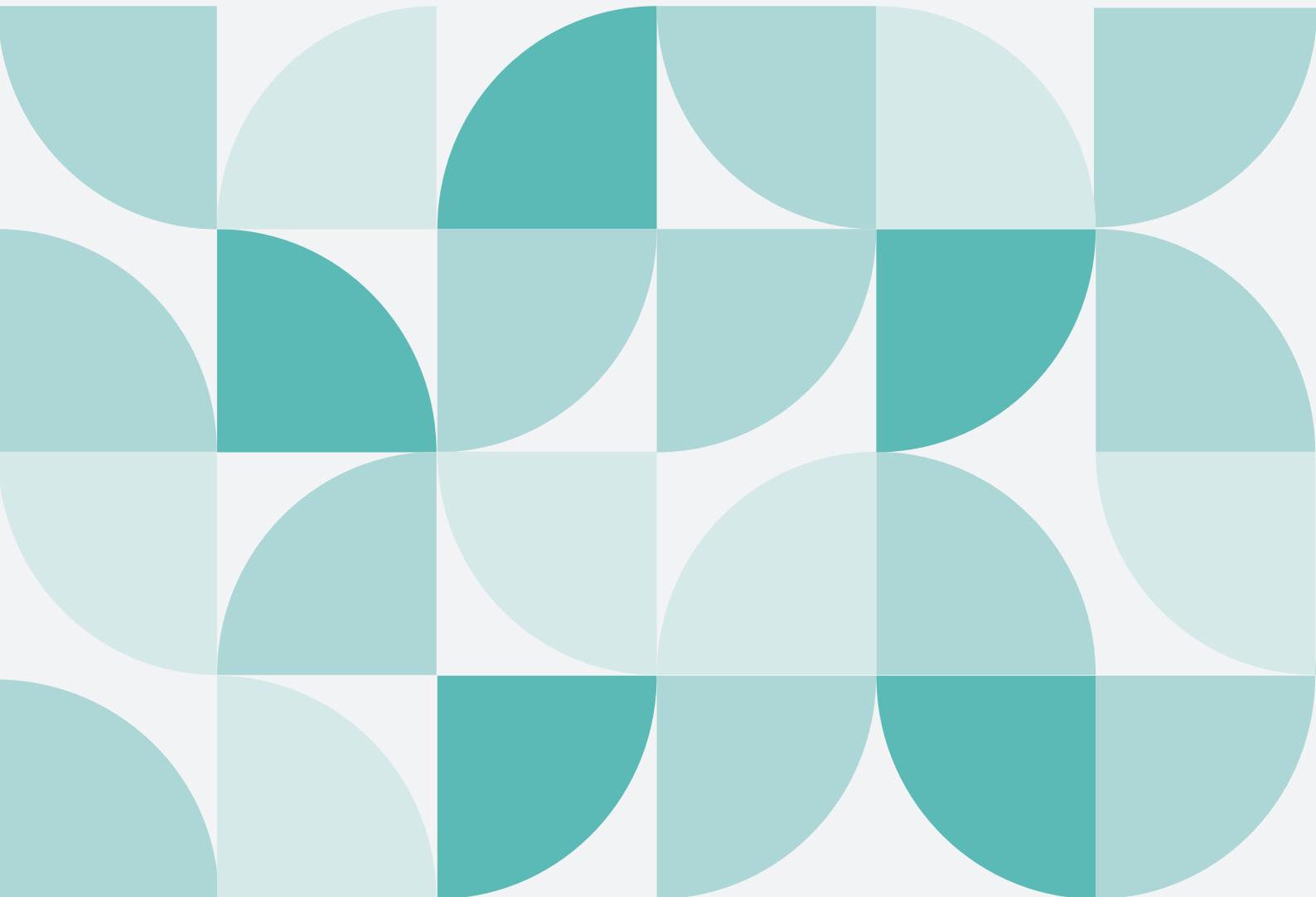




# KC Diversified Income Fund

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PRODUCT DISCLOSURE STATEMENT | ARSN 615 690 876 | 28 AUGUST 2026

Responsible Entity & Investment Manager  
Keystone Capital Limited  
ACN 163 616 064 AFS Licence No 439327 APIR KCL4613AU

[keystonecapital.com.au](https://keystonecapital.com.au)

# The Three Key Steps To Investing

**THE KC DIVERSIFIED INCOME FUND  
ARSN 615 690 876 IS A POOLED MORTGAGE SCHEME  
DESIGNED FOR INVESTORS LOOKING FOR A RELIABLE  
AND REGULAR SOURCE OF INVESTMENT INCOME.**

To participate in this Offer, potential investors need to complete the following three steps:

# STEP #1

## **READ THIS DOCUMENT AND CONSIDER THE OFFER**

You should read this Product Disclosure Statement in full. You should pay particular attention to the risks set out in Section 7 and consider them in light of your personal circumstances, investment needs and objectives. Before deciding to invest in the Fund you should seek your own financial advice from a licensed adviser.

# STEP #2

## **COMPLETE THE APPLICATION FORM AND AML CTF CHECKLIST**

To make an investment complete the Application Form that accompanies this Product Disclosure Statement. Please take care to ensure that you complete the form in the manner outlined in Section 13. The completed form must be returned in full together with the necessary certified supporting documentation.

The minimum application amount is \$50,000, with additional investments in multiples of \$1,000, subject to a minimum additional investment of \$10,000.

## **SEND YOUR APPLICATION FORM**

You have two options for sending your application:

### **Option 1**

Post your application to:  
Keystone Capital Limited  
Level 1, 265 Pirie Street  
Adelaide SA 5000

### **Option 2**

Scan and email your application to:  
[invest@keystonecapital.com.au](mailto:invest@keystonecapital.com.au)

# STEP #3

## **PAYMENT OF FUNDS**

### **Electronic Funds Transfer**

You can transfer your investment funds to the following account:

**Account Name:** Certane CT Pty Ltd ASCF KCDIF  
- Application Account

**BSB Number:** 062 000

**Account Number:** 204 338 46

**Reference:** Your surname or your Investor ID  
(if an existing investor)

# Important Notice And Disclaimer

This Product Disclosure Statement ("**PDS**") offers investors the opportunity of becoming a Unit Holder in the KC Diversified Income Fund ARSN 615 690 876 (the "**Fund**"). This PDS was issued on the 28 August 2026.

This PDS has been issued by Keystone Capital Limited ACN 163 616 064 and AFS Licence No 439327 ("**Keystone**"), in its capacity as Investment Manager and Responsible Entity. Keystone takes responsibility for this PDS.

This PDS contains general information only and does not take into account the investment objectives, financial situation or needs of any particular Investor. The recipient of this PDS should conduct its own independent review, investigation and analysis of the Fund and obtain advice from a licensed financial adviser to evaluate the merits and risks of an investment before making any investment decision. By subscribing for Units, the Investor acknowledges that it will only rely on its own independent professional advice.

Certain statements contained in this PDS constitute statements about future matters and forward-looking statements. These forward-looking statements are by reference to circumstances only as at the date of this PDS. The forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Fund's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Actual performance and volatility will depend on many factors including overall financial market performance which cannot be accurately determined as at the date of this PDS.

Neither Keystone, nor any of its related bodies corporate (as defined in the Corporations Act), nor any of their respective directors, officers, employees, advisers or representatives (together, "**Keystone and Representatives**"), nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of events expressed or implied in any forward-looking statements in this PDS will actually occur. In particular, such forward-looking statements are, by their nature, subject to significant uncertainties and contingencies, many of which are outside the control of Keystone and Representatives. Past performance and volatility are poor indicators of what may happen in the future.

Neither returns nor the money you invest are guaranteed. Keystone and Representatives do not guarantee the performance or success of the Fund, payment of distributions or repayment of your investment. An investment in the Fund does not represent a deposit with or liability of Keystone nor any of its related bodies corporate, and is subject to investment risk including possible loss of capital.

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this PDS. Any information or representation not contained in this PDS may not be relied upon as having been authorised by Keystone in connection with the Offer.

The Application Form attached to this PDS contains a declaration that you have personally received the complete and unaltered PDS prior to completing the Application Form. You should read this PDS in its entirety before completing the Application Form.

This PDS does not constitute an offer or invitation to subscribe for Units in any jurisdiction where, or to any person to whom, it would not be lawful to make an offer. This PDS can be requested in electronic form by contacting us by email at [invest@keystonecapital.com.au](mailto:invest@keystonecapital.com.au) or downloaded from our website at [www.keystonecapital.com.au](http://www.keystonecapital.com.au). Any person reviewing this PDS electronically may request a paper copy free of charge.

Keystone, together with its directors, officers and associates and their related entities may hold Units in the Fund from time to time. Keystone, together with its directors, officers and associates and their related entities may be financially remunerated or incentivised based on the success of the capital raising associated with the Fund.

Information in this PDS is current only as at the date of this PDS and information may change after the date of this PDS. Unless required by law, Keystone will not provide updated information to recipients of this PDS.

This PDS has been prepared by Keystone based on information available to it. All information in this PDS is believed to be reliable but Keystone and Representatives do not make any representation or warranty, expressed or implied, as to the fairness, accuracy, completeness or correctness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters). Nothing contained in this PDS is, or shall be relied upon, as a promise or representation by Keystone and Representatives, whether as to the past, present or future.

To the maximum extent permitted by law, Keystone and Representatives will have no liability for any loss or liability of any kind arising in respect of the information contained, or not being contained, in this PDS.

Any person who has received this PDS must not circulate, disseminate or distribute this PDS (including without limitation a copy of this PDS in any form) except for the express purpose of seeking professional advice in relation to this PDS.

By receiving this document, you agree to the above restrictions.

All dollar amounts referred to in this PDS are in Australian dollars. No investment will be accepted on the basis of this document once it is replaced by a later PDS.

Throughout the PDS, certain defined terms are used. Defined terms appear in the glossary section of this PDS (Section 14).

#### **WARNING: NEW ZEALAND INVESTORS**

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

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Australian Corporations Act sets out how the Offer must be made.

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

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

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

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

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

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to

changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

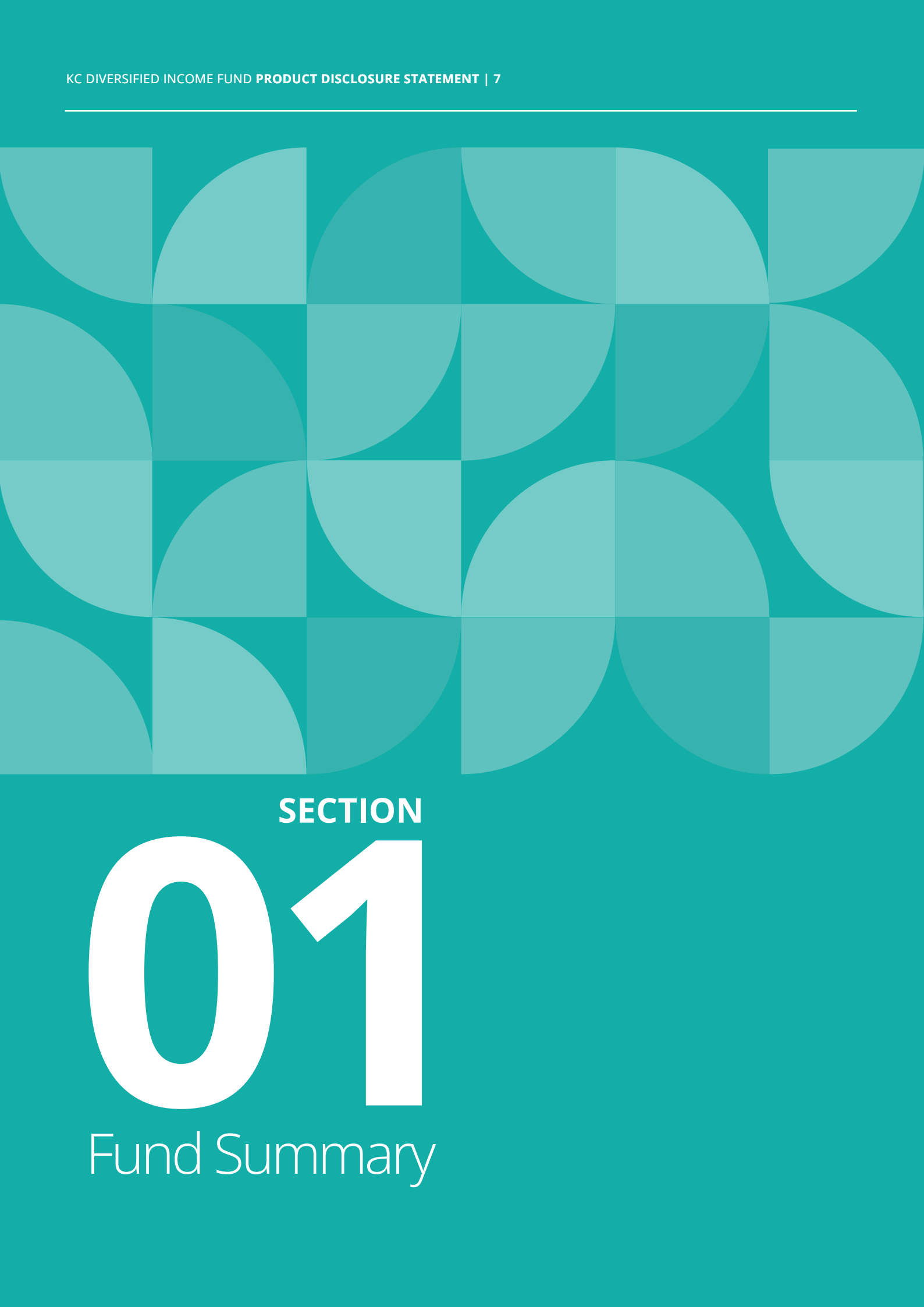
If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates in Australia, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this Offer is only available in Australia and is not available in New Zealand.

