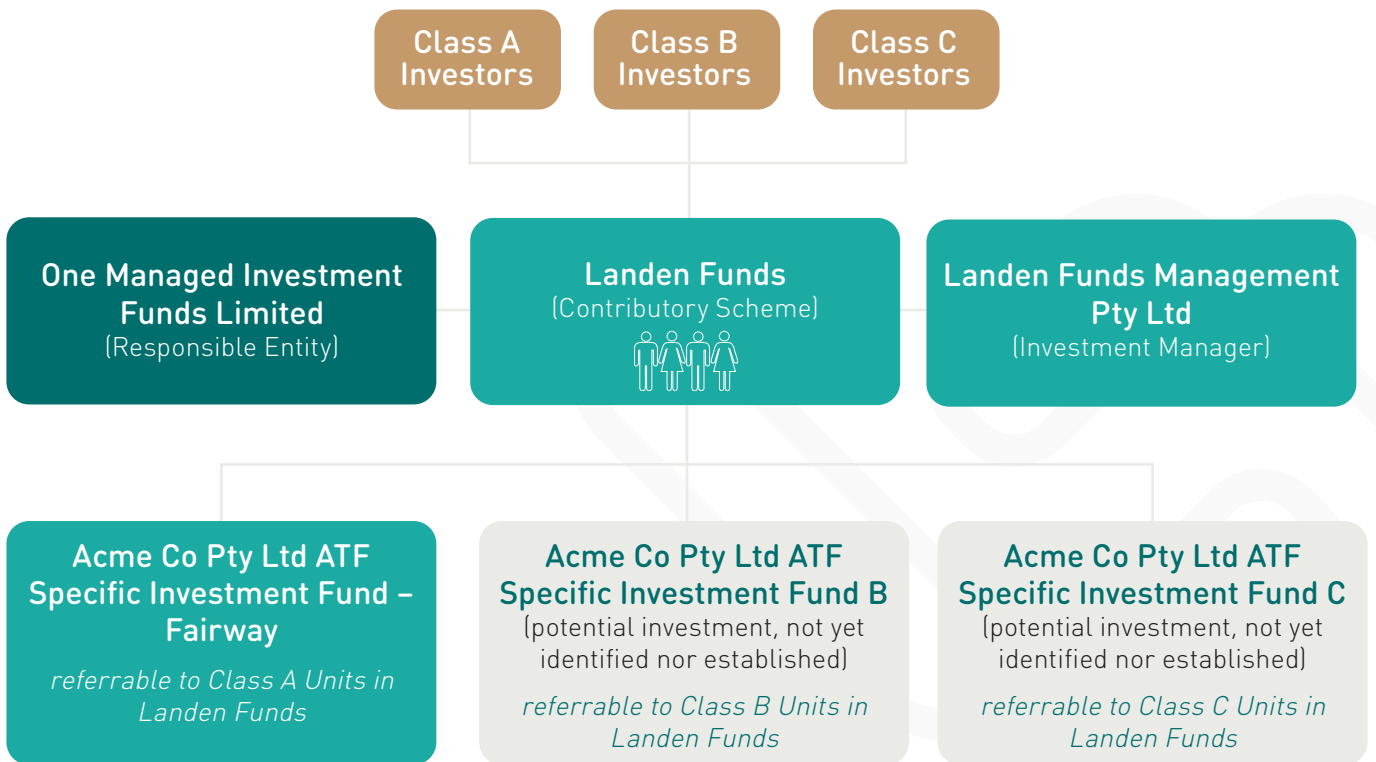
# About the Fund

The Fund provides investors the opportunity to select and invest in Classes of Units in the Fund each exposed to different Specific Investment Funds. Each Specific Investment Fund provides exposure to an investment procured by Landen’s experienced team.

## 1. Fund structure

The Fund is structured as a master Fund which will invest into a series of sub-funds known as Specific Investment Funds. Each Specific Investment Fund has a referable Class of Units in the master Fund.

Below is a diagram of the Fund’s structure.



### 1.1 Specific Investment Funds

The Fund is structured to offer exposure to a selection of asset backed loans and hybrid investments, each held and managed separately through a Specific Investment Fund.

The Fund is not a “pooled fund”. Instead, investment outcomes, including the rate of return, duration of investment and capital security of funds invested in each Class of Units are isolated and exposed to each Specific Investment Fund.

Investors should note that their investment will not in all circumstances be secured by a registered mortgage over the project being developed and as such the investment will be at a greater risk of loss than where it is secured by a registered mortgage.

All investments in a Class referable to Specific Investment Funds are made via an Application Form accompanying the relevant SPDS for the particular Specific Investment Fund.

At the date of this PDS, the lending facilities offered through the Specific Investment Funds are intended to be primarily for the purpose of financing real property loans which includes securing land for development purposes.

Each SPDS provides specific details of each Specific Investment Fund referable to the Class offered under that SPDS in order for investors to assess if the investment meets their investment objectives and risk profile.

This may include:

<b>Details of the underlying investment loan</b>	Location attributes of the proposed development or security property (if applicable) The status of the development (if applicable) Risks specific to the loan Any special provisions in the mortgage or security documentation (if applicable) The expected repayment strategy for the loan
<b>Borrower and Security Summary</b>	The mortgagor(s) (if applicable) The borrower(s) Any guarantor(s) The loan type (e.g. land or construction or development) The asset class of the property or proposed development (e.g. residential, mixed use, commercial, industrial) The address of the security property to be mortgaged (if applicable) The title reference The amount of the loan The independent valuer name, valuation date, and the basis of valuation (e.g. 'as-is', 'as-if complete') The loan to valuation ratio
<b>Investment Summary</b>	The term of the loan including when the loan is scheduled to be repaid The interest rate payable by the Borrower, including the higher interest rate

## Specific Investment Fund distribution payments

Each SPDS will specify the applicable interest rate received by the Specific Investment Fund. While interest rates are generally fixed for the life of the relevant loan or investment, they are subject to change.

Loans of more than 12 months generally provide for an increase to the interest rate payable by Borrowers if comparable lending rates have increased. This means that interest rates will not generally fall during the term of the loan and may increase if comparable lending rates have increased 12 months after the loan was made.

If the Borrower defaults, or fails to meet certain conditions specified in the relevant SPDS, the higher interest rate may become payable by the Borrower. Refer to 'Higher interest rate payment' in section 11.2 for further information.

## Specific Investment Fund capital repayments

Borrowers generally have a right to either repay the loan early, or to make partial repayments to reduce the loan. If this occurs, the trustee of the Specific Investment Fund may charge the Borrower an early repayment fee.

**The terms of any such right of the Borrower will be disclosed in the relevant Specific Investment Fund.**

### No guarantee

There is no guarantee of the repayment of capital or income to any investors. There is a risk that you may lose some or all of the funds that you invest.

For further information about a Specific Investment Fund's terms, visit the Fund's website [www.funds.landend.com.au](http://www.funds.landend.com.au) or call the Investment Manager on 1300 526 336.

## 2. Investing in the Fund

Investment into a Class of Units referable to a Specific Investment Fund are made through the relevant SPDS Application Form.

Upon acceptance into the Fund, investors are issued with units in a Class which are referable to the Specific Investment Fund described in the relevant SPDS, and are issued with a transaction statement identifying the Class of Units held.

### 2.1 Withdrawals

Withdrawal requests are not permitted from a Class of Units referable to a Specific Investment Fund during the term specified in the relevant SPDS.

Unitholders may withdraw their investment at the end of the term specified in the SPDS when the assets of the Specific Investment Fund referable to the Class of Units are liquid (although transfers are permitted subject to the approval of the Responsible Entity). The SPDS will disclose the anticipated investment term for the relevant Class of Units.

### 2.2 Variation or extension of a Specific Investment Fund's term

Generally, prior to the expiration of a Specific Investment Fund's term, Landen will validate the Borrower's ability to repay the loan by the maturity date.

If the Borrower requests an extension of the maturity date of the loan and, subject to satisfying Landen's lending criteria, the trustee of the Specific Investment Fund may decide to:

- extend the term of the loan;
- make an offer to refinance the loan on new terms; or
- in circumstances where the trustee of the Specific Investment Fund is not satisfied with the terms of the extension sought, commence recovery proceedings against the Borrower.

The Investment Manager will generally consider the following in determining which of the above actions to take:

- the Borrower's overall compliance with the terms of the loan;
- the Borrower's progress towards completing the construction, development and or sale (as appropriate depending on the nature of the loan);
- the Borrower's overall financial position; and
- any other matters that the Investment Manager considers prudent given the circumstances of the request.

The investors in the Class with exposure to the relevant Specific Investment Fund affected by the above will be notified of any steps taken in these circumstances.

## 2.3 Borrowings

The Fund has no borrowings and has no plans to borrow in the future.

## 2.4 Who should invest in the Fund?

This Fund is typically suited to investors who:

- have an appetite for high to very high risk investments;
- seek investment in loans which generally provide periodic distribution payments for a fixed term;
- are looking to achieve further diversification as part of their existing investment portfolio through the inclusion of an investment in secured loans; and
- have an investment outlook of up to three years.

