



Date Issued: 30 November 2008

**EQT FUNDS MANAGEMENT – Product Disclosure Statement**

**Common Fund No 1  
(EQT Mortgage Income Fund)**

ARSN 092 615 506 APIR ETL0100AU

**EQT Wholesale Mortgage Income Fund**

ARSN 101 748 109 APIR ETL0122AU

This Product Disclosure Statement ('PDS') was issued on 30 November 2008. This PDS is for the offer of interests in the Common Fund No 1 (Mortgage Income Fund) ARSN 092 615 506 and EQT Wholesale Mortgage Income Fund ARSN 101 748 109 (referred throughout this PDS as the 'Funds' and individually as 'EQT Mortgage Income Fund' and 'EQT Wholesale Mortgage Income Fund' or the 'Fund'). The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ('AFSL') No. 240975) in its capacity as the Responsible Entity of the Funds (referred throughout this PDS as the 'Responsible Entity', 'EQT', 'us' or 'we'). EQT is also the Investment Manager, and the Liquidity Manager of the Funds.

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, any associate, employee, agent or officer of the Responsible Entity or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in a Fund solely on the information in this PDS. You should consider the suitability of a Fund in view of your financial position and investment objectives and needs and you may want to seek advice before making an investment decision. The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in a Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ('IDPS'). This PDS is available for use by persons applying for units through an IDPS ('Indirect Investors').

The operator of an IDPS is referred to in this PDS as the 'IDPS Operator' and the disclosure document for an IDPS is referred to as the 'IDPS Guide'. If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read these terms and conditions before investing in a Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have rights of unitholders. The IDPS Operator becomes the unitholder in a Fund and acquires these rights. The

IDPS Operator can exercise or decline to exercise the rights of an Indirect Investor's behalf according to the arrangement governing the IDPS. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an Application Form where applicable) will also be contained in the IDPS Guide. EQT accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by EQT or to withdraw the PDS from circulation if required by EQT.

Please ask your adviser if you have any questions about investing in a Fund (either directly or indirectly through an IDPS).

The Responsible Entity, the Investment Manager and their respective employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Funds. Past performance is no indication of future performance. Units in the Funds are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become a direct investor in a Fund.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise). If you received this PDS electronically we will provide a paper copy free upon request during the life of this PDS. Please call EQT Client Services on **1300 555 378** for a copy.

Information in this PDS that is not materially adverse is subject to change from time to time. We may update this information. You can obtain any updated information:

- by calling EQT Client Services on **1300 555 378**; or
- by visiting our website at [www.eqt.com.au](http://www.eqt.com.au)

A paper copy of the updated information will be provided free of charge on request.

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ('RITC'), and all amounts are in Australian dollars.

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## Glossary of Important Terms

**Application Form** – The Application Form used by investors who wish to subscribe for units directly in a Fund (other than indirectly through an IDPS Operator) and attached to this PDS.

**ASIC** – Australian Securities and Investments Commission.

**Benchmarks** – The eight benchmarks developed by ASIC for unlisted mortgage schemes that are designed to improve disclosure and ASIC requires to be disclosed in this PDS.

**Asset Class** – A category of financial assets. The major asset classes are shares, property, fixed interest securities and cash.

**ASX** – Australian Securities Exchange.

**Business Day** – A day other than a Saturday or Sunday on which banks are open for general banking business in Melbourne.

**Buy/Sell spread** – The difference between the application price and withdrawal price of units in a Fund, which reflects the estimated transaction costs associated with buying and selling the assets of a Fund, when investors invest in or withdraw from a Fund.

**Common Fund** – An investment vehicle which is set up for the investment of cash from estates and trusts, who are managed by a trustee company such as EQT. Common Funds are regulated under the relevant state trustee company legislation.

**Constitution** – The constitution of a Fund describes the rights, responsibilities and beneficial interests of both investors and the Responsible Entity in relation to a Fund.

**Corporations Act** – The Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth), as amended from time to time.

**Derivative** – A financial contract whose value is based on, or derived from, an Asset Class such as shares. Common derivatives include options, futures and forward exchange contracts.

**First Ranking** – A real estate loan with the right to payment in full before payments to other lenders or security holders are made.

**GST** – Goods and services tax.

**Hedge** – An investment made in order to reduce the risk of adverse price movements in an investment.

**ICR** – Indirect Cost Ratio. The ratio of a Fund's management costs (being costs that are not deducted directly from an investor's account, calculated in accordance with the Corporations Act) to a Fund's total average net assets.

**IDPS** – Investor directed portfolio service. An IDPS is generally the vehicle through which an investor purchases a range of underlying investment options from numerous investment managers, with the IDPS Operator providing the investor with consolidated and streamlined transaction statements and other reporting.

**IDPS Operator** – An entity that operates and offers an IDPS.

**Indirect Investor** – A person who invests indirectly in units in a Fund through an IDPS.

**Income Distribution** – The amount that is paid to unitholders after the end of a distribution period. This generally includes any income and realised capital gains.

**Index** – The index of the Funds is the RBA Cash Rate

**Loan to Value Ratio ('LVR')** – The proportion of funds borrowed over the property valuation.

**Net Asset Value ('NAV')** – The value of assets of a Fund, less the value of the liabilities of a Fund.

**RBA Cash Rate** – The current official interest rate as set by the Reserve Bank of Australia ('RBA').

**Retail Client** – Persons or entities defined as retail clients under section 761G of the Corporations Act.

**RITC** – Reduced Input Tax Credit. EQT will apply for reduced input tax credits on behalf of the Funds, where applicable, to reduce the GST cost to the Funds.

**Wholesale Client** – Persons or entities defined as wholesale clients under section 761G of the Corporations Act.

## Funds at a Glance

Fund name	EQT Mortgage Income Fund	EQT Wholesale Mortgage Income Fund
<b>Name of Fund as registered with ASIC</b>	Common Fund No. 1 (Mortgage Income Fund)	EQT Wholesale Mortgage Income Fund
<b>APIR</b>	ETL0100AU	ETL0122AU
<b>ARSN</b>	092 615 506	101 748 109
<b>Fund inception date</b>	31 October 1971	1 October 2002
<b>Investment objective</b>	Aim to outperform the RBA Cash Rate over rolling 3 year periods	
<b>Who should invest?</b>	The Funds are designed for investors seeking income returns higher than short-term money market rates	
<b>Minimum initial investment<sup>1</sup></b>	\$5,000	\$100,000
<b>Minimum additional investment<sup>1</sup></b>	\$1,000	\$10,000
<b>Minimum balance<sup>1</sup></b>	\$1,000	\$100,000
<b>Minimum contribution under Regular Investment Plan (optional)</b>	\$100 per month	Nil
<b>Income distribution frequency</b>	Quarterly	
<b>Distribution reinvestment available?</b>	Yes	
<b>Cut off time for applications and withdrawals</b>	By 2.00pm on any Business Day in Melbourne for receipt of that day's unit price	
<b>Access to funds<sup>2</sup></b>	Not permitted in first 12 months except for single withdrawal of up to 20% of investment on 7 days' notice. 100% of investment on 90 days notice after year one.	Usually within 7 days
<b>Valuation frequency</b>	Daily	
<b>Unit price<sup>3</sup></b>	1.00	
<b>Buy/Sell spread</b>	Nil	
<b>Management costs<sup>4</sup></b>	1.374% of the net asset value of the Fund	0.806% of the net asset value of the Fund
<b>Recommended investment timeframe</b>	1 – 3 years	
<b>Fund size as at 31 October 2008</b>	\$94.74 million	\$126.14 million
<b>Index</b>	RBA Cash Rate	
<b>Investment Manager<sup>5</sup></b>	Equity Trustees Limited	

1 The Responsible Entity may alter the minimum amounts specified at any time without prior notice to investors. Indirect Investors should refer to their IDPS Guide.

2 Refer to 'Access to your money' section for further details.

3 The unit price for each Fund is based on the value of investments in the relevant Fund. Given the nature of the investments in the Funds, EQT considers that the unit price for each Fund will be maintained at \$1.00 unless unexpected losses are incurred.

4 This is an estimated figure which includes the responsible entity fee and estimated expense recoveries. This figure includes GST and an estimate for RITC. Refer to 'Fees and Other Costs' section for further details.

5 EQT as Responsible Entity may change the Investment Manager or the Liquidity Manager for either or both of the Funds at any time, without prior notice to investors.

## About the Responsible Entity, Investment Manager and Liquidity Manager

### Equity Trustees Limited

Equity Trustees Limited ('EQT') is a publicly listed company on the Australian Securities Exchange.

Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, EQT today is a dynamic financial services institution which will continue to grow the breadth and quality of the products and services on offer.

Specialist services of EQT include the provision of estate management services, trustee services, financial and taxation advice, personal investment advice – including superannuation – and Responsible Entity services for external fund managers. EQT's responsibilities and obligations, as the Responsible Entity of the Fund, are governed by the Fund's Constitution as well as the Corporations Act and general trust law.

EQT also assists not-for-profit and charitable organisations with their services and financial product needs and offers philanthropy advice to families and individuals seeking to establish charitable trusts.

EQT is committed to acting in the best interests of its clients via wealth management solutions over a range of Asset Classes carrying different risk profiles.

## ASIC Benchmarks For Unlisted Mortgage Schemes

ASIC has developed a range of Benchmarks for unlisted mortgage schemes such as the Funds. These Benchmarks have been designed to help investors understand the risks of the Funds, assess the rewards being offered and decide whether an investment in a Fund is suitable for them.

The EQT Mortgage Income Fund is a Common Fund regulated under the Trustee Companies Act 1984 (Vic) that has been in operation since and by virtue of this is a conservatively managed fund that is designed to meet the conservative needs of trustee managed

funds. The EQT Mortgage Income Fund is the second oldest mortgage fund in the Australian funds management market, and is a mortgage fund that invests only in first registered mortgage assets secured by residential and commercial properties. The Fund has received no mortgage defaults to date.

Due to its conservative nature, the EQT Mortgage Income Fund adequately meets the required Benchmarks for unlisted mortgage schemes, with features such as lower than average loan to value ratios, and stringent borrower and asset quality requirements.

The EQT Mortgage Income Fund invests in the EQT Wholesale Mortgage Income Fund and cash. The ASIC Benchmark information set out below applies to the EQT Wholesale Mortgage Income Fund, and, unless stated otherwise, references to 'the Fund' in this section are references to the EQT Wholesale Mortgage Income Fund.

### Benchmark 1 – Liquidity

This Benchmark addresses the liquidity measures adopted by the Fund particularly in relation to relative liquidity (e.g. short-term assets relative to short-term liabilities).

In accordance with the Benchmark developed by ASIC, cash flow estimates are prepared for the Funds on a quarterly basis, and EQT will take steps designed to ensure that at the Fund has enough cash or cash equivalents to meet projected cash needs. EQT has established a Fund Review Committee that meets regularly to monitor the liquidity requirements of the Fund. The cash flow estimates are based on maintaining cash or cash equivalents of between 10% and 30% of the Fund.

The conservative nature of Common Funds such as the EQT Mortgage Income Fund means that they must always maintain adequate levels of liquidity in order to fulfil their obligations.

### Benchmark 2 – Borrowing

This Benchmark addresses the Fund's policy on borrowings within the Fund.

The Fund does not borrow to make investments or pay distributions. Borrowings are permitted under the Fund's Constitution, but do not form part of the Fund's investment strategy nor distributions strategy. If this position changes in the future, investors will be notified.

### Benchmark 3 – Portfolio Diversification

This Benchmark provides details of the current nature of the Fund's portfolio. All the following information is current as at the date of this PDS and has been prepared in relation to the EQT Wholesale Mortgage Income Fund only.

The investments of the Fund comprise First Ranking mortgages and short-term cash assets including short-term deposits and cash.

#### Loan purpose and property type

Currently the Fund lends mainly for freehold property. This includes residential investment properties, such as houses, units and blocks of flats; commercial property, retail property such as shops; and industrial property such as factories and office/warehouses. The Fund assists in the purchase of properties for investment or business purposes only.

All mortgages held by the Fund are First Ranking mortgages.