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# SECTION 01

## Fund Summary

# 01 Fund Summary

The table below summarises some important information about the Fund and provides section references for further information, where applicable. This table is not intended to be a complete statement of all information. You should read the whole PDS and seek any advice you need before deciding to invest.

| FEATURE                                          | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                      | SECTION           |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Overview And Objectives Of Fund</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |
| <b>Name of Fund:</b>                             | KC Diversified Income Fund                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |
| <b>Investment Manager And Responsible Entity</b> | Keystone Capital Limited ACN 163 616 064, AFS Licence No 439327.                                                                                                                                                                                                                                                                                                                                                                             | <b>Section 3</b>  |
| <b>Custodian</b>                                 | Certane CT Pty Ltd ACN 106 424 088 as sub-custodian for Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289.                                                                                                                                                                                                                                                                                                                | <b>Section 11</b> |
| <b>Nature of the Fund</b>                        | <p>The Fund is an unlisted managed investment scheme offering investors the opportunity to gain exposure to a diversified portfolio of loans secured by registered 1st mortgages over real property.</p> <p>Investor's funds are "pooled" and invested collectively.</p> <p>The Fund's objective is to provide Investors with regular and consistent investment returns whilst maintaining a relatively low level of capital volatility.</p> | <b>Section 4</b>  |
| <b>Fund Assets</b>                               | <p>The Fund will invest in a portfolio of loans secured by registered 1st mortgages over real property. The portfolio will be diversified in terms of location, Borrower, loan purpose and nature of the underlying security.</p> <p>The Fund will gain exposure to loans within its portfolio by lending directly to Borrowers and/or by investing in other mortgage funds managed by Keystone.</p>                                         | <b>Section 5</b>  |
| <b>Balance Requirements And Unit Pricing</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |
| <b>Minimum Initial Investment</b>                | The minimum initial investment in the Fund is \$50,000.                                                                                                                                                                                                                                                                                                                                                                                      | <b>Section 4</b>  |
| <b>Minimum Additional Investment</b>             | \$10,000                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Section 4</b>  |
| <b>Maximum Investment</b>                        | Unlimited, but at the discretion of Keystone.                                                                                                                                                                                                                                                                                                                                                                                                | <b>Section 4</b>  |
| <b>Minimum Withdrawal</b>                        | \$10,000                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Section 4</b>  |
| <b>Minimum Balance</b>                           | Investors must maintain a minimum balance of \$50,000.                                                                                                                                                                                                                                                                                                                                                                                       | <b>Section 4</b>  |

| FEATURE                                                             | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | SECTION           |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Distributions And Withdrawals</b>                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |
| <b>Income Distributions</b>                                         | It is intended that distributions will be paid monthly in arrears at a variable rate. Investors can choose whether their distribution income is paid into their nominated bank account or reinvested as additional Units in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Section 4</b>  |
| <b>Withdrawals</b>                                                  | <p>The Fund has a withdrawal process that is tailored to protect the interests of its Investors as well as maximising the income return of the Fund.</p> <p>Withdrawal rights are subject to the liquidity of the Fund. Where the Fund is Liquid, Eligible Investors (being Investors who have held the applicable Units for at least 90 days) can request to withdraw from the Fund in accordance with the Constitution and the Corporations Act. Keystone has sole discretion on whether or not it will accept all or part of an Eligible Investor's withdrawal request and has 365 days from the date of receipt of such a withdrawal request to accept the withdrawal request.</p> <p>Keystone is targeting making a decision on whether or not to accept an Eligible Investor's withdrawal request within 60 days from the last business day of the month within which Keystone receives a valid member withdrawal request (must be received by 2pm on the last business day of the month). If a withdrawal request is accepted by Keystone and Keystone redeems an Eligible Investor's Units, Keystone is obliged to pay the Eligible Investor the relevant proceeds within 21 days from the Redemption Day.</p> <p>Where the Fund is not Liquid, redemptions can only be made pursuant to a Withdrawal Offer issued by Keystone in accordance with the Corporations Act.</p> <p>The conditions and circumstances of withdrawals are outlined at Section 4 of this PDS.</p> | <b>Section 4</b>  |
| <b>Unit Pricing</b>                                                 | All Units are issued and redeemed at the prevailing Unit price calculated in accordance with the Constitution based on the net asset value of the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Section 11</b> |
| <b>Fees And Charges</b>                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |
| <b>Establishment, Contribution, Withdrawal and Termination Fees</b> | Nil.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Section 9</b>  |
| <b>Investment Management Fee</b>                                    | <p>2.50% p.a. (inclusive of GST) of funds under management.</p> <p>Investment Management Fees are paid monthly in arrears out of the assets of the Fund.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Section 9</b>  |
| <b>Other</b>                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |
| <b>Risks</b>                                                        | <p>All investments carry risk including the potential for loss of income or capital, a lower than expected rate of return or a delay in payment. An investment in the Fund is subject to these and other specific risks.</p> <p>An investment in the Fund is not an investment in a bank deposit. Neither the income return nor the return of capital is guaranteed.</p> <p>To appreciate the risks associated with an investment in the Fund please carefully read Section 7 of this PDS.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Section 7</b>  |
| <b>Cooling-off</b>                                                  | While the Fund is Liquid, retail Investors have the right to a 'cooling-off' period of 14 days during which they may cancel their initial investment by notifying Keystone in writing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Section 4</b>  |



**SECTION**

**02**

ASIC Benchmark Disclosure

## 02 ASIC Benchmark Disclosure

These ASIC Benchmarks are aimed at assisting Investors understand the risks of investing in mortgage funds and whether those investments are suitable for them. Each Benchmark and a brief explanation are detailed below.

For the purpose of keeping Investors informed about any significant changes to the Fund's continuing ability to respond to the Benchmarks, Keystone will, as required, update the Benchmark Report on its website [www.keystonecapital.com.au](http://www.keystonecapital.com.au) periodically (usually half yearly) which will be electronically accessible by Investors. For those Investors who cannot access our website, a paper copy of an updated Benchmark Report can be given to you (free of charge) by telephoning Keystone.

**ASIC's Regulatory Guide 45 Mortgage schemes: Improving disclosure for retail investors** requires a PDS for an unlisted mortgage scheme to include additional disclosure against the benchmarks set out in that Regulatory Guide. For these purposes, a 'mortgage scheme' is a managed investment scheme that has or is likely to have at least 50% of its non-cash assets invested in mortgage loans, unlisted mortgage schemes or both. Mortgage loans are loans secured by a mortgage over real property.

| ASIC Benchmark and Disclosure Principle Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Benchmark met (Y/N or Not Applicable) and Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASIC Benchmark and Disclosure Principle 1:</b><br/><b>Liquidity</b></p> <p>The responsible entity should have cash flow estimates for the scheme that:</p> <ul style="list-style-type: none"> <li>(a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months;</li> <li>(b) are updated at least every three months and reflect any material changes; and</li> <li>(c) are approved by the directors of the responsible entity at least every three months.</li> </ul> <p>For pooled mortgage schemes, the responsible entity should disclose information about:</p> <ul style="list-style-type: none"> <li>(a) the current and future prospects of liquidity of the scheme;</li> <li>(b) any significant risk factors that may affect the liquidity of the scheme; and</li> <li>(c) the policy of the scheme on balancing the maturity of its assets with the maturity of its liabilities.</li> </ul> | <p>Yes.</p> <p>Keystone meets this Benchmark.</p> <p>Keystone monitors the Fund's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months and updates that forecast at least every three months to reflect material changes.</p> <p>The directors of Keystone approve the cash flow forecast at least every three months.</p> <p>The Fund operates in accordance with the liquidity provisions in Part 5C.6 of the Corporations Act and withdrawals from the Fund are subject to these provisions. The assumptions used to monitor liquidity are reviewed on a regular basis (see Benchmark 8: Withdrawal Arrangements). Refer to Section 4 of this PDS for further information about withdrawing from the Fund.</p> <p>Section 4 of this PDS lists risk factors which may affect the liquidity of the Fund and Keystone's policy on balancing the maturity of Fund assets and liabilities.</p> <p>Section 7 of this PDS summarises the risks of investing in the Fund generally.</p> |
| <p><b>ASIC Benchmark and Disclosure Principle 2:</b><br/><b>Scheme borrowing</b></p> <p>The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>No.</p> <p>Keystone does not meet this Benchmark. Keystone has shareholder loans on its own Balance Sheet. However, Keystone does not and does not intend to borrow on behalf of the Fund.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| ASIC Benchmark and Disclosure Principle Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Benchmark met (Y/N or Not Applicable) and Explanation                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASIC Benchmark and Disclosure Principle 3:</b><br/><b>Portfolio diversification</b></p> <p>The pooled mortgage scheme should disclose:</p> <ul style="list-style-type: none"> <li>(a) portfolio of assets diversified by size, borrower, class of borrower activity and geographic region;</li> <li>(b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets;</li> <li>(c) the scheme has no single borrower who exceeds 5% of the scheme assets; and</li> <li>(d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>No.</p> <p>Refer to Section 5 of this PDS for information about the Fund's investments and processes including key lending parameters, security and valuation policies.</p>                                                                                                                                                               |
| <p><b>ASIC Benchmark and Disclosure Principle 4:</b><br/><b>Related party transactions</b></p> <p>The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Yes.</p> <p>Keystone meets this Benchmark.</p> <p>Keystone maintains and complies with a written policy that governs related party transactions and the management of real and potential conflicts of interest.</p> <p>The policy strictly forbids lending to Keystone or any related entity.</p> <p>Refer to Section 12 of this PDS.</p> |
| <p><b>ASIC Benchmark and Disclosure Principle 5:</b><br/><b>Valuation policy</b></p> <p>In relation to valuations of mortgage assets and their security property, the board of the responsible entity requires:</p> <ul style="list-style-type: none"> <li>(a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</li> <li>(b) a valuer to be independent;</li> <li>(c) procedures to be followed for dealing with any conflict of interest;</li> <li>(d) the rotation and diversity of valuers;</li> <li>(e) in relation to security property for a loan, an independent valuation to be obtained: <ul style="list-style-type: none"> <li>(i) before the issue of a loan and on renewal: <ul style="list-style-type: none"> <li>(A) for development property, on both an 'as is' and 'as if complete' basis; and</li> <li>(B) for all other property, on an 'as is' basis;</li> </ul> </li> </ul> </li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>(ii) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant</li> </ul> | <p>Yes.</p> <p>Keystone meets this Benchmark.</p> <p>Details of Keystone's valuation policy are set out in Section 5 of this PDS.</p>                                                                                                                                                                                                        |