It is important that investors consider the risks of investing, which are explained generally in section 8. Specific risks relating to each Specific Investment Fund are detailed in the relevant Supplementary Product Disclosure Statement and should be read in conjunction with the general risks before making an investment decision. Investors should read the Target Market Determination to ensure that they meet the target market for the investment being offered in the Supplementary Product Disclosure Statement.

# Loan approval process

Landen Group undertakes an extensive process to select a loan to make available for investment through a Specific Investment Fund.

Each Specific Investment Fund offers exposure to an investment opportunity which may take the form of an asset-backed loan, mortgage secured loan or an alternative investment.

## 3. Investment Manager's Process

The Investment Manager's approach to lending is based on providing a return to investors and protecting capital whilst giving access to high quality investments. The Landen Group has extensive experience in sourcing commercial loans, assessing the creditworthiness of borrowers and approving, structuring and managing loans.

### 3.1 Security

The preferred security for a Specific Investment Fund's lending generally takes the form of a mortgage loan over real property in Australia. A mortgage take varying forms:

- A first registered mortgage is security over real property where the lender ranks first before other creditors in claims or entitlements in respect of the property.
- A second registered mortgage is a security over real property where the lender ranks after the first creditor in claims or entitlements over the property. Second registered mortgages generally attract a higher interest rate payment to reflect the risk taken by the lender.

Before a loan is advanced to a Borrower, the Borrower is generally required to execute documents which regulate the terms and conditions of the loan including, but not limited to, a mortgage (incorporating, where relevant, guarantee and indemnity provisions) and a loan agreement.

In some circumstances, the Investment Manager may identify an investment opportunity where a mortgage is not available as the security for the Specific Investment Fund's investment. Alternative security will be sought by the Specific Investment Fund and where alternative security is provided by a Borrower, that security will be clearly described in the Specific Investment Fund's SPDS so that investors can make an informed decision as to the risk profile of the investment in the particular Specific Investment Fund.

### 3.2 Borrower assessment

Prior to a loan being advanced to a Borrower, Landen will conduct an assessment of the Borrower's creditworthiness as part of the loan approval process. Where the loan involves a construction project, assessment of the following elements will occur:

- the full details of all projected costs;
- cash flows and all ancillary documents to assess the ability of the Borrower to complete the project on a timely basis;

- the Development Proposal, DA Approval (where applicable) and the supporting documentation;
- third party reports and information to test the assumptions used by the Borrower. These may include a certified quantity surveyor's report, Sales Data, RP Data, consultation with local builders and agents;
- the developer's experience; and
- whether the proposed development will benefit from local established infrastructure and amenities.

### 3.3 Valuers, quantity surveyors, solicitors, or other external service providers

We require Landen ensure that any valuers, quantity surveyors, solicitors or other external service providers engaged by us are appropriately qualified and have current professional indemnity insurance appropriate for the type of work to be performed by them. In particular, Landen will also ensure that we only instruct valuers with at least five years' experience, hold adequate professional indemnity insurance and are registered under one of the state/territory valuer registration regimes. Approved valuers would also be required to include a statement in their valuation reports that their valuation complies with all relevant industry standards and codes.

### 3.4 Lending framework

The internal loan approval process is delegated by the Investment Manager's board to the appropriate approval parties and includes the recommendation that the loan approval is within the lending guidelines.

All financing applications are assessed under the governance of the risk management processes of the Investment Manager. The Responsible Entity monitors the performance of the Investment Manager.



Before a loan is advanced to a Borrower, Landen conducts an assessment of the Borrower's creditworthiness as part of the loan approval process, to assess the Borrower's capacity to repay the loan in full, in accordance with the terms and conditions of the loan.

#### Credit Review and Property Valuation

Unless otherwise disclosed in an SPDS, a loan will be secured by real property and a desktop valuation is undertaken by the Investment Manager. The desktop valuation process performed uses publicly available information in order to assess the value of the secured property (**Security Property**). The Investment Manager will use recent comparable sales and property listings online, feedback from local sales agents and other readily available records to form a view on the local market and property to determine its value.

Where there is a development approval attached to the Security Property, the loan-to-value ratio is generally based on an 'as-if-complete' value of the property (**Development LVR**).

Where no development approval is attached to the Security Property, the loan-to-value ratio is generally based on the 'as-is' value of the property (**Land LVR**).



Where the Security Property Development LVR or Land LVR (as appropriate) exceeds 70%, or the project profit margin is less than 22% when using the desktop valuation, a professional valuation will be obtained from an independent qualified valuer to provide an appropriate valuation of the property.

Where an SPDS provides that a loan is not secured by real property, Landen will undertake an assessment of the risk profile of a loan and the value of any security being offered in support of a loan against established lending criteria and credit requirements, and in this respect Landen may utilise services from related parties for credit assessment purposes, and aim to determine that the loan application is suitable for investment through considering factors such as, but not exclusive to:

- the interest rate and other fees payable by the Borrower;
- ensuring the loan documentation meets the mutual requirements and objectives for a Borrower and investors in the Class referable to that Specific Investment Fund;
- assessing a Borrower's capacity to meet the financial obligations of the credit contract without substantial hardship;
- verifying the information in the loan application form and making an assessment in accordance with the Investment Manager's risk criteria;
- guarantees being provided in support of the Borrower;
- the Borrower's experience and track record in completing projects of the kind associated with the loan proposed; and
- the value of the project intended to be undertaken using the loan provided.

The Investment Manager has procedures which specify the selection of and monitor the performance requirements for independent valuers, solicitors, civil engineers, quantity surveyors and other experts engaged. Typically, all fees of third-party service providers are payable by the Borrower. However, if the loan has defaulted, some of these fees may be recovered from the assets of the relevant Specific Investment Fund.

## Loan management

Interest payments and scheduled repayments are monitored so that in the event of a delay in payment, appropriate steps can be implemented for recovery. The frequency of these payments by the Borrower are set out in the Specific Investment Fund's SPDS. The trustee of the Specific Investment Fund may, at its discretion, alter payment and receipt dates, and the Responsible Entity will notify investors of any changes.

The financial position of each Borrower (and guarantor) is verified by the Investment Manager who undertake credit checks and bankruptcy searches to verify that Borrowers and guarantors do not have a documented poor payment history.

Construction and development loans may require the use of solicitors, quantity surveyors as well as independent valuers to confirm the Development LVR or other lending criteria are being met.

## 3.5 Types of loans

At the date of this PDS there are generally two types of loans to be made available through a Specific Investment Fund.

### Real property loans

Unless otherwise disclosed in an SPDS, real property loans are:

- secured against real property;
- generally short term for periods of 12 to 24 months;
- generally limited to a maximum Development LVR or Land LVR (as appropriate) of up to 80%.

Typically, the full loan amount specified by the relevant SPDS is loaned to the Borrower from commencement, unless otherwise specified for the relevant Specific Investment Fund.

### Construction and development loans

Loans may be provided to Borrowers to assist with the construction and development activities associated in developing new property.

Unless otherwise disclosed in the SPDS, the LVR is generally limited to a Development LVR of 80%.

Typically, the loan amount specified by the relevant SPDS is progressively loaned over time to the Borrower from an initial draw down, and subsequent progress payments. Throughout the development Landen's team obtain independent quantity surveyor reports to assess the project at various stages of the construction. Further progress payments under a Specific Investment Fund are generally made after the quantity surveyor has provided their report. All projects are monitored on a cost to complete basis.

This means that:

- exposure to the construction and development to the Specific Investment Fund increases over time; and
- interest may only be paid upon the amount allocated to the Specific Investment Fund or may be paid at a lower rate while funds are available for advance to the Borrower under the relevant loan agreement but not allocated.

## 3.6 Risk management process

Landen's team aims to mitigate development and construction risk including through attending development 'project control meetings' and performing on site inspections in order to actively monitor the loan for early signs of deterioration. If a default occurs, the issue is escalated to the asset management committee whose role is to review, ratify and monitor the implementation of strategies designed to remedy the default.

Progress payments to the Borrower are generally only made after Landen has verified the remaining costs to complete the project.

# Benchmark and Disclosure Principles

The Australian Securities and Investments Commission (**ASIC**) has issued a set of benchmarks and disclosure principles, contained in Regulatory Guide 45: Mortgage schemes – Improving disclosure for retail investors (**RG45**) to help investors understand and assess unlisted mortgage schemes, such as this Fund. ASIC distinguishes between ‘pooled’ schemes (where the investment funds are lent out to various borrowers) and ‘contributory’ schemes (where investment funds are lent in relation to a borrower in relation to a specific project or property).

Since the Fund is a ‘feeder fund’ which will predominantly invest in Specific Investment Funds, the disclosures relating to loan portfolio and diversification and valuation policies have been made on a look through basis. Information contained in the benchmarks, including how the Fund measures against them, is set out in the Benchmarks Section. Information relevant to the disclosure principles is set out in the Disclosure Principles Section. The information is current as at the date of this PDS and has been provided to keep you informed and to assist you in better understanding the nature of this investment. At the date of this PDS, the Fund may not meet the benchmarks for disclosure under RG 45 due to the nature of the offer made under the SPDS.

