



PACIFIC8

Mortgage Fund

Information Memorandum

Wholesale And/Or Sophisticated Investors Only

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Important notice

Information Memorandum

The interests in the Pacific 8 Mortgage Fund (Fund) offered under this Information Memorandum dated 1 July 2020 are issued by Pacific 8 Pty Ltd (ACN 605 494 184) (AFSL 480508) (Trustee) in its capacity as trustee of the Fund.

General advice warning

This Information Memorandum contains important information about the Fund, but it does not take into account your investment objectives, financial situation or particular needs. Before making any decision based upon information contained in this Information Memorandum, you should read it carefully in its entirety, and consider consulting with a financial adviser and/or tax adviser.

Excluded offer

This document is not a product disclosure statement and the regulated fundraising requirements of the Corporations Act do not apply to the offer of Interests in the Fund.

An investment in the Fund is restricted to those persons that are considered 'wholesale clients' pursuant to section 761G of the Corporations Act, 'sophisticated investors' pursuant to Section 761GA of the Corporations Act or to those persons to whom the regulated fund raising provisions of the Corporations Act otherwise do not apply.

Jurisdiction and distribution

This Information Memorandum 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 we are satisfied that it would be lawful to make such an offer. The distribution of this Information Memorandum in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Information Memorandum 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 Information Memorandum 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.

This Information Memorandum is available in electronic format, including access via our website. If you receive it electronically, please ensure that you have received the entire Information Memorandum 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.

Images and amounts

Dollar amounts are expressed in Australian dollars. Unless otherwise stated, photos, drawings or artist impressions in this Information Memorandum are not of assets of the Fund; however, may depict the types of development projects funded by Loans.

Business days

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

Accuracy and updates

This Information Memorandum does not purport to be complete, accurate or contain all information that recipients may require to make an informed assessment of whether to invest in the Fund. Information contained in this Information Memorandum may change from time to time. If there is a material adverse change, then a supplementary or replacement information memorandum will be issued.

Forward-looking statements

This Information Memorandum contains forward-looking statements relating to future matters which are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund or a Sub-Fund to be materially different from those expressed or implied by such statements.

Forward looking statements are not guarantees of future performance and we do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Information Memorandum will actually occur. Prospective investors are cautioned not to place undue reliance on these forward-looking statements.

Past performance statements

Any information in this Information Memorandum that relates to past performance is not a reliable indicator of future performance.

No performance guarantee

No person, company or entity makes any promise or representation or gives any guarantee as to the performance or success of the Fund or a Sub-Fund, the repayment of capital or any particular rate of interest/income or capital return for the Fund or a Sub-Fund.

Risks

There are risks associated with investing in the Fund (and each Sub-Fund). These risks may be exacerbated by economic, social and/or health issues, such as the COVID-19 pandemic, and any number of unknown risks may also arise as a result of such issues which may adversely impact the Fund (and Sub-Funds) and distributions to Members.

Before investing, recipients should be aware of the risks associated with an investment in the Fund and each Sub-Fund. Recipients should independently verify the material contained in this Information Memorandum (and in each SIM for each Sub-Fund) and must rely on their own enquiries and seek professional advice as to the wisdom, or otherwise, of an investment in the Fund (and each Sub-Fund) and as to the accuracy and completeness of this Information Memorandum.

Not regulated by APRA

The Trustee is not authorised under the Banking Act 1959 (Cth) and is not supervised by APRA, and investments in the Fund and Sub-Funds are not covered by the deposit or protection provisions available to depositors that make a deposit with an Australian authorised deposit-taking institution.

Defined terms

Certain terms used in this Information Memorandum are defined in the Glossary in Section 10.

1 Summary of the Fund

OVERVIEW	REFERENCE	
<p>About</p>	<p>The Fund offers investors the opportunity to invest in specific fixed term Secured Loans generating commercial interest returns.</p> <p>Pacific 8 Pty Ltd (Trustee) is the trustee of the Fund.</p> <p>Pacific 8 Management Pty Ltd (Manager) has been appointed by the Trustee as the manager for the Fund and is responsible for the Fund's operational, trading and investment activities.</p>	<p>Section 2</p>
<p>Trustee</p>	<p>Pacific 8 Pty Ltd ACN 605 494 184 AFSL 480508</p>	<p>Section 5</p>
<p>Manager</p>	<p>Pacific 8 Management Pty Ltd ABN 91 605 675 250</p>	<p>Section 5</p>
<p>Structure</p>	<p>The Fund is an unregistered managed investment scheme.</p>	<p>Section 2</p>
<p>Type of investment</p>	<p>Investment in specific Loans which provide a competitive rate of interest (variable or fixed) for a fixed term.</p>	<p>Section 2</p>
<p>Who can invest?</p>	<p>Investment in the Fund is restricted to those persons that qualify as Eligible Investors, namely wholesale clients or sophisticated investors.</p> <p>Investment in the Fund is open to individuals, companies, partnerships, trusts and self-managed superannuation funds.</p>	<p>Section 3.8</p>
<p>Investment process and structure</p>	<p>Prospective investors must complete and lodge an Application Form and select either:</p> <ul style="list-style-type: none"> • <i>Specific Investment Authority</i>, whereby you select Loans / Sub-Funds of your choice by completing a Consent Form for each Loan; or • <i>General Investment Authority</i>, whereby you authorise the Manager to select Loans / Sub-Funds on your behalf. We require five business days to notify us in writing if you do not wish to proceed with a particular Loan / Sub-Fund we have allocated to you. 	<p>Section 3</p>

Investment process and structure	<p>Following the issue of your interest in the Fund, your investment funds are held in the Cash Account and will begin to earn interest immediately. Your funds will be allocated and transferred from the Cash Account to each Sub-Fund you are invested in.</p> <p>You will be provided with a SIM (i.e. a Supplementary Information Memorandum) for each Loan / Sub-Fund offered to you.</p> <p>Distributions (including principal and interest on maturity of a Loan) will be paid into the Cash Account where you are able to withdraw the funds or reinvest in further Loans / Sub-Funds, unless you elect for them to be paid directly to you.</p>	Section 3
Withdrawals	<p>You may withdraw your funds held in the Cash Account at any time. Simply complete a 'Withdrawal Form'. We require at least five business days' written notice for withdrawal requests.</p> <p>IMPORTANT: Funds invested or allocated to a Sub-Fund cannot be withdrawn prior to the Loan being repaid or the Loan being formally extended.</p>	Section 4
Minimum investment amount	\$100,000, or such other amount as determined by the Trustee. There is no limit on the maximum amount you may invest in the Fund; however, it will be at the discretion of the Trustee.	Section 3.1
Additional investment amount	Multiples of \$10,000 may be invested following the minimum investment amount.	Section 3.1
Investment term	Loan terms range from three months to up to 3 years.	Section 2.3
Interest rate	<p>Interest rates payable in relation to each Loan are negotiated with the Borrower and will often be fixed for the term of the Loan. The rate of interest for Loans will vary, depending on a range of factors, including the purpose of the loan, borrower's credit history, status of the development (if applicable), type of loan, term and security provided.</p> <p>Details of the interest rate (and other important information) that applies to the Loan will be outlined in the SIM for the Loan.</p>	Section 2.3
Cash Account rates	<p>Funds held in the Cash Account will earn interest at the prevailing interest rate for the account.</p> <p>Please contact us to obtain details of the applicable interest rate.</p> <p>The Manager does not charge fees on funds held in the Cash Account.</p>	Section 3.3
Reinvestment of distributions	<p>Distributions are paid monthly.</p> <p>Distributions (including principal and interest on maturity of a Loan) will be paid into the Cash Account where you are able to withdraw the funds or reinvest in further Loans / Sub-Funds, unless you elect for them to be paid directly to you.</p>	Section 3.6
Related party information	All transactions, including those with related parties, are conducted on commercial terms and conditions, and on an arm's length basis.	Section 9.2