| ASIC Benchmark and Disclosure Principle Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Benchmark met (Y/N or Not Applicable) and Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ASIC Benchmark and Disclosure Principle 6:</b><br/> <b>Lending principles – Loan to Valuation ratios (LVR)</b><br/>           If the scheme directly holds mortgage assets:</p> <ul style="list-style-type: none"> <li>(a) where the loan relates to property development—funds are provided to the borrower in stages based on independent evidence of the progress of the development;</li> <li>(b) where the loan relates to property development—the scheme does not lend more than 70% on the basis of the latest ‘as if complete’ valuation of property over which security is provided; and</li> <li>(c) in all other cases—the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</li> </ul>                                                                                                                                                                                                                                 | <p>Yes.</p> <p>Keystone intends that all loans will comply with this benchmark.</p> <p>Refer to Section 5 of this PDS for information about the Fund’s lending policies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><b>ASIC Benchmark and Disclosure Principle 7:</b><br/> <b>Distribution practices</b><br/>           The responsible entity will not pay current distributions from scheme borrowings.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Yes.</p> <p>Keystone meets this Benchmark.</p> <p>The payment of distributions is dependent on the Borrowers meeting their interest and repayment obligations on time and in full.</p> <p>Refer to Section 4 of this PDS.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>ASIC Benchmark and Disclosure Principle 8:</b><br/> <b>Withdrawal arrangements</b><br/> <b>Liquid schemes</b><br/>           For liquid schemes:</p> <ul style="list-style-type: none"> <li>(a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less;</li> <li>(b) the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and</li> <li>(c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is:               <ul style="list-style-type: none"> <li>(i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or</li> <li>(ii) assets that the responsible entity can reasonably expect to realise for market value within 10 business days.</li> </ul> </li> </ul> | <p>No.</p> <p>Keystone does not meet this benchmark.</p> <p>Where the Fund is Liquid, the maximum time allowed in the Constitution for Keystone to accept an Eligible Investor’s withdrawal request is 365 days. However, where it determines in its discretion to accept a withdrawal request and redeems the Units subject to that withdrawal request, Keystone has 21 days to pay the proceeds of that withdrawal to the Eligible Investor (though Keystone expects to pay such proceeds on the same day).</p> <p>Investors only have the right to withdraw on the expiry of the Units holding period of 90 days at which time such Investors become Eligible Investors in respect of those Units. Keystone has full discretion to accept a withdrawal request, in whole or in part. Keystone is unlikely to accept an Eligible Investor’s withdrawal request if accepting it would cause the total value of withdrawal requests for that month to exceed 2% of the total value of all Units on issue in the Fund.</p> <p>In accordance with the liquidity provisions of the Corporations Act and the Constitution, where the Fund is not Liquid, an Investor may only withdraw from the Fund in accordance with the terms of any current withdrawal offer made available by Keystone on any terms. Keystone is not obliged at any time to make a withdrawal offer.</p> |



**SECTION**

**03**

About Keystone Capital

## 03 About Keystone Capital

### Keystone Capital Limited

Keystone is an Australian financial services licensed fund manager that specialises in the origination and management of loans secured by registered mortgages over real property across Australia.

Keystone is the holder of Australian Financial Services Licence ("**AFSL**") number 439327 issued to Keystone by the Australian Securities and Investments Commission ("**ASIC**") on the 2nd of September 2013.

Keystone's board of directors, senior management and Credit Committee bring together in excess of 200 years of relevant experience in property investment, property development, funds management, banking and commercial mortgage lending.

Keystone is the Responsible Entity and Investment Manager of the Fund. In its role as the Responsible Entity of the Fund, Keystone will ensure that Fund assets are managed and dealt with in accordance with the Fund's Constitution, this PDS and the Corporations Act.

In June 2023, 50% of Keystone was acquired by KeyInvest Ltd ("**KeyInvest**") AFSL 240667. KeyInvest is a member owned Friendly Society regulated by the Australian Prudential Regulation Authority ("**APRA**") under the Life Insurance Act 1995 (Cth). The other 50% ownership remains owned by Keystone's management.

### Keystone's Board Of Directors



#### **Colin Taylor Non-Executive Chairman**

*FPNA, FFin, MAICD*

Colin is a retired banking executive with over 35 years of professional experience.

Colin held senior management positions with both Westpac and Bank SA in divisions as diverse as network management, marketing, property and finance culminating in being appointed General Manager, Commercial Banking for Bank SA in 1995 and serving for a period in 2003 as the Acting Managing Director of Bank SA. Colin was the General Manager at Bank SA until 2006 when he joined the new Executive Management team of AWB Limited, also in the role as General Manager, Financial Services. In this role, Colin was responsible for the Landmark Financial Services network and ultimately negotiated and facilitated the successful sale of the business to the ANZ Banking Group in mid 2010.

Colin's previous Board appointments include: the Art Gallery of S.A. Foundation, National Heart Foundation, Adelaide Symphony Orchestra, Neurosurgical Research Foundation, Trustee of the Committee for Economic Development of Australia (CEDA) and the American Chamber of Commerce in Australia.

Colin is a Fellow of the Financial Services Institute, a Member of the Australian Institute of Company Directors and a Fellow of the National Institute of Accountants.



### **Lachlan Perks Executive Director**

*B.Com, LLB (Hons), M.App.Fin*

Lachlan is a Co-Founder and Executive Director of Keystone Capital Ltd.

Lachlan has in excess of 25 years experience in property investment, property development, funds management, corporate finance, interest rate trading, debt originations and risk management.

In addition to his role at Keystone, Lachlan is a Director of PPI Funds Management Pty Ltd, a specialist property fund manager with in excess of \$750 million of assets under management.

Lachlan holds a Bachelor of Laws (Hons) and a Bachelor of Commerce both from the University of Adelaide as well as a Master of Applied Finance from Macquarie University.



### **Tom Waltham Executive Director**

*M.Sc Tech (Comm), BAcc, DIPFMBN*

Tom is a Co-Founder and Executive Director of Keystone Capital Ltd.

Tom's over 25 years of experience in the finance sector has cultivated strong project management, financial, analytical, and entrepreneurial skills across a broad range of industries. During his time at Keystone, Tom has overseen the origination, establishment, and management of over 350 loans.

Prior to Keystone, Tom also founded Capital United, a multi award winning debt advisory and broking firm, where he remains a Responsible Person on Capital United's Australian Credit Licence No 394566. Tom has also previously worked as an accountant; a Senior Manager at an Australian University; and as a Senior Business Banking Manager for National Australia Bank Limited.

Tom holds a Bachelor's degree in Accounting from the University of South Australia, a postgraduate Master's degree in Science & Technology Commercialisation from the University of Adelaide, a Diploma of Finance and Mortgage Management from NSW TAFE, and a Certificate IV in Financial Services from Swinburne University.



### **Gary Parkin Non-Executive Director**

Gary has over 45 years experience in the financial services industry having previously worked with ANZ Bank for 43 years including numerous senior leadership roles in different parts of Australia. The senior roles included experience within Regional Banking, Commercial, Retail and Financial Planning. In his last role with ANZ Bank he was the State Head of Small Business Banking for SA & NT.

Gary previously held roles in KeyInvest as the Group Executive Distribution Partnerships and Customer Engagement commencing in February 2024 before being appointed the Chief Commercial Officer of KeyInvest until December 2025.



### **Ryan Dick** Non-Executive Director

Ryan is an experienced senior leader and executive at KeyInvest, bringing strong strategic, financial, risk and operational expertise, along with board-level governance capability and a people-first leadership style.

His career spans roles across finance, risk, corporate services, customer operations, business development, mergers and acquisitions, and organisational transformation, with responsibilities for strategic planning, operational leadership and regulatory engagement.

Ryan has worked across professional services and industry, including private and ASX-listed organisations, and has served on multiple boards and committees overseeing investment governance, audit and risk. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a member of CPA Australia and the Australian Corporate Treasury Association, and a Graduate of the Australian Institute of Company Directors (GAICD).

## Keystone's Senior Management



### **Jason Cooke** Chief Operating Officer

*B.Com, GAICD*

Jason has over 25 years of experience in the finance sector, including 15 years of banking experience with the Commonwealth Bank of Australia. During that tenure Jason garnered a very broad range of experience across business banking, corporate financial services and institutional banking as well as regional and agribusiness.

Jason's last role within the Commonwealth Bank of Australia was as Senior Relationship Executive and member of the SA Regional & Agribusiness Leadership Team.

Jason holds a Bachelor of Commerce degree from the University of Adelaide as well as a Certificate in Business Banking Research from Charles Sturt University.



### **Stephen Lawrence** Chief Credit Officer

Stephen has 45 years of experience in banking and finance and has held senior operational and lending roles in substantial organisations in London, Sydney and Melbourne. Stephen's two most recent roles prior to joining Keystone in 2023, were with La Trobe Financial from 2007 to 2019 and Pallas Capital from 2019 to 2023.

While at La Trobe, Stephen served as Deputy Chairman of the Origination & Credit Committee, Chairman of the Large Loan Committee and was also a member of the Audit & Risk Committee.

While at Pallas Capital, Stephen held the role of Executive Director of Lending. During this time Stephen and his team settled more than \$3b of loans growing FUM from \$130mil to \$1.75bn.

## Keystone's Credit Committee

The Standard Members of the Committee will comprise of Keystone's two Executive Directors, Chief Credit Officer and KeyInvest's nominated member. The Primary Alternate Committee Members will comprise of Keystone's Chief Operating Officer and KeyInvest's additional nominated member.

The Credit Committee is responsible for evaluating mortgage funding opportunities in accordance with the loan criteria set out in this PDS and Keystone's Lending Policies Manual. The Credit Committee is also responsible for monitoring any loans in default and deciding upon the appropriate steps to be taken in managing the default.

The assessment of any given mortgage funding opportunity must comprise of a minimum of three (3) committee members. All mortgage funding opportunities require unanimous approval from the committee. No mortgage funding opportunities can be approved via delegated authority.

## Keystone's Compliance Committee

Keystone has lodged a Compliance Plan for the Fund with ASIC and established a Compliance Committee with a majority of external members.

The Compliance Plan for the Fund sets out how Keystone will ensure compliance with both the Corporations Act and the Fund's Constitution.

The role of the Compliance Committee is to monitor compliance with the Compliance Plan. It must also regularly assess the adequacy of the Compliance Plan and report any breaches of the Compliance Plan, Corporations Act or the Fund's Constitution to Keystone.

If Keystone does not then take appropriate action to deal with a breach that the Compliance Committee believes should be reported to ASIC in accordance with s912D the Corporations Act, then the Compliance Committee must report the breach to ASIC.

## Keystone's Legal Powers

Subject to any express limitation in the Constitution, Keystone as the Responsible Entity and Investment Manager has all the powers in respect of the Fund and the assets, including using the assets and credit of the Fund and doing anything else on behalf of the Fund which it could exercise or do if it were the absolute and beneficial owner of the Fund and the assets.

While Keystone has not exercised this power, and has no current intention to do so, Keystone in its capacity as Responsible Entity of the Fund has power to borrow (whether or not on security) and to incur all types of obligations and liabilities. Keystone may also authorise any person to act as its agent or delegate.

Every discretion and power vested in Keystone is absolute and uncontrolled. In addition to any right of Keystone under the general law to refuse disclosure of any document or matter, Keystone is not required to disclose to any person or Investor documents relating to its deliberations or the exercise of any power or discretion, or the non-exercise of such power or discretion, other than where required by law or the Constitution.