**Table 1 – Mortgages by property type**

Commercial	35.84%
Retail	46.26%
Industrial	9.42%
Residential	7.15%
Other	1.33%
<b>TOTAL</b>	<b>100%</b>

#### Interest rate

The weighted average interest rate of the Fund is 7.23%

**Table 2 – Fund interest rates breakdown**

3 years fixed rate	96%
1 year fixed rate	2%
Variable rate	2%
<b>TOTAL</b>	<b>100%</b>

#### Loan maturities, loan sizes and Loan-to-Value Ratios

**Table 3 – Loans by maturity**

1 year or less	33%
1 – 2 years	40%
2 – 3 years	19%
3 – 5 years	8%
<b>TOTAL</b>	<b>100%</b>

**Table 4 – Loan sizes**

Less than \$500,000	56%
\$500,001 – \$1,000,000	19%
\$1,000,001 – \$2,000,000	17%
\$2,000,001 – \$3,000,000	2%
Over \$3,000,000	6%
<b>TOTAL</b>	<b>100%</b>

**Table 5 – Loan-to-Value Ratios**

0 – 39%	61%
40 – 49%	15%
50 – 59%	7%
60 – 67%	14%
> 67%	3%
<b>TOTAL</b>	<b>100%</b>

#### Geographic location

Currently the Fund mainly provides loans in respect of property located in the greater Melbourne metropolitan area.

**Table 6 – Loans by geographic location**

New South Wales	0%
Victoria	94%
Queensland	1%
South Australia	0%
Western Australia	4%
ACT	0%
Tasmania	1%
Northern Territory	0%
Other (incl. overseas)	0%
<b>TOTAL</b>	<b>100%</b>

#### Top 10 borrowers of the Fund

The top 10 borrowers of the Fund collectively comprise 33% of the overall Fund value.

#### Defaults and arrears

No mortgages have been in default for the life of the Fund. If there are to be any defaults in future, EQT's policy in relation to the Fund requires these to be handled through external legal representation.

Interest arrears on any of the mortgages in the Fund may attract a penalty after 10 working days. Generally no principal repayments are required as the majority of the mortgages held by the Fund are on fixed term interest deals.

## ASIC Benchmarks For Unlisted Mortgage Schemes (cont.)

### Benchmark 4 – Related Party Transactions

This Benchmark addresses any related party transactions by responsible entities of unlisted mortgage schemes.

The Fund currently has no loans, investments and transactions with related parties. The EQT Mortgage Income Fund invests solely into the EQT Wholesale Mortgage Income Fund (other than short-term cash investments), and all transactions are conducted on an arms length basis.

### Benchmark 5 – Valuation Policy

This Benchmark deals with the approach taken by a responsible entity of an unlisted mortgage scheme in relation to valuation of properties over which it has taken security.

The Fund has a clear valuation policy in place and has adopted an 'as-is' method of valuation, whereby the properties are valued in their current condition. The Responsible Entity has appointed a panel of valuers. The panel comprises 5 independent valuation companies which are registered under the relevant State or Territory valuer registration regimes. The Fund requires valuation reports to comply with all relevant industry standards and codes.

The valuation policy states that any property valuation cannot be performed more than two consecutive times by the same valuer. The policy also states that the valuer is to provide estimates for land and improved value (buildings etc) separately.

### Benchmark 6 – Loan-to-Value Ratios

This Benchmark addresses the lending approach adopted by an unlisted mortgage scheme in respect of loan-to-value ratios. ASIC has stated that loans made by unlisted mortgage schemes should not exceed an LVR of 80%, or 70% where the loan relates to property development.

The Fund's LVR policy is to lend up to two-thirds of the value of the security property. The Fund's lending policy does not permit lending to property development projects. The weighted average Loan-to-Value Ratio of the Fund is 36.53%.

### Benchmark 7 – Distribution Practices

This Benchmark deals with the distribution practices of unlisted mortgage schemes.

All distributions are from interest paid on a quarterly in arrears basis. The Fund does not borrow to pay distributions, and does not guarantee a fixed distribution for any period. These policies also apply to the EQT Mortgage Income Fund. For more information on Distributions, refer to 'Investing and Withdrawals' section.

### Benchmark 8 – Withdrawal Arrangements

This Benchmark addresses withdrawal arrangements for the Funds.

An investment in the EQT Mortgage Income Fund cannot be withdrawn within 12 months from the date of the investment in the Fund, except that an investor is permitted to make a single withdrawal of up to 20% of their investment within the first 12 month period. After the first 12 month period, subject to the Corporations Act, an investor can withdraw all or part of their investment upon 90 days' written notice to the Responsible Entity.

Subject to the Corporations Act, an investment in the EQT Wholesale Mortgage Income Fund may be withdrawn at any time. The Responsible Entity will generally allow investors in the Fund to access their investment within 7 days of receipt of a withdrawal request for the relevant amount.

For more details on withdrawals from the Funds, refer to 'Access to your money' section.

## About the Funds

### Investment objective

The investment objective of the Funds is to outperform the RBA Cash Rate over rolling 3 year periods.

### Investments held

The EQT Mortgage Income Fund invests in the EQT Wholesale Mortgage Income Fund and cash.

The EQT Wholesale Mortgage Income Fund is a conservatively managed fund which seeks to produce income by providing loans to selected borrowers. These loans are secured by registered First Ranking mortgages. Loans are offered only with respect to selected improved commercial, industrial and residential real estate within Australia. Loans are for a maximum term of 5 years.

No loan exceeds two-thirds of the value of the property over which it is intended that the mortgage be granted. The valuation of the property is prepared by an independent valuer instructed by EQT. The independent valuer also determines whether the security is suitable based on the EQT Wholesale Mortgage Income Fund's lending guidelines. It is the policy of the EQT Wholesale Mortgage Income Fund to not provide loans in respect of development properties, construction projects, vacant land or shares in companies.

The Fund does not invest in derivatives.

### Lending guidelines

The EQT Wholesale Mortgage Income Fund's principal lending guidelines are:

- Only lend on secured First Ranking mortgages.
- Lend to a maximum LVR of 67%.
- Lend across a diversified range of property sectors.

Investments of the EQT Wholesale Mortgage Income Fund include loans which are secured by registered First Ranking mortgages over the following:

- Retail Shops
- Offices
- Industrial/Factories/Warehouses
- Supermarkets
- Motels/Apartments/Houses
- Investment – Strata Units
- Investment – Flats

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

EQT does not take into account labour standards or environmental, social or ethical considerations for the purposes of selecting, retaining or realising investments.

### Minimum suggested investment timeframe

The minimum suggested investment timeframe for the Funds is 3 years. The minimum suggested investment timeframe is a general guide only and does not take into account your individual circumstances. We advise investors to seek professional advice to determine, in their particular circumstances, the appropriate investment period for the Funds.

## Fund Performance to 31 October 2008

### EQT Mortgage Income Fund

For the most recent information on the performance of the Fund and more detailed information on the historical performance of the EQT Mortgage Income Fund, please visit our website at [www.eqt.com.au](http://www.eqt.com.au). EQT does not guarantee the capital, any rate of return on income or capital or the investment performance of the Fund. Past performance is not indicative of future performance.

The returns after fees are calculated in accordance with the Investment and Financial Services Association ('IFSA') standards. No allowance has been made for inflation or taxation. Returns are designed to enable long-term comparisons with benchmarks and other investments and may not equate to the performance achieved by an individual investor.

	3 months <sup>3</sup>	6 months <sup>3</sup>	1 year	3 years <sup>3</sup>	5 years <sup>3</sup>
Net return <sup>1</sup>	5.51%	5.46%	5.44%	5.23%	5.35%
Effective return <sup>2</sup>	5.53%	5.52%	5.58%	5.37%	5.49%
Index return <sup>4</sup>	5.58%	5.54%	5.52%	5.28%	5.03%
Net return vs the Index <sup>4</sup>	-0.07%	-0.08%	-0.08%	-0.05%	0.33%

1 Fund net return is the return after the deduction of ongoing fees and expenses but before taxes. Past performance is not indicative of (or necessarily a guide to) future performance.

2 Effective return assumes the reinvestment of income distributions quarterly, therefore returns reflect the compounding effect of reinvestment of income and that interest rates remain constant and no distribution or exit fees apply.

3 Annualised returns for the period ended 31 October 2008.

4 The Index for the Fund is the average RBA Cash Rate.

### EQT Wholesale Mortgage Income Fund

For the most recent information on the performance of the Fund and more detailed information on the historical performance of the EQT Wholesale Mortgage Income Fund, please visit the EQT website at [www.eqt.com.au](http://www.eqt.com.au). The Responsible Entity, Investment Manager and Liquidity Manager do not guarantee the capital, any rate of return on income or capital or the investment performance of the Fund. Past performance is not indicative of future performance. The returns do not take account of any ongoing fees charged by any IDPS operator that may be applicable if you are investing through an IDPS.

	1 month <sup>3</sup>	3 months <sup>3</sup>	6 months <sup>3</sup>	1 year	3 years <sup>3</sup>	Inception <sup>3</sup>
Net return <sup>1</sup>	6.73%	6.72%	6.69%	6.41%	6.16%	6.73%
Effective return <sup>2</sup>	6.76%	6.82%	6.92%	6.62%	6.35%	6.76%
Index return <sup>4</sup>	6.75%	7.00%	6.98%	6.32%	5.92%	6.75%
Net return vs the Index <sup>4</sup>	-0.02%	-0.28%	-0.29%	0.09%	0.24%	-0.02%

1 Fund net return is the return after the deduction of ongoing fees and expenses but before taxes. Past performance is not indicative of (or necessarily a guide to) future performance.

2 Effective return assumes the reinvestment of income distributions quarterly, therefore returns reflect the compounding effect of reinvestment of income and that interest rates remain constant and no distribution or exit fees apply.

3 Annualised returns for the period ended 31 October 2008.

4 The Index for the Fund is the average RBA Cash Rate.

## Managing Risk

Investment in any fund carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each Asset Class, whether it is cash, fixed interest, property, Australian or international shares, has associated investment risks and the return achieved by each will vary accordingly.

You should be aware that an investment in the Funds contains risk and neither the performance of the Funds nor the security of your investment is guaranteed by EQT. Investment in the Funds is generally subject to risks, including possible delays in the payment of withdrawal proceeds, and loss of income and capital. We recommend you talk to an adviser about the risks involved in investing in the Funds and how they might impact on your individual financial circumstances.

The main risk factors which may affect the returns of the Funds include:

#### **Interest rate risk**

Changes in official interest rates can directly impact on investment returns of the Funds. This is due to the fact that the Funds' performance is measured against the RBA Cash Rate. Any changes in the RBA Cash Rate can have a positive or negative impact on the performance figures for the Funds.

Also, an increase in interest rates has a contractionary effect on the state of the economy and thus the valuation of financial products. For instance, rising rates can have a negative impact on the Funds' value as increased borrowing costs may cause earnings to decline. As a result, the Funds' unit value price may fall. For mortgages, deposits and money market securities, market risk is also the risk that the income derived from these assets will be affected by movements in interest rates.

#### **Market risk**

Changes in legal and economic policy, political events, technology failure, economic cycles, investor sentiment and social climate can all directly or indirectly create an environment that may influence (negatively or positively) the value of investments in the Funds. In addition, a downward move in the general level of the equity market can have a negative influence on the performance of the Funds. For mortgages, deposits and money market securities, market risk is also the risk that the income derived from these assets will be affected by movements in interest rates. The Investment Manager aims to manage this risk by using highly experienced loan managers who closely monitor the ongoing loan portfolio to ensure continued compliance with the Funds' lending guidelines.

#### **Managed investment scheme specific risk**

There may be instances where the value of a managed investment scheme will fall because of scheme specific factors. The value of a scheme's interests can also vary because of changes to management, product, distribution or the scheme's business environment.

#### **Fund risk**

As with all managed funds, there are risks particular to the Funds, including the possibility that the Funds could terminate or that the fees and expenses could change, EQT is replaced as Responsible Entity and/or Investment Manager and/or Liquidity Manager. There is also a risk that investing in the Funds may give different results than investing directly in the

underlying assets. This might occur because of income or capital gains accrued in the Fund and the consequence of redemptions by other investors. We aim to keep fund risk to a minimum by monitoring the Funds and acting in your best interests.