ASIC Benchmark	Compliance with the Benchmark	Explanation	Further information
<b>Benchmark 1: Liquidity RG45.34</b>			
For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that: <ul style="list-style-type: none"> <li>(a) demonstrate the scheme’s capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>(b) are updated at least every three months and reflect any material changes; and</li> <li>(c) are approved by the directors of the responsible entity at least every three months.</li> </ul>	Not applicable.	The Fund is not required to disclose the information required by this principle. Benchmark 1 applies only to pooled mortgage schemes.	Not applicable.
<b>Benchmark 2: Scheme borrowing RG45.42</b>			
The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.	Benchmark met.	The Fund does not have current borrowings and does not intend to borrow on behalf of the Fund.	Section 4.2 and SPDS

ASIC Benchmark	Compliance with the Benchmark	Explanation	Further information
<b>Benchmark 3: Loan portfolio and diversification RG45.44</b>			
<p>For a pooled mortgage scheme:</p> <p>(a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;</p> <p>(b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;</p> <p>(c) the scheme has no single borrower who exceeds 5% of the scheme assets; and</p> <p>(d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).</p>	Not applicable.	<p>Benchmark 3 applies only to pooled mortgage schemes.</p> <p>Each Specific Investment Fund may comprise a single investment and therefore does not offer investment diversification. However, you may choose to invest in as many Classes each referable to different Specific Investment Funds as you like to suit your personal objectives, needs and circumstances.</p> <p>We recommend that you do not invest all of your investable funds into a single asset or Class of assets. If you are unsure about the amount of the investment you wish to make you should seek professional advice from your professional advisers.</p>	Not applicable.
<b>Benchmark 4: Related party transactions RG45.47</b>			
The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.	Benchmark not met.	<p>The Responsible Entity and the Investment Manager each maintain and comply with a written policy on conflicts of interest and related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interests (<b>Conflict Policy</b>).</p> <p>Our Conflicts Policy sets out strict terms that apply if we enter into transactions with related parties, which require us to ensure these transactions are entered into on commercial arm's length terms or investor's approval is obtained and the details of these transactions are disclosed to investors appropriately, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.</p> <p>The relevant SPDS will contain details of related party transactions in relation to a loan.</p>	Section 4.4 and SPDS

ASIC Benchmark	Compliance with the Benchmark	Explanation	Further information
<b>Benchmark 5: Valuation Policy RG45.50</b>			
<p>In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:</p> <ul style="list-style-type: none"> <li>(a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</li> <li>(b) a valuer to be independent;</li> <li>(c) procedures to be followed for dealing with any conflict of interest;</li> <li>(d) the rotation and diversity of valuers;</li> <li>(e) in relation to security property for a loan, an independent valuation to be obtained: <ul style="list-style-type: none"> <li>(i) before the issue of a loan and on renewal: <ul style="list-style-type: none"> <li>(A) for development property, on both an 'as is' and 'as if complete' basis; and</li> <li>(B) for all other property, on an 'as is' basis; and</li> </ul> </li> <li>(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.</li> </ul> </li> </ul>	<p>Benchmark not met.</p>	<p>Where an SPDS provides that a loan is secured by real property:</p> <ul style="list-style-type: none"> <li>(a) Where the Development LVR or Land LVR (as applicable), is higher than 70% using Landen's desktop valuation, a professional valuation is required and Landen will require the valuers appointed to be member of an appropriate professional body in the jurisdiction in which they perform valuations.</li> <li>(b) The valuers are independent;</li> <li>(c) Landen maintains a Conflict Policy, see prior page;</li> <li>(d) Landen's valuation policy states that no valuer undertakes more than two consecutive valuations on any single property.</li> <li>(e) Independent valuations for assessment of a Development LVR or Land LVR will be obtained before the issue of a new loan and on renewal of an existing loan, where the appropriate LVR exceeds 70% using Landen's desktop valuation.</li> </ul> <p>A valuation will be conducted on an "as is" and an "as if complete" basis for construction and development loans. The 'as if complete' component of the development valuation is relied upon, to ensure that, upon completion of the project, the sum of all advances made (including interest capitalised) remains within an acceptable LVR.</p> <p>A valuation will be conducted on an "as is" basis for real property loans.</p> <p>Independent valuations are also obtained within two months after Landen forms 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.</p>	<p>Section 4.5 and SPDS</p>

ASIC Benchmark	Compliance with the Benchmark	Explanation	Further information
		Where an SPDS provides that a loan is not secured by real property, Landen will undertake an assessment of the risk profile of a loan and the value of any security being offered in support of a loan against established lending criteria and credit requirements but independent professional valuations may not be an appropriate assessment criteria.	

### Benchmark 6: Lending Principles – Loan to Valuation Ratios RG45.56

If the scheme directly holds mortgage assets:	Benchmark partially met.	<p>(a) Where an SPDS provides that a construction and development loan is secured by real property Landen aims to minimise risk by adopting additional procedures for such loans involving the use of an independent quantity surveyor who certifies the value of all work and certifies the cost to complete of such construction to confirm the Development LVR. Funds are provided to the Borrower in stages based on independent evidence of the progress of the development.</p> <p>(b) Where an SPDS provides that a construction and development loan is secured by real property. Landen aims to ensure that the facility limit of the loan is no more than 80% on the basis of the latest “as if complete” valuation of the property over which security is provided.</p> <p>(c) Where an SPDS provides that a real property loan is secured by real property, generally, the maximum loan to valuation ratio is 80% on the basis of the latest market valuation over which security is provided.</p>	Section 4.6 and SPDS
(a) where the loan relates to property development-funds are provided to the borrower in stages based on independent evidence of the progress of the development;			
(b) where the loan relates to property development -the scheme does not lend more than 70% on the basis of the latest ‘as if complete’ valuation of property over which security is provided; and			
(c) in all other cases—the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.			

ASIC Benchmark	Compliance with the Benchmark	Explanation	Further information
		Where an SPDS provides that a loan is not secured by real property, Landen will undertake an assessment of the risk profile of a loan and the value of any security being offered in support of a loan against established lending criteria and credit requirements but independent professional valuations may not be an appropriate assessment criteria.	

### Benchmark 7: Distribution practices RG45.61

The responsible entity will not pay current distributions from scheme borrowings.	Benchmark met.	Generally, all distributions are sourced from income. No distributions will be paid from borrowings.	Section 4.7
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### Benchmark 8: Withdrawal arrangements

<p>The ASIC Benchmark distinguishes between liquid and non-liquid schemes, to reflect the differences to an investor's ability to withdraw.</p> <p>RG 45.64 Liquid schemes: A liquid scheme is required to disclose whether it facilitates payment of withdrawal requests within 90 days.</p> <p>RG 45.65 Non-liquid schemes: For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.</p>	Benchmark not met.	<p>The Fund itself is not a liquid scheme. Investors are not entitled to withdraw from the Fund before the maturity of the loan or other investments held by the relevant Specific Investment Fund which triggers a liquidity event for their Class of Units in the Fund. However it is possible (subject to the Constitution) to transfer Units. There are risks and limitations that may affect your withdrawal rights.</p> <p>The SPDS will disclose the anticipated investment term for the Specific Investment Fund.</p>	Section 4.8 and SPDS
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## 4. Disclosure Principles

ASIC's disclosure principles for mortgage schemes require disclosure of certain information relevant to each principle.

The principles are intended to help investors understand the risks and potential rewards associated with these investments.

Each disclosure principle is set out below. Since the Fund is a 'feeder fund' which will predominantly invest in Specific Investment Funds, the disclosures relating to loan portfolio and diversification and valuation policies have been made on a look through basis.

### 4.1 Disclosure Principle 1 – Liquidity

The Fund is not a pooled scheme, as such RG 45.72 – RG 45.74 does not apply. Investors' entitlements to income or capital is based only on their investment in a Class of Units referable to a particular Specific Investment Fund and they have no right to the income or capital of other Classes of Units referable to other Specific Investment Funds. Investors are provided details relating to liquidity of a Specific Investment Fund in each SPDS.

### 4.2 Disclosure Principle 2 – Scheme borrowing

The Fund does not currently have any borrowings and does not currently intend to borrow, as such RG 45.75 – RG 45.79 do not apply.

### 4.3 Disclosure Principle 3 – Loan portfolio and diversification

The Fund is a 'feeder fund' whose investment strategy is to invest into Specific Investment Funds. As such, this disclosure is prepared on a look through basis.

Each Class of Units is expected to be referable only to one Specific Investment Fund, which in turn is expected to be exposed to one Borrower. While the diversification of the loan portfolios of the underlying Specific Investment Funds is one factor considered by the Investment Manager, it is not a requirement that the underlying funds in which the Fund invests meet this disclosure benchmark nor is it the intention of the Investment Manager to restrict its investments to funds that meet this benchmark.

The Fund is a contributory scheme, as such RG 45.80 – RG 45.87 does not apply.