A related body corporate of Keystone and any person being a director or shareholder of Keystone or a related body corporate may be directly or indirectly interested in the exercise of powers and discretions under the Constitution without affecting the validity of the exercise of such powers or discretions.

## Keystone's Legal Liability

If Keystone acts in good faith and without negligence, it is not liable in contract, tort or otherwise to Investors for any loss suffered in any way related to the Fund. Keystone is otherwise liable only to the extent of the value of assets vested in it or received by it under the Constitution. The liability of Keystone to any person, other than an Investor, including any contracts entered into as Investment Manager of the Fund or in relation to the assets, is limited to Keystone's ability to be indemnified from the assets.

Keystone is not liable for any loss or damage to the assets or the Fund or to any person caused by:

- › The exercise of any discretion or power conferred by the Constitution or by law on Keystone or any failure to exercise the discretion or power.
- › Any breach of duty or trust, unless it is proved that Keystone acted, or failed to act, in bad faith.
- › Any disclosure by Keystone of any document, matter or thing relating to the Fund or any Investor.

Keystone is not liable for anything done, suffered or omitted by it in good faith and in reliance upon the opinion or advice of counsel or solicitors, whether or not instructed by Keystone, in relation to the interpretation of the Constitution or any other document (whether statutory or otherwise) or generally in connection with the Fund.

## Keystone's Indemnity

Subject to properly performing its duties, Keystone is entitled to be indemnified out of the assets or, where appropriate, the proceeds of the realisation of a mortgage in respect of all liabilities, costs and expenses incurred by Keystone in relation to the operation of the Fund or the enforcement of a mortgage. The right of Keystone to be indemnified is limited to the assets and does not extend to enable Keystone to recover from any Investor in the Fund or other person beneficially entitled to any interest in the Fund.



**SECTION**

**04**

How The Fund Operates

# 04 How The Fund Operates

## Overview Of The KC Diversified Income Fund

The Fund operates as a pooled mortgage fund. It takes the funds that it receives from each Investor and pools them with the funds it receives from other Investors and invests them collectively in either loans secured by registered first mortgages over real property (either via direct lending or via investments in other mortgage funds managed by Keystone) or at call or term deposits with an Authorised Deposit Taking Institution ("ADI").

The income of the Fund is derived from the interest paid from Borrowers under the loan agreements as well as the interest accrued on money invested with ADIs. Distributions, where available, are made to Investors out of the income of the Fund on a monthly basis. Please refer below for further detail on income distributions.

Investors in the Fund do not have an interest in particular loans, they have an interest in the assets of the Fund as a whole.

## Minimum / Maximum Investment

The minimum initial investment in the Fund is \$50,000 and thereafter in multiples of \$1,000. The minimum additional investment in the Fund is \$10,000 and thereafter also in multiples of \$1,000. Keystone in its absolute discretion may accept a lower minimum investment amount.

Keystone reserves the right to reject any application or to allocate a lesser number of Units than applied for.

## How To Make Your Initial Investment

You can invest in the Fund by completing three steps:

### STEP #1

Read the PDS in full. Consider it in light of your own personal circumstances, investment needs and objectives. Before deciding to invest in the Fund you should seek your own financial advice from a licensed adviser.

### STEP #2

Complete the Application Form in Section 15 of this PDS in accordance with the instructions contained in Section 13 of this PDS.

### STEP #3

Pay your investment monies to Keystone by electronic funds transfer.

## How To Make An Additional Investment

You can make additional investments by sending Keystone your:

- › Completed and signed Additional Investment Form. This form is available from Keystone or via Keystone's website at [www.keystonecapital.com.au](http://www.keystonecapital.com.au);
- › Additional investment monies via direct deposit.

## Incomplete Or Rejected Applications

To ensure your applications are processed efficiently, you need to complete all of the relevant sections of the Application Form and provide the necessary certified supporting documents.

If your Application Form is not complete and your request is not able to be proceeded with, Keystone may:

- › Attempt to contact you and / or your financial adviser;
- › Hold your application monies until the required information is received.

Monies may be held for a maximum period of 30 days commencing on the day the funds are received. After this period, your funds will be returned to the source of payment via direct credit to your account. If any interest has been earned on the funds these will be credited to the Fund and not paid to you.

The Responsible Entity may accept or reject any application for Units and is not required to give any reason or grounds for such a refusal.

Units will be issued once your completed application (including investment monies) is received and accepted.

## Cooling-Off Rights

If the Fund is Liquid when you invest and you are a retail investor, you are entitled to a 'cooling-off' period of 14 days during which you may cancel your initial investment and request the repayment of your application monies. This 14 day period commences 5 days after your investment is received by Keystone or from the date on which you receive confirmation of your investment. If you wish to exercise this cooling-off right, you must notify Keystone in writing within this period. This right does not apply to an Investor who has exercised any of their rights or powers as an Investor. This right also does not apply if you invest in the Fund while it is not Liquid or you are a Wholesale Client.

## Minimum Investment Period

There is no set minimum investment period for the Fund. However, where the Fund is Liquid, Investors are only eligible to request to withdraw their investment in the Fund after they have held the applicable Units for a minimum 90 day period. Where the Fund is not Liquid, Investors will not be able to withdraw their investment in the Fund unless Keystone makes a withdrawal offer. Please refer to the Section titled "Withdrawals" hereinafter.

## Calculation Of Distributions

The income of the Fund is accrued daily and generally distributed within 14 days of the end of each month. There may be periods in which no distribution is made or when interim distributions are made from the Fund. However, there is no guarantee of a particular level of distribution being achieved or maintained.

The income of the Fund is determined daily by calculating the total interest and other income received or accrued on all investments, if any, and deducting amounts paid or accrued for authorised expenses (including the Investment Management Fee payable to Keystone). The income of the Fund may vary from day to day as the composition of the Fund's investment assets change, the return on the Fund's investment assets fluctuates and / or the total funds invested in the Fund changes.

The cash to pay distributions may be sourced from cash held by the Fund. This may be:

- › Interest paid by Borrowers.
- › Where interest is capitalised, amounts advanced to the Borrower to enable the Borrower to make the interest payments due under and in accordance with the relevant loan agreement.
- › From repayments of loans by Borrowers.
- › Distributions from any investments in other mortgage funds managed by Keystone.
- › Interest received from cash invested at call or in terms deposits with ADIs.
- › Support received from Keystone (at its absolute discretion) by way of a loan.

## Payment Of Distributions

When available, you may choose to have your distributions:

- › Paid directly into your nominated bank account.
- › Automatically reinvested as additional Units in the Fund. Units issued on reinvestment of distributions will earn income from the next day after distribution.

Unless you indicate otherwise on the Application Form, your distributions will be paid directly into your nominated bank account.

Your preference for payment into a nominated bank account or reinvested into Units in the Fund can be changed at any time by completing a change of details form which is available on our website or by contacting Keystone.

## Withdrawals

The Fund is not an 'at call' cash account and shouldn't be thought of as such. Investors' withdrawal rights are subject to the liquidity of the Fund and may be delayed or suspended.

While the Fund is Liquid, Investors are eligible to make a withdrawal request to Keystone after they have held the Units the subject of the withdrawal request for a minimum period of 90 days.

Keystone has sole discretion on whether or not it will accept all or part of an Eligible Investor's withdrawal request and has 365 days from the date of receipt of such a withdrawal request to accept the withdrawal request.

Keystone is targeting making a decision on whether or not to accept an Eligible Investor's withdrawal request within 60 days from the last business day of the month within which Keystone receives a valid member withdrawal request. If a withdrawal request is accepted by Keystone and Keystone redeems an Eligible Investor's Units, Keystone is obliged to pay the Eligible Investor the relevant proceeds within 21 days from the Redemption Day.

Keystone is unlikely to accept an Eligible Investor's withdrawal request if accepting it would cause the total value of withdrawal requests for that month to exceed 2% of the total value of all Units on issue in the Fund. Alternatively, Keystone may determine to accept these withdrawal requests based on the order in which the requests were received, or pro-rata according to the number of Units that are subject to the withdrawal requests. Any withdrawal request not accepted will be considered rejected and will not be carried over to the following month. Practically the process for withdrawals whilst the Fund is Liquid is as follows:

- › An Eligible Investor submits a written withdrawal request to the Responsible Entity by 2.00 pm on the last Business Day of a month (for example, January) ("**Withdrawal Request Day**");
- › After the Withdrawal Request Day Keystone will acknowledge receipt of the withdrawal request and indicate to the Eligible Investor the anticipated timeframe for Keystone to make a decision to accept or reject the withdrawal request;
- › Whilst Keystone has under the Constitution 365 days to determine whether to accept or reject the Eligible Investor's withdrawal request, Keystone is currently anticipating it will aim to make this decision within 60 days from the Withdrawal Request Date;
- › If Keystone determines to accept the Eligible Investor's withdrawal request it will then accept and redeem the Units the subject of the withdrawal request (i.e. on the last business day in March) ("**Redemption Day**");
- › On the Redemption Day the Eligible Investor's Units the subject of the accepted withdrawal request will be redeemed and it will be paid the relevant proceeds within 21 days (though Keystone anticipates paying such proceeds on the Redemption Day).

Each month follows the same process. If an Eligible Investor's withdrawal request is rejected by Keystone, it will not roll over and the Eligible Investor will need to submit a new withdrawal request by 2.00 pm on the last business day of the month.

In order for a withdrawal request to be valid it must:

- (a) Be in writing;
- (b) Specify the amount the Investor wishes to withdraw; and
- (c) Provide sufficient details to identify the Investor,

or in any other form prescribed by Keystone.

The withdrawal request form is available upon request to [admin@keystonecapital.com.au](mailto:admin@keystonecapital.com.au) or via the Keystone Connect investor portal.

Eligible Investors will also receive, at the same time, their proportion of the undistributed income earned on the withdrawn units up to the date of withdrawal.

Keystone does not guarantee that it will satisfy any withdrawal request, and is entitled to suspend withdrawals and payments where it is reasonably of the view that is necessary to do so in order for it to comply with its obligations under the Corporations Act.

Where the Fund is not Liquid, an Investor does not have a right to withdraw from the Fund and can only withdraw where Keystone makes a Withdrawal Offer to Investors in accordance with the Corporations Act and the Constitution. Keystone is not obliged to make Withdrawal Offers and does not guarantee it will make Withdrawal Offers. The Fund will be Liquid if at least 80% of the assets of the Fund are Liquid assets, being assets that Keystone reasonably expects can be realised for their market value within 365 days.

## Liquidity And Liquidity Targets

Keystone regularly monitors the liquidity of the Fund.

Keystone uses the following assumptions to forecast the Fund's liquidity requirements (these assumptions may change from time to time as reviewed) so as to balance the forecasted maturity of assets with the forecasted maturity of liabilities:

- › Forecast Eligible Investor withdrawals are based on the larger of:
  - known pending withdrawals from withdrawal request forms received; or
  - 1.0% of the funds under management of the Fund.
- › Forecast inflow of funds have been based on estimates made by Keystone; and
- › Forecast drawdowns have been based on the latest forecasts made by Keystone noting all scheduled inflows and outflows for individual mortgages.

The assumptions used to monitor liquidity are reviewed on a regular basis and are provided to Keystone's board of directors.

Some significant risks that may affect the liquidity of the Fund could be:

- › A large number of withdrawals of an amount more than the available liquidity of the Fund.
- › Borrower defaults.

## Monitoring Your Investment

As an Investor you will be kept up to date with your investment in the Fund by being sent the following information:

- › Transaction confirmation statements for initial investment, additional investments and withdrawals;
- › Monthly distribution statements;
- › Quarterly portfolio updates;
- › Annual tax statement.



**SECTION**

**05**

The Fund's Investments  
And Processes

# 05 The Fund's Investments And Processes

## Fund Investments

The Fund aims to provide investors with a diversified income producing portfolio of loans that deliver regular and consistent income and a degree of capital stability.

The investment assets of the Fund will be comprised of:

1. Loans secured by registered 1st mortgages over real property.
2. Investments in other mortgage funds managed by Keystone.
3. At call or term deposits with ADIs.