#### **Investment selection risk**

The Investment Manager may make poor investment decisions resulting in sub-standard returns (for example where the Investment Manager invests in a mortgage in respect of which there is a default or the value of the security property falls below the LVR). This risk is mitigated to some extent by the knowledge and experience of the Investment Manager.

#### **Diversification risk**

Properties securing the EQT Wholesale Mortgage Income Fund's mortgage loans may not be sufficiently diversified across geographic regions and types of assets.

#### **Documentation risk**

A deficiency in documentation provided by the underlying borrowers could, in certain circumstances, adversely affect the performance of the Funds.

#### **Economic risk**

A downturn in general economic conditions either inside or outside Australia may adversely affect investments.

#### **Legal risk**

There is a risk that laws, including tax laws, might change or become difficult to enforce. This risk is generally higher in emerging markets (in which the Funds do not invest).

#### **Liquidity risk**

There may be times when the readily realisable assets of the Funds may not be sufficient to meet the Funds' liabilities. The Investment Manager attempts to mitigate the liquidity risk factor by ensuring a Fund has sufficient cash exposure to meet liquidity requirements. Note that EQT does not guarantee the liquidity of a Fund's investments.

#### **Default risk**

The EQT Wholesale Mortgage Income Fund's assets (specifically secured loans on First Ranking mortgages) are subject to fluctuations in the property market and the broader economic cycle. This means that should the mortgagor default on their payment and the property has to be sold, the proceeds may not meet the cost of the loan. EQT mitigates this risk in their selection of mortgagors and their conservative LVR.

# Investing and Withdrawals

## Reporting to investors

Regular, simple to read and complete reports are provided to investors in a Fund. They comprise in relation to the relevant Fund:

- **Annual Report** including financial statements and Auditor's Report.
- **Transaction Reports** confirming all additional investments, withdrawals, and payments (issued following transactions and on request).
- **Distribution Reports** issued quarterly notifying you of the value of your investment, income from investments and confirming the reinvestment or payment to your nominated account.
- **Taxation Statements** are issued annually and provide investors with taxation information including a detailed summary of the components of any distributions.

Please note that Indirect Investors who access the Fund through an IDPS will receive reports directly from the IDPS Operator and not from the Responsible Entity. However, EQT will be providing the reports described above to relevant IDPS Operators. Indirect Investors should refer to their IDPS Guide for information on the reports they will receive regarding their investment.

Investors (but not Indirect Investors) will be able to access the Annual Report of the Funds on the website at [www.eqt.com.au](http://www.eqt.com.au) from 30 September each year. If you prefer, you can choose to receive a copy of the Annual Report, free of charge, by ticking the appropriate section on the Application Form, or by contacting EQT Client Services on **1300 555 378**.

The Fund is a disclosing entity as defined by the Corporations Act, which means that the Fund has 100 investors or more. As a result the Fund is subject to regular reporting and disclosure obligations. Investors have the right to obtain a copy, free of charge, of any of the following documents:

- the most recent annual financial report;
- any half yearly financial report lodged with ASIC after that financial report but before the date of this PDS; and
- any continuous disclosure notices lodged with ASIC after that financial report but before the date of this PDS.

You can call EQT Client Services on **1300 555 378** or visit the EQT website at [www.eqt.com.au](http://www.eqt.com.au) for updated information on performance, unit prices, fund size and other general information about the Funds. If you are an indirect investor, speak to your IDPS Operator.

## Distributions

An Income Distribution comprises the investor's share (based on the number of units held at the end of the distribution period) of any net income (includes taxable capital gains) earned by the Fund. An investor's share of any net income is generally based on the number of units held by the investor at the end of the distribution period.

Generally, the income entitlements of unitholders are determined quarterly (March, June, September and December) and distributions are normally paid by the 15th day of the following month, although the distribution at the end of a financial year may take longer. While EQT proposes to calculate and pay Income Distributions quarterly, the Constitution of the Fund allows for a distribution period of up to 12 months. However, Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

If you are an investor in a Fund, you can:

- have your Distribution reinvested back into the relevant Fund;
- have your Distribution directly credited to your nominated bank account; or

If you do not make a direction, your Distributions will be reinvested.

The Constitution for each Fund provides for money payable to an investor to be reinvested where the Responsible Entity attempts to pay the money by electronic transfer and the electronic transfer fails on 3 occasions.

## Valuation of the Funds and application price of units

The value of a unit is determined every Business Day and is determined on the basis of the value of the investments of a Fund (after taking into account any liabilities), in accordance with the Funds' Constitution.

The Net Asset Value ('NAV') of each Fund is calculated every Business Day. The NAV of a Fund is calculated by deducting from the value of the gross assets of the Fund, the value of the liabilities of the Fund.

The application price of a unit in each Fund is based on the NAV of the Fund and divided by the number of units on issue. The Responsible Entity can also make an allowance for transaction costs required for buying investments in determining the application price of a unit in the Fund. This allowance is known as a buy spread. The Responsible Entity does not currently impose a buy spread for the Funds.

The unit price for each Fund is based on the value of investments in the relevant Fund. Given the nature of the investments in the Funds, EQT considers that the unit price for each Fund will be maintained at \$1.00 unless unexpected losses are incurred.

### **Unit Pricing Discretions Policy**

EQT has developed a formal written policy in relation to the guidelines and relevant factors taken into account when exercising any discretion in calculating unit prices (including determining the value of assets and liabilities). A copy of the policy and, where applicable and to the extent required, any other relevant documents in relation to the policy will be made available to investors free of charge on request to EQT.

### **Making an application**

To invest, please complete the Application Form accompanying this PDS and attach your cheque or money order made payable to 'Equity Trustees Limited' and send it to:

**Equity Trustees Limited**  
**Client Services Registry Team**  
**GPO Box 2307**  
**Melbourne Vic 3001**

or complete the direct debit initial application section on the Direct Debit Request form.

The minimum initial application into the EQT Mortgage Income Fund is \$5,000.

The minimum initial application into the EQT Wholesale Mortgage Income Fund is \$100,000.

Please note that cash cannot be accepted. Investors investing through an IDPS should use the Application Form attached to their IDPS Guide (and not the Application Form attached to this PDS) to invest in the EQT Wholesale Mortgage Income Fund.

Applications can be made between 9.00am and 5.00pm Melbourne time on any Business Day.

However, for unit pricing purposes and income accrual purposes any application received after 2.00pm Melbourne time on a Business Day will generally be treated as having been received the following Business Day. If you are investing via an IDPS, you may need to contact the relevant IDPS Operator regarding the cut-off times for pricing purposes.

EQT reserves the right to refuse any application without giving a reason. If for any reason EQT refuses or is unable to process your application to invest in a Fund, EQT will return your application money to you. You will not be entitled to any interest on your application money in this circumstance.

### **Who can invest?**

Investors can be any of: individual or joint investors, trusts, clubs and associations, partnerships and companies or the trustee(s) of a superannuation fund. Applicants must be 18 years of age or over.

### **Additional investments**

#### **EQT Mortgage Income Fund**

You can make additional investments of \$1,000 or more in the Fund at any time by sending us your additional investment amount together with a completed Application Form accompanying a current PDS. You can also invest on a monthly basis via the Regular Investment Plan (see below).

#### **EQT Wholesale Mortgage Income Fund**

You can make additional investments of \$10,000 or more in the Fund at any time by sending us your additional investment amount together with a completed Application Form accompanying a current PDS, unless otherwise agreed, e.g. via an 'Arrangement for Additional Contributions'. If you are investing through an IDPS service you should refer to the IDPS Guide for the minimum additional investment amount.

### **Regular Investment Plan**

You can increase your investment in the EQT Mortgage Income Fund through a monthly direct debit from your nominated bank account. The minimum additional monthly contribution under the Regular Investment Plan is \$100 for the EQT Mortgage Income Fund. See 'Regular Investment Plan – Terms and Conditions' section. The Direct Debit Request Form can be used to set your regular investments. The form can be sent with your Application Form or at a later time.

## Investing and Withdrawals (cont.)

### Access to your money

#### EQT Mortgage Income Fund

An investment in the EQT Mortgage Income Fund cannot be withdrawn within 12 months from the date of the investment in the Fund, except that an investor is permitted to make a single withdrawal of up to 20% of their investment within the first 12 month period with access to their investment within 7 days of receipt of a withdrawal request. After the first 12 month period of investment, an investor can withdraw all or part of their investment upon 90 days written notice to the Responsible Entity. However, the Constitution allows the Responsible Entity to suspend payment of a withdrawal request for up to 3 months if as a result of such withdrawal the liquid investments in the Fund would fall or may fall below the level determined by the Responsible Entity. The Responsible Entity can also suspend withdrawals where it considers it to be in the interest of investors to do so but for no more than 9 months. The Responsible Entity reserves the right to increase or reduce the withdrawal periods for the Fund subject to the above extensions of time.

#### EQT Wholesale Mortgage Income Fund

The Responsible Entity will generally allow investors in the Fund to access their investment within 7 days of receipt of a withdrawal request for the relevant amount. However, the Constitution of the Fund allows the Responsible Entity to make payment within 6 months of receipt of a withdrawal request (which may be extended by up to a further 6 months in certain circumstances outside the control of the Responsible Entity). The Responsible Entity reserves the right to increase or reduce the withdrawal periods for the Fund subject to the above extensions of time.

If you have invested indirectly in the Fund through an IDPS, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator.

Where a Fund is not liquid (as defined in the Corporations Act) an investor does not have a right to withdraw from that Fund and can only withdraw where the Responsible Entity makes a withdrawal offer to investors in accordance with the Corporations Act. The Responsible Entity is not obliged to make such

offers. A Fund will be liquid if at least 80% of the assets of that Fund are liquid assets. Broadly, liquid assets are money in an account or on deposit with a financial institution, bank accepted bills, marketable securities, other prescribed property and other assets that the Responsible Entity reasonably expects can be realised for their market value within the period specified in the Constitution for satisfying redemption requests while the Fund is liquid.

### Withdrawal price

The withdrawal price of a unit in a Fund reflects the NAV of the Fund and divided by the number of units on issue. Refer to 'Valuation of the Funds and application price of units' section for information on determining the NAV of a Fund. The Responsible Entity can also make an allowance for transaction costs required for selling investments in determining the withdrawal price. This allowance is known as the sell spread. The Responsible Entity does not currently impose a sell spread for the Funds.

### Making withdrawals

Investors in a Fund can withdraw from their investment by written advice to:

**Equity Trustees Limited  
Client Services Registry Team  
GPO Box 2307  
Melbourne Vic 3001**

**or by facsimile to 03 8623 5395**

The minimum withdrawal amount for the EQT Mortgage Income Fund is \$1,000.

The minimum withdrawal amount for the EQT Wholesale Mortgage Income Fund is \$10,000

Refer below for terms and conditions of making fax withdrawals. All withdrawal requests should be received by 2.00pm Melbourne time on a Business Day for processing that day. Any withdrawal request received after that time will generally be treated as having been received the following day. Withdrawals will be paid directly to the unitholder's nominated bank account. Withdrawal payments will not be made to third parties.

You should take care to ensure your investment details are kept secure and confidential to minimise the risk of unauthorised transactions in relation to your investment in the Funds.

Alternatively, if you have invested indirectly in the EQT Wholesale Mortgage Income Fund through an IDPS, you will need to provide your withdrawal request directly to your IDPS Operator. You need to contact your IDPS Operator regarding their withdrawal request cut-off times for pricing purposes. The time to process a withdrawal request will depend on your IDPS Operator. You should refer to the IDPS Guide for the minimum withdrawal amount.

#### **Other withdrawal information**

EQT will refuse to comply with any request if the requesting party does not satisfactorily identify themselves as the investor. Withdrawals will only be made payable to the investor, and will not be made to third parties.

EQT has the right, after giving you notice to fully redeem your investment in the Fund if your holding falls below the minimum balance, which for the EQT Mortgage Income Fund is \$1,000 or for the EQT Wholesale Mortgage Income Fund, where your holding falls below \$100,000.