### 4.4 Disclosure Principle 4 – Related party transactions

The Responsible Entity and/or the Investment Manager may engage other related parties to provide services to assist in management of the Fund's portfolio.

The arrangements are made on commercial terms and conditions and on an arm's length basis.

Related party arrangements carry a risk that they could be assessed and reviewed less rigorously than arrangements with other parties.



The Responsible Entity has policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction between related parties of the Responsible Entity.

The Investment Manager has policies and guidelines in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction between related parties of the Investment Manager. Related party transactions between Landen Group entities are reviewed, approved and monitored by Landen Group senior management with clearly identified governance policies.

Decisions in relation to conflicts of interest and related party transactions are documented.

For further information about the Related Party Policy of either the Responsible Entity or the Investment Manager, please contact us.

## 4.5 Disclosure Principle 5 – Valuation policy

Investors can email [funds@landen.com.au](mailto:funds@landen.com.au) or call 1300 526 336 to request a copy of the Valuation Policy.

On a quarterly basis Landen's Head of Funds Management will attest to the directors of Landen and the Responsible Entity that appropriate valuations are in place for each of the security properties. Management review the independent valuations for properties by size in each loan.

Independent external valuations or desktop valuations of properties which form security for loans are obtained:

- at the time the loan amount is approved, on an 'as is' basis and on a 'on completion' or on an 'in-one-line' basis for all security property;
- for existing loan accounts where formal renewal terms are approved and offered, at the time when the existing loan account is renewed; or
- as soon as practicable, but no later than within two months, after Landen's management or directors form a view that there is reason to believe that the security property value may have caused a material breach of a loan covenant.

OMIF issues an investor with an SPDS which provides information about the property securing the loan referable to a Class.

## 4.6 Disclosure Principle 6 – Lending principles – Loan to valuation ratios

Each SPDS will disclose the loan to value ratio relevant to the loan held by the relevant Specific Investment Fund. Where the loan relates to property development Landen will minimise default risk by adopting additional procedures for such loans involving the use of an independent quantity surveyor who certifies the value of all work and certifies the cost to complete of such construction.

Generally, for development and construction loans, funds are provided to the Borrower in stages based on independent evidence of the progress of the development. When funds are drawn, Landen aim to ensure that the amount un-drawn of the loan is generally equal or more than equal to the cost to complete as certified by an independent quantity surveyor.

## 4.7 Disclosure Principle 7 – Distribution practices

The interest rate and higher rate payable for a loan asset of a Specific Investment Fund are set out in the relevant SPDS. Generally, all distributions are sourced from income received, or capitalised, in the relevant distribution period which are referable to the interest rates specified in the SPDS.

Distribution payment and the rate of interest applicable to a particular loan asset of a Specific Investment Fund and details regarding the borrower and purpose of the loan are provided in the applicable SPDS.

There are risks associated with registered mortgage loans, such as default risk. Where a borrower fails to make a payment, which results in a default, investors may receive a lower return on their investment. There is no guarantee that if you have invested into Class of Units referable to a Specific Investment Fund that you will receive the return of some or all of your investment.

Additional risks are set out in the 'Risks of managed investment schemes' section of this PDS.

## 4.8 Disclosure Principle 8 – Withdrawal arrangements

Specific Investment Funds are illiquid and generally do not permit withdrawals and accordingly investors in the relevant Class of Units will not be able to withdraw from the Fund. Capital from a Specific Investment Fund is only returned in respect of the relevant Class of Units upon repayment of the principal and interest owing by the underlying Borrower.

The return of capital from a Specific Investment Fund may be delayed and/or reduced if a loan is not repaid by the Borrower by the end of the loan term.

We may take action against the Borrower and/or any guarantors if a delay or a reduction in repayment of the loan occurs. Any action will be taken pursuant to the relevant security held by the Specific Investment Fund detailed in the relevant SPDS. Recovery action may delay investors receiving the return of the investment and/or may receive a reduced return, dependent on the success of any recovery action.

Refer also to the 'Risks of managed investment schemes' section of the PDS.

# Managing your investment

## 5. The Responsible Entity

One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 is the Fund's responsible entity and issuer of this PDS. One Managed Investment Funds Limited has extensive experience as a professional responsible entity and is a member of the One Investment Group (OIG).

OIG is an independent Australian funds management business that focuses on providing responsible entity, trustee and other services associated with funds management. OIG operates a number of entities that, pursuant to the Corporations Act, are licensed to conduct financial services businesses and to act as responsible entities for registered schemes and as trustees for unregistered schemes.

OIG is responsible for in excess of 300 funds and \$35 billion across a wide range of underlying asset classes, including fixed income, infrastructure, real estate, equities, private equity and fund of funds. OIG's clients include global and Australian listed companies, sovereign wealth funds, banks, insurance companies, pension funds, private equity firms and boutique managers.

One Managed Investment Funds Limited's responsibilities and obligations as the Fund's responsible entity are governed by the Constitution, the Corporations Act and general trust law.

## 6. The Investment Manager

Landen Funds Management Pty Ltd ACN 651 892 152 is the Fund's investment manager. It is the Authorised Representative (AR No: 001292417) of Havana Financial Services Pty Ltd (ACN: 619 804 518; AFSL: 500435) and is part of Landen Group, which also comprises Landen Property and Landen Financial Services.

### Directors and Key Executives

#### Jim Dionysatos, Director

Jim has worked in property development and financial services for over 20 years and has held advisory roles with some of Australia's largest property development companies. Jim is passionate about creating wealth for Landen Group's customers and stakeholders, Jim is responsible for driving the company's mandate of being the best, most respected, trusted and recognised Australian property business.

Landen Financial Services was established in 2013, formerly known as Lime Street Wealth Pty Ltd consisting of a large team of accountants, mortgage brokers and financial planners, supporting over 2500 customers including multiple large property development companies. In addition, Jim provided advice and ongoing support in establishing and maintaining property funds for multiple clients.

## **Rashed Panabig, Director**

Rashed has over 15 years of property development experience and is a director and co-founder of Landen Group, responsible for the strategic direction and growth of the business

Rashed has held director/senior roles in a variety of well known companies including Lend Lease, Sunglow and Castle Group. He is committed to leading a purpose-driven organisation that is motivated to create value for its customers and stakeholders, while remaining outcome-focused.

## **Jeff Li, Head of Funds Management**

Jeff has over 15 years' experience in the financial industry, including fund management of products including managed funds, hedge funds, private equity funds. He is an experienced AFSL Responsible Manager and has held a variety of responsible manager roles in boutique Australian fund managers.

Jeff is familiar with the policies, compliance and regulations of financial markets in Australia, Cayman, and Asia-pacific areas such as Hong Kong and Singapore. He is the former co-founder and director of a fintech fund manager providing asset allocation, optimisation and management to wholesale and retail clients

He has also previously held a role as part of J.P Morgan's Managed Fund team and Global Derivatives Services team.

## **Malcolm Strain, Head of Financial Services**

Malcolm is a CPA Qualified Accountant and FASEA Qualified Financial Planner with over 20 years financial services experience. He has 5 years of financial planning experience, having established and grown financial planning business in Australia, providing advice to wholesale and retail clients.

He has held director roles within the Australian and Pacific operations of ACE Insurance (a Chubb company) responsibility for compliance, administration, sales and market.

# Risks of managed investment schemes

## 7. What is risk?

'Risk' generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments come with a degree of risk. You will need to determine how much risk you are able or willing, to tolerate.

The main risks of investing include a decrease in the value of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

These risks can arise from various circumstances, including:

- changes to government policies relating to tax or economics that may have adverse impacts on investment markets or the tax treatment of investment returns ('regulatory risk'). See 'Australian tax reform' in section 21 for more details; and
- changes to social, economic (e.g. inflation and interest rates), political, commercial and technological environments, or to market sentiment, that may make certain investments less attractive ('market risk').

It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. The spectrum below shows the four main types of investments according to their relationship between risk and return for you to consider.



*Lower risk, but generally a lower return over a longer term*

*Higher risk, but generally a higher return over a longer term*

\*Mortgages here refers to traditional loans to home-owners and not necessarily the types of loans and security to be held by the Fund or any Specific Investment Fund.

If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment before selecting an investment with higher risk.

## 7.1 How we manage risk

We are unable to eliminate all investment risks, but we do analyse, manage and aim to reduce the impact of risks through appointing qualified investment managers which use carefully considered investment guidelines and loan approval processes and their active management approach.

The Fund is a 'feeder fund' and will hold units in a Specific Investment Funds which will act as lender.

Through the range of Classes of Units referable to separate Specific Investment Funds on offer you may identify investments which are suited to your risk profile and where you invest in a sufficient number of Classes of Units, provide you with the potential to diversify your investment portfolio, smooth out the overall return and reduce short term volatility.

## 7.2 How you can manage your risk

In managing your risk, we recommend that you:

- seek your own professional advice to help you understand how your current financial situation, and your investment objectives, affect the selection of investments that you can make;
- consider your investment timeframe, your investment objectives and your risk tolerance; and
- diversify your investments to help reduce risk and the volatility of investment returns of your portfolio.