Borrowing policy	The Fund does not have any borrowings and does not intend to borrow.	Section 2.3
Key risks	<p>The key risks associated with an investment in the Fund include:</p> <ul style="list-style-type: none"> • Loan default. • Reduction in property values. • Specific risks attached to construction or development related loans. • Breach of borrowing covenants. • Economic, policy and legislative risk. • There is no sharing of risks for investors across the Sub-Funds. • Concentration of risk within a Sub-Fund which may expose investors to only one asset. <p>The Fund offers investments in selected Loans which provide less diversification of investment income than you may obtain from a pooled mortgage fund.</p> <p>The risks associated with the Fund (and each Sub-Fund) may be exacerbated by economic, social and/or health issues, such as the COVID-19 pandemic, and any number of unknown risks may also arise as a result of such issues which may adversely impact the Fund (and Sub-Funds) and distributions to Members.</p>	Section 6
Fees and expenses	<p>Fees and expenses are payable in connection with the Fund and each Sub-Fund. Additional fees may be payable by the Borrowers.</p> <p>The Trustee and Manager are entitled to recover all expenses properly incurred in the performance of their duties, such as loan establishment, loan enforcement or default costs.</p>	Section 7
Reporting	<p>An annual statement detailing the Sub-Funds in which you are currently invested and the amount of any interest you have earned from the Cash Account.</p> <p>A statement will be provided following the maturity of each Sub-Fund / Loan in which you have invested.</p>	Section 9.4
Taxation	Investors will generally be assessable on their share of the net income of the Fund (or Sub-Fund) for income tax purposes. You are required to obtain your own taxation advice about an investment in the Fund and each Sub-Fund.	Section 8

2 About the Fund

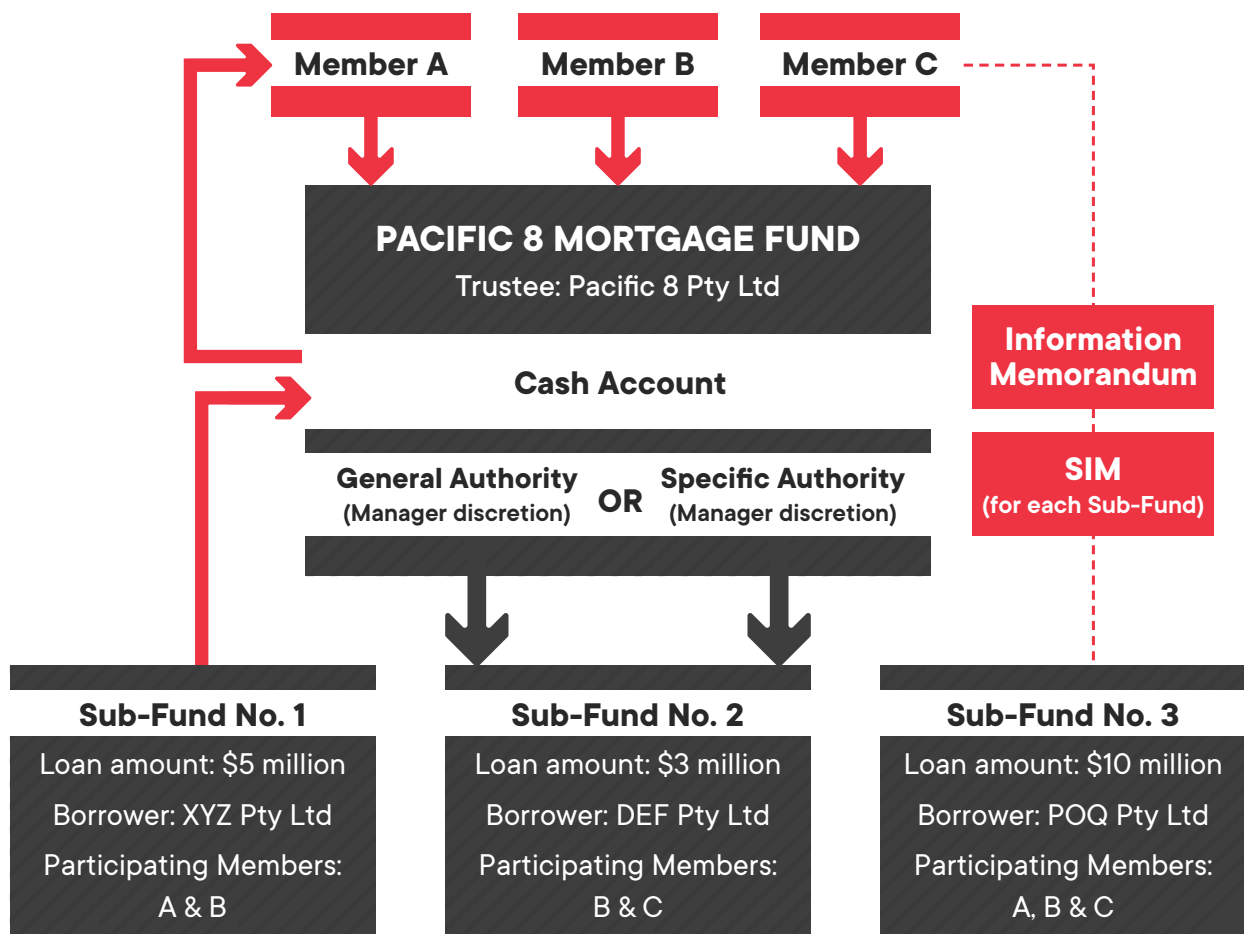
2.1 Overview

The Fund offers investment in selected Secured Loans. Each Loan approved by Pacific 8 is known as a Sub-Fund and is separate from all other Sub-Funds. Members may contribute their funds to one or more Sub-Funds.

To invest in the Fund, prospective investors complete and lodge an Application Form having selected either:

- Specific Investment Authority, whereby you select Loans of your choice by completing a Consent Form for each Loan; or
- General Investment Authority, whereby you authorise the Manager to select Loans on your behalf.

Your investment funds are initially deposited into the Cash Account and will begin to earn interest immediately. While your funds are held in the Cash Account, you may withdraw your money by giving



us five business days written notice, unless your funds have otherwise been allocated to a Sub-Fund. You only have a right to withdraw funds from the Cash Account.

Members will be then offered invitations to invest in Loans, and you will be provided with a SIM (or Supplementary Information Memorandum) for each Sub-Fund which details the terms of the Loan, such as the borrower details, loan amount, interest rate, security etc. Upon receipt of your consent to invest in a Sub-Fund, your funds will be allocated to the Sub-Fund. You may elect to invest additional funds in the Sub-Fund at this time. Once your funds have been allocated to a Sub-Fund, you have no right to withdraw those allocated funds from the Cash Account or the Sub-Fund (see Section 4 which explains this further).

Distributions from the Fund and each Sub-Fund (which include funds from the repayment of principal and payment of interest by the Borrower), will automatically be paid into the Cash Account where you are able to withdraw the funds or reinvest in further Sub-Funds, unless you elect for distributions to be paid directly to your nominated bank account.

As the Fund is not a 'pooled mortgage fund', your entitlement to income or capital is based only on your investment in the Cash Account and each

Sub-Fund in which you have invested. You have no right to the income or capital of any Sub-Funds in which you have not invested.