#### **Terms and conditions for fax withdrawals**

By lodging a fax withdrawal request the investor releases, discharges and agrees to indemnify EQT from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax withdrawal request.

The investor also agrees that any payment made in accordance with the fax withdrawal request shall be a complete satisfaction of the obligations of EQT, notwithstanding any fact or circumstance including that the payment was made without the investor's knowledge or authority. The investor agrees that if the payment is made in accordance with a fax withdrawal request, the investor and any person claiming through or under them shall have no claim against EQT in relation to the payment.

#### **Investments through an IDPS**

The Responsible Entity is not responsible for the operation of any IDPS. Indirect Investors should note that you are directing the IDPS Operator to arrange for your monies to be invested in the Fund on your behalf. Indirect Investors do not become unitholders in the Fund or have rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights. The IDPS Operator can exercise or decline to exercise the rights of a unitholder on your behalf according to the arrangement governing the IDPS.

Indirect Investors should read the IDPS Guide carefully to understand the structure, fees and communication procedures for the relevant IDPS. Please ask your adviser or IDPS Operator if you have any questions about investing in the Fund through an IDPS.

#### **Joint account operation**

For joint accounts, each signatory must sign redemption requests. Please ensure both signatories sign the declaration in the Application Form. Joint accounts will be held as joint tenants.

#### **Appointment of authorised nominee to operate account**

Investors may elect to appoint an authorised nominee to operate their account. The relevant sections on the Application Form need to be completed, including the name and signature of the authorised nominee, the signature of the investor and the date. Only investors can appoint authorised nominees. If you appoint an authorised nominee we suggest that you ensure that:

- they cannot appoint another nominee; and
- the appointment lasts until cancelled by you in writing or the Responsible Entity.

The Responsible Entity may cancel an appointment by giving the investor 14 days notice in writing. If an appointment is cancelled the Responsible Entity will not be obliged to act on the instructions of the authorised nominee. If the instructions are varied, the Responsible Entity will act only in accordance with the varied instructions.

By completing and lodging the relevant sections on authorised nominees on the Application Form you release, discharge and agree to indemnify EQT from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from EQT acting on the instructions of your authorised nominee. You also agree that any instructions of your authorised nominee to EQT, which are followed by EQT, shall be a complete satisfaction of the obligations of EQT, notwithstanding any fact or circumstance, including that the instructions were made without your knowledge or authority. You agree that if the authorised nominee's instructions are followed by EQT, you and any person claiming through or under you shall have no claim against EQT in relation to the instructions.

## Investing and Withdrawals (cont.)

### Powers of an authorised nominee

An authorised nominee can, among other things:

- apply for additional investment units;
- request that Distribution instructions be altered;
- withdraw all or part of your investment; and
- enquire and obtain copies in relation to the status of your investment.

If a company is appointed as an authorised nominee, the powers will extend to any director and authorised officer of the company. If a partnership, the powers will extend to all partners.

### Investor's liability

The Constitution of each Fund provides that unless there is a separate agreement with an investor, no investor can be called on to contribute to the assets of the Fund or to its creditors if the Fund is liquidated or becomes insolvent. Therefore it is expected that investors will not be under any obligation if a deficiency in the assets of the Fund was to occur. However, this view has not been fully tested and so it is not possible to give an absolute assurance that an investor's liability will be limited in all circumstances.

In general, the liability of an investor is limited to the amount (if any) which remains unpaid in relation to their subscription for units in a Fund and any tax owed to the Responsible Entity.

### Non-listing of units

The units of the Funds are not listed on any stock exchange and no application will be made to list the units of the Funds on any stock exchange.

### Termination of the Fund

The Responsible Entity may resolve at any time to terminate and liquidate a Fund in accordance with the Constitution and the Corporations Act. Upon termination and after conversion of the assets of the Fund into cash and payment of, or provision for, all costs, expenses and liabilities (actual and anticipated), the net proceeds will be distributed pro-rata amongst all investors according to the number of units they hold in the Fund.

### Online access

You can view information about your investments in the Funds online through EQT Online Access. If you want to view information about your investments online you must read the 'Conditions of Online Access' section, and then check the box as indicated on the Application Form, and sign accepting the Conditions of Online Access. Information on who should sign the form is set out in 'Conditions of Online Access' section.

After we receive your correctly completed Application Form we will send you by secure email a Logon Access Code and temporary password for you to log on to access your account details online. Once you have logged on you should change your temporary password.

If you have any questions about EQT Online Access, please call EQT Client Services on **1300 555 378** between 9.00am and 5.00pm (Melbourne time) Monday to Friday.

## Enquiries and Complaints

### Investor satisfaction

If you are not completely satisfied with any aspect of our services regarding the management of the Fund, please contact us.

#### EQT Client Services

**Equity Trustees Limited**

**GPO Box 2307**

**Melbourne Vic 3001**

**Telephone 1300 555 378**

**Facsimile 03 8623 5395**

**Email [equity@eqt.com.au](mailto:equity@eqt.com.au)**

**Website [www.eqt.com.au](http://www.eqt.com.au)**

EQT seeks to resolve potential and actual complaints over the management of the Fund to the satisfaction of investors. If an investor wishes to lodge a formal complaint please write to:

#### Compliance Team

**Equity Trustees Limited**

**GPO Box 2307**

**Melbourne Vic 3001**

**Email [compliance@eqt.com.au](mailto:compliance@eqt.com.au)**

EQT will seek to resolve any complaint and will acknowledge a written complaint within 14 days of receiving the letter. If we are unable to resolve your complaint, you may be able to seek assistance from the:

**Financial Ombudsman Services ('FOS')**

**GPO Box 3**

**Melbourne Vic 3001**

**Telephone 1300 780 808**

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

Please include the EQT FOS membership number with your enquiry: 10395.

FOS is an independent body that may be able to assist you if EQT cannot. In order for a complaint to be considered by FOS, the claim must be less than \$150,000 (unless EQT and you agree otherwise in writing).

If you are investing through an IDPS, then enquiries and complaints should be directed to the IDPS Operator, not EQT.

## Constitution of the Funds

EQT's responsibilities and obligations, as the responsible entity of each Fund, are governed by the Constitution of each Fund, as well as the Corporations Act and general trust law. The Constitution of each Fund contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both EQT, as the responsible entity of the relevant Fund, and investors. Some of the provisions of the Constitution of each Fund are discussed elsewhere in this PDS. Other provisions relate to an investor's rights under the Constitution of each Fund and include:

- your right to share in the income of the Fund, and how we calculate it;
- what you are entitled to receive when you withdraw from the Fund or if the Fund is wound up;
- your right to withdraw from the Fund subject to the times when we can cease processing withdrawals – such as if the Fund becomes 'illiquid';
- the nature of the units – identical rights attach to all units; and

- your rights to attend and vote at meetings – these provisions are mainly contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- how we calculate unit prices, the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution of the Fund – generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise the Constitution can only be amended if approved at a meeting of investors;
- when we can retire as the Responsible Entity of the Fund, which is as permitted by law;
- when we can be removed as the Responsible Entity of the Fund, which is when required by law; and
- our broad powers to invest, borrow money and generally manage the Fund – we do not currently intend to borrow money to acquire assets for the Funds, although this is permitted under the Constitution of each Fund.

The Constitution of each Fund also deals with our liabilities in relation to each Fund and when we can be reimbursed out of the assets of the relevant Fund, for example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for all expenses we incur in connection with the proper performance of our duties in respect of a Fund.

As mentioned above, EQT's responsibilities and obligations as the Responsible Entity of each Fund, are governed by the Constitution of each Fund as well as the Corporations Act and general trust law, which generally require that we:

- act in the best interests of investors, and if there is a conflict between investors' interests and our own, give priority to investors;

## Constitution of the Funds (cont.)

- ensure the assets of the Fund is clearly identified, held separately from other funds and our assets, and is valued regularly;
- ensure payments from the assets of the Fund are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC breaches of the Corporations Act in relation to a Fund which has had, or is likely to have, a materially adverse effect on investors' interests.

A copy of the Constitution of each Fund is available, free of charge, on request from EQT.

## Compliance Plan

EQT has prepared and lodged a compliance plan for each of Fund with ASIC. Each plan describes the procedures used by EQT to comply with the Corporations Act and the Constitution of the Fund. Each year the plans for each Fund are audited and the audit report is lodged with ASIC.

## Indemnity

EQT, as the Responsible Entity of each Fund, is indemnified out of the relevant Fund against all liabilities incurred by it in performing or exercising any of its powers or duties in relation to the relevant Fund. To the extent permitted by the Corporations Act, this indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

EQT may retain and pay out any monies in its hands all sums necessary to affect such an indemnity.

## Fees and Other Costs

Below is a Consumer Advisory Warning which is required by law to be displayed at the beginning of the 'Fees and Other Costs' section of this PDS. The fee example given in the Consumer Advisory Warning does not relate to any investments described within this PDS, and is a standard example required by the law.

Detailed information about the fees and other costs related to the Fund described in this PDS are provided in the section following the Consumer Advisory Warning.

### Consumer Advisory Warning

#### 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 Fund 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.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

## Fees and other costs

This table 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 Fund's assets 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.

TYPE OF FEE OR COST	AMOUNT		HOW AND WHEN PAID
	EQT Mortgage Income Fund	EQT Wholesale Mortgage Income Fund	
<b>Fees when your money moves in or out of the Fund</b>			
<b>Establishment fee</b> The fee to open your investment	Nil	Nil	There is no establishment fee payable when you set up your investment in the Funds
<b>Contribution fee<sup>1</sup></b> The fee on each amount contributed to your investment	Nil	Nil	There is no contribution fee payable when you invest in the Funds
<b>Withdrawal fee<sup>2</sup></b> The fee on each amount you take out of your investment	Nil	Nil	There is no withdrawal fee payable when you redeem investments from the Funds
<b>Termination fee</b> The fee to close your investment	Nil	Nil	There is no termination fee payable when you close your investment in the Funds
<b>Management costs<sup>3</sup></b>			
<b>The fees and costs for managing your investment</b>			
<b>Responsible entity fees<sup>4</sup></b>	1.025% p.a.  (Based on a constant investment of \$5,000 the amount in dollars is \$51.25)	0.570% p.a.  (Based on a constant investment of \$100,000 the amount in dollars is \$570.00)	The responsible entity fees (including responsible entity and investment manager fees) are calculated and accrued daily based on the NAV of the Fund. The accrued fees are paid in arrears by deduction from the Fund assets at the end of each month. The responsible entity fees reduce the NAV of the Fund and are reflected in the unit price.  The amount of this fee can be negotiated. See 'Differential fee arrangements' in 'Additional Explanation of Fees and Costs' section.
<b>Estimated expense recoveries</b>	0.349% p.a.  (Based on a constant investment of \$5,000 the amount in dollars is \$17.45)	0.236% p.a.  (Based on a constant investment of \$100,000 the amount in dollars is \$236.00)	The estimated expense recoveries (including custodian fees, administration and other expenses) are calculated and accrued daily based on the NAV of the Fund. The accrued expenses are paid in arrears by deduction from the Fund assets at the end of each month. The recovery of expenses reduces the NAV of the Fund and is reflected in the unit price.
<b>Service fees</b>			
<b>Investment switching fee</b> The fee for changing investment options	Nil	Nil	Not applicable

1 The Constitution of EQT Wholesale Mortgage Income Fund permits the Responsible Entity to charge a contribution fee. See 'Can the fees change?' in 'Additional Explanation of Fees and Costs' section.

2 The Constitution of EQT Wholesale Mortgage Income Fund permits the Responsible Entity to charge a withdrawal fee. See 'Can the fees change?' in 'Additional Explanation of Fees and Costs' section.

3 Management costs in this table include responsible entity fees and estimated expense recoveries.

4 The responsible entity fee may include an amount payable to an adviser or Wholesale Investors (see 'Commission payable' and 'Differential fee arrangements' in 'Additional Explanation of Fees and Costs' section).

## Additional Explanation of Fees and Costs

### IDPS

For Indirect Investors, the fees listed in the 'Fees and Other Costs' section of this PDS are in addition to any other fees and charges by your IDPS Operator.