# 8. Risks relevant to your investment

To appreciate the risks associated with an investment in the Fund and a Specific Investment Fund, this PDS and the relevant SPDS should be read in conjunction with each other.

A degree of risk applies to all types of investments – including an investment in secured loans and asset backed investments. As investing in a Class of Units referable to a Specific Investment Fund involves exposing your investment to a range of risks it is important that you understand:

- the risks involved in investing in loans and asset backed investments;
- how these risks compare with the risks of other investments;
- how comfortable you are in exposing your investment to risk; and
- the extent to which secured loans and asset backed investments fit into your overall financial plan.

Careful consideration should be given to the following risk factors, as well as other information in this PDS, before an investment decision is made. Some of the risks are outside of our control.

## 8.1 Market risk

Market risk is the risk that negative movements in interest rates may impact the return and/or capital value of your investment. It includes the risk that negative movements in interest rates and/or the property market may impact on the capacity to fully recover the amount owing on a loan if a default occurs. This risk is heightened where the security is second ranking or an alternate security to a mortgage over the property asset.

Also, the comparable return on your investments may decline where interest rates rise and you are unable to exit the Fund but you receive a return which is now lower than other available investments. We aim to manage risk relating to loans by engaging Landen as investment manager with their highly experienced staff that closely monitor the loan portfolio to ensure continued compliance with their lending guidelines. Market risk is also managed within the loan approval process when the maximum loan valuation ratio is determined.

## 8.2 Liquidity risk

Liquidity risk is the risk that none of the Units in the Fund, the Specific Investment Funds or the loans are actively traded and therefore may not be readily convertible to cash without some loss of capital. Once invested in a Class of Units referable to a Specific Investment Fund the right to withdraw occurs only when the underlying loan is repaid by the Borrower and all interest payments have been made.

The underlying security for a mortgage loan is real property in Australia.

If a default occurs we generally sell the security property to recover the loan. Any sale of security property involves a period of marketing followed by a sale with settlement following in two or three months. If a defaulting Borrower occupies the property we may need to obtain possession by obtaining a court judgment. Delays could occur between when a loan goes into default and when the sale proceeds are received.

These delays may affect interest and any return of capital payments being made to you.

## 8.3 Security risk

Security risk is the risk which is attributable to a loan which is not secured by a registered mortgage, but by some alternative security, such as a general security agreement.

If a default occurs, the trustee of the Specific Investment Fund will need to enforce a general security agreement and seek to recover the assets of the entity over which the general security is held. This is a different process to enforcing a mortgage over real property and may take longer.

These delays may affect interest and any return of capital payments being made to you.

## 8.4 Investment manager risk

Investment manager risk exists in all managed investments. It relates to the possibility that the investment manager may fail to anticipate market movements or manage investment risks in the underlying Specific Investment Funds and their loans.

Investment performance may also depend on the skill of the investment manager in selecting, combining and implementing investment decisions. Changes in the personnel of the investment manager may also have an impact on investment returns.

## 8.5 Investment specific risk

Investment specific risks refer to the risks that apply to only a particular investment, as opposed to general sector, systemic or market risks that are more broadly applicable.

For example, an investment specific risk may be the risk of losing an investment or an investment value decreasing because of the characteristics a specific property or the commercial terms that apply to a particular investment.

A summary of investment specific risks that may apply to a particular loan will be disclosed in the relevant Class' SPDS, however some risks are outside of our control and/or may not be reasonably foreseeable at the time of issuing an SPDS relevant to a Class.

## 8.6 Diversification risk

Generally, diversification means reducing investment risk by investing in a variety of assets. Although investing in a particular Class does not in itself provide diversification, greater diversification may be achieved by investing in a Class as part of a broader investment portfolio. Alternatively, some diversification may be achieved by investing in a number of Classes offered by the Fund which have a low correlation to each other.

## 8.7 Lost opportunity risk

This risk relates to the early repayment of a loan by a borrower, which may reduce the investment period and will reduce the return to investors as their capital will not be invested for the projected period. It is possible that an investor who has their capital returned early will not be able to find a replacement investment providing a similar return profile, leading to a loss of anticipated return.

## 8.8 Credit risk

Credit risk is the risk that a borrower or a guarantor to a loan may not meet their obligations in full and/or on time. We aim to manage credit risk through Landen's investment process and the ongoing monitoring of the loans. However, it is not possible to completely eliminate credit risk and borrower default on a loan may be beyond our control.

## 8.9 Economic risk

Economic risk is the risk that a downturn in general economic conditions, either domestically or internationally may adversely affect investments.

## 8.10 Regulatory risk

Regulatory risk is the risk that the value of some investments may be adversely affected by changes in government policies, regulations and taxation laws. These are factors that we are not able to influence.



## 8.11 Development and construction loan risk

Development and construction loans include a degree of additional risk if the borrower is not able to complete the development or construction or sales programme for the development project. We aim to minimise this risk by engaging Landen to actively manage and monitor development and construction loans.

Landen have policies in place which include requiring the engagement of independent quantity surveyors to certify the value of development work and to certify the cost to complete the development. We aim to ensure that the undrawn portion of the loan will generally meet or exceed the cost to complete the development as certified by the independent quantity surveyor. There is a risk that if additional investments are not made by all investors the underlying Borrower will not receive sufficient funds to complete the development and it will fail.

## 8.12 Default risk

Borrowers may default for a wide range of circumstances. Death, matrimonial disputes, bankruptcy, changes in the general state of the Australian or world economies, changes in the borrower's business and changes in property values can all contribute to default being made.

We manage the risk of default through engaging Landen to monitor and actively manage each Specific Investment Fund's loan and performance on a regular basis.

For example, if a borrower is unable to service the loan, we may commence proceedings to recover interest and investor capital. Proceedings may include, but are not exclusive to:

- The sale of the security property.
- Action against the borrower personally.
- Action against any guarantors.

The sales of a security property may be delayed due to a number of factors. These factors may include, for example, a change in market conditions, legal disputes, or if the nature of the security asset is specialised. For specialised securities, we aim to manage risk by lending at a reduced loan valuation ratio and, where appropriate, requiring additional or collateral security for the loan.

Recovery action may take a protracted amount of time to resolve and may result in the loss of some or all of your investment. Importantly, losses are isolated to the Specific Investment Fund where the default has occurred.

## 8.13 Interest capitalisation risk

If a loan is extended by the trustee of the Specific Investment Fund, it may capitalise interest and management fee payments on a loan. Where this occurs the interest and management fees payable on the loan are added to the original loan amount and subsequent interest payments are based on the increased loan amount. These arrangements are generally relevant for development and construction loans, where the management fee, loan and interest payments are to be repaid following the sales programme for the development project. There is a risk that the proceeds achieved from the sales programme are insufficient to repay the loan, which may result in the loss of some or all of your investment in the Class of Units exposed to that loan.

Where a loan falls into default the trustee of the Specific Investment Fund may also capitalise interest and management fees. Where the borrower fails to make interest and, or principal repayments under the terms of the loan, the total amount owed by the borrower increases.

## 8.14 Borrowing risk

Although the Fund's Constitution allows borrowing, we do not intend to borrow on behalf of the Fund except if emergency or extraordinary situations arise.

## 8.15 Valuation risk

If a valuation does not accurately reflect the intrinsic value of the security property at the time the property is sold, the sale price may not be sufficient to repay the loan.

Valuation risk is applicable to a Specific Investment Fund upon a borrower default.

We minimise this risk generally by:

- restricting loans to an approved LVR;
- adopting lower loan to valuation ratios for different categories of security property;
- only instructing valuers who have been approved by us and who have adequate professional indemnity insurance and at least five years' experience;
- only using valuers that are registered under one of the state/territory valuer registration regimes; and
- requiring valuers to include a statement in their valuation reports that their valuation complies with all relevant industry standards and codes.

For development and construction loans, where an SPDS provides that a loan is secured by real property, in addition to our normal lending procedures:

- where the Development LVR is higher than 70% using Landen's desktop valuation, we have the security valued by an independent valuer on an 'as is' and also on an 'as if complete' basis on the assumption that the development is completed in accordance with the approved plans and permits; and
- we have a quantity surveyor prepare a construction cost estimate of the construction costs; and
- development and construction loan advances are generally limited to such that the Development LVR is no greater than 80%.

The appointed panel of professional independent valuers and quantity surveyors are under constant review. Admission to the panel is on the basis of experience with particular categories of property and requires membership of a professional body and a level of professional indemnity insurance appropriate for the work undertaken. Detailed instructions to a valuer or quantity surveyor are specific to a property type and require particular valuation criteria to be met for all property categories. Valuers are asked to comment and report on any observable or known site contamination.

## 8.16 Unforeseen risk and insurance risk

Unforeseen extraordinary events such as natural phenomena, pandemics, attacks or other like events may affect the Fund's assets or the underlying funds in which the Fund invests. These are events for which insurance cover is either not available, or the Fund does not have cover. The performance of the Fund may be adversely affected where any unforeseen event results in losses to Fund assets due to uninsurable risks, uninsured risks or under-insured risks, or the cost of the insurance premiums being in excess of those forecasts.