### Registered First Mortgages

Loans may be advanced for a variety of purposes including to purchase or refinance commercial or residential property, for equity release, working capital or to fund the construction or development of a property.

In some circumstances, in addition to the registered 1st mortgage over the Security Property, the Fund may also take as collateral security personal or corporate guarantees and additional security interests over other assets. The collateral security could include 2nd or subsequent mortgages or charges over other property, inventory, water rights or plant and equipment for example. This additional security is not included in the loan to valuation ratio ("**LVR**") calculation and is only taken to improve the overall attractiveness of the loan. A valuation is not typically obtained in relation to the additional security.

In some circumstances, the Fund may make a loan in conjunction with another lender on a pari passu basis (i.e. equal sharing).

### Investments In other mortgage funds managed by Keystone

The Fund may obtain some or all of its exposure to 1st mortgage loans by making investments in other mortgage schemes also operated by Keystone.

Investments in such other mortgage funds managed by Keystone will only occur where the underlying investment is consistent with the investment objectives of the Fund and

would otherwise satisfy the requirements of the lending policies manual, Fund Constitution and this PDS.

Investing in other mortgage funds managed by Keystone helps the Fund achieve a higher degree of diversification within its loan portfolio. By investing in other mortgage funds managed by Keystone, the Fund can gain exposure to fractional interests in a larger number of loans than would otherwise be possible at any given level of funds under management.

### Deposits With An ADI

The Fund will always have some level of cash as part of its asset base. The level of cash held will reflect a number of factors including:

- › The funds received under this PDS and not as yet invested in mortgage investments.
- › Receipts of interest income and Borrower repayments that have not been distributed.
- › Cash for anticipated expenses, liabilities and cash needs of the Fund.
- › A level of liquidity determined appropriate by Keystone for the purpose of anticipated withdrawals from the Fund.

The cash of the Fund will be invested in either at call or term deposits with an ADI.

## Valuations And LVR

All Loans are subject to a valuation by a registered property valuer who is approved and appointed in accordance with Keystone's applicable policies and compliance and risk framework, including the Lending Policy. Each valuer must be independent (i.e. having no other relationship with the Fund or the Borrower), properly qualified, licensed, having not less than three years continuous experience in valuation and have experience in valuing properties similar to the Security Property.

No one valuer can conduct more than 1/3rd of the total valuation work undertaken for the Fund calculated by number of Security Properties. No valuer may undertake more than three consecutive valuations on the same Security Property.

Keystone typically accepts the two valuation methodologies:

1. Market Valuation – Market valuation is an estimate of the price that should be realised in a sale at the valuation date and is generally used for Loans that do not involve construction or development.
2. Construction Valuation – If a Loan is for a construction or development purpose the valuation will contain a number of values being at least:
  - a. The value of the property on an “as is” basis.
  - b. The value of the property on an “as if complete” basis.

Keystone assesses construction and development Loans with regard to both the “as is” and “as if complete” values. Depending on the nature of the construction project, additional information may be sought from other appropriately qualified consultants.

In terms of when valuations must be obtained:

- › All valuations upon which the Credit Committee assesses a potential loan must not be more than three months old as at the date of approval of the Loan.

- › Updated valuations must also be obtained within two months after the directors form the view that there is a likelihood that a decrease in the value of the Security Property may have caused a material breach of a Loan covenant.
- › Where an increase in the approved Loan amount is requested by the Borrower and the latest valuation is more than three months old.
- › Where the Loan is being rolled over and the latest valuation is more than three months old.
- › For any other reason determined by the Credit Committee.

Please note, in some circumstances, valuers may not be able to assign valuations for the benefit of Keystone or the Fund, or may require a hold harmless clause be inserted into the valuation. This limitation is often driven by the valuers professional indemnity insurer restricting their liability to lenders who are ADIs. Where this occurs and the valuation proves to be incorrect, Keystone will be unable to pursue the valuer for any loss suffered by the Fund.

## Key Lending Parameters

The key lending parameters of the Fund are as follows:

| KEY LENDING PARAMETERS                                 | COMMENT                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Type of Loan</b>                                    | All Loans will be secured by a registered first mortgage over real property within Australia.                                                                                                                                                                                                  |
| <b>Type of Security Property</b>                       | The Security Property may be any type of real property, including office, retail, industrial, residential, vacant land, construction or development sites, hotels or specialist property.                                                                                                      |
| <b>Maximum LVR</b>                                     | The maximum LVR of the Loan as at the date it receives Credit Committee approval is 70%. For construction or development Loans the 70% LVR is assessed against the “as if complete” market valuation, in all other circumstances the 70% LVR is assessed against the “as is” market valuation. |
| <b>Maximum Exposure to a Single Loan</b> (Note 1)      | The Fund’s maximum exposure to any single Loan is the greater of \$5,000,000 or 10% of the Fund’s total funds under management as at the date the Loan receives its Credit Committee approval.                                                                                                 |
| <b>Maximum Exposure to a Single Borrower</b> (Note 1)  | The Fund’s maximum exposure to any single Borrower (including their related entities) is the greater of \$10,000,000 or 20% of the Fund’s total funds under management as at the date the most recent Loan receives its Credit Committee approval.                                             |
| <b>Maximum Exposure to Construction Loans</b> (Note 1) | The Fund’s maximum exposure to construction loans is 35% of the Fund’s total funds under management as at the date the most recent construction loan receives its Credit Committee approval.                                                                                                   |
| <b>Maximum Loan Term</b>                               | Loans must be for an initial period of no more than 24 months.                                                                                                                                                                                                                                 |
| <b>Geography</b>                                       | The primary Security Property may be located in any geographic region of Australia.                                                                                                                                                                                                            |

Note 1: It will not be possible to achieve compliance with the maximum exposure to a single Loan and the maximum exposure to a single Borrower whilst the funds under management within the Fund are less than \$50 million.

## Loan Assessment

Keystone has a fully documented lending policies manual, which is approved by the Board and overseen by Keystone's Credit Committee.

Prior to a mortgage funding opportunity being reviewed by Keystone's Credit Committee, Keystone's Loan Origination team undertakes an initial assessment on the quality of the loan by taking into account elements such as the Borrower's capacity to pay the interest and principal when they fall due, the available security, the type of Security Property and the LVR.

Once the Loan Origination team has undertaken its due diligence on the mortgage funding opportunity and determined that it satisfies the lending policy the mortgage team submit a Loan funding submission to the Credit Committee with a recommendation. The Credit Committee then combines its experience, qualifications, knowledge and skills to determine whether the mortgage funding opportunity should be approved.

Keystone does not delegate the authority to approve Loans to an approving officer. Before any Loan is approved it must receive the unanimous approval of the Credit Committee.

## Loan Management

Each approved and drawn Loan is regularly monitored by Keystone. The level of monitoring for any given Loan is dependent upon the purpose of the Loan, the loan servicing history of the Borrower, whether the Loan is in default as well as any conditions imposed upon the Loan by Keystone's Credit Committee.

## Arrears And Default Management

From time to time, there are situations in which Borrowers can be late in paying interest or in meeting its repayment obligations. Keystone has a well-developed policy of pursuing defaults and arrears and for instituting appropriate recovery actions. These include:

- › Monitoring all due dates for payments and billing any overdue amount.
- › Following up overdue payments where appropriate, usually within 5 business days after the due date for payment of interest or repayment of capital.
- › Issuing notices if payments remain in arrears for 30 days.
- › Instituting legal proceedings for the possession of the Security Property if the Borrower fails to comply with the issued notices.
- › Selling the Security Property once a possession order has been obtained.



**SECTION**

# 06

## Benefits Of Investing

## 06 Benefits Of Investing

The benefits of investing in the Fund include the following:

### Regular Monthly Income Distributions

The Fund aims to provide Investors with a diversified income-producing portfolio of Loans that delivers regular consistent income and a high degree of capital stability.

### Distribution Reinvestment Option

The Fund offers Investors the option to either have their monthly income distributions paid to their nominated bank account or to have their monthly income distributions reinvested in the Fund. The distribution reinvestment option is designed to assist Investors in building the size of their investment portfolio over time.

### Investment Alternative

Direct mortgages as an investment class have been around since the start of time. However, for most people gaining access to this type of investment class is problematic. An investment in the Fund provides Investors with access to this asset class and provides an alternative to listed equities, direct property and government and corporate bonds.

### Experience And Oversight

Keystone's board of directors, senior management and Credit Committee bring together in excess of 200 years of relevant experience in property investment, property development, funds management, banking and commercial mortgage lending.



**SECTION**  
**07**  
Risks Of Investing

# 07 Risks Of Investing

Investing in the Fund carries with it certain risks, which could impact on the performance of the Fund. These risks can range from general economic risks to the specific risks associated with an individual Borrower or Security Property.

Outlined in this section are a number of significant risks associated with investing in the Fund. This is not an exhaustive list of all possible risks associated with investing in the Fund, however they are each provided as a guide to the risks associated with investing. Applicants should make their own assessment of the risks based on their own independent legal, financial and taxation advice and satisfy themselves that they are comfortable with these risks. Should one or more of the risks materialise, then the return of capital, and / or the income return from the Fund may be adversely affected.

## General Investment Risks

The future performance of the Fund may be adversely affected by a range of factors, including movements in inflation, interest rates, general economic conditions, changes in legislation (including the taxation legislation) and accounting standards and changes in government policy.

## Property Related Risks

There are a number of risks associated with lending over property or investments linked to the performance of property, which may affect the future performance of the Fund. These risks include, but are not limited to:

- › A downturn in the value of the property, and / or the property market in general.
- › Fluctuations in tenant occupancy (i.e. the level of vacancy).
- › Non-payment of rent by tenants.
- › Increased competition from new or existing properties.
- › Default of pre-sales or a revision to sales projections making a project less viable for the developer.
- › A reduction in the achievable sales price and / or delays in selling.
- › Reduced ability of Borrower and / or buyers to obtain finance.

## Borrower Default Risk

This is a significant risk to investing in mortgages. It has a number of aspects and consequences.

For example, if a Borrower defaults on its Loan obligations, for example, by not making the required interest or principal payments as and when they fall due, then the capacity of the Fund to make distributions or repayment of capital could be significantly and detrimentally impacted. This could occur for a wide range of reasons including changes in:

- › The Borrower's circumstances.
- › The general state of the economy of Australia or other places in which the Borrower does business.
- › Conditions of the particular market in which the Borrower's primary business operates.
- › Property market conditions.

Default may result in the delay in repaying or the non-repayment of the Loan amount by the Borrower and its failure to meet interest and fees from its own resources.

There is also a risk that the Borrower does not repay the Loan (or the interest) and the sale of the Security Property does not realise sufficient funds to repay the Loan and the Borrower is unable to, or fails to, make sufficient further payment.

It should be noted that as the underlying security to the Loans is real property which is relatively illiquid, there is a risk that substantial delays could occur between the Loan going into default and the sale of the Security Property.

Keystone has a documented arrears and collections policy that operates in the event that a Borrower is in arrears in respect of Loan payments or is in default for another reason. Under this policy a variety of measures may be employed in relation to accounts that are in arrears or default, including enforcement of the security and sale of the Secured Property.

## Capital Risk

No Beneficiary guarantees the return of Investor's capital or the investment performance of the Fund.

An investment in the Fund is not capital guaranteed and is not protected by any bank deposit provisions.

Keystone mitigates capital risk by:

- › Strictly applying its credit and due diligence assessments.
- › Regularly monitoring all Loans. If a Loan becomes delinquent, Keystone actively manages the exposure and implements recovery procedures.

## Income Distribution Risk

No Beneficiary guarantees the income return of the Fund.

This risk relates to the volatility of income distributions to Investors. Income distributions to Investors in the Fund primarily depend upon the net return that the Fund received from the underlying mortgage investments. In addition, monies not invested in mortgage investments but which are held in cash will normally generate a lower return to the Fund. Keystone seeks to stabilise Investors income distribution risk by aiming to be as fully invested in loans as is consistent with prudent liquidity management and by ensuring mortgage investments utilise a combination of short lending terms and regular interest payment profiles.