2.2 Investment process

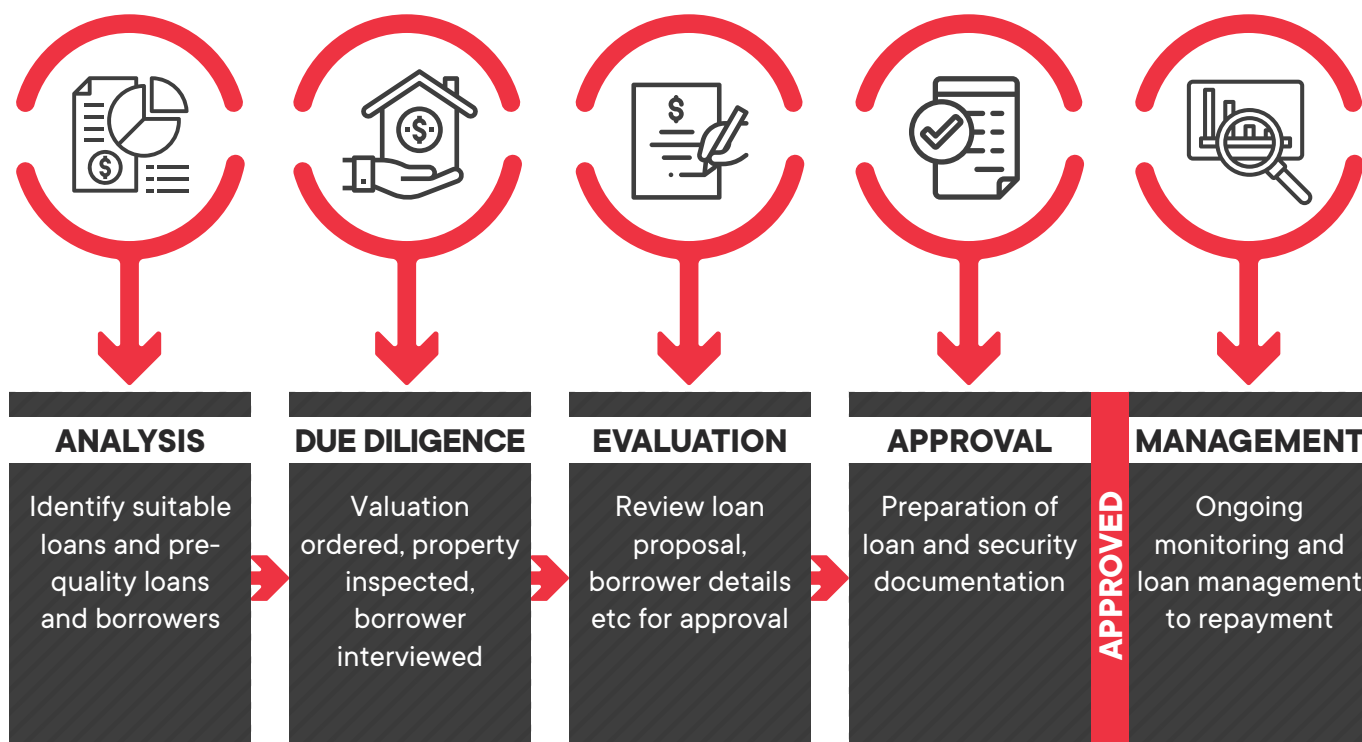
The Manager will always ensure that the risk and reward profile of each Loan is appropriate having regard to the following factors:

- The financial capacity and character of the Borrower.
- The character and appeal of the real property over which security is held.
- The quality and value of the Loan, underlying Secured Property and the risk analysis process.

All Loan investment decisions will be based on risk-adjusted returns over the term of the Loan. All Loans, Borrowers and Mortgages are assessed under the Manager's loan assessment program.

In addition, each Loan will be properly documented and appropriately secured following a comprehensive assessment of the purpose, servicing capability of the Borrower, valuation, insurance, and management protocols proposed for each Loan.

The diagram below describes the loan and borrower assessment process for the Fund.



2.3 Lending guidelines

The Manager's lending guidelines are set out below. The details of each Loan, including term, security, LVR etc, will be outlined in the SIM issued in respect of the Loan.

- **Security:** All Loans must be secured by first or second ranking mortgage over real property including vacant land, residential, commercial, retail, or industrial property. Caveats may be lodged until formal mortgage registration can be arranged.
- **Additional security:** Where appropriate, some Loans will also be secured by a general security agreement provided by the Borrower, company guarantees and/or directors' guarantees, and any other personal property or other security the Manager considers necessary.
- **Geographic location:** The underlying property of a Loan must be a residential, commercial, or industrial property within major metropolitan centres along the Australian Eastern seaboard.
- **Valuations:** A valuation by an independent registered valuer must be obtained for properties used as collateral if deemed necessary by the Manager. The Manager may utilise other methods to determine an appropriate property valuation, e.g., market appraisals. Details of any valuation undertaken will be set out in the SIM for the relevant Sub-Fund.
- **Property assessment:** A comprehensive property assessment will be conducted prior to the date of the advance, including title searches confirming financial and registrable interests on title. The Manager may also undertake a property inspection with the Borrower.
- **Borrower credibility:** Investigation is undertaken on each prospective Borrower and any related parties or entities to confirm their credit worthiness, relative experience and skill set for their use of the funds they have applied for, as well as a feasibility assessment of their ability to repay the Loan in full and on time.
- **Active loan management process:** Constant communication between the Manager and the Borrower to determine an appropriate and timely exit strategy. The Manager utilises software to provide automated correspondence to Borrowers throughout the loan process.

2.4 Key features of an investment in the Fund

Contributory loans

The Fund offers Members the ability to invest in contributory loans, which is when one or more people contribute money, as lenders, to a particular loan. Each Member has an exposure to that loan with the other Members in the loan and in the proportion that each Member has contributed capital to the loan.

As the Fund is not a 'pooled fund', your entitlement to income or capital is based only on your investment in a specific Sub-Fund and you have no right to the income or capital of other Sub-Funds in which you have not invested.

Secured Loans

Secured Loans are secured by a registered first or second mortgage in favour of the Trustee (or its nominee), over real property. For Secured Loans, the Borrower is required to execute security documents including, but not limited to, a mortgage (which may incorporate guarantee and indemnity provisions) and a loan agreement. These documents regulate the terms and conditions of the Loan between the Trustee and the Borrower.

Rather than having all Members registered on the certificate of title to the property the Mortgage is registered in the name of the Trustee (or its nominee) on behalf of all Members to that Loan.

Loan to value ratio

The loan to value ratio (**LVR**) for each Loan will be disclosed in the SIM.

External service providers

External service providers engaged by us in connection with the Fund or a Sub-Fund must be appropriately qualified and have current professional indemnity insurance appropriate for the type of work to be performed by them. The types of service providers appointed may include valuers, quantity surveyors and solicitors.

Interest payments

The applicable interest rate for each Loan will be outlined in the SIM issued in respect of the Loan. The SIM will also detail any applicable security. Interest rates are negotiated with each Borrower and are usually fixed for the term of the Loan.

The rate of interest for Loans will vary, depending on a range of factors, including:

- Borrower's details, including lending and credit history.
- Type of Loan, e.g., bridging or construction finance.
- Status of the development or underlying property (if applicable).
- Amount and term of the Loan.
- Security provided, i.e. first or second mortgage.
- Financial and economic markets.
- External issues, such as economic, health or social issues (e.g. COVID-19).

Under the terms of the loan agreement, the Borrower may have a right to either repay the Loan early or to make partial repayments of principal to reduce the Loan. In some situations, an early repayment fee may be payable by the Borrower. Default interest may be payable under the terms of a loan agreement.

Borrowings

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

No guarantee

Neither the Trustee nor the Manager guarantees the repayment of capital or income to Members. There is a risk that you may lose some or all of the funds that you invest.

2.5 Loan default management and enforcement

The Manager will determine whether to take enforcement action against any defaulting Borrowers. Where a Borrower fails to make an interest payment on or before the due date, the Manager will:

- contact the Borrower seeking payment within a stipulated timeframe (e.g., five business days) to avoid further action being taken; and
- at its discretion, and dependent upon the terms of the Loan documentation, apply a higher default rate of interest from the date of the last interest payment until the date the default is remedied.

Depending on the Borrower's response to the payment request, the Manager may issue a default notice, and commence proceedings against the defaulting Borrower.