### Expense recoveries

We are entitled to be reimbursed for certain expenses incurred in managing the Funds. They include expenses properly incurred in the administration, custody, management, compliance and promotion of the Funds. Other expenses including tax and operating costs, such as audit, legal and tax consulting fees, are also recoverable out of the assets of the Funds.

We have the right to recover all proper and reasonable expenses from the Funds and as such the specified percentage of expense recoveries is an estimate and may increase or decrease accordingly.

### Performance fees

There is no performance fee charged with respect to the Funds.

### Commission payable for EQT Mortgage Income Fund

EQT may, at its discretion (subject to the Corporations Act and any applicable ASIC relief), pay commissions of up to 0.44% (including GST) per annum of the daily balance of an investor's holding in the EQT Mortgage Income Fund to the holder of an Australian Financial Services Licence, such as financial advisers and stockbrokers. The AFS licensee or financial adviser has the option to rebate this commission to the investor. Investors need to negotiate the amount of this rebate with their adviser. Where commission payments are rebated to investors, the rebate will be in the form of additional units in the Fund.

The percentages specified are inclusive of GST. The availability and amount of any such commissions and rebates is entirely at EQT's discretion and may change in the future.

### Alternative forms of remuneration

As a member of IFSA, we maintain an Alternate Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from AFS licensees, fund managers or representatives (if any is paid or received at all in relation to the Funds).

### Differential fee arrangements

The Responsible Entity may from time to time negotiate a different fee arrangement (by way of commission or the rebate of responsible entity fees) with certain investors who come within the definition of 'wholesale clients' under section 761G of the Corporations Act. For example, we may rebate some of the responsible entity fee to an operator of an IDPS, because they offer EQT Wholesale Mortgage Income Fund on their investment menu.

### Payments to IDPS operators

We may make payments of up to \$15,000 on an annual basis to some IDPS Operators because they offer the Fund on their investment menus (product access payments). We may also make ongoing payments to some IDPS Operators of up to 0.25% of funds under management (fund manager payments). Fund manager payments are effectively rebates of management costs. The amount of product access and fund manager payments is negotiated directly with IDPS Operators and is based on the volume of business generated by the IDPS Operator. Product access and fund manager payments are paid by EQT out of our fees and are not an additional cost to the investor. Further details on these payments (if any are received by your IDPS Operator and not rebated to you) may be obtained directly from your IDPS Operator.

### **Transaction and other costs**

All Government taxes such as stamp duty and GST will be deducted from the Funds as appropriate. Relevant tax information is provided in the 'Taxation' section.

Reduced Input Tax Credits ('RITCs') will also be claimed by the Funds where appropriate to reduce the cost of GST to the Funds and investors.

The Fund may incur transaction costs. These transaction costs include brokerage, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs include costs incurred by the Fund when investors invest in or withdraw from the Fund and when transacting to meet investment objectives. These costs are an additional cost to the investor but are generally reflected in the unit price (through the Buy/Sell spread) and not charged separately to the investor. Transaction costs which are not recovered through the Buy/Sell spread are deducted from the Fund from time to time and as they are incurred and are reflected in the unit price.

The exact amount of transaction costs is dependant on a number of different variables, including the level of trading undertaken by the Fund. As such, EQT is unable to provide a meaningful amount or percentage of the estimated transaction costs for the Fund.

EQT is presently developing a formal policy in relation to the guidelines and relevant factors taken into account when calculating transaction costs, including the Buy/Sell spread, and how that affects the unit price. Refer to 'Valuation of the Funds and application price of units' section. Once finalised, a copy of this policy will be available free on request.

### **Buy/Sell spread**

At the date of this PDS there is no Buy/Sell spread applicable to the Funds. This means that instead of an adjustment being made to the application and withdrawal prices to recover transaction costs, the transactions costs of a Fund are instead deducted from the assets of the Fund.

### **Can the fees change?**

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in each Constitution of each Fund. Reasons might include changing economic conditions and changes in regulation. We have the right to recover all proper and reasonable expenses incurred in managing the Funds and as such these expenses may increase or decrease accordingly. We will generally provide investors with at least 30 days notice of any proposed change to the responsible entity fee. Expense recoveries and Buy/Sell spreads may change without notice, for example, when it is necessary to protect the interests of existing members and if permitted by law. The Constitution of each Fund in some circumstances defines the maximum fees that can be charged for some fees described in this PDS.

### **EQT Mortgage Income Fund**

The Constitution of the Fund does not allow contribution or withdrawal fees to be charged.

### **EQT Wholesale Mortgage Income Fund**

The maximum contribution and withdrawal fees the Fund can charge is 6.15% (including GST) which is equivalent to \$615 for every \$10,000 contributed or withdrawn. The maximum responsible entity fee the Fund can charge is 5.125% (including GST) of the NAV of the Fund which is equivalent to \$5,125 per annum for every \$100,000 invested in the Fund. Where the Fund enters into 'Arrangements for Additional Contributions', the maximum contribution fee the Fund can charge is \$10.25 (including GST) or any higher amount which is notified in writing in such an arrangement. There are no maximum fee amounts defined for the other fee components which make up the management costs of the Fund.

## Example of Annual Fees and Costs

These tables show examples of how the fees and costs for a Fund can affect your investment over a 1 year period. You should use these tables to compare this product with other managed investment products.

### EQT Mortgage Income Fund

EXAMPLE – EQT Mortgage Income Fund		Balance of \$50,000 with an investment of \$5,000 during the year
Contribution fees	Nil	There are no contribution fees for making additional investments into the Fund
<b>PLUS</b> Management costs	1.396% p.a. <sup>2</sup>	<b>And</b> for every \$50,000 you have in the Fund, you will be charged \$698 each year
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from:  <b>\$698<sup>1,2</sup></b>  <b>What it costs you will depend on the fund you choose and the fees you negotiate with your financial adviser</b>

### EQT Wholesale Mortgage Income Fund

EXAMPLE – EQT Wholesale Mortgage Income Fund		Balance of \$50,000 with an investment of \$5,000 <sup>3</sup> during the year
Contribution fees	Nil	There are no contribution fees for making additional investments into the Fund
<b>PLUS</b> Management costs	0.805% p.a. <sup>2</sup>	<b>And</b> for every \$100,000 you have in the Fund, you will be charged \$805 each year
<b>EQUALS</b> Cost of Fund		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 from:  <b>\$805<sup>2,4</sup></b>  <b>What it costs you will depend on the fund you choose and the fees you negotiate with your financial adviser</b>

- 1 This amount assumes a constant investment balance of \$50,000 in EQT Mortgage Income Fund throughout the year. Management costs will also be charged in relation to any additional contributions you make during the year and the total amount you pay will depend on the proportion of the year during which the additional contributions are invested.
- 2 This figure is based on the Indirect Cost Ratio ('ICR') of the Fund for the 2007/2008 financial year, which is the financial year before this PDS was issued as required by law. The ICR is the ratio of the management costs of the Fund (calculated in accordance with the Corporations Regulations) that are not deducted directly from the investors' account to the total average net assets of the Fund.
- 3 The minimum additional contribution to the EQT Wholesale Mortgage Income Fund is \$10,000. Note the Corporations Act requires the example of contribution fees to be based upon a contribution of \$5,000.
- 4 This amount assumes a constant investment balance of \$100,000 in EQT Wholesale Mortgage Income Fund throughout the year. Management costs will also be charged in relation to any additional contributions you make during the year and the amount you pay will depend on the proportion of the year during which the additional contributions are invested.

# Taxation

The following summary of taxation matters is a general guide that outlines the taxation implications applicable to the Funds and resident investors who are not considered to be trading in investments for tax purposes. The summary is based on the tax laws as at the date of this PDS. The tax laws are subject to continual change, and as the tax treatment applicable to particular investors may differ, it is recommended that all investors seek their own professional advice on the taxation implications before investing in the Funds.

## Taxation of the Fund

Each Fund is a resident of Australia for tax purposes; therefore, the Funds are required to determine their net income (taxable income) for the year of income. Where a Fund realises a capital gain on the disposal of an asset, the Fund may be entitled to take into account the discount capital gain concessions in determining the amount of the net capital gain that is included in the Fund's net income. On the basis that investors are presently entitled (which is EQT's intention) to the net income of the Funds (including net taxable capital gains), pursuant to the existing income tax legislation, the Fund should not be subject to Australian income tax. In the case where a Fund makes a loss for tax purposes, the Fund cannot distribute the loss to investors. However, subject to the Fund meeting certain conditions, the Fund may be able to take into account the losses in subsequent years.

## Distributions

Generally, an investor's entitlement (share) to the net income of a Fund for a year of income, including amounts that are received in a subsequent year of income or which are reinvested, forms part of the investor's assessable income for that year.

If an investor's share of the net income of a Fund includes an amount that consists of discount capital gains derived by the Fund, the investor needs to first 'gross up' the discount capital gain (by the amount of any reduction in the capital gain that the Fund obtained). However, individual, trust, and complying superannuation fund investors may then be entitled, in determining the net capital gain that is to be included in their assessable income, to the discount capital gain concessions. Furthermore, investors may be able to offset certain other capital losses they may have

against their share of the capital gains included in the net income of the Fund (after grossing up any discount capital gains).

## Imputation credits and franked dividends

Income Distributions from a Fund may include an entitlement to franked dividends. Generally, investors should include the franked dividends and the franking credits (imputation credits) they receive in their assessable income.

Certain additional requirements, including the 45 day holding period rule may need to be satisfied in order to obtain franking credits in relation to dividends. The investor's particular circumstances (and that of the relevant Fund) will be relevant to determine whether the investor is entitled to any franking credits, in respect of the investor's share of the franked dividends. Any excess imputation credits may be refundable to some investors, such as individuals and complying superannuation funds.

## Non-assessable distribution payments

Distributions of non-assessable amounts are generally not subject to tax. Examples of non-assessable amounts include distributions comprising amounts attributable to deductions for capital allowances. Although the receipt of non-assessable amounts is generally not subject to tax, the receipt of certain non-assessable amounts may have capital gains tax consequences. Broadly, the receipt of certain non-assessable amounts may reduce the cost base and reduced cost base of the investor's investment in a Fund. The impact of the reduction to the cost base and reduced cost base may result in either an increased capital gain or a reduced capital loss on the subsequent disposal of the investment in the Fund.

## Discount capital gain concession

To the extent that the distributed non-assessable amounts consist of the discount capital gain concession, no adjustment to the cost base or reduced cost base of the underlying investment in the Fund should be required. However, investors that are companies and complying superannuation funds may not receive the full benefit of the discount capital gain concessions (whether distributed or not). This is because companies are not entitled to the discount concessions and the discount concession rate applying to complying superannuation funds is lower than that which apply to trusts and individuals.

## Taxation (cont.)

### Disposal of units by investors

Any taxable capital gain arising from the disposal of an investment in a Fund may form part of the investor's assessable income. Investors that are individuals, trusts, and complying superannuation funds may be eligible for the discount capital gain concession if their investment (units) has been held for 12 months or more and, the Fund and the investor satisfy certain other requirements.

### Tax File Numbers ('TFN') and Australian Business Numbers ('ABN')

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making this investment in the course of a business or enterprise carried on by the investor, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause EQT to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including Distributions of income to the investor. The investor may be able to claim a credit in the investors' tax return for any TFN/ABN tax withheld. By quoting their TFN or ABN, the investor authorises EQT to apply it in respect of all the investor's investments with EQT. If the investor does not want to quote their TFN or ABN for some investments, EQT should be advised.

## EQT Directors

At the date of preparing this PDS, the directors of Equity Trustees Limited are:

J A (Tony) Killen (Chairman)  
Peter J Williams (Managing Director)  
David F Groves  
Barry J Jackson  
Alice JM Williams  
John R McConnell  
The Hon. Jeffrey G Kennett AC

## Cooling Off Period

If you are a Retail Client you may have a right to 'cool off' in relation to an investment in the Funds within 14 days of the earlier of:

- confirmation of the investment being received or available; and
- the end of the fifth Business Day after the units are issued or sold.