Failure of a Borrower to pay interest in time can be a risk to the income of Investors. Keystone may at its discretion mitigate this risk by contributing to the payment of income distributions to Investors. If a Borrower defaults in the payment of interest under a mortgage, Keystone may elect to continue to pay income distributions to Investors from its own resources. If it does so, then Keystone is entitled to retain any additional or default interest paid by the Borrower. Keystone does not guarantee the income of the Fund so there is an income risk to Investors should Keystone elect not to provide any income contribution in these circumstances (which is at the absolute discretion of Keystone).

## Capital Loss Risk

If at any time there is a reduction in the capital value of a mortgage or any other asset of the Fund, the value of an Investor's investment in the Fund will decrease and the Investor will suffer a capital loss.

## Valuation Risk

Although Keystone takes precautions to ensure that all valuations it relies on are accurate, there is a risk that a valuation will be fundamentally flawed. This can occur if the wrong methodology is used, if the comparable properties are not comparable or if the assumptions and data about the property that the valuer relies upon (including data from a quantity surveyor) are false or inaccurate.

If the valuation that is being relied upon is wrong, then the LVR calculated by the Credit Committee when assessing a Loan may be lower than the true LVR of the Loan. This can increase the chances of there being a shortfall of funds from the sale of a Security Property to meet the Loan balance and capitalised costs in the situation that the Borrower is in default and Keystone implements recovery procedures.

Keystone takes steps to mitigate this risk by having a fully documented valuation policy (contained within the lending policies manual) and ensuring that the LVR on all Loans are consistent with the requirements of this PDS.

Please note, in some circumstances, valuers may not be able to assign valuations for the benefit of Keystone or the Fund, or may require a hold harmless clause be inserted into the valuation. This limitation is often driven by the valuers professional indemnity insurer restricting their liability to lenders who are ADIs. Where this occurs and the valuation proves to be incorrect, Keystone will be unable to pursue the valuer for any loss suffered by the Fund.

## Illiquidity And Withdrawal Risk

The Fund invests in a portfolio of loans secured by real mortgages which are by their nature long term investments. This may impact the ability of Keystone to consider and accept withdrawal requests.

Eligible Investor's withdrawal rights are subject to holding their Units for a minimum 90 day period, the liquidity of the Fund and such rights may also be delayed or suspended. Where the Fund is Liquid, withdrawals may only be made from the Fund in accordance with the Corporations Act and the Constitution.

While Keystone intends to determine whether or not to accept Eligible Investor's withdrawal requests within 60 days from the last business day of the month the request is received in, the Constitution allows Keystone up to 365 days to determine to accept such request. In determining whether to do so in its absolute discretion, Keystone will have regard to the Fund's ability to realise any relevant assets for value and the best interests of Investors. There is a risk that a withdrawal request may not be accepted within the targeted timeframe, or that a withdrawal request may be rejected in whole or in part due to a lack of liquidity. Where the Fund is not Liquid, withdrawals from the Fund can only be made pursuant to a Withdrawal Offer made by Keystone. However, Keystone is not obliged to make a Withdrawal Offer at any time.

## Enforcement Risk

If a Borrower defaults, the Fund may have to enforce its security to recover the Loan and any unpaid interest. Consequently, any enforcement delay may result in the Fund temporarily having insufficient money to maintain income distributions.

## Construction And Development Risks

The Fund may lend money for property construction and development projects and there are specific risks associated with this type of Loan. These risks include, but are not limited to:

- › Construction or development cost overruns or escalations. This may result in the Borrower being unable to complete the project unless the Borrower can obtain further funds.
- › Time delays in construction.
- › Defaults by, or poor performance of, a contracted builder or subcontractor.
- › A contracted builder or subcontractor suffering financial difficulties and being unable to perform their obligations (which could mean the Borrower has to make alternative arrangements to complete the work).
- › The Loan funds kept in reserve by Keystone to complete the project being insufficient to meet the cost of completion.
- › A change in market conditions could result in the project's value on completion being worth less than anticipated, or in lower sales rates and prices than expected.
- › Serviceability and repayment risk. The ongoing payment of interest and repayment of principal by the Borrower is dependent on the Borrower selling or refinancing the developed property before the end of the Loan. Any delays in completion and sale are likely to result in an interruption to interest payments and a delay in the repayment of any principal.

Keystone mitigates the additional risks attached to construction and development Loans as follows:

- › By requiring a minimum pre-sale or leasing pre-commitment on the proposed development.
- › By ensuring a fixed price building contract from a reputable and established builder who has experience in the type and size of projects is executed between the builder and the Borrower.
- › Where appropriate a quantity surveyor or other appropriately qualified consultant is utilised at the outset and throughout the project to certify the value of all works and the costs to complete at regular intervals. Keystone monitors the amount remaining un-drawn on the Loan to see if it is equivalent to or more than the cost to complete.
- › Loans are continually monitored and progress drawdowns are only paid upon receipt of updated valuations, quantity surveyors reports or other appropriate verification.
- › By observing the LVR limit as advised in this PDS.
- › By ensuring a contingency factor on total construction costs is factored into the debt funding.



**SECTION**

**08**

Rights Of Investors

# 08 Rights Of Investors

## Investor Entitlements

An interest in the Fund entitles an Investor to:

- › Receive the Investor's proportionate share of the income of the Fund.
- › Receive the Investor's proportionate share of any surplus of the Fund if it is terminated.
- › Attend and vote at any meeting of Investors for the Fund. Each Investor has one vote for each \$100 invested in the Fund.

## Limitations On Investors

An interest in the Fund does not entitle an Investor to:

- › Interfere with the rights and powers of Keystone in its dealings with the Fund.
- › Exercise any rights, powers or privileges in respect of any part of the Fund.
- › Lodge a caveat in respect of any mortgaged property comprised in the Fund.
- › Require the transfer of any property comprised in the Fund.

## What Information Can An Investor Expect?

To keep track of your investments, Keystone sends regular information to the Investors of the Fund. This will include the following:

- › Transaction confirmation statements for initial investment, additional investments and withdrawals.
- › Monthly distribution statements.
- › Quarterly portfolio updates.
- › Annual tax statement.

An Investor may check the status of their investment at any time during business hours by contacting Keystone.



**SECTION**

# 09

## Fees And Other Costs

# 09 Fees And Other Costs

## 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 fees. Ask the fund or your financial adviser.

### To Find Out More

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

## Fees And Cost Summary

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 assets of the Fund.

Taxes are set out in another part of this document.

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

| TYPE OF FEE OR COST                                                                                                       | AMOUNT                                | HOW AND WHEN PAID                                                                      |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------|
| <b>Ongoing annual fees and costs</b>                                                                                      |                                       |                                                                                        |
| <b>Management fees and costs:</b> The fees and costs for managing your investment                                         | 2.50% p.a. of funds under management. | This fee is paid monthly in arrears. This fee is deducted from the assets of the Fund. |
| <b>Performance fees:</b> Amounts deducted from your investment in relation to the performance of the product.             | Nil                                   | Not applicable.                                                                        |
| <b>Transaction costs:</b> The costs incurred by the scheme when buying or selling assets                                  | Nil                                   | Payable on demand from the Fund's assets.                                              |
| <b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>        |                                       |                                                                                        |
| <b>Establishment fee:</b> The fee to open your investment                                                                 | Nil                                   | Not applicable.                                                                        |
| <b>Contribution fee:</b> The fee on each amount contributed to your investment                                            | Nil                                   | Not applicable.                                                                        |
| <b>Buy-sell spread:</b> An amount deducted from your investment representing costs incurred in transactions by the scheme | Nil                                   | Not applicable.                                                                        |
| <b>Withdrawal fee:</b> The fee on each amount you take out of your investment                                             | Nil                                   | Not applicable.                                                                        |
| <b>Exit fee:</b> The fee to close your investment                                                                         | Nil                                   | Not applicable.                                                                        |
| <b>Switching fee:</b> The fee for changing investment options                                                             | Nil                                   | Not applicable.                                                                        |

## Example Of Annual Fees And Costs For The Fund

This table gives an example of how the ongoing fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

| EXAMPLE – An investment in the Fund | BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR |                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribution fees                   | Nil                                                                | For every additional \$5,000 you put in, you will be charged <b>\$0</b>                                                                                                                                                                                                                                 |
| PLUS Management fees and costs      | 2.50%                                                              | <b>And</b> , for every \$50,000 you have in the Fund you will be charged <b>\$1,250</b> each year.                                                                                                                                                                                                      |
| PLUS Performance fees               | Nil                                                                | <b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year                                                                                                                                                                                         |
| PLUS Transaction costs              | Nil                                                                | <b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in transaction costs each year                                                                                                                                                                                        |
| EQUALS cost of the 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 and costs in the range of:<br><b>\$1,250</b><br><b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b> |

**Note.** The distribution rates that are received by an Investor are net of all fees and costs. Please read the Additional explanation of fees and costs below for further information relating to this table. The example above is illustrative only.

## Additional Explanation Of Fees And Costs

### Investment Management Fee

This is the fee that Keystone charges for managing the investments, overseeing the Fund's operations and providing access to the Fund.

Whilst your money is invested in the Fund an Investment Management Fee of 2.50% p.a. (inclusive of GST) of funds under management (\$104.17 per month for every \$50,000 you have invested in the Fund) is paid to Keystone ("**Investment Management Fee**").

### Default Management Fee

In any period in which a Borrower is in breach of the terms of its Loan, a higher rate of interest may be levied against the Borrower. In addition to its Investment Management Fee, Keystone is entitled to a default management fee ("**default management fee**") equal to 50% of any interest paid above

the lower rate.

Where Keystone elects (at its absolute discretion) to provide income support to assist in maintaining the income distribution to Investors in circumstances where a specific Borrower has defaulted in the payment of their interest under a mortgage, Keystone is entitled to a Default Management Fee equal to 100% of any interest paid above the lower rate for the period in which the Borrower is in default and Keystone provides income support.

The Default Management Fee is to compensate Keystone for the additional oversight and work associated with managing a Loan in default.

### Normal Operating Expenses

The Investment Management Fee paid to Keystone covers the normal operating expenses of administering the Fund. This includes the annual fee of the Custodian and fund auditor as well as the staffing costs, office costs, IT costs, compliance costs etc.

However, the Investment Management Fee does not cover costs incurred outside the day-to-day running of the Fund ("**Abnormal Operating Expenses**"). These Abnormal Operating Expenses may include the costs of holding a Unit Holder meeting, the costs of defending or pursuing legal proceedings etc.

The Fund's Constitution allows for the recovery of these expenses if incurred by Keystone in connection with the proper performance of its duties and obligations in operating the Fund. Abnormal Operating Expenses are deducted from the assets of the Fund as and when they arise.

The Abnormal Operating Expenses referred to above are difficult to forecast with any certainty but it is anticipated that the events that give rise to such expenses will not occur regularly. No Abnormal Operating Expenses were recovered from the assets of the Fund by Keystone for the financial year to 30 June 2026.

### Where An Investment Is Made Through Another Fund

The Fund may gain some or all of its investment exposures by investing in other mortgage funds operated by Keystone. Where this occurs, the Investment Management Fee that would otherwise be payable in such Keystone operated mortgage funds will be waived in its entirety, so the only Investment Management Fee payable to Keystone is the Investment Management Fee payable in the Fund as outlined in this Section of the PDS.

### Transaction Costs

Transaction costs may be incurred when assets are bought or sold by the Fund. Transaction costs exclude borrowing costs, property operating costs and certain implicit transaction costs or market impact costs.

All transaction costs for each Loan are directly on-charged by Keystone to the Borrower (see Out of Pocket Costs below). If any transaction costs are not directly recoverable against the Borrower (due to the Borrower being in default), Keystone is entitled to recover these costs out of the assets of the Fund as and when the expenses are incurred or is entitled to accrue these costs and recover them from the proceeds of sale of the Security Property.

For the financial year to 30 June 2026, no transaction costs were paid from the Fund's assets.