If recovery action is issued against a Borrower:

- the Trustee may become a mortgagee in possession.
- a new valuation may be obtained respect of the underlying Secured Property.
- the underlying Secured Property may be placed on the market for sale or, depending on the nature of the Secured Property, may be managed prior by the Manager prior to commencing a sale process; and
- it is possible that the Secured Property may be sold at a price that is less than the amount required to satisfy the outstanding balance of the Loan, interest, and costs (including recovery fees). Should this occur, recovery action against the Borrower and any guarantors may continue.

3

Investing in the Fund

3.1 Investment procedure

Securing membership in the Fund and the investment in a Sub-Fund is completed in two stages.

Stage 1: Application and registration

Stage one involves applying for registration and being accepted as a Member of the Fund. To invest in the Fund simply complete the Application Form attached to this Information Memorandum and select either the 'Specific Investment Authority' option or 'General Investment Authority' option, and forward it to us with your initial investment funds (by cheque or direct deposit).

You may nominate in the Application Form how your distributions are paid. Distributions will be paid into the Cash Account where you are able to withdraw the funds or reinvest in further Loans / Sub-Funds, unless you elect for distributions to be paid directly to you.

Upon the issue of an interest in the Fund, your funds will be deposited into the Cash Account and you will earn the applicable interest rate offered by the account until such time that your funds are invested in a Sub Fund.

You may invest additional funds into the Fund at any time. Simply complete an 'Additional Investment Form' and provide us with the additional investment funds.

Stage 2: Investment selection and approval

Stage two involves us offering to you Loans in which to invest. A Sub-Fund will be initially approved by us and we will issue you with a SIM (a Supplementary Information Memorandum), which will provide details of the proposed Loan.

Each SIM will contain the following details about a proposed Loan:

- Borrower and any guarantors.
- Amount of the Loan.
- Indicative commencement date of the Loan.
- Details of the Secured Property.
- Type of security, i.e. first or second mortgage.
- Type of Loan, e.g., bridging or construction finance.
- For property development related loans, details of the project, including address of the development project and status of the project.
- Valuation details of the Secured Property, including date of valuation, assessed value and valuer's name.
- Loan to valuation ratio.
- Interest rate payable by the Borrower.
- Term of the Loan, including scheduled date of repayment.
- Fees payable by the Borrower.
- Any special provisions in the Loan.

The SIM may contain other information that is relevant to a Sub-Fund, and you should read the SIM together with this Information Memorandum when making your decision to invest.

You may request to make an additional investment into a Sub-Fund when you agree to invest in the Sub-Fund. Simply complete the relevant section in the 'Consent Form' accompanying the SIM for the Sub-Fund and provide us with the additional investment funds.

3.2 Processing applications

Applications are generally processed within seven days. Prospective investors are encouraged to ensure applications are completed correctly and all supporting documentation is provided.

Upon receipt of an Application Form and pending the issue of an interest in the Fund, your Application Money will be held by the Trustee. Interest is not paid on Application Money.

Upon the issue of an interest in the Fund, your funds will be deposited into the Cash Account and you will earn the applicable interest rate until Stage 2 of the investment process and your funds are invested in a Sub-Fund.

3.3 Cash Account

Bank interest earned from the Cash Account is automatically reinvested into the Cash Account and allocated to each Member unless you make an election for distributions to be paid directly to you. The amount of interest you receive is calculated to reflect any pro-rata interest earned on your cash holdings for the period invested in the Cash Account. The applicable interest rate for the Cash Account is variable. We will inform you of the applicable interest rate on request.

All interest and proceeds from a Loan, including repayment of principal and payment of interest on maturity of Loan will automatically be paid into the Cash Account on your behalf, unless you make an election for distributions to be paid directly to you.

Refer to Section 4 for details on the withdrawal process. You may withdraw your funds from the Cash Account at any time unless your funds have otherwise been allocated to a Sub-Fund. Refer to Section 4 for details of the withdrawal process.

3.4 Specific Investment Authority

If you select the 'Specific Investment Authority' option, you are required to select each particular Loan / Sub-Fund in which you would like your funds allocated and invested.

You approve the allocation of your funds to each Sub-Fund by signing the 'Consent Form' attached to the SIM for the relevant Sub-Fund and returning it to us by post or email (or providing such other form of consent as we may accept from time to time). If approved, your funds will be allocated to the selected Sub-Fund. Once all Members whose funds

make up the required allocation to the Loan / Sub-Fund have been approved and allocated to the Sub-Fund, the funds are then advanced to the Borrower under the Loan. If your investment in a Sub-Fund is not approved by us (in whole or in part), e.g., if a Sub-Fund is over-subscribed, then your funds (or part thereof) will remain in the Cash Account.

3.5 General Investment Authority

If you select the 'General Investment Authority' option, then you give the Manager full power to select which Loans / Sub-Funds your investment funds are invested in. By providing us with a General Investment Authority you are foregoing your choice to select an investment among specific Sub-Funds that may have different Borrowers and features, including different investment terms and returns.

After your funds have been allocated to a Sub-Fund, we will provide you with the following:

- A notice advising you the amount of your available funds allocated to the Sub-Fund.
- A copy of the SIM for the Sub-Fund.

You will be deemed to have received the notice and SIM three business days after it has been sent. You have five business days from the date you are deemed to have received the notice and SIM to notify us in writing if you do not wish to proceed with a particular Sub-Fund investment.

You will be deemed to have consented to the investment in the Sub-Fund if you do not notify us in writing of your desire not to proceed with a particular Sub-Fund or if your written notice is received after the five business day notice period.

3.6 Distributions

Distributions are paid monthly.

Distributions (which includes the repayment of principal and payment of interest on maturity of a Loan) will be paid into the Cash Account where you are able to withdraw the funds or reinvest in further Loans / Sub-Funds, unless you elect for them to be paid directly to you.

3.7 Transferring your investment

There is no established secondary market for interests in a Sub-Fund. However, you may sell or transfer your interest in a Sub-Fund at any time with the prior written consent of the Trustee.

Transfers of interests in a Sub-Fund are not effective until the Trustee has updated the Register. The Trustee may refuse to update the Register or withhold its consent to a proposed transfer of interests for a number of reasons, including:

- The Trustee considers the transfer is not in best interests of the Sub-Fund or the members as a whole.
- The parties have not completed a transfer form in an approved form.
- The transferee does not agree to be bound by the Constitution.
- The transferee does not qualify as an Eligible Investor.
- The transferee has not been identified in accordance with the AML CTF Law.
- Any duty or taxes on the transfer of interests (if applicable) have not been paid.

A person becoming entitled to an interest in a Sub-Fund on the death, bankruptcy, liquidation, dissolution or other disability of a Member may, on production to us of such evidence as we may reasonably require, be entered in the Register as the holder of that interest in a Sub-Fund.

3.8 Who can invest in the Fund?

Eligible investors

An investment in the Fund is restricted to those persons that are considered 'wholesale clients' pursuant to section 761G of the Corporations Act, 'sophisticated investors' pursuant to Section 761GA of the Corporations Act or to those persons to whom the regulated fund raising provisions of the Corporations Act do not apply.

To invest in the Fund, you are generally required to satisfy ONE of the following:

- Invest at least \$500,000 into the Fund. Joint holders are required to both invest at least \$500,000.
- Provide us with an Accountants Certificate that is no more than two years old confirming you (and/or any relevant entity that you control) have at least \$2.5 million in net assets or \$250,000 of gross income for the last two financial years.

- Confirm you are a professional investor, as that term is defined in the Corporations Act.
- Pacific 8 issues you with a certificate confirming you are a 'sophisticated investor'.
- Confirm you are otherwise not required to receive a product disclosure statement to invest in the Fund.

Investor types

Any person, including an individual, company, partnership, trust or self-managed superannuation fund may invest in the Fund.

Investment suitability

An investment in the Fund is typically suited to investors who:

- Seek investment in specific loans.
- Are looking to diversify their existing investment portfolio.
- Have an investment outlook of up to three years (or such longer period as relevant for a Sub-Fund).