A Retail Client may exercise this right by notifying EQT in writing at the address listed on the back cover of this PDS. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant application price(s) between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

A Retail Client's right to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as an investor of a Fund during the 14 day period. This could include selling part of your investment or switching it to another product.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply. The right to cool off may not apply if you are investing indirectly in the Funds, for example, through an IDPS, even if you are a Retail Client. This is because you do not acquire the rights of an investor in the Funds. Rather, you will direct the IDPS Operator to arrange for your monies to be invested in the Funds on your behalf. The terms and conditions of the IDPS Guide or similar type of document will govern your investment in relation to the Funds and any rights you may have in this regard.

## Anti-Money Laundering

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 requires the Responsible Entity to adopt and maintain an anti-money laundering and counter-terrorism financing ('AML/CTF') compliance program. An integral part of the AML/CTF compliance program is the legal requirement for the Responsible Entity to know its customers. To meet this legal requirement certain identification information, including in some cases documentation, will need to be collected from investors making applications. Applications made without providing this information can not be processed until all the necessary information has been provided. The AML/CTF compliance program will also include ongoing customer due diligence, which may require the Responsible Entity to collect further information.

## Privacy Statement

When you complete the Application Form for units in the Funds, EQT will be collecting personal information from you. EQT may collect additional personal information from you in the future.

EQT needs to collect personal information from investors for the primary purpose of providing investors with an investment in the Funds (including assessing your application and identifying you). There are also a number of related purposes for which your personal information will be collected and these are to process your application, administer and manage your investments in the Funds, and comply with Australian taxation laws, the Corporations Act, the Anti-Money Laundering and Counter-Terrorism Financing Act ('AML/CTF Act') and other laws and regulations.

If you do not provide EQT with your contact details and other information it may not be able to process your application, administer or manage your investment or tell you about investment opportunities in which you may be interested. EQT may also collect personal information (including sensitive information) about you from third parties, to meet its obligations under the AML/CTF Act.

The information that an investor provides to EQT may be disclosed to certain organisations. The types of organisations or persons to whom EQT usually discloses the information provided by investors include:

- the Australian Taxation Office and other government or regulatory bodies;
- your adviser or adviser dealer group, their service providers and any joint holder of your investment;
- organisations involved in providing, administering or managing the Fund such as any third party service provider engaged by EQT to provide administration, custody, investment management, technology, auditing, registry, mailing or printing services; and
- those where you have consented to such disclosure, or as required or authorised by law.

Your information may also be used in connection with the purposes for which it is collected. EQT may also use your information to forward to you from, time to time, details of other investment opportunities offered by EQT in which you may be interested. Please tick the box on the Application Form if you do not wish to be updated with such investment opportunities or in future by contacting EQT. If you do not mark the box on the application, we will assume that you want to hear about the investment opportunities we have described.

The Responsible Entity does not normally receive personal information about you when you invest in the Funds through an IDPS Operator. For details on the collection, storage and use of information by the IDPS Operator, please contact your IDPS Operator.

You can gain access to the personal information EQT holds about you, subject to some exceptions allowed by law. EQT will give you reasons if it denies access. If you have any queries in relation to EQT's Privacy Statement please contact the EQT Privacy Officer on **03 8623 5000**.

# Regular Investment Plan – Terms and Conditions

## EQT Mortgage Income Fund

By completing the Direct Debit Request Form you agree that the following terms and conditions shall apply where EQT has agreed to effect automatic deductions from your account under the Regular Investment Plan. Monthly payments will be made on or about the 20th of each month.

### Debiting your account

By signing a direct debit request, you have authorised EQT to arrange for money to be debited from your account. You should refer to the direct debit request and this agreement for the terms of the arrangement between EQT and you. EQT will only arrange for money to be debited from your account as authorised in the direct debit request.

EQT will only arrange for money to be debited from your account if EQT has sent, to the address nominated by you in the direct debit request, a billing advice which specifies the amount payable by you to EQT and when it is due.

If the debit day falls on a day that is not a Business Day, EQT may direct your financial institution to debit your account on the following Business Day.

If you are unsure about the day your account has been, or will be, debited you should ask your financial institution.

### Changes to terms and conditions by Equity Trustees Limited

EQT may vary any details of this agreement or a direct debit request at any time by giving you at least fourteen (14) days written notice.

### Changes by investor

Subject to this clause, you may vary the amount of your Regular Investment Plan arrangements under a direct debit request by contacting EQT on

**1300 555 378** or [unitregistry@eqt.com.au](mailto:unitregistry@eqt.com.au)

Changing the bank account from which you wish your amounts to be debited will require completion of a new Direct Debit Request Form.

If you wish to stop or defer a debit payment you must notify EQT in writing at least fourteen (14) days before the next debit day. This notice should be given to EQT in the first instance.

You may also cancel your authority for EQT to debit your account at any time by giving EQT fourteen (14) days notice in writing before the next debit day. This notice should be given to EQT in the first instance.

### Investor obligations

It is your responsibility to ensure that there is sufficient cleared money available in your account to allow a debit payment to be made in accordance with the direct debit request.

If there are insufficient cleared money in your account to meet a debit payment:

- you may be charged a fee and/or interest by your financial institution;
- you may also incur fees or charges imposed or incurred by EQT; and
- you must arrange for the debit payment to be made by another method or arrange for sufficient cleared funds to be available in your account by an agreed time so that we can process the debit payment.

You should check your account statement to verify that the amounts debited from your account are correct.

If EQT is liable to pay GST on a supply made in connection with this agreement, then you agree to pay EQT on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## Dispute

If you believe that there has been an error in debiting your account, you should notify EQT directly on **1300 555 378** and confirm that notice in writing with EQT as soon as possible so that EQT can resolve your query more quickly.

If EQT concludes as a result of its investigations that your account has been incorrectly debited EQT will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. EQT will also notify you in writing of the amount by which your account has been adjusted.

If EQT concludes as a result of its investigations that your account has not been incorrectly debited EQT will respond to your query by providing you with reasons and any evidence for this finding.

Any queries you may have about an error made in debiting your account should be directed to EQT in the first instance so that EQT can attempt to resolve the matter between EQT and you. If EQT cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

## Accounts

You should check:

- with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions;
- your account details which you have provided to EQT are correct by checking them against a recent account statement; and
- with your financial institution before completing the direct debit request if you have any queries about how to complete the direct debit request.

## Confidentiality

Subject to the Privacy Statement set out in this PDS, EQT will keep confidential any information (including your account details) in your direct debit request. EQT will make reasonable efforts to keep any such information that it has about you secure and to ensure that any of its employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

EQT will disclose information that it has about you:

- in accordance with the Privacy Statement set out in this PDS;
- for the purposes of this agreement; or
- in connection with any query or claim (including relating to an alleged incorrect or wrongful debit).

## Notice

If you wish to notify EQT in writing about anything relating to this agreement, you should write to:

**Equity Trustees Limited**  
**Client Services Registry Team**  
**GPO Box 2307**  
**MELBOURNE VIC 3001**

EQT will notify you by sending a notice in the ordinary post to the address you have given EQT in the Direct Debit Request Form.

Any notice will be deemed to have been received on the third Business Day after posting.

## EQT Online Access – Terms and Conditions

By completing the EQT Online Access Registration Form you agree to the following terms and conditions ('Conditions'):

1. In these Conditions:
  - a) 'Account' means your investment account with EQT;
  - b) 'Information' means the information concerning your investments made available to you through EQT's website;
  - c) 'Password' means your online access password;
  - d) 'Logon Access Code' means your personal identification relating to your Accounts;
  - e) 'We', 'us' and 'EQT' means Equity Trustees Limited; and
  - f) 'You' and 'your' refers to the EQT client and any persons accessing the EQT client's investment information on their behalf.
2. To view your Account details and related information online, you will need to log on to our online access service using your Logon Access Code and Password.
3. If any person uses your Logon Access Code and Password, we are entitled to give them access to your Account information and to assume that they are authorised by you to access your Account information.
4. You must keep your Logon Access Code and Password confidential and secure. You must tell us immediately if you suspect that any unauthorised person has gained access to your Logon Access Code or Password.
5. We will use all reasonable efforts to provide you online access to your Account at all reasonable times but we do not guarantee that we can always provide this.
6. We will use reasonable efforts to provide you with reliable information to the extent it is within our control but we do not guarantee that we can provide it.
7. We are not responsible for transmissions of any computer virus or other unwanted programs or information resulting from or associated with your use of our online access service.
8. We will securely hold, maintain and store your personal information and will ensure that appropriate security measures are in place to prevent unauthorised access to your personal information.
9. You authorise EQT and any other company within the EQT Group and any agents it may appoint to use your personal information for the delivery of our online access service.
10. You acknowledge that anything associated with or available through our online access service belongs to EQT or other third parties and is protected by intellectual property rights.
11. You agree that you will not interfere with or damage any security codes, data or software associated with our online access service.
12. You agree not to access, download or otherwise use any information available through our online access service other than for your personal use.
13. You indemnify us for any loss, expense or liability that we may suffer or incur as a result of any unauthorised use by you of our online access service.
14. Subject to any conditions and warranties implied by law, we exclude any liability for any unavailability or delay in providing any Information and for any inaccuracy or incompleteness of any Information available through our online access service.
15. You release EQT and any other company within the EQT Group and any of their directors, employees or agents they may appoint from any liabilities you incur or loss that you suffer from your use of our online access service.
16. We may suspend or cancel your online access to your Account at any time and for any reason, and if possible, we will give you notice before we do so.
17. We may vary these conditions from time to time and any variation will take effect from the time we notify you of the variation.
18. You may end your use of this service at any time by giving us written notice.

This Application Form is part of a Product Disclosure Statement ('PDS') relating to units in EQT Mortgage Income Fund and EQT Wholesale Mortgage Income Fund (collectively 'the Funds'). The PDS contains information about investing in the Funds. You should read this document and any supplementary PDS before applying for units in the Funds. *(If you make an error while completing your Application Form, do not use correction fluid. Cross out your mistakes and initial your changes).*

#### Additional information required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006

In accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML/CTF Act') we are required to collect additional information about you. We may also ask you to provide **certified** copies of certain identification documents along with the Application Form.

Under the AML/CTF Act, we are prohibited from processing your application until we have received all of the information and supporting documentation requested in this form. In most cases, the information that you provide in this form will satisfy the AML/CTF Act.

However, in some instances we may contact you to request further information. It may also be necessary for us to collect information (including sensitive information) about you from third parties in order to meet our obligations under the AML/CTF Act.

A list of persons eligible to certify documents can be found in Appendix 1 at the end of this form.

#### Part A – Are you an existing investor?

Existing investor

If you are an existing investor in the funds *prior to 31 January 2008* you do not need to provide additional identification information. If you have invested *after 31 January 2008*, and *have not previously provided identification information* you will need to provide the additional information requested in the section relating to your investor type under **Part B – Type of Investor** below. **For all existing investors**, complete your existing account details below; if required complete the section relating to your investor type as indicated by **Part B – Type of Investor**, and also complete **Part C** if it applies to you. Then complete the Application Form from Section 11 onwards.

Existing Investment – Name of Fund

Existing Account Number

Existing Account Name

New investor

Complete your investor details and the additional information requested in the section relating to your investor type as indicated by **Part B – Type of investor**; also complete **Part C** if it applies to you. **Then** complete the remainder of the Application Form from Section 10 onwards and **mail** the completed form along with your certified identification documentation (where applicable) to the unit registry contact details provided in the PDS. **Faxed copies will not be accepted.**

If investing via a Financial Adviser

Please ensure both you and your financial adviser also complete **Section 18. Financial Adviser Details and Customer Identification Declaration**. You do not need to provide copies of your certified identification documentation with your Application Form if this information has been provided to your financial adviser and your financial adviser has elected to retain this information, and agreed to make it available upon request, under Section 18 of the Application Form.