## Borrower Fees And Costs

The Borrower of a Loan pays additional fees and costs directly to Keystone in its personal capacity, these fees and costs may include the following:

### Loan Establishment Fee

Keystone can charge the Borrower a Loan Establishment Fee of up to 4.4% of the Loan amount. This fee will be set according to the complexity and competitiveness of the Loan.

This fee covers the time taken by Keystone to analyse the Borrower and the Loan purpose, obtain all necessary financial information, undertake the necessary credit assessment and due diligence inquiries, instruct valuers and solicitors and to correspond with Investors.

### Loan Extension Fee

If the Borrower requests and Keystone agrees to extend the term of a Loan, Keystone can charge the Borrower a Loan Extension Fee of up to 4.4% of the Loan amount.

This fee covers the time taken by Keystone to review the performance of the Borrower and the project, obtain up-to-date financial information, undertake further credit assessments and due diligence, instruct valuers and solicitors and to correspond with Investors.

### Early Repayment Fee

If the Borrower repays the Loan before the minimum term of the Loan, Keystone may charge the Borrower a fee equivalent to the shortfall of interest between the actual loan repayment date and the date upon which the minimum term of the Loan would otherwise have fallen.

### Other Fees

From time to time the terms of a Loan may involve the Borrower paying other fees directly to Keystone. These other fees could include an administration fee associated with handling progressive drawdowns of the Loan in the case of a construction or development Loan or an exit fee associated with handling the final discharge of the Loan.

## Out Of Pocket Costs

In addition to the fees and costs outlined above, Keystone will directly on-charge to the Borrower all costs related to title searches, title production fees, mortgage documentation fees, drawdown fees, registration fees, payment dishonour fees, insurance renewal fees (if the Borrower fails to renew its insurance and Keystone does so on its behalf), discharge fees, the costs associated with holding an investor meeting, sales agent commissions and any other legal, consultant, valuation, quantity surveyor or associated cost properly incurred or accrued by Keystone associated with the establishment, ongoing management, discharge of the mortgage and recovery of the Loan proceeds.

If any of these out of pocket costs are not directly recoverable against the Borrower (due to the Borrower being in default), Keystone is entitled to recover these costs out of the assets of the Fund as and when the expenses are incurred or is entitled to accrue these costs and recover them from the proceeds of sale of the Security Property. For the financial year to 30 June 2026, no such out of pocket costs were paid from the Fund assets.

## Other Information

### Third Party Payments

Third party payments are sometimes made by Keystone to appropriately qualified parties that introduce either Borrowers or Wholesale / Sophisticated Investors to the Fund. These payments are paid at Keystone's sole discretion from Keystone's own resources and have no impact on the returns of other Investors in the Fund.

## Differential Fees

Keystone reserves the right to charge certain Wholesale Clients or Sophisticated Investors Investment Management Fee and other fees that differ from the standard fees outlined in this PDS.

The differential in fees which may be payable by those Investors will be calculated based upon the amount of funds they have invested in the Fund. Any reduction in fees will be deducted from Keystone's Investment Management fee and not from the assets of the Fund.

Such negotiated fees will be entirely at Keystone's discretion.

### Fee Changes, Redirections, Waivers And Deferrals

Keystone may at its discretion waive or accept lower fees than it is entitled to or may defer payment for any period.

Keystone may at its discretion, redirect any of the fees set out in this Section that it may become entitled to from time to time, to any other entity.

Keystone can change fees without Investors consent but will provide at least 30 days prior written notice.

### Distributions Net Of Fees And Expenses

Distributions paid to Investors are always paid net of all fees and recoverable expenses outlined in this PDS. There will be no fees charged directly to any Investor.

### Right Of Indemnity

Subject to properly performing its duties, Keystone is entitled to be indemnified out of the assets or, where appropriate, the proceeds of the realisation of a mortgage in respect of all liabilities, costs and expenses incurred by Keystone in relation to the operation of the Fund or the enforcement of a mortgage. The right of Keystone to be indemnified is limited to the assets and does not extend to enable Keystone to recover from any Investor in the Fund or other person beneficially entitled to any interest in the Fund.



**SECTION**

**10**

Taxation Information

# 10 Taxation Information

The following comments are a general summary only of the taxation and stamp duty matters applicable to the Fund and to Australian resident Investors holding these investments on "capital account" for income tax purposes. The comments are based on information that is current at the date of issue of this PDS. There are tax implications that arise when investing in the Fund, about which Keystone does not provide advice. Due to the complex nature of the Australian taxation regime you should obtain professional advice regarding your own circumstances before making an investment decision.

## Taxation Of The Fund

The primary purpose of the Fund, as disclosed in this Product Disclosure Statement, is to make interest bearing loans to Borrowers for the purpose of deriving interest income. The Fund may also derive interest income indirectly by investments in other unit trusts.

The Fund may be a Managed Investment Trust but has not made a CGT election under section 275-115 of the *Income Tax Assessment Act 1997* (Cth). Nor has the Fund made an election to be treated as an Attribution Managed Investment Trust.

In these circumstances the Fund, should be classified as a 'flow through' trust for tax purposes holding its assets on revenue account. This means that (provided Investors are presently entitled to all of the income of the Fund each year):

- › Australian resident Investors will pay tax at their marginal tax rate on the proportionate share of the Fund's net (taxable) income to which they are entitled; and
- › the Fund will not pay income tax on its net income to the extent it is distributed to Australian resident Investors (to the extent the distributions are made to non-residents, tax may be payable by the Responsible Entity on behalf of the non-resident Investors).

Keystone confirms its intention to distribute all of the income derived by the Fund to investors each year.

It is also intended that the Fund will distribute all net realised gains (if any) to Investors as part of the monthly distribution during the year of income. The distributable income of the Fund may include non-assessable amounts to Investors, receipts of which may have capital gains tax consequences.

## Taxation Of Australian Resident Members

At the end of the Fund's financial year Investors will receive an annual tax statement. The tax statement will show the taxable amount of distributions (if any) to which you are entitled and the taxable amount distributed should be included in your assessable income for the year in which the distribution was made.

Distributions of non-assessable amounts (typically referred to as tax deferred amounts) are generally not subject to tax in the year of distribution. This may arise where the Fund's distributable income is higher than its taxable income. 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 of the Investor's investment in the Fund. The reduced cost base will be taken into account in determining any capital gain or loss on disposal of your investment in the Fund. If the cost base reduces to zero, any further deferred amounts may give rise to an immediate capital gain.

All tax liabilities on distribution and on withdrawals from the Fund rests with Investors and therefore Keystone recommend you seek professional advice prior to investing in the Fund.

## Income Tax

Australian Resident Investors will be assessed on your share of the net income of the Fund to which you are entitled for a particular income year.

### Capital Gains Tax ("CGT")

The disposal of Units, either by withdrawing or transferring your investment, may give rise to a taxable gain. If the Units were owned for more than 12 months by an Australian resident individual, trust or complying superannuation entity and the Fund and an investor satisfies certain other requirements then the discount method of calculating the capital gain should be available to an Investor. Any capital losses arising from the disposal of the investment may be used to offset other capital gains an Investor may have derived.

Any capital losses on the disposal of Units may be able to be offset against capital gains arising in that year or in subsequent years.

### Taxation of Financial Arrangements

The taxation of financial arrangements ("TOFA") regime broadly contains rules that cover tax timing treatments for financial arrangements. There are a number of exclusions from TOFA. Investors should seek their own advice as to the possible application of the TOFA regime to their investment in the Fund.

### Stamp Duty

Stamp duty should not be payable on your investment(s) in the Fund.

## Goods And Services Tax ("GST")

The Fund is registered for GST.

Fees and expenses incurred by the Fund will generally attract GST at the rate of 10% (or any such amount as specified by the relevant Act and Regulation). Given the nature of the Fund's activities, the Fund will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, a reduced input tax credit may be available, the prescribed rate is currently 75% in respect of fees charged to the Fund by Keystone for providing services in respect of managing and administering the Fund.

No GST obligations arise for investors on the application, redemption or transfer of Units in the Fund.

Distributions made by the Fund will also not be subject to GST.

Unless otherwise stated, fees and charges quoted in this PDS are inclusive of the effect of GST.

### Tax File Number ("TFN") Or Australian Business Number ("ABN") Notification

It is not compulsory for you to quote your TFN or ABN. However, unless an exemption applies, failure by an investor to quote a TFN or ABN will result in tax being withheld by Keystone on distributions paid to the investor at the highest marginal tax rate.

By quoting their TFN or ABN on its application form for the Fund, the Investor authorises the Fund to apply it in respect of all the Investor's investment with the Fund, including disclosing it to the Australian Taxation Office. Collection of TFN or ABN information is authorised, and its use and disclosure is strictly regulated by the tax laws and under privacy legislation.



**SECTION**

**11**

Summary Of Material Documents

# 11 Summary Of Material Documents

Summaries of the following documents relevant to the Fund are set out below. Each of these documents may be inspected by appointment at the offices of Keystone.

## Fund Constitution

The relationship between the Investors and Keystone is governed by the Fund's Constitution (and also by the Corporations Act and common law).

Set out below is a summary of some of the provisions of the Constitution. This summary should only be used as a guide, so please consider the offer to inspect the Constitution if you require any further details. Investors may inspect copies of the Constitution at the office of Keystone by appointment.

In addition to those matters set out elsewhere in this PDS (such as the rights of Investors, the liability of Investors, withdrawal rights and return of Application Monies, the making, the management, the realisation and the enforcement of mortgages) the Constitution also contains provisions as to the:

- › Powers of Keystone.
- › Liabilities of Keystone and its rights to indemnity.
- › Termination of the Fund.
- › Retirement of Keystone.
- › Amendment of the Constitution.
- › Meetings of the Investors.

Keystone's right to amend, replace or repeal the Constitution are specified in the Corporations Act. In general terms, the Constitution may be amended by special resolution of Investors or by Keystone alone if Keystone reasonably believes that the change will not adversely affect the rights of Investors.

The Constitution allows Keystone at any time to divide or consolidate the number of units on issue. If at the end of a quarter, there is either an actual or forecast capital loss or a negative balance of income entitlement, which would result in the net value of a unit in the Fund being less than \$1.00, Keystone is entitled under the Constitution of the Fund to undertake a consolidation of units in the Fund based on the applicable ratio required to restore the unit price to \$1.00 per unit.

The consolidation or division of units may also be done before any withdrawals are processed.

## Compliance Plan

Keystone has adopted a Compliance Plan for the Fund. The Compliance Plan addresses issues such as Keystone's compliance with the Corporations Act, its AFSL and other statutory obligations.

The Compliance Plan includes provisions that set out the procedures to be adopted for issues, including:

- › Formation and operation of the Compliance Committee.
- › Dealing with scheme property.
- › External service providers.
- › Advertising and promotion.
- › Disaster recovery.
- › Role of Auditor.
- › Conflicts of interest and related party transactions.

## Custody Deed

### Summary of MSC Certane

MSC Certane has been appointed as an independent sub-custodian to hold the assets of the Fund on behalf of Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289 ("**Melbourne Securities Corporation**") as custodian under the terms of the Custodian Agreement.

MSC Certane and Melbourne Securities Corporation are part of the MSC Group, an established Australian, independent provider of corporate trust, custodial, fund administration and financial intermediary services for domestic and international fund managers, corporates and financial services industry participants.

Neither MSC Certane nor Melbourne Securities Corporation have any supervisory role in relation to the operation of the Fund and have no liability or responsibility to any Investor

for any act done or omission made in accordance with the Custodian Agreement.

### Custodian's Disclaimer

Both MSC Certane and Melbourne Securities Corporation, respectively, have given written consent to be named in this PDS in the form and context in which they are named and have not withdrawn that consent prior to the date of this PDS.

Neither MSC Certane nor Melbourne Securities Corporation make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by MSC Certane or Melbourne Securities Corporation (collectively or individually).