Some Loans offered for investment may not require the Borrower to make regular interest payments. Accordingly, certain Sub-Fund investments may not be suited to investors who seek regular income payments.

WARNING: Pacific 8 is not a financial planner or financial advisor. You should seek your own financial advice regarding the suitability of an investment in the Fund and each Sub-Fund.

4 Withdrawing from the Fund

4.1 Withdrawals from the Cash Account

Withdrawal process

You may withdraw your funds held in the Cash Account at any time upon providing us with at least five business days written notice. To withdraw funds from the Cash Account, simply complete a 'Withdrawal Form'. Incomplete withdrawal requests may not be accepted.

Funds cannot be withdrawn from the Cash Account if they have been allocated to a Sub-Fund.

Payment of withdrawal proceeds

Withdrawal proceeds will only be paid to your nominated account held with an Australian financial institution. We will generally pay withdrawals within five business days.

If you withdraw funds from the Cash Account before the end of a month, you will receive a pro-rata distribution of interest earned on the account, based on the proportionate amount and number of days that your funds were held in the Cash Account during the relevant period.

Minimum withdrawal amount

The minimum withdrawal amount is \$5,000.

Minimum investment balance

The minimum investment balance for the Fund is \$5,000 (subject to the Trustee's discretion), which must be maintained in the Fund at all times. This includes amounts held in the Cash Account and the Sub-Funds in which you have invested. If a withdrawal request results in your investment balance falling below the minimum amount required to be maintained, we may (at our discretion) treat a withdrawal request as relating to the entire amount you hold in the Cash Account.

Withdrawal fee

There is no withdrawal fee payable.

4.2 No withdrawals from Sub-Funds

There is no right for you to withdraw from a Sub-Fund.

Once your funds are allocated to a Sub-Fund, your funds will only be available for withdrawal in the following circumstances:

- Upon the repayment of a Loan by the Borrower at the expiration of the term of the Sub-Fund.
- On early repayment of a Loan by the Borrower.
- Prior to the expiration of the term of the Sub-Fund at our discretion, but only if there is a replacement investor to take your place in the Sub-Fund who qualifies as an Eligible Investor and completes all documentation required by us.

We generally do not permit any withdrawals from a Sub-Fund where the Loan is in default, so that you may only withdraw your funds (subject to the above), once the default has been rectified.

4.3 Specific Investment Authority

If you selected the Specific Investment Authority option and you have signed the 'Consent Form' for a Sub-Fund, your funds are then deemed to have been allocated to the Sub-Fund and you no longer have a right to withdraw those funds from the Cash Account or from that Sub-Fund (subject to the limited exceptions set out in section 4.2) prior to the Loan being repaid or formally extended.

4.4 General Investment Authority

If you selected the General Investment Authority option, you have five business days from the date you are deemed to have received the notice regarding the allocation of your funds and SIM for the Loan/Sub-Fund to notify us in writing that you do not wish to proceed with a particular Sub-Fund investment.

You are deemed to have received the notice and SIM three days after we post or email it to you. If you provide a notification within the five business day period of receipt of the notice, your funds will remain in the Cash Account and will be made available for re-investment in another Sub-Fund unless you lodge a withdrawal request with respect to your funds held in the Cash Account.

If we do not receive a valid written notification from you within this five business day notice period, your funds will remain allocated and will be invested in the Sub-Fund described in the SIM for the term of that Sub-Fund.

4.5 Extension or variation of Loan terms

There may be circumstances where the Borrower requests an extension or variation of a Loan. Subject to the conduct of the Borrower having been satisfactory and complying with our requirements for an extension or variation of a Loan, a new SIM will be provided to all Members in the Sub-Fund setting out the revised details of the Loan and requesting consent from Members. If any Member does not consent to the extension or variation of a Loan, we will endeavour to source a replacement investor to take their place in the Sub-Fund.

If the extension or variation of a Loan is approved by Members, then formal written variation documents are prepared, and any costs associated with such an extension or variation (such as legal fees) are payable by the Borrower. Any Member who has been replaced will have their funds paid into the Cash Account where they will be able to be withdrawn by the Member (unless the Member has nominated for distributions to be paid directly to them).

If a replacement investor cannot be sourced then the request for an extension or variation of a Loan will not be granted and the Borrower will be required to comply with the existing Loan terms, including repayment on the specified date.

If a Borrower indicates the Loan will be repaid or if we decline to renew, extend, or vary a Loan, repayment of your investment in a Sub-Fund may not be immediately available until the Loan is actually repaid. Interest will continue to accrue after the repayment date until the Loan has been repaid.

5 Pacific 8

5.1 About Pacific 8

Pacific 8 was established in 2015 to provide private mortgage loans to a range of borrowers across the Australian Eastern seaboard. To date, Pacific 8 has extended over \$400 million of credit through first and second registered mortgages over real property.

Pacific 8 holds AFSL 480508 which authorises it to operate the Fund.

Pacific 8 is owned and operated by its executive team.

For more information visit www.pacific8.com.au

5.2 Executive directors

Adam Tilley – Director

*Diploma of Financial
Services / Mortgage
Broking and
Management*

Certificate IV in
Financial Services

Adam has over 28
years experience
in the property

finance sector in the Asia Pacific Region. He has experience in commercial and residential property finance and to date has overseen approximately AUD\$1 billion of funding in Australasia.

Adam started his banking career at ANZ McCaughan, where his understanding of finance and credit markets assisted hundreds of companies and corporations reach their goals.

Adam is a Director and Responsible Manager of Pacific 8.



Andrew Kingston – Director

*Diploma of Financial
Services / Mortgage
Broking and
Management*

Certificate IV in
Financial Services

Andrew has
extensive
experience in

the financial services sector with Macquarie Bank, including the foreign exchange market, marketing products with major banks, working as a private client advisor in both stock broking and securing property related finance – including construction, commercial property, first and second mortgage finance and bridging loans.

Andrew is a Director and Responsible Manager of Pacific 8.





Risk factors

6.1 Introduction

An investment in the Fund is subject to various risks. As with any investment, there are a number of risk factors that could impact on the performance of the investment, should they occur.

Pacific 8 does not guarantee your capital or the interest payments by the Borrower.

Whilst we have endeavoured to disclose all material risks, it should be noted the following list is not exhaustive and should be treated as a guide only. Prior to deciding to invest in the Fund, you should carefully consider the risks detailed below obtain your own independent advice and consider whether such an investment is suitable for you.

To appreciate the risks associated with an investment in the Fund and a Sub-Fund, this Information Memorandum and the SIM for the relevant Sub-Fund must be read in conjunction with each other.

6.2 Understanding risks

As investing in loans involves exposing your investment to a range of risks it is important that you understand:

- The risks involved in investing in loans.
- How these risks compare with the risks of other investments.
- How comfortable you are in exposing your investment to risk.
- The extent to which investing in loans fit into your overall financial plan and position.

Careful consideration should be given to the risk factors set out below, as well as other information in this Information Memorandum before you make

an investment decision. Some of the risks are outside of our control.

6.3 Risks relevant to your investment

Market risk

Market risk is the risk that downward shifts in the property market may impact on the capacity to recover the amount owing on a Loan if a default occurs. We manage this risk by monitoring Loans to ensure compliance with our lending guidelines.

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 not pay interest and repay capital or other financial obligations on time. The value of a Loan might become impaired if a Loan is in default or is not repaid in full.

Capital risk

Your investment in the Fund and Sub-Funds is not guaranteed, and therefore during the term of the investment, factors outside our control may affect property values, such as property market conditions, Government policies, inflation, the general economic climate and the impact of economic, health or social issues. Your capital may be at risk where we must enforce the security in a defaulting situation and the sale of the Secured Property fails to realise sufficient funds to meet the balance of a Loan.