### Part B – Type of Investor

Type of Investor	Go to
<input type="checkbox"/> Individual/Joint	Section 1A
<input type="checkbox"/> Sole Trader	Section 1A & 1B
<input type="checkbox"/> Company	Section 2
<input type="checkbox"/> Trust/Superannuation Fund	Section 3
<input type="checkbox"/> Partnership	Section 4
<input type="checkbox"/> Charity	Section 5
<input type="checkbox"/> Association	Section 6
<input type="checkbox"/> Co-operatives	Section 7
<input type="checkbox"/> Government Body	Section 8
<input type="checkbox"/> IDPS/Platforms	Please contact <b>EQT Client Services on 1300 555 378</b> for the forms that you will need to complete.

### Part C – Authorised Representative/Agent

	Go to
<input type="checkbox"/> Authorised Representative/Agent	Section 9

### Section 1. Individual/Joint/Sole Trader

#### A. Individual/Joint Investor Details *(joint applicants will be held as joint tenants)*

Complete your name, address and contact details below. You must include a street residential address not a PO Box.

##### Investor 1

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

TFN or Reason for Exemption \_\_\_\_\_

Country of Residence for Tax Purposes (if not Australia) \_\_\_\_\_

##### Residential Address (not a PO Box)

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

##### Investor 2

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

TFN or Reason for Exemption \_\_\_\_\_

Country of Residence for Tax Purposes (if not Australia) \_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_  
\_\_\_\_\_  
Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_  
Country \_\_\_\_\_

**B. Sole Trader Details (A person carrying on a business in Australia) (please also complete Section 1A)**

Business Name (if any)  
\_\_\_\_\_  
Australian Business Number (ABN) if applicable  

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Tax File Number (TFN)  

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**Principal Place of Business (not a PO Box)**  
Address \_\_\_\_\_  
\_\_\_\_\_  
Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_  
Country \_\_\_\_\_

**Identification Documentation Required for Individual and Joint Applicants/Sole Trader**

A certified copy of any **ONE** of the following documents:

- Australian driver's licence; OR
- Australian passport; OR
- Any ID card issued under a state or territory law which contains your photo, date of birth and signature.

**Section 2. Company**

**Company Name and Contact**  
Company Name (as registered with ASIC) \_\_\_\_\_  
Contact Person \_\_\_\_\_  
**Australian Company**  
 Public  Private (proprietary)  
**Foreign Company**  
 Public  Private (proprietary)

**A. Australian Company (both public and private)**

Australian Company Number (ACN)

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Australian Business Number (ABN)

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**Residential Address (not a PO Box)**

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_ Australia \_\_\_\_\_

**Principal Place of Business in Australia**

- Same as registered address above  
 Other – please provide address below (not a PO Box)

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_ Australia \_\_\_\_\_

**B. Foreign Company (public and private)**

Australian Registered Business Number (ARBN) (if not registered, leave blank)

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Identification Number Issued by Foreign Registration Body (if not registered, write 'Not registered')

Name of Foreign Registration Body (if applicable)

**Registered Address in Australia (not a PO Box) (If not registered in Australia, provide overseas address)**

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_ Australia \_\_\_\_\_

**Principal Place of Business in Australia (or full name and address of company's agent in Australia)**

- Same as registered address above  
 Other – please provide address below (not a PO Box)

Full Name of Agent in Australia (if applicable)

\_\_\_\_\_

Address

\_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_ Australia \_\_\_\_\_

**1. Director Details for Private Companies (both Australian and foreign)**

Director 1 – Full Name

\_\_\_\_\_

Director 2 – Full Name

\_\_\_\_\_

Director 3 – Full Name

\_\_\_\_\_

Director 4 – Full Name

\_\_\_\_\_

Director 5 – Full Name

\_\_\_\_\_

*(If more than 5 directors, please provide full names on a separate page and attach to this form.)*

**2. Major Shareholders for Private Companies Excluding Regulated Companies (both Australian and foreign)**

For private company (Australian and foreign) which is not a 'regulated company'<sup>1</sup> please provide details for each shareholder who owns, through one or more shareholdings, more than 25% of the company's issued capital.

<sup>1</sup> 'Regulated Company' – any company that is licensed and subject to the oversight by a statutory regulator i.e. ASIC, APRA, ATO

**Major Shareholder 1 – Full Name**

\_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**Major Shareholder 2 – Full Name**

\_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**Major Shareholder 3 – Full Name**

\_\_\_\_\_

**Residential address (not a PO Box)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**No certified documents are required for companies.**

**Section 3. Trust/Superannuation Fund**

Name of Trust/Superannuation Fund

\_\_\_\_\_

Country of Establishment

\_\_\_\_\_

Tax File Number (TFN)

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**Type of Trust**

- Category A Government superannuation fund (Australian or foreign) established under legislation
- Category B Foreign superannuation fund (other than Category A)
- Category C Managed investment scheme registered with ASIC

Australian Registered Scheme Number (ARSN)

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Category D Regulated Trust\*

Name of Regulator (e.g. ASIC, APRA, ATO)

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Registration/Licence Details

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Australian Business Number (ABN)

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Category E Other (e.g. family trust, unregistered scheme, foreign trust) – please specify below\*

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\* A Regulated trust refers to:

- i) a self managed superannuation fund within the meaning of Section 19 of the Superannuation Industry (Supervision) Act 1993 (SIS) – the regulator is the Australian Tax office,
- ii) a regulated superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the SIS Act – the regulator is the Australian Prudential Regulation Authority ('APRA').

**If you selected either Category B or Category E, you will need to provide details of beneficiaries.**

**Beneficiary Details**

Do the terms of the Trust identify the beneficiaries by reference to a membership of a class?

Yes Provide details of membership class (e.g. family members of a named person)

---

No List full names of all company and individual beneficiaries

**Beneficiary 1 – Full Name**

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**Beneficiary 2 – Full Name**

---

**Beneficiary 3 – Full Name**

---

**Beneficiary 4 – Full Name**

---

*(If more than 4 beneficiaries, please provide full names on a separate page and attach to this form.)*

### Trustee Details

Trustee is a:

- Company Complete **Section 2. Company** of this form  
 Individual Complete individual trustee details below

Please provide details for **ONE** of the individual trustees as follows:

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

### Residential Address (not a PO Box)

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

### Identification Documentation Required for Trust/Superannuation Fund

For **Category B (Foreign Super Fund)** and **Category E (other Trust)** you must provide **ONE** of the following documents:

- Certified copy or certified extract of the trust deed; OR
- Notice (such as an assessment notice) issued to the trust by the Australian Taxation Office within preceding 12 months; OR
- A letter from a solicitor or qualified accountant verifying the name of the trust.

For **individual trustees**, you must provide a certified copy of any **ONE** of the following documents:

- Australian driver's licence; OR
- Australian or foreign passport; OR
- Any ID card issued under a state or territory law which contains your photo, date of birth and signature.

Category B and E trusts must also provide a list of the full names and addresses (not PO Boxes) of all individual and company trustees.

### Section 4. Partnership

Full Name of Partnership

\_\_\_\_\_

Registered Business Name of Partnership (if any)

\_\_\_\_\_

Country Where Partnership Established

\_\_\_\_\_

### Type of Partnership

Is the partnership regulated by a professional association?

- Yes Complete **Part A – Regulated Partnership** below  
 No Complete **Part B – Unregulated Partnership** below

**A. Regulated Partnership**

Full Name of Professional Association Partnership Regulated By

\_\_\_\_\_

Membership/Registration Details

\_\_\_\_\_

**Partner Details**

Please provide details for **ONE** of the partners as follows:

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**B. Unregulated Partnership**

**Partner Details**

Please provide details for **ALL** of the partners as follows:

**Partner 1**

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**Partner 2**

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

*(If more than 2 partners, please provide full names and residential addresses on a separate page and attach to this form.)*

**Identification Documentation Required for Partnership**

You must provide a certified copy or certified extract of any **ONE** of the following documents:

- The partnership agreement; OR
- Extract of minutes of a partnership meeting.

Both of these documents must show the full name of the partnership.

In addition, **ONE** partner must also provide a certified copy of any **ONE** of the following documents:

- Australian driver's licence; OR
- Australian or foreign passport; OR
- Any ID card issued under a state or territory law which contains your photo, date of birth and signature.

**Section 5. Charity**

Full Name of Charity

\_\_\_\_\_

Purpose of Charity

\_\_\_\_\_

Name of Entity Controlling Charity

\_\_\_\_\_

Country of Registration (if applicable)

\_\_\_\_\_

If Other than Australia, Please Provide Name of Regulator (if any)

\_\_\_\_\_

Charity Registration Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Charity Fundraising Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Tax File Number (TFN)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Australian Business Number (ABN)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Registered Address in Australia (not a PO Box) (If not registered in Australia, provide overseas address)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**Type of Charity**

- |   |  |
|---|--|
| <input type="checkbox"/> Company                | Complete <b>Section 2. Company</b>                   |
| <input type="checkbox"/> Trust                  | Complete <b>Section 3. Trust/Superannuation Fund</b> |
| <input type="checkbox"/> Partnership            | Complete <b>Section 4. Partnership</b>               |
| <input type="checkbox"/> Association            | Complete <b>Section 6. Association</b>               |
| <input type="checkbox"/> Registered Cooperative | Complete <b>Section 7. Registered Cooperative</b>    |

**Section 6. Association**

Full Name of Association

\_\_\_\_\_

Association Identifier Number (if applicable) e.g. ACN

\_\_\_\_\_

Full Name of Chairman

\_\_\_\_\_

Full Name of Secretary

\_\_\_\_\_

Full Name of Treasurer

\_\_\_\_\_

**Type of Association**

- |   |                              |
|---|------------------------------|
| <input type="checkbox"/> Incorporated   | Complete <b>Part A</b> below |
| <input type="checkbox"/> Unincorporated | Complete <b>Part B</b> below |

**A. Incorporated Association**

**Registered Office or Residential Address of Public Officer (not a PO Box)**

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**B. Unincorporated Association**

**Principal Place of Administration or Residential Address of Public Officer (not a PO Box)**

Address \_\_\_\_\_  
\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**Details of Member Completing this Form on Behalf of the Unincorporated Association**

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

**Residential Address (not a PO Box)**

Address \_\_\_\_\_  
\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_ Australia \_\_\_\_\_

**Identification Documentation Required for Associations**

**Both Incorporated and Unincorporated**

You must provide a certified copy or certified extract of any **ONE** of the following documents:

- Rules or constitution; OR
- Extract of minutes of an association meeting.

Both of these documents must show the full name of the association.

**Unincorporated**

Member completing this form on behalf of the Unincorporated Association must also provide a certified copy of any **ONE** of the following documents:

- Australian driver's licence; OR
- Australian or foreign passport; OR
- Any ID card issued under a state or territory law which contains your photo, date of birth and signature.

**Section 7. Registered Cooperative**

Full Name of Registered Cooperative  
\_\_\_\_\_

- Cooperative is registered with ASIC  
 Cooperative is registered with a foreign registration body

Identification Number issued by relevant registration body (if any)  
\_\_\_\_\_

Full Name of Chairman

---

Full Name of Secretary

---

Full Name of Treasurer

---

**Registered Office or Residential Address of Public Officer (not a PO Box)**

Address

---

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country

---

**Identification Documentation Required for Registered Cooperative**

**Both Incorporated and Unincorporated**

You must provide a certified copy or certified extract of any **ONE** of the following documents:

- Register maintained by the cooperative; OR
- Extract of minutes of a meeting of the cooperative.

Both of these documents must show the full name of the cooperative.

**Section 8. Government Body**

**Type of Government Body**

Entity

Established under legislation

**Australian Government Body**

A Commonwealth of Australia Government body

An Australian State or Territory Government body – please specify state or territory

Name of Government Body and Establishing Legislation (if applicable)

---

**Principal Place of Operations (not a PO Box)**

Address

---

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country

---

**No certified documents are required for Government Bodies.**

### Section 9. Authorised Representative/Agents

This section should be completed if:

- an authorised representative has been appointed to operate on this account; OR
- this application is being made by an agent of the investor under a power of attorney or as the investor's legal or nominated representative.

#### All Authorised Representatives/Agents to Complete

Full Name of Authorised Representative/Agent

\_\_\_\_\_

Title of Role Held with Investor

\_\_\_\_\_

Signature of Authorised Representative/Agent

\_\_\_\_\_

Evidence of Authority to Act on Investors Behalf e.g. Power of Attorney

\_\_\_\_\_

#### If the Investor is a Non Individual (i.e. a company, trust etc) Please Also Complete the Following:

If a non individual investor (i.e. a company, trust etc) appoints an authorised representative in relation to this investment then the investor must also appoint a verifying officer to liaise with that authorised representative.