Any failure by an insurer or re-insurer may also adversely affect the Fund's ability to make claims under an insurance policy. These occurrences may result in a loss of capital, in turn reducing the value of Units and amounts that may be available for distribution by the Fund.

## 8.17 Class Risk

As at the date of this PDS the Fund will comprise only one Class of Units. Later, however, the Fund may comprise different Classes of Units. Generally assets and liabilities will be treated as referable to a particular Class of Units in the Fund. The performance of a particular Class of Units is dependent on and directly related to the assets which are referable to that Class of Units. The performance of each Class of Unit may therefore vary. Conversely, some liabilities may be referable to the Fund as a whole but a proportion will be allocated to each Class on issue based on value of assets referable to that Class. If a Class of Units is not successful and its assets cannot bear their portion of the liabilities, other Classes of Units may have to bear a greater proportion of the liabilities than they would otherwise

# Making Investments

## 9. Investing in the Fund

This table explains how to make an investment in the Fund. The Application Form in respect of the relevant SPDS will contain further details of how to complete the form and what supporting documents are required.

What you need to send us	Minimum	Important Information
Initial Investment	A completed Application Form. Identification documents	\$100,000 for any Class of Units *
Additional investment(s)	Additional Application Request Form	\$10,000 for any Class of Units *

\*The Responsible Entity has the discretion to accept lower amounts or reject applications

## 10. Withdrawals and cooling off period

### 10.1 Cooling off period

No cooling off rights apply to an investment in the Fund.

### 10.2 Withdrawals

Withdrawals from a Class of Units referable to a Specific Investment Fund is not available until the expiration of the term specified in the SPDS for that Specific Investment Fund or maturity of the underlying loan.

## 11. Distribution payments

Distribution payments payable in respect of a Class of Units ultimately sourced from an investment made by a Specific Investment Fund and details will be set out in the relevant SPDS.

### 11.1 Payments of distributions

Distributions will be paid directly to an account held at an Australian financial institution.

If you do not provide details of an Australian financial institution, we will hold your distributions until you do. We may, at our discretion, vary the distribution period, distribution payment date and reinvestment date. We will notify investors of any changes.

### 11.2 Higher interest rate payment

If the Borrower of a Specific Investment Fund defaults, or fails to meet certain conditions specified in the relevant SPDS, the higher interest rate specified in the loan agreement may become payable by the Borrower.

In some circumstances the proceeds from winding up a Specific Investment Fund and/or other recovery action we take may not be sufficient to pay the higher interest rate in full and this could affect the distribution and return of capital to investors.

Investors will be notified where the Borrower is required to pay the higher interest rate.

# Fees and other costs

## DID YOU KNOW?

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

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

## TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (**ASIC**) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds 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 costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in another part of this document.

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

## Landen Funds

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment scheme</b>		
<b>Establishment fee</b> The fee to open your account	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable

Type of fee or cost	Amount	How and when paid
<b>Fees and costs for managing your investment</b>		
<b>Management fee<sup>1</sup></b>	Up to 0.8% per annum of the net asset value of the Class referable to the relevant Specific Investment Fund.	Payable monthly in arrears from the assets of the Class referable to the relevant Specific Investment Fund from amounts paid by the Borrower pursuant to the terms of the relevant loan agreement.
<b>Recoverable expenses<sup>2</sup></b>	Up to 1.40% per annum of the average net asset value of the Class referable to the relevant Specific Investment Fund.	Payable as and when incurred from the assets of the Fund referable to the relevant Specific Investment Fund from amounts paid by the relevant Specific Investment Fund's Borrower pursuant to the terms of the relevant loan agreement.
<b>Indirect costs</b>	Nil	Not applicable.
<b>Investment Manager fee</b>	A fee is payable to the Investment Manager from the relevant Specific Investment Fund in circumstances where the relevant loan or other investments held has reached its maturity date and the targeted rate of return is achieved and paid or payable to investors in the Class of Units referable to the Specific Investment Fund. This fee is not able to be estimated.	Not payable from Fund assets referable to a Class of Units and only payable after investor have received their entitlements.
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

1. Management fees include a responsible entity fee, custody fee and establishment fee payable in relation to each Specific Investment Fund established after the first Specific Investment Fund.
2. The estimated recoverable expenses do not include expenses relating to abnormal expenses. For more information about Fund expenses, see 'Recoverable expenses' under the heading 'Additional explanation of fees and costs'.

## 12. Example of annual fees and costs

This table gives an example of how the fees and costs in a Class of Units referable to a Specific Investment Fund may affect your investment over a 1-year period. You should use this table to compare this product with other managed investment products.

Example – Landen Funds	Balance of \$100,000 with an Additional Application of \$5,000 during the year	
<b>Contribution fee</b>	Nil	For every \$100,000 you invest you will be charged \$0.
<b>Plus Management Costs</b>	2.2% p.a.	For every \$100,000 you have in the Fund you will be charged \$2,200 each year.
<b>EQUALS Cost of Fund</b>	2.2% p.a.	If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of  \$2,200.00 <sup>1,2</sup>
<b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>		

1. This example assumes an investor is invested in a Class of Units referable to a Specific Investment Fund that has the maximum management fee currently charged of 0.8% per annum. It comprises a management fee of 0.8% p.a., recoverable expenses amount of 1.4% p.a. and nil indirect costs. These management costs are paid from the assets of the Fund referable to a Specific Investment Fund from amounts paid by the relevant Specific Investment Fund's Borrower.
2. This example assumes that the contribution of \$5,000 is made at the end of the year and therefore no management costs for the contribution have been included.

## 13. Additional explanation of fees and costs

### 13.1 Management fee

The management fee for the Fund comprises:

#### Fees payable to responsible entity

Under the Fund's Constitution, we are entitled to charge up to 2% p.a. of the assets of the Fund, subject to a minimum fee calculated as follows:

- \$4,000 per month (reduced to \$3,500 per month for the 12 months from the date the first Unit is issued pursuant to this PDS); and
- \$1,000 per month for each Specific Investment Fund established.

The fee is accrued daily and is payable monthly in arrears from the date the first Unit is issued under this PDS and until the date of the final distribution following a winding up of the Fund in accordance with the Constitution.

The Responsible Entity may allocate these fees to a particular Class of Units where that allocation is fair and reasonable.



## Fees payable to custodian

Under the Fund's Constitution, if we perform a custodial function for the Fund, we are entitled to charge a fee of up to 1% p.a. of the assets of the Fund subject to a minimum fee of \$1,500.00 per month.

The fee is accrued daily and is payable monthly in arrears from the date the first Unit is issued under this PDS and until the date of the final distribution following a winding up of the Fund in accordance with the Constitution.

The Responsible Entity may allocate these fees to a particular Class of Units where that allocation is fair and reasonable.

## Fees payable upon establishment of Specific Investment Fund

Under the Fund's Constitution, if we are required to establish a Specific Investment Fund for the purposes of investment by the Fund, then we may charge an establishment fee of \$10,000.00 for each Specific Investment Fund established after the first.

This fee is payable within 15 days after the establishment of each applicable Specific Investment Fund unless we otherwise agree.

The fees disclosed in this section 13.1 are quoted exclusive of goods and service tax and any applicable reduced input tax credits that the Fund may be entitled to claim.

## 13.2 Recoverable expenses

We are entitled to reimbursement for, or pay from the assets of the Fund referable to the relevant Specific Investment Fund, all expenses and taxes we incur in the proper performance of our duties. There is no limit in the Fund's Constitution on the amount that we can recover for expenses incurred in the proper performance of our duties.

Recoverable expenses include, but are not limited to, fund administration costs, registry costs, legal services, accounting, printing and audit fees. Recoverable expense will be paid from the assets of the Fund referable to the relevant Specific Investment Fund from amounts paid by the relevant Specific Investment Fund's Borrower pursuant to the terms of the relevant loan agreement

Recoverable expenses do not include abnormal costs and operating expenses which are due to abnormal events. An example of this is the cost of running an investor meeting.

These abnormal costs are recoverable from assets of the Fund referable to the relevant Specific Investment Fund.

## 13.3 Indirect costs

Indirect costs are generally amounts that the Responsible Entity knows, or estimates, that will reduce the Fund's returns including where those costs are referable to a Specific Investment Fund.

These costs may include performance fees, recoverable expenses and indirect costs of underlying interposed vehicles.

## 13.4 Responsible Entity removal and retirement fee/outgoings

Whilst OMIF is the Responsible Entity, OMIF is entitled to be paid a removal fee if:

- it is removed as responsible entity of the Fund within four years of the date of issue of the first Unit under this PDS other than for gross negligence or for a breach of a fiduciary duty to investors which causes them substantial loss, or
- it retires as responsible entity of the Fund within four years of the date of issue of the first Unit under this PDS at the request of the Investment Manager in accordance with the Investment Management Agreement.

The amount of the fee payable to OMIF is the amount of fees the Responsible Entity would have received if it had remained the responsible entity of the Fund for four years from the date of issue of the first Unit under this PDS.