Delays in return of capital

Repayment of your investment capital at the end of the term of a Sub-Fund is solely dependent on repayment of the Loan. The Trustee can only repay capital to the Members in the Sub-fund when the underlying Loan has been repaid.

Income risk

Pacific 8 does not guarantee the interest payments under a Loan. Your investment in a Sub-Fund is dependent upon the ability of the Borrower in the Sub-Fund to pay the interest when due, and to repay the Loan on the required date. Prospective investors should be aware that no distribution/interest is payable from the Sub-Fund if no corresponding payment is received from the Borrower. The non-payment of distributions/interest to the Member will continue until the Borrower rectifies the default or the Secured Property is discharged either by way of sale or refinance by the Borrower or the Secured Property is sold by the Trustee (or its nominee) as mortgagee.

All distributions, loan proceeds and interest from Sub-Funds and the Cash Account are automatically reinvested into the Cash Account.

Liquidity risk

The Fund generally operates as an illiquid managed investment scheme, as the Loans are not readily bought or sold without some adverse impact on the price paid or obtained.

The primary underlying security for a Secured Loan is real estate. If default of a Secured Loan is made, we generally sell the real estate to recover the Loan. Any sale of Secured Property involves a period of marketing followed by a settlement period, which may be two or three months. If a defaulting Borrower occupies the Secured Property, then we may need to obtain possession by obtaining a court order or judgement. Delays could occur between when a Loan goes into default and when the sale proceeds are received. These delays may affect interest payments made to you.

Under normal circumstances we expect withdrawals from the Cash Account will be satisfied within five business days; however, under the Constitution we have up to 90 days from the date of the request to satisfy withdrawal requests. This is a liquidity preservation measure to protect the interests of all Members of the Fund and each Sub-Fund.

Subordinate security risk

You may be offered Loans that take security positions that will be subordinate to prior ranking mortgages or charges, e.g., second ranking mortgage. There is a risk that the actions of the

prior ranking mortgagee/chargee will dilute or extinguish the value available to the Sub-Fund as a subsequent mortgagee/chargee.

Economic risk

Economic risk is the risk that a downturn in general economic conditions either inside or outside Australia may adversely affect Loans or a Borrower's ability to meet their obligations under a Loan.

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 or control.

Loan profile risk

There are different risks associated with different types of loans. The following are provided as examples:

- **Development or construction loans**
In construction or development loans, there could be risks due to the timing, completion and sale of the project including pre-sales or pre-leasing requirements.
Construction or development loans may include a degree of additional risk where the Borrower is unable to complete the works as required. For example, a partially completed development would be more difficult to sell compared to vacant land or a completed development if we are required to do so due to a default by the Borrower.
Further, during the construction or development process, downward shifts in the property market can affect the ability to recover the amount owing under the Loan at the completion of the project.
- **Vacant land and non-income earning properties**
There are special risks associated with vacant land and other non-income earning properties. Where a default occurs by the Borrower, we are not able to rely on any rental payments or other income in order to assist in rectifying the default. The amount of the Loan will generally increase by the amount of unpaid interest.

- Specialised properties

There are other types of property that may attract a greater degree of risk in a default situation where the market for such properties may fluctuate or where the demand for such properties is lower than other types of property. Such properties may include rural properties, apartments, or other specialised properties.

Loans in default

Borrowers may default for a wide range of circumstances. 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 a Borrower defaulting on a Loan.

When a Borrower defaults in payment of interest or principal, the interest payable on the Loan will generally accrue at a higher or penalty rate. In addition, other fees and costs may be charged to the Borrower, such as legal fees and selling expenses. This increases the amount of the debt owed by the Borrower.

We may also act against the Borrower personally and against any guarantors.

We may also act against key consultants such as property valuers if we believe they have been negligent in their duties. Such action may be restricted or not available in circumstances where we are unable to legally rely on the report by virtue of the Trustee not qualifying as a mainstream lending institution to the satisfaction of their professional indemnity insurers.

In addition, there may be delays before a Secured Property can be sold. Legal default notices are required to be served, possession may need to be obtained and an auction scheduled for the Secured Property.

6.4 Other risk issues

Economic, military, terrorism, health, or social issues (such as COVID-19) may result in significant volatility within the Australian and global economies as well as Government imposed restrictions and business shutdowns.

The risks described in this Section 6 may be exacerbated by the occurrence of any such economic, military, terrorism, health or social issues and any number of unknown risks may arise as a result of such issues, which may adversely impact the Fund and Sub-Funds and the ability for a Borrower or guarantor to a Loan to meet their obligations.

7 Fees and costs

This section shows the typical fees and costs that may be charged in connection with the Fund and each Sub-Fund. Specific details of fees will be disclosed in the SIM for each Sub-Fund. You should read all information about fees and costs, as it is important to understand their impact on an investment in the Fund.

7.1 Fees

Fund management fee

Pacific 8 is entitled to receive a fund management fee which is payable from the fees and/or interest received by the relevant Sub-Fund. The fund management fee will be disclosed in the SIM for each Sub-Fund and will generally be 2% per annum (plus GST) of the Loan amount.

Loan establishment fee

Pacific 8 is entitled to a loan establishment fee which is payable by or on behalf of the Borrower. The loan establishment fee is disclosed in the SIM for each Sub-Fund and will generally be between 1% to 2% (plus GST) of the Loan amount.

Loan management fee

Pacific 8 is entitled to a loan management fee which is payable by or on behalf of the Borrower. The loan establishment fee is disclosed in the SIM for each Sub-Fund and will generally be 0.01% per month (plus GST) of the Loan amount.

Early and late repayment fees

If the Borrower repays the Loan early, Pacific 8 is entitled to an early repayment fee which is payable by or on behalf of the Borrower. The early repayment fee is disclosed in the SIM for each Sub-Fund.

If a Loan is in default (e.g., due to non-payment of interest), Pacific 8 is entitled to a loan default fee which is payable by or on behalf of the Borrower. The loan default fee is disclosed in the SIM for each Sub-Fund.

Incidental fees

Pacific 8 may be entitled to receive incidental fees, such as site inspection fees or mortgage release fees. These fees will generally be payable by the Borrower.

Other fees

Pacific 8 may be entitled to receive additional fees, such as an application or compliance fee which are payable by the Borrower, as disclosed in the SIM for each Sub-Fund.

7.2 Recoverable expenses

We are entitled to reimbursement for or have paid by the Fund or a Sub-Fund, all expenses and taxes we incur in the proper performance of our duties. There is no limit in the Constitution on the amount that we can recover for expenses incurred in the proper performance of our duties.

Day-to-day expenses relating to the Fund

Day-to-day expenses include, but are not limited to accounting, administration, and loan management. These costs are covered by the fund management and loan management fees.

Day-to-day expenses do not include abnormal costs and operating expenses which are due to abnormal events, such as the cost associated with calling and running a meeting of Members. These costs are recoverable from the Fund or each Sub-Fund.

Expenses relating to any default loans

Separate to the day-to-day expenses of operating the Fund, there are expenses associated with the ownership and operation of the Sub-Funds which are recoverable from the Sub-Funds.

For example, in the case of a default to a specific Sub-Fund, additional expenses may be incurred including:

- Default management activities undertaken by the Manager.
- Legal fees, such as costs to institute legal proceedings against a Borrower.
- Agency sales fees.
- Property management or project management fees.

These fees generally relate to the activities involved in disposing and/or operating the properties during periods of a Loan default. They differ from the day-to-day operating expenses of a Sub-Fund, as such we are unable to estimate these costs as they are asset specific.

If a Sub-Fund has unrecoverable costs, Members may receive a reduction to their investment return in the relevant Sub-Fund.

7.3 Additional information

Goods and services tax

Unless otherwise stated, all fees in this section of the Information Memorandum are exclusive of GST.