#### Please Provide the Following Information About the Verifying Officer:

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

#### Residential Address (not a PO Box)

Address \_\_\_\_\_

\_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

#### Identification Documentation Required for Verifying Officer

You must also provide a certified copy of any **ONE** of the following documents:

- Australian driver's licence; OR
- Australian or foreign passport; OR
- Any ID card issued under a state or territory law which contains your photo, date of birth and signature.

Please also provide written evidence of the Verifying Officer's authority to act for the investor.

Please note that the AML/CTF Act requires a verifying officer to collect and retain the following information about the authorised representative:

- Full name;
- Title or role held with the investor;
- A copy of their signature; and
- Evidence of their authority to act on behalf of the investor.

**Section 10. Investor Contact Details (ALL NEW INVESTORS TO COMPLETE)**

**Investor Contact Name and Contact Details**

Title Mr/Mrs/Ms/Dr/Other \_\_\_\_\_ Date of Birth \_\_\_\_\_

Given Names \_\_\_\_\_

Surname \_\_\_\_\_

Phone Number (Work) \_\_\_\_\_ Phone Number (Mobile or Home) \_\_\_\_\_

Fax Number \_\_\_\_\_ Email Address \_\_\_\_\_

**Postal Address (If different to street address)**

Postal Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Country \_\_\_\_\_

**Section 11. Investment Choice and Investment Distribution Options**

Fund	Amount to be invested	Distributions (tick selected option)*	
		Reinvest all	Pay all to a bank account
EQT Mortgage Income Fund	\$	<input type="checkbox"/>	<input type="checkbox"/>
EQT Wholesale Mortgage Income Fund	\$	<input type="checkbox"/>	<input type="checkbox"/>

*\* If no selection is made or an incomplete instruction is received, the distribution will be reinvested.*

**Payment Method**

Important – Preferred method of payment (please tick your selection)

- Cheque      Cheques are to be made payable to '**Equity Trustees Limited**'
- Direct Debit      Complete **Section 19. Direct Debit Request Form** and include with this Application Form.

**Section 12. Investor Banking Details (for distributions and redemptions)**

Bank Name \_\_\_\_\_

Bank Address \_\_\_\_\_

Account Name \_\_\_\_\_

BSB Number \_\_\_\_\_ Account Number \_\_\_\_\_

### Section 13. EQT Online Access

- Please tick the box if all the undersigned would like online access to view the details of this investment. Defined terms have the meaning given in the Conditions of EQT Online Access. By signing below you verify that you have read, understood and agree to be bound by the Conditions of EQT Online Access. Please confirm your email address below to receive details as per the Conditions.

### Section 14. Authorised Representative/Agent Appointment

*Please Complete if Authorised Representative/Agent Required.*

I/We have read the terms and conditions of an authorised representative and agree to those terms and conditions.

\_\_\_\_\_

Name of Authorised Representative/Agent

\_\_\_\_\_

Signature of Authorised Representative/Agent

Please also sign **Section 17. Declaration and Signatures**.

### Section 15. Annual Financial Report

- You can obtain a copy of the annual financial report for the Funds from the EQT website at [www.eqt.com.au](http://www.eqt.com.au) from 30 September each year. However, if you would like to receive a copy by post please tick the box.

### Section 16. Privacy

When you complete this application form EQT will be collecting personal information from you for the primary purpose of processing and administering your investment in the funds. In order to comply with Australian Taxation laws, the Corporations Act, the Anti-Money Laundering and Counter-Terrorism Act and other laws and regulations EQT must collect certain information about you.

EQT may also be required to obtain personal information (including sensitive information) about you from third parties in order to comply with these laws.

EQT may disclose your personal information to other parties involved in providing services to, administering or managing the Funds (such as to your financial adviser and to service providers such as external administrators and posting services). EQT may also use your information to forward to you, from time to time, details of other investment opportunities offered by EQT in which you may be interested

- Please tick the box if you **do not** wish to be updated with such investment opportunities. If you do not mark the box we will assume that you want to hear about the investment opportunities we have described.

### Section 17. Declaration and Signatures

You should read the PDS for in the **EQT Mortgage Income Fund** and the **EQT Wholesale Mortgage Income Fund** (collectively 'the Funds') dated 30 November 2008 ('PDS'), offering units in the Funds before investing. A person giving access to this Application Form must, at the same time and by the same means, give access to the PDS and any document which updates the information contained in the PDS. While the PDS is current, EQT will provide on request and without charge a paper copy of the PDS, any document which updates it and the Application Form to anyone receiving an electronic copy of the PDS. The law prohibits any person passing on to another person this Application Form unless it is attached to, or accompanied by, a complete and untampered electronic version of the PDS or a print out of it.

I/We have read the PDS to which this Application Form applies and agree to be bound by the terms and conditions of the PDS and the constitution of the Funds in which I/we have chosen to invest. I/We have detached this application from the PDS and declare that all details are correct. I/We acknowledge that Equity Trustees Limited is not responsible for the delays in receipt of monies caused by the postal service or the applicant's bank. If I/we have provided an email address, I/ we consent to receive ongoing investor information including PDS information, confirmations of transactions and additional information as applicable, via that method of delivery. I/We received and accepted this offer in Australia. I/We acknowledge that Equity Trustees Limited or the Investment Manager do not guarantee the repayment of capital or the performance of the Funds or any particular rate of return from the Funds.

By signing this Application Form, I/we acknowledge that I/we have read and understood the PDS and where appropriate have obtained my/our own independent financial investment advice (having regard to the inherently complex nature of these products).

I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:

- I/we are ineligible to hold units in a fund or have provided misleading information in my/our application form; or
- I/we owe any amounts to EQT or any other person,

I/We appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the relevant Fund.

#### **Authorised Signatories for Future Instructions**

You may specify the way that you wish to sign future instructions in relation to your investment in the Funds.

**These instructions do not apply for your initial application. They will apply to all your existing and future unit holdings in the Funds until such time as you advise EQT in writing to the contrary.**

#### **A. Individual / Joint / Sole Trader Please tick one of the following options**

- all unitholders must sign (unless indicated)
- any one unitholder may sign

#### **B. Company**

*Please tick one of the following options*

- One Director and Company Secretary
- Two Directors

*Please also tick one of the following two options*

- Signed under Common Seal
- Signed without Common Seal

#### **B. Trust/Superannuation Fund/Partnership/Charity/Association/Co-operative/Government Body**

*Please tick one of the following options*

- One Director and Secretary
- Two Directors
- Two Executive Officers
- Two Authorised Signatories

*Please also tick one of the following options*

- Signed under Common Seal
- Signed without Common Seal

---

Name of Applicant

---

Signature of Applicant

Date

Capacity (please tick if applicable)  Director  Secretary  Executive Officer  Authorised Signatory

---

Name of Applicant

---

Signature of Applicant

Date

Capacity (please tick if applicable)  Director  Secretary  Executive Officer  Authorised Signatory

Company Seal (If applicable)

### Section 18. Financial Adviser Details and Customer Identification Declaration

#### Customer identification declaration (Financial Adviser to complete)

I confirm that I have completed an appropriate customer identification procedure ('CID') on this investor which meets the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML/CTF Act').

(Please select the relevant option below)

- I have attached the verification documents that were used to perform the CID for this investor; **OR**
- I have not attached the verification documents but will retain them in accordance with the AML/CTF Act and agree to provide EQT or its agents with access to these documents upon request. I also agree that if I become unable to retain the verification documents used for this application in accordance with the requirements of the AML/CTF Act I will forward them to EQT.

I agree to provide EQT or its agents with any other information that they may require to support this application.

---

Full Name of Financial Adviser

---

Financial Adviser Signature

Date

*Please also complete the Financial Adviser details section on the next page.*

Application Form Page 19

**Financial Adviser access to investor information** *(Investor to complete)*

I/We agree that information relating to my/our investment be supplied to my/our financial adviser.

Please tick this box if you **do not** wish to your financial adviser to have access to information about your investment.

**Please also elect if you wish copies of all transaction confirmations to be provided to your financial adviser.** *If no election is made copies will not be sent.*

Yes, please send copies of all transaction confirmations to my/our adviser.

No, please **do not** send copies of all transaction confirmations to my/our adviser.

Please ask your financial adviser to complete these details (if applicable).

**Adviser Details** (if a new adviser, please attach a copy of your employee/representative authority)

Adviser Name \_\_\_\_\_ Adviser No. (if applicable) \_\_\_\_\_

Business Name \_\_\_\_\_

Street Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Postal Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Office Telephone \_\_\_\_\_ Direct \_\_\_\_\_

Mobile \_\_\_\_\_ Facsimile \_\_\_\_\_

Email \_\_\_\_\_

**Dealer Details**

Dealer Name \_\_\_\_\_

Dealer No. (if applicable) \_\_\_\_\_

Contact Person \_\_\_\_\_

AFSL No. \_\_\_\_\_ ABN \_\_\_\_\_

Postal Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Office Telephone \_\_\_\_\_ Direct \_\_\_\_\_

Mobile \_\_\_\_\_ Facsimile \_\_\_\_\_

Email \_\_\_\_\_ Website \_\_\_\_\_

Dealer Stamp

ILGN	ILAN	ILCN
------	------	------

**Section 19. Direct Debit Request Form**

\_\_\_\_\_

Date

\_\_\_\_\_

Account No.

\_\_\_\_\_

Investor/s Name in Full

I/We request and authorise Equity Trustees Limited as detailed in the Payment Details below, to arrange, through its own financial institution, for any amount Equity Trustees Limited may debit or charge to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified below and paid to the Debit User (ID number 225014) subject to the Terms and Conditions (and any further instructions provided below).

**Bank/Financial Institution Account Details**

Insert details of account which is to be debited

\_\_\_\_\_

Account Name

\_\_\_\_\_

BSB Number

\_\_\_\_\_

Account Number

\_\_\_\_\_

Bank Name

\_\_\_\_\_

Address

Direct debiting is not available on the full range of accounts. If in doubt, please refer to your Bank/Financial Institution.

**Acknowledgement**

By signing this Direct Debit Request you acknowledge having read and understood the terms and conditions governing the debit arrangements between you and Equity Trustees Limited as set out in this request and the Terms and Conditions.

**Payment Details for Initial or Additional Investment**

Fund	\$ Amount
EQT Mortgage Income Fund (minimum \$5,000 or \$1,000 for additional investments)	
EQT Wholesale Mortgage Income Fund (minimum initial investment of \$100,000 or \$10,000 for additional investments)	

**Payment Details for Accumulator Savings Plan**

Fund	\$ Amount per month (min. \$100)
EQT Mortgage Income Fund	

Signature and Address

Signature \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Address 1 \_\_\_\_\_

Address 2 \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

**Appendices**

**Appendix 1. Persons Authorised to Certify Documents**

1. a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);
2. a judge of a court;
3. a magistrate;
4. a chief executive officer of a Commonwealth court;
5. a registrar or deputy registrar of a court;
6. a Justice of the Peace;
7. a notary public (for the purposes of the *Statutory Declaration Regulations 1993*);
8. a police officer;
9. an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
10. a permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
11. an Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955*);
12. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the *Statutory Declaration Regulations 1993*);
13. a finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the *Statutory Declaration Regulations 1993*);
14. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees.
15. a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

**Appendix 2. Checklist**

- Have you completed your details under your investor type?
- Have you provided certified copies of your identification document?
- Have you completed all relevant details and signed the application form?
- Once you have completed the above send the application form to the unit registry contact details provided in the PDS.

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Equity Trustees Limited  
ABN 46 004 031 298  
AFSL No. 240975

Level 2, 575 Bourke Street  
Melbourne VIC 3000

Telephone 03 8623 5000  
EQT Client Services 1300 555 378  
Facsimile 03 8623 5395  
Email [equity@eqt.com.au](mailto:equity@eqt.com.au)  
Website [www.eqt.com.au](http://www.eqt.com.au)