Where the responsible entity of the Fund is an entity other than OMIF, the responsible entity is entitled to be paid a removal fee equivalent to the total fees it would have received if it remained the responsible entity of the Fund for a further 12 months from the date of OMIF's removal and provided that the responsible entity is not removed because of its gross negligence in the management of the Fund or for a material fiduciary breach.

If the removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the assets of the Fund referable to the relevant Specific Investment Fund.

## 13.5 Investment Manager fee

The Investment Manager is entitled to be paid a fee by the trustee of the Specific Investment Fund in circumstances where the relevant Fund's Class of Units referable to the Specific Investment Fund achieves the targeted rate of return following the maturity of the relevant loan or other investment held by the Specific Investment Fund.

The fee is calculated as follows:

$$\text{Investment manager fee} = (\text{NAV} + \text{PD}) - \text{Hurdle Rate}$$

Where:

NAV = the total value of the net assets of the Specific Investment Fund at the time the trustee of the Specific Investment Fund makes a determination to wind up the Specific Investment Fund;

PD = the total value of any distributions paid or payable by the trustee of the Specific Investment Fund to the Fund (referable to the relevant Class of Units) during the term of the Specific Investment Fund; and

Hurdle Rate = the total of:

- the total amount invested in the relevant Class of Units; and
- the amount payable to the Fund (referable to the relevant Class of Units) to achieve the targeted rate of return to investors as disclosed in the relevant SPDS for the Specific Investment Fund; and
- any amount actually received by the Fund (referable to the relevant Class of Units) in excess of amount payable to achieve the targeted rate of return to investors as disclosed in the relevant SPDS for the Specific Investment Fund.

If the targeted rate of return is not achieved and not payable to investors in the Class of Units referable to the Specific Investment Fund, the Investment Manager is not entitled to receive this fee.

The Investment Manager is entitled to receive a fee in circumstances where the targeted rate of return is achieved and payable to investors in the Class of Units referable to the Specific Investment Fund. This fee remains payable where default interest has been charged to the Borrower and after the loan from the relevant Specific Investment Fund has been repaid.

The Investment Manager does not anticipate that it will be paid this fee in relation to each Specific Investment Fund. If this fee is payable, it is paid following the maturity of the relevant loan or other investment held by the Specific Investment Fund.

### 13.6 Administration termination fee

If its appointment in relation to the Fund is terminated within four years of the commencement of its engagement then the Administrator is entitled to be paid a removal fee.

The amount of the removal fee will depend upon on how long the Administrator has been appointed for, as at the time of termination:

- If one year or less, an amount equal to eight times the fees for the month prior to termination.
- If more than one year but less than two years, an amount equal to six times the fees for the month prior to termination.
- If more than two years but less than three years, an amount equal to four times the fees for the month prior to termination.
- If more than three years but less than four years, an amount equal to two times the fees for the month prior to termination.

If the Administrator removal fee becomes payable then it will be an expense of the Fund and must be paid for out of the assets of the Fund.

### 13.7 Costs which may be incurred by a Specific Investment Fund

Separate to the indirect costs of the Fund, there are expenses associated with the operation of a Specific Investment Fund which are first recoverable from amounts paid by the relevant Specific Investment Fund's Borrower and if not paid, second from the assets of the relevant Specific Investment Fund. Some examples of these expenses include:

- valuation and search fees;
- quantity surveyor costs;
- legal fees;
- project/development management fees; and
- default loan expenses.

They differ from indirect costs of the Fund as they would likely be incurred by a direct investor in such assets. Further, except where a Specific Investment Fund loan is in default, these costs are paid by the Borrower (either directly or indirectly through loan capitalisation), and therefore do not reduce the return or value of an investor's investment.

These costs are additional to the management costs set out in the fee table on page 39.

Where, a Specific Investment Fund loan has defaulted, investors may receive a reduction to their investment return in the Class of Units referable to the relevant Specific Investment Fund, as a result of these costs.

## 13.8 Payments for loan referrals

Where a person introduces or refers a loan to the Fund the trustee of the Specific Investment Fund may pay a referral fee, generally between 1.00% and 3.00% of the loan amount, conditional upon the Borrower complying with the terms of the loan. These fees are paid by the trustee of the relevant Specific Investment Fund from fees payable by the relevant Specific Investment Fund's Borrower and are therefore not charged to investors.

If such a fee is paid, the fee will be specified in the relevant Specific Investment Fund's SPDS.

## 13.9 Wholesale clients

From time to time, we may rebate some of our fees to 'wholesale clients' as defined under the Corporations Act 2001, so that they pay reduced fees. Any rebate will be paid in accordance with *ASIC Corporations (Registered Schemes – Differential Fees) Instrument 2017/40*.

We do not enter into individual fee arrangements with other investors.

## 13.10 No Payments to financial advisers and intermediaries

The Corporations Act contains provisions which regulate, and in some cases prohibit, payments to financial advisers and intermediaries by product issuers.

You may agree with your financial adviser that advice fees will be paid for financial planning services your financial adviser provides for you. These advice fees are additional to the fees shown in the fee table on page 39, and are paid to your financial adviser, not to us.

## 13.11 Goods and Service Tax

Fees and charges set out in this PDS, unless otherwise stated, are inclusive of goods and service tax (GST) less input tax credits (including approximate reduced input tax credits) that the Fund may be entitled to claim.

# Other information

## 14. Australian taxation

Certain tax implications of investing in interests in the Fund are explained below. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law, nor does it take into account your individual circumstances. Accordingly, we strongly recommend that you seek independent professional taxation advice on the tax implications of investing in the Fund relevant to your specific circumstances.

The following summary is intended for Australian resident investors and generally applies to investors who hold their interests in the Fund for the purpose of realising a long term return (that is, hold their investment on capital account for tax purposes). This summary does not consider the tax implications for those investors who hold their interests in the Fund on revenue account, as an isolated investment made with profit making intent or as trading stock.

It is based on our interpretation of the current Australian tax laws at the date of publication of this document, including applicable case law and published guidance by the Australian Taxation Office, which may be subject to change.

## 15. While you hold your interests in the Fund

If it qualifies, the Fund will elect to be an Attribution Managed Investment Trust (**AMIT**) for tax purposes from the 2022 income year. The Fund itself should not pay tax on the basis that it will attribute trust components to investors each financial year on a fair and reasonable basis.

You will need to include in your income tax return your share of the Fund's taxable income for each financial year. This applies regardless of whether the distribution is received in cash during that income year or a later year, and may include amounts that have been reinvested.

To assist you to complete your income tax return, you will receive an AMIT member annual (**AMMA**) statement from us. This statement will provide you with the components to be included in your income tax return. The sum of these components may differ to the amount of cash distribution you receive. Any differences result in an increase or decrease to the cost base of the interests you hold in the Fund.

Tax losses (if any) generated by the Fund cannot be passed onto investors. However, provided specific requirements are satisfied, the Fund should be able to carry forward tax losses, offsetting them against income generated in a later income year.

This section 15 assumes the Fund is eligible to opt in to the AMIT regime.

## 16. Capital gains

Where the Fund derives net capital gains to which you become entitled, you may need to include these amounts in your assessable income. Investors may be required to gross the capital gain to adjust for any discounts the trustee has applied to that capital gain. A capital gains tax (CGT) discount may then be available for some investors, as outlined below.

## 17. When you withdraw or redeem

When you fully or partially withdraw or redeem your interests in the Fund, you are treated as having disposed of your investment. As a result, any net gain derived on disposal may be included in your taxable income under the CGT provisions. This may include where you move between investments or transfer your Units in a particular investment to another investor.

An Australian resident investor will make a capital gain in respect of the disposal of its interests in the Fund to the extent that the capital proceeds attributable to the disposal exceed the investor's cost base. Alternatively, an investor will make a capital loss in respect of the disposal of its interests in the Fund to the extent that the capital proceeds attributable to the disposal of the investment are less than the CGT reduced cost base in the interests in the Fund.

In determining the cost base or reduced cost base of your interests in the Fund, you will need to take into account any returns of capital and in circumstances where the amount of cash distribution is more than your share of the Fund's taxable income in an income year, your CGT cost base of the investment in the Fund should decrease by the difference ('AMIT cost base net amount – excess'). These amounts may have the effect of increasing your capital gain or decreasing your capital loss.

In addition, in circumstances where the amount of cash distribution is less than your share of the Fund's taxable income in an income year, your CGT cost base of the interest in the Fund should increase by the difference ('AMIT cost base net amount – shortfall'). This amount should have the effect of decreasing your capital gain or increasing your capital loss upon disposal of your investment.

The annual tax statement you receive from the Fund will state the amounts that the Responsible Entity reasonably estimates to be the 'AMIT cost base net amount – excess' and the 'AMIT cost base net amount – shortfall'.

Any net capital loss resulting from the disposal of your interests in the Fund may be able to be used to reduce capital gains derived in that or future income years.

Investors that are Australian resident individuals and trusts may be entitled to a CGT discount that reduces their capital gains by 50% where they have held their interests in the Fund for more than 12 months. Investors that are complying superannuation funds may be entitled to reduce the capital gain by the general CGT discount of 33.33%.