Waiver or deferral of fees

We may, in our absolute discretion, accept lower fees and expenses than we are entitled to receive, or we may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

Transaction costs

You may also incur costs directly associated with transactions made on your account, such as Government taxes and Australian financial institution fees (such as cheque dishonour fees and electronic transfer fees). These costs will be directly deducted from your Application Money or the amount paid to you. We are unable to estimate these costs until they are incurred.

Adviser commission and referral fees

We may pay a referral or capital raising fee to referrers or your advisor. In addition, your adviser may charge you a fee or commission associated with making a recommendation to you to invest in the Fund or a Sub-Fund. Generally, referrers and advisers are required to disclose to you any commission or fees they will receive in connection with your investment in the Fund.

8

Taxation

8.1 General taxation issues

Overview

Prospective investors must take full and sole responsibility for their investment in the Fund and each Sub-Fund, the associated taxation implications arising from those investments and any changes in those taxation implications during the course of the investments. Accordingly, prospective investors should seek taxation advice that considers their individual circumstances. Any taxation information provided in this Information Memorandum is of a general nature and does not constitute tax advice.

Distributions

The Fund and each Sub-Fund will be residents of Australia for Australian income tax purposes.

The Trustee expects the Fund and each Sub-Fund will be treated as 'flow through' vehicles. This means that, as a general rule, the Fund and each Sub-Fund will not pay tax as they will distribute all of its income (e.g., interest) to Members each year.

Rather, Members who are entitled to the income in any year (and who are not under any legal disability) will generally be assessable on their share of the net income of the Fund and each Sub-Fund for income tax purposes.

Capital gains tax

Any disposal of an interest in the Fund or a Sub-Fund is likely to trigger a capital gains tax event (provided the interest is held on capital account), and as such Members will be required to calculate any capital gain or loss on the disposal (if applicable).

Foreign resident Investors

The statements made in relation to taxation in this Information Memorandum do not apply to Members that are not residents of Australia for taxation purposes.

8.2 FATCA and CRS requirements

The Trustee is required to collect information about the tax residency status of Members, including whether the Member is a US citizen or resident for US tax purposes, and other relevant information under the Foreign Account Tax Compliance Act (**FATCA**) and Common Reporting Standard (**CRS**) rules. If a Member is identified as a foreign resident, its account information may be reported to the ATO under the FATCA and CRS rules, who in turn may share this information with foreign tax authorities.

8.3 GST

The issue of interests in the Fund and each Sub-Fund will be an input taxed financial supply for GST purposes and therefore no GST will be payable on the issue of interests. Further, GST should not be payable on distributions paid by the Fund or each Sub-Fund.

Expenses, including fees paid by the Fund and each Sub-Fund will be subject to GST. The Fund and each Sub-Fund may be able to claim input tax credits on these expenses and fees, but the extent of the claim will depend on the circumstance and nature of the particular expense or fee.

8.4 Duty

We do not expect stamp duty will be payable in respect of the issue of interests in the Fund or each Sub-Fund.

9

Additional Information

9.1 Constitution

Overview

The Fund is an unregistered managed investment scheme and is governed by the Constitution.

The Constitution is a legal agreement between the Trustee and the Members (from time to time) of the Fund. It is the primary document that governs the way the Fund operates and sets out many of the rights, liabilities and responsibilities of both Members and the Trustee.

The Constitution amounts to a declaration of trust for the benefit of the Members by the Trustee in relation to all Members' funds (and any other property of the Fund) the Trustee holds on a Member's behalf. The following is a non-exhaustive list of the matters described in the Constitution:

- The consideration required to be provided by a Member to acquire an interest in the Fund.
- Operation of each Sub-Fund.
- Powers of the Trustee to deal with property of the Fund.
- Convening and conducting meetings of Members.
- Provisions dealing with the winding-up of the Fund.
- The rights of the Trustee to be indemnified.

Amending the Constitution

The Trustee may amend the Constitution at its discretion if the Trustee considers that the change is not adverse to Members' rights. Members may also resolve to amend the Constitution by a special resolution passed by at least 75% of the votes cast by Members entitled to vote on the resolution.

Removal of Trustee

The Trustee can retire as the trustee of the Fund if it gives 30 days' notice to Members. The Trustee can only be removed by Members and replaced with another trustee if Members pass a special resolution (at a duly convened meeting of Members) approved by 75% of the total votes that may be cast by Members entitled to vote on the resolution.

Inspection

The statements in this Information Memorandum only provide a summary of some of the provisions of the Constitution. You can inspect a copy of the Constitution at our office at any time during business hours.

9.2 Management Agreement

Pacific 8 Management Pty Ltd (**Manager**) has been appointed to manage the Fund. The duties of the Manager under the Management Agreement include the following:

- Overseeing the management of the Fund.
- Sourcing, evaluating, and assessing Loan applications.
- Managing Loans, including repayment requirements and enforcement issues.
- Liaising with Borrowers.
- Arranging payment of costs and other expenses of the Fund.
- Arranging the accounting, income tax, GST, and associated requirements of the Fund.
- Arranging distributions to Members.
- Providing information and updates to Members.
- Appointing service providers.

- Providing other services reasonably required to manage the Fund.

Under the terms of the Management Agreement, the Manager is entitled to the fees outlined in Section 7.

9.3 Related party transactions

Pacific 8 and the Manager are part of same group of companies.

Pacific 8 and its related parties may invest in the Fund and the Fund may offer Loans to related parties or associates, e.g., Loans may be offered to entities associated with Pacific 8 or its directors.

9.4 Reporting

We will issue annual updates to Members regarding the Fund and the performance of relevant Sub-Funds. We will also issue taxation statements within three months of the each of each financial year.

9.5 Audit

Neither the Fund nor each Sub-Fund will be audited.

9.6 Changing your personal details

It is important that we maintain accurate records about you. Please inform us of any changes to your personal details as soon as possible. You can change your personal details, such as mailing address, phone, or email address, by sending us a request by mail, emailing, or contacting us by phone.

Please ensure that you provide us with the following information when requesting a change of personal details:

- Your account numbers.
- The full name on your account.
- The changes you are requesting.
- A contact name and daytime phone or mobile number in case we need to contact you.
- Where the request is made by mail, ensure each signatory to the investment account signs the request.

If you want to change your bank account details for withdrawal purposes, then we may require you to complete a 'Change of Details Form'.

9.7 Providing instructions to us

Instructions must be provided to us in writing. You may provide your written instruction by posting or emailing your written instructions to us. Instructions must have your signature or that of an authorised signatory on your account that matches the recorded authorised signatories.

When providing instructions to us, you are taken to have agreed and understood that neither we nor any part of our group (including related entities and associates) accept any responsibility or liability for any payment or action we make based on any instruction (even if not genuine) that we receive by post or email bearing your details, a signature which is apparently yours, or that of an authorised signatory on your account. This means that you cannot make a claim for such a thing as a fraudulent letter or email redemption request made by someone who has access to your details and/or a copy of your signature. You provide instructions entirely at your own risk.

9.8 Personal information

When you make an application to invest in the Fund, we will collect personal information about you. The personal information supplied is used primarily for the following purposes:

- To process your application to invest in the Fund.
- To administer and provide products and services to you.
- To pay distributions to you.
- To communicate with you regarding the Fund, e.g., sending reports and notices.
- To manage our relationship with you.
- To process transactions.
- To deal with complaints, answer queries and for security purposes.
- To develop products and services.
- To meet regulatory requirements.
- To allow us to market products and services to you (subject to your right to opt-out of receiving various direct marketing materials at any time).

We may provide personal information to service providers and third parties including:

- Mail houses and their printers for the preparation and distribution of documents to you.

- Administration and registry providers.
- Identification providers, e.g., to verify your identity.
- Service providers and other professionals, such as custodians, lawyers, accountants, and auditors.
- Government and other regulatory authorities when permitted or required by law, such as ASIC or ATO.

You have a right to know what information we hold about you and to require us to correct any errors. In this regard, you can assist us in keeping details up to date by advising us of any information that appears incorrect.