No such discount is available to corporate investors.

## 18. Non-residents

This summary does not consider the Australian income tax implications for non-resident investors. However, it is noted that the Australian tax law imposes obligations to withhold tax on certain payments to non-residents for Australian tax purposes.

If you are not an Australian resident for tax purposes, withholding tax will be deducted from your distributions at the prescribed rates. The rates may vary according to the components of the distribution and the country in which you reside.

## 19. TFN Withholding tax

If you are an Australian resident, you may choose whether or not to provide a Tax File Number (**TFN**) or an Australian Business Number (**ABN**). If neither is quoted and no relevant exemption information is provided, we may be required to withhold tax on your income distributions at the highest marginal tax rate, plus medicare levies.

## 20. GST

The acquisition, withdrawal and transfer of interests in the Fund should not be subject to GST. Distributions made by the Fund should also not give rise to any GST consequences.

## 21. Australian tax reform

Australia is in the process of ongoing taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of the reforms. The Responsible Entity for the Fund will continue to monitor the tax reform process and its impact on the Fund. It is an investor's responsibility to monitor tax reform developments that may impact on their investment in the Fund.

## 22. Constitution

The Fund is a registered managed investment scheme and is governed by a Constitution and a Compliance Plan.

The statements in this PDS only provide a summary of some of the provisions of the Constitution. You can request a copy of the Constitution be posted to you or to inspect a copy of the Constitution at our Sydney office at any time between 9:00am and 5:00pm on a business day.

## 23. Classes of interests

The Constitution provides that the Responsible Entity may create and issue interests of different classes with such rights, obligations and restrictions attaching to the interests of such classes as it determines, in accordance with the Corporations Act. A different class of Units will be issued to investors with each applicable Specific Investment Fund's SPDS.

## 24. The Responsible Entity

### 24.1 Indemnities

The Responsible Entity is indemnified out of the Fund against all liabilities incurred by it in properly performing or exercising any of its powers in the proper performance of its duties in relation to the Fund. This indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, the Responsible Entity may retain or pay out from the assets of the Fund any sum necessary to effect such an indemnity.

## 25. The Investment Manager

Landen Funds Management Pty Ltd is appointed investment manager by the Responsible Entity subject to the provisions of the Constitution and the Investment Management Agreement. The investment manager is entitled to receive an Investment Manager fee (if any) (as described in section 13.5) for investment management functions.

## 26. The Administrator

The Responsible Entity has appointed an associated company of the Responsible Entity, Unity Fund Services Pty Ltd ABN 16 146 747 122, as Administrator to provide fund accounting services to the Fund, subject to a minimum four year engagement term.

## 27. Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in the loan approvals, selection, retention or realisation of investments in the Fund offered under this PDS and the relevant SPDSs.



## 28. Related party transactions

In our position as Responsible Entity of the Fund, we may from time to time face conflicts between our duties as responsible entity, our duties to other funds we manage and our own interests. We will manage any conflicts in accordance with the Corporations Act, the Constitution, ASIC policy, our conflicts of interest policy, and the law.

The Investment Manager is not a related party of the Responsible Entity. The contractual arrangements between the Responsible Entity and the Investment Manager are considered to be on commercial and on arms' length terms.

The Responsible Entity has appointed an associated company, Unity Fund Services Pty Ltd, as Administrator for fund accounting services and has also appointed a related party, One Registry Services Pty Limited ABN 69 141 757 360, as registry provider for registry services in respect of the Fund. Each agreement continues until terminated by either party or as otherwise provided under the relevant agreement.

We may from time to time enter into other transactions with other related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act.

Each of the Responsible Entity and the Investment Manager have policies on proposed or potential related party transactions to ensure that any actual or potential conflicts of interest are identified and appropriately dealt with. Copies of our policy on related party transactions are available on request.

Parties related to the Investment Manager may invest in the Fund and the Fund may invest in related parties from time to time.

Investor approval is not required for these arrangements if the transactions are made on commercial terms and conditions and on an arm's length basis.

### 28.1 Monitoring of related party transactions and conflicts management

Related party transactions carry a risk that they could be assessed and reviewed less rigorously than transactions with other parties.

Policies and guidelines are in place to manage the risk of any actual or perceived conflict of interest as a result of a related party transaction. Related party transactions between Landen Group entities are reviewed and approved by Landen's senior management with clearly identified governance policies and guidelines. Decisions in relation to conflicts of interest and related party transactions are documented.

## 29. Keeping you informed about your investment

If the Fund has 100 or more investors, it becomes a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations. As at the date of this PDS, the Fund is not a disclosing entity. However, this may change in the future. We will follow ASIC's good practice guidance in satisfying our continuous disclosure obligations via website notices. Information and continuous disclosure notices for the Fund will be available by going to [www.funds landen.com.au](http://www.funds landen.com.au) or by contacting Landen on 1300 526 336.

To help keep you informed of your investment, we will provide you the following:

Communication	Frequency
<b>Confirmation of your initial application</b>	After the transaction is approved
<b>Confirmation of subsequent applications</b>	After the transaction is approved
<b>Distribution Statement</b>	At the time the distribution is made to you
<b>Tax Statement</b>	Annually
<b>Annual reports</b> (These are available on the Fund's website. Investors can elect to receive a hard copy by making an election on the Application Form)	Annually, on request once the Fund is a disclosing entity.

If and when the Fund is a disclosing entity, investors have the right to obtain from the Responsible Entity, free of charge, the following documents:

- The annual financial report most recently lodged with ASIC for the Fund.
- Any half-year financial report lodged with ASIC for the Fund.
- Any continuous disclosure notices given by the Fund.

The above documents will be available by going to [www.funds landen.com](http://www.funds landen.com) or by contacting Landen. Alternatively, you can request a copy free of charge by calling us on +612 8277 0000.

As appropriate, we will provide ongoing updates of material service engagements and financial benefits that are paid to related parties through the continuous disclosure information.

## 30. Personal information

### 30.1 Privacy, collection and disclosure of personal information

The Privacy Act regulates, among other things, the collection, disclosure and access to personal information.

Certain laws require us to collect, store and disclose information about you (including personal information), for example, the AML/CTF Law, the Corporations Act, FATCA and CRS. We may be required under the AML/CTF Law to provide information about you (including personal information) to AUSTRAC, the body responsible for regulating the AML/CTF Law. In respect of investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the ATO information about you (including personal information) obtained from you.

If you do not provide the information requested in our application form, we will not be able to process your application (including any application for additional units) and your application may be delayed or rejected. Where applications are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result. Alternatively, if we accept your application to the Fund when you have not provided all of the requested information, we may provide information about you to the relevant regulator.

We will be required to share information about you (including personal information) with service providers to the Responsible Entity in respect of the Fund (including the Investment Manager) to ensure you receive the appropriate information and assistance in respect of your holding in the Fund.

By applying to invest in the Fund, you consent to your information (including your personal information) being collected, used and disclosed by the registry provider and by the Responsible Entity for the purposes disclosed above and in their respective privacy policies.

You are entitled to access, correct and update all personal information we hold about you. You can contact us to find out what personal information we hold about you or if you have any concerns about the completeness or accuracy of the information we hold. If you want us to correct any personal information we hold, please contact us using the details in this PDS.

A copy of our privacy policy is available on our website at [www.oneinvestment.com.au](http://www.oneinvestment.com.au) and a paper copy will be sent to you free of charge on request.

## 31. Dispute resolution

The Responsible Entity takes complaints seriously and aims to resolve all complaints as quickly as possible. In the first instance, if you have a complaint, then you should notify the Responsible Entity immediately using the following contact details:

Address: Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000

Post: Complaints Officer

PO Box R1471

Royal Exchange NSW 1225

Phone: 02 8277 0000

Email: [complaints@oneasset.com.au](mailto:complaints@oneasset.com.au)

Once the Responsible Entity receives a complaint, the Responsible Entity will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible.

If you are a retail investor and you are not satisfied with the Responsible Entity's response, then you can refer your complaint to the Australian Financial Complaints Authority, an external complaints handling body of which we are a member. The role of this body is to provide you a free and independent assessment of your complaint. The Australian Financial Complaints Authority can be contacted as follows:

Post: Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Phone: 1800 931 678

Fax: +61 3 9613 6399

Email: [info@afca.org.au](mailto:info@afca.org.au)

## 32. Consents

The following parties have given and not withdrawn their consent to be named in this PDS in the form and context in which they are named:

- Dimitrios Dionysatos;
- Jeff Li;
- Malcolm Strain;
- Rashed Panabig;
- Havana Financial Services Pty Ltd ACN 619 804 518 AFSL 500435
- Landen Financial Services Pty Ltd ACN 165 178 021
- Landen Funds Management Pty Ltd ACN 651 892 152 CAR 001292417;
- Landen Property Group Pty Ltd ACN 642 578 498;
- One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042;
- One Registry Services Pty Ltd ACN 141 757 360; and
- Unity Fund Services Pty Limited ACN 146 747 122.