Your personal information will be collected, used, and disclosed by us in accordance with our Privacy Policy and in accordance with the law.

Our Privacy Policy is available on our website (www.pacific8.com.au/privacy-policy/).

If you have any complaints or questions about the privacy of your personal information, please contact our Privacy Officer by writing to:

Pacific 8 Pty Ltd
Attention: Privacy Officer
PO Box 544
Edgecliff NSW 2027

If we do not satisfy your complaint to your satisfaction, you may write to the Privacy Commissioner at:

Office of the Australian Information Commissioner
GPO Box 5218
Sydney NSW 2001

10

Glossary

AML/CTF Law

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (C'th) and for the time being in force together with the rules and regulations.

Applicant

A person who applies to acquire an Interest pursuant to this Offer.

Application Form

The investment application form attached to this Information Memorandum which you must complete in order to become a Member of the Fund.

Application Money

The money paid by an Applicant to acquire Interests in the Fund.

ASIC

The Australian Securities and Investments Commission.

ATO

Australian Taxation Office.

Bank

Any major Australian bank, as determined by us.

Borrower

The legal entity obtaining funds by way of a Loan.

Cash Account

The bank account where your funds will be placed, if necessary, before being allocated to a Sub-Fund, e.g., following receipt of your Consent Form. This is further described in Section 3.3.

Consent Form

The Consent Form attached to the SIM, which we must receive from you (if you selected the Specific Investment Authority option) in order to allocate your funds to a Sub-Fund.

Constitution

The constitution for the Fund dated 1 July 2020, as amended from time to time.

Corporations Act

The *Corporations Act 2001 (C'th)* for the time being in force together with the regulations.

Fund

Pacific 8 Mortgage Fund.

GST

Goods and Services Tax as defined in *A New Tax System (Goods and Services Tax) Act 1999 (C'th)*, as amended.

Information Memorandum

This information memorandum, including any supplementary or replacement information memorandum issued in respect of the Fund.

Interest

An interest in the Fund.

Loan

The sum of money that is borrowed from the Trustee whether as one advance or numerous advances (and being the subject of the Sub-Fund) with the expectation that it will be paid back within a term of the loan with interest.

LVR

Loan to value ratio.

Manager

Pacific 8 Management Pty Ltd (ABN 91 605 675 250).

Member

An investor in the Fund.

Mortgage

The primary security over real property granted by the Borrower to the Fund on entering into a Secured Loan.

Pacific 8, we, us or our

Pacific 8 Pty Ltd and Pacific 8 Management Pty Ltd.

Register

The register of Members maintained by the Trustee recording the interests of Members in each Sub-Fund.

Secured Loan

A Loan which is secured by a Mortgage.

SIM or Supplementary Information Memorandum

The document that must be read in conjunction with this Information Memorandum and which provides details of a Sub-Fund.

Sub-Fund

The Loan in which your funds will be invested following receipt of your consent. The term "Loan" may be used where the context permits.

Secured Property

The property over which a first or second ranking Mortgage is taken to which a Secured Loan relates.

Trustee

Pacific 8 Pty Ltd (ACN 109 808 577).

Unsecured Loan

A Loan which is not secured by a Mortgage.

11 Application Instructions and Forms

- Step 1** Read the Information Memorandum and confirm you are an Eligible Investor (refer to Section 3.8).
- Step 2** Complete the Application Form and the Specific Investment Authority or the General Investment Authority.
- Step 3** Compile the investor identification documentation.
- Step 4** Pay the Investment Amount. Application Money can be paid by cheque or electronically by bank transfer from an Australian bank account.

Payment by cheque:

Cheques should be either Australian bank cheques or drawn on an Australian domiciled account in the name of the Applicant.

Cheques must be made out to: “**Pacific 8 Pty Ltd ATF Pacific 8 Mortgage Fund**”. Cheques must be made payable in Australian dollars and crossed “Not Negotiable”.

Payment by EFT:

To direct deposit funds by EFT, transfer your Application Money to

Account name: **Pacific 8 Pty Ltd ATF Pacific 8 Mortgage Fund**

BSB: 032 –053

Account number: 402–448

Please include the EFT reference on the Application Form in the space provided to enable us to match your Application Money

with your Application Form.

- Step 5** Send your completed application, together with your cheque (if applicable) and supporting documents to:

Delivery:

Pacific 8 Pty Ltd
Level 1, 27 Bay Street
Double Bay NSW 2028

Post:

Pacific 8 Pty Ltd
PO Box 544
Edgecliff NSW 2027

11.1 Minimum and additional investments

The minimum initial investment in the Fund is \$100,000 followed by multiples of \$10,000. There is no maximum investment.

The minimum amount for additional investments is \$10,000. If you are an existing Member of the Fund and wish to add to your investment, you can do so by completing an ‘Additional Investment Form’ and providing us with the additional investment funds.

If you have selected the ‘Specific Investment Authority option, then you may increase your investment in a Sub-Fund when you complete the Consent Form for the Sub-Fund.

11.2 Cooling off rights

There is no cooling off rights in relation to an application for investment in the Fund under this Information Memorandum.

11.3 Acceptance or rejection of applications

We may accept or reject an application in whole or in part, for any reason. If your application is rejected (in whole or in part), then we will repay the applicable Application Money to you, less any applicable taxes, bank fees and charges.

11.4 Incomplete applications

There may be instances where we are unable to process an application, e.g., the Application Form is incomplete or incorrectly completed, or we do not receive sufficient information from you. Where this happens, we will contact you to request the necessary information. Any delay in providing the necessary information may result in you receiving a different Loan than you expected. We recommend you carefully complete the Application Form and ensure that you provide all of the required information. Please contact us if you require assistance with completing the Application Form.

If your application is incomplete and if the additional information is not provided on request, we may return the application and your Application Money to you.

11.5 Providing your TFN or ABN

You will be requested to provide your Tax File Number (**TFN**), Australian Business Number (**ABN**) or exemption details on the Application Form. If we do not receive your TFN, ABN or appropriate exemption information, we will be required to withhold tax at the highest marginal tax rate plus the Medicare levy (currently 47%) from distributions paid to you.

11.6 Completing the Application Form

General instructions

Please follow the following instruction when completing the Application Form:

- Use a blue or black ballpoint pen.
- Write clearly and print in BLOCK letters.
- Answer all sections unless otherwise indicated (if a section does not apply, please indicate using 'N/A').

Investor type

Only legal entities can hold units in the Fund. Applications must be in the name of natural persons, companies, or other legal entities.

Signing the Application Form

Read the declaration section carefully before signing the Application Form. Each signatory to the investment account must sign the Application Form.

If signed under Power of Attorney, the Attorney must certify that they have not received notice of revocation of their appointment. We require a certified copy of the Power of Attorney for our records.

Company applications must be signed in accordance with the constitution or rules of the company.

11.7 Verification of applicants

In making the offer contained in this Information Memorandum and in operating the Fund and each Sub-Fund, we are required to comply with the AML/CTF Law. This means we are required to obtain identification information when you apply to invest in the Fund and undertake transactions in relation to your investment.

By applying to invest in the Fund:

- You acknowledge that we may decide to delay or refuse any request for any transaction if we are concerned that the request or transaction may breach any obligation, or cause us to commit or participate in an offence under any AML/CTF Law. We will not incur any liability to you (or any other Member) if we do so.
- You consent to your identity and identification documents being verified using independent and electronic data sources, which may involve disclosure of your personal information to document issuers, service providers, Government or regulatory bodies, credit agencies or other information holders and repositories.

Details of the identification information required is set out in the Application Form.

Contact us

Pacific 8 Pty Ltd

ACN 605 494 184

AFSL 480508

Level 1, 27 Bay Street
Double Bay NSW 2028

PO Box 544
Edgecliff NSW 2027

Phone: +61 2 8188 1170

Email: admin@pacific8.com.au

www.pacific8.com.au



PACIFIC 8