To the maximum extent permitted by law, MSC Certane and Melbourne Securities Corporation, respectively, expressly disclaim and take no responsibility for any part of this PDS other than the references to each of their names, respectively. Neither MSC Certane nor Melbourne Securities Corporation guarantee the repayment of capital or any particular rate of capital or income return.

### Privacy

MSC Certane may collect your personal information to provide custodial services to Keystone and for ancillary purposes detailed in the Privacy Policy.

MSC Certane may disclose your personal information, such as, your name and contact details, along with your account information to its related bodies corporate, the trustee, manager, professional advisers, the land titles office and/or as otherwise instructed by the manager.

They are also permitted to collect and disclose your personal information when required or authorised to do so by law. MSC Certane and Melbourne Securities Corporation are not likely to disclose your personal information to overseas recipients.

Your personal information will be used in accordance with MSC Certane's Privacy Policy.

The Privacy Policy contains information about how you may access or correct your personal information held by MSC Certane and how you may complain about a breach of the Australian Privacy Principles. You may obtain a copy of MSC Certane's Privacy Policy at [mascgroup/privacy-policy/](https://mascgroup.com.au/privacy-policy/)

### FATCA and CRS - Investors to provide certain information

If requested by Keystone, the Investor agrees, and it is a condition of the issue of the Units, to provide certain information required by it or the Trustee/Custodian in order to comply with any applicable law, including the United States *Foreign Account Tax Compliance Act* (FATCA) and the Common Reporting Standards under the CRS Laws.



**SECTION**

**12**

Additional Information

# 12 Additional Information

## Updated Information

This PDS is subject to change. Changes that are not materially adverse to Investors will be published on our website at [www.keystonecapital.com.au](http://www.keystonecapital.com.au). You can also obtain updated information by contacting us. A paper copy of any updated information is available free upon request.

## Outsourcing Of Certain Administrative Services

Certain services relating to the administration of the Fund may be provided to Keystone by related or third parties. Keystone will remain at all times responsible for ensuring that these services are carried out in a proper and professional manner.

## Consents

The directors of Keystone have consented to and authorised the issue of the PDS. The members of Keystone's Credit Committee have given and not withdrawn their consent to be named in the PDS in the form and context in which they are named.

## Labour Standards Or Environmental, Social Or Ethical Considerations

In view of the nature of the investment, Keystone does not take account of labour standards, or social or ethical considerations in selecting investments. Environmental issues only will be taken into account in the selection of investments as part of normal property due diligence as they relate to whether the land comprising part of a prospective Loan is contaminated. Keystone does not have a specific methodology for the extent to which these factors are considered, when selecting, retaining or realising investments in the Fund.

## Privacy

By applying to invest in the Fund, the Applicant consents to information about them being used by Keystone for the purposes for which it was provided, the provision of investment services by Keystone.

Keystone is committed to protecting the privacy of Applicants and Investors. Keystone's privacy policy broadly outlines what information is collected, how it is stored, used and disclosed. A copy of Keystone's privacy policy is available upon request.

## Complaints Handling Procedures

Keystone takes complaints seriously and aims to resolve them as quickly as possible. If for any reason you are not satisfied with the services that Keystone has provided to you, please contact:

**Compliance Manager**  
**Keystone Capital Limited**  
**Level 1, 265 Pirie Street**  
**Adelaide SA 5000**  
**Email: [admin@keystonecapital.com.au](mailto:admin@keystonecapital.com.au)**  
**Telephone: 08 7231 8780**

Within one business day of receipt of your complaint you will be notified of the receipt of your complaint. We will then try to resolve your complaint quickly and fairly.

Keystone is a member of the Australian Financial Complaints Authority ("AFCA"), an independent complaints resolution organisation. If you remain dissatisfied with the outcome determined by Keystone, you can contact AFCA:

**Australian Financial Complaints Authority**  
**GPO Box 3**  
**Melbourne VIC 3001**  
**Telephone 1300 780 808**  
**Email: [info@afca.org.au](mailto:info@afca.org.au)**  
**Website: <https://www.afca.org.au/make-a-complaint/>**

## Disclosure Of Interests And Related Party Transactions

Keystone, its directors, officers and associates and their related entities may subscribe for and subsequently hold Units (either directly or indirectly) in the Fund.

The Fund will NOT lend to Keystone's directors or officers or any entity in which they are directly or indirectly related.

In order to assist with loan underwriting and ongoing portfolio management, the Fund may at any time acquire or dispose of interests in loans. An interest in a loan may be acquired from or disposed of to Keystone (in its own capacity), persons / entities associated with Keystone or other funds managed by Keystone. The Fund will not acquire an interest in such a loan whilst it is in default.

## Documents lodged with ASIC

Keystone is subject to certain regular reporting and disclosure obligations in relation to the Fund under the Corporations Act. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. As an investor in the Fund, a Investor may also obtain the following documents from Keystone free of charge, and such documents will be made available to Investors by email and upon request:

- › the annual report most recently lodged with ASIC in respect of the Fund;
- › any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS; and
- › any continuous disclosure notices given in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS.



**SECTION**

# 13

How To Invest

# 13 How To Invest

## Applications

Please read the PDS carefully before deciding whether to invest in the Fund.

To invest in the Fund, complete the Application Form and send it along with all certified supporting documentation to:

**Keystone Capital Limited**  
**Level 1, 265 Pirie Street**  
**Adelaide SA 5000**

Alternatively, scan and email your Application Form and all certified supporting documentation to:

**invest@keystonecapital.com.au**

If an Application Form is not completed correctly and accompanied by the necessary supporting documentation (correctly certified), then Keystone can either treat it as valid, or reject it, at its absolute discretion.

Keystone retains the discretion to reject any application (in whole or in part), and does not need to give a reason for doing so.

Additional copies of the PDS can be requested by contacting Keystone.

## Payment Of Application Money

Payment for Units in the Fund may be made by EFT.

EFTs must be made prior to your Application Form being processed by Keystone. Payment for Units via EFT must be made to the following account:

**Account Name:** **Certane CT Pty Ltd ASCF KCDIF – Application Account**

**BSB Number:** **062 000**

**Account Number:** **204 338 46**

**Reference:** **Your surname or your Investor ID (if an existing investor)**

## Anti-Money Laundering And Counter-Terrorism Financing

All Application Forms must be accompanied by a completed AML / CTF Checklist and the supporting documents (correctly certified) required by the AML / CTF Act.

A separate AML / CTF Checklist must be completed for each party to an Application.

If you have any queries please contact Keystone on +61 8 7231 8777.

## Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS) Self-Certification

All Application Forms must be accompanied by a completed FATCA form and the supporting documents (correctly certified) required.

If you have any queries please contact Keystone on +61 8 7231 8777.

## Completing The Application Form

Please complete all sections of the Application Form in CAPITAL LETTERS to enable your application to be processed efficiently.

### A - Type of Investor

Please tick the relevant box ☒ to indicate the legal nature of the investor.

### B - Investor Details

Please complete the part of this section relevant to your investment. Please note that:

- › Only legal entities are eligible to hold Units
- › Applications in the name of a natural person (including an individual trustee) must include at least one full given name – please do not use initials.
- › Provision of your Tax File Number (or ABN) is not compulsory. However, if your TFN is not provided, Keystone is required by law to deduct tax from all distributions paid to you at the highest marginal tax rate.
- › If you are investing through a trust please fill out Part B3 of this form as well as either Part B1 if the trustee(s) is a natural person(s) or Part B2 if the trustee is a company.

### C – Contact Details

Please enter your name and address in this part of the form. All correspondence will be sent to this address.

Please include your telephone number and email details in case Keystone needs to contact you initially in relation to your Application or later in relation to your investment.

It is the policy of Keystone that as far as practicable all correspondence with Investors should be conducted via email.

### D - Application Amount

Please enter the amount you want to invest here. The minimum investment is \$50,000 and above that in multiples of \$1,000.

### E – Payment Instructions

Please refer to Page 60 for payment instructions.

### F – Distribution Preference

Please indicate whether you would like your income distributions paid to your nominated bank account or reinvested in additional Units in the Fund.

Even if you choose to have your income distributions reinvested in the Fund, please provide the details of your nominated bank account so that it is on file for when you seek to withdraw your funds.

### G – Declaration and Signing

Please read this section carefully. By completing, signing and submitting an Application Form you will be taken to have declared that the items listed in that section are true and that you are willing to be bound by them.

If you are applying in joint names, all Applicants must sign. If you are applying in a company name, you must execute the form in accordance with the company's constitution and the Corporations Act.

### H – Operating Authority

Where more than one person is nominated as an investor, director or trustee please indicate who has authority to operate your account.

### I – Anti-Money Laundering and Counter-Terrorism Financing

As detailed above, the Australian Government has introduced laws to help prevent money laundering and terrorism financing. A key requirement of these laws is for investors to prove their identity by completing the AML / CTF Checklist and providing any supporting documents required. If Keystone is not able to confirm an eligible Applicants identity, we may not be able to issue Units to that Applicant.

### J – Privacy Notice

Please refer to the Privacy Notice on page 62 of the Application Form for more details.

## Enquiries

If you have any queries regarding this Offer, please write to, phone or email Keystone using the following details:

**Keystone Capital Limited**  
**Level 1, 265 Pirie Street**  
**Adelaide SA 5000**

**Phone: +61 8 7231 8777**

**Email: [invest@keystonecapital.com.au](mailto:invest@keystonecapital.com.au)**

Alternatively, contact your licensed or authorised financial adviser.



**SECTION**

**14**

Glossary

# 14 Glossary

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ADI</b>                       | Australian Deposit Taking Institution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>AFSL</b>                      | Australian Financial Services Licence.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>AML / CTF</b>                 | Anti-Money Laundering and Counter-Terrorism Financing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>AML / CTF Act</b>             | Anti-Money Laundering and Counter-Terrorism Financing Act 2006.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>AML / CTF Checklist</b>       | The AML / CTF Checklist accompanying this PDS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Applicant</b>                 | A person / entity who has completed and submitted an Application Form and has paid their Application Money.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Application Account</b>       | The bank account in which an Applicants funds are deposited pending their application being approved and them becoming an Investor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Application Form</b>          | The application form included in or accompanying this PDS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Application Money</b>         | The money paid by an Applicant to invest in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>ASIC</b>                      | Australian Securities and Investments Commission.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Beneficial Owners</b>         | To comply with the AML/CTF Act, we require you to disclose the Beneficial Owners of non -individual Investor entities in the AML / CTF Checklist. A "Beneficial Owner" means an individual who ultimately owns or controls (directly or indirectly) the Investor. 'Owns' means ownership (either directly or indirectly) of 25% or more of the Investor. 'Controls' includes control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, and includes exercising and control through the capacity to determine decisions about financial and operating policies. |
| <b>Borrower</b>                  | Any person, trust or company that Keystone approves to borrow Investor's funds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Constitution</b>              | The trust deed constituting the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Corporations Act</b>          | The Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>EFT</b>                       | Electronic Funds Transfer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Eligible Investor</b>         | Means a Unit Holder who has held Units for a minimum 90 day period and is therefore eligible to make a withdrawal request in respect of some or all of those Units as explained in Section 4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Fund</b>                      | KC Diversified Income Fund ARSN 615 690 876.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>GST</b>                       | Goods and services tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Investment Manager</b>        | Keystone Capital Limited (" <b>Keystone</b> ") ACN 163 616 064, AFSL No 439327.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Investor</b>                  | A holder of Units in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Investor Register</b>         | A register established and maintained by Keystone recording Investors and their holding of Units in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Investor, "you" or "your"</b> | An Applicant who has had an application approved by Keystone and is recorded in the Investor Register. A person who holds Units in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# 14 Glossary

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Keystone and Representatives</b>         | Keystone (the Responsible Entity and Investment Manager) and any other related bodies corporate (as that term is defined in the Corporations Act), their respective directors, officers, employees, advisors and representatives and "Beneficiary" means any of them.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Keystone, "we", "our" or "us"</b>        | Keystone Capital Limited ACN 163 616 064, AFSL No 439327.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Liquid</b>                               | Means where 80% of the Fund's assets can be realised for market value within 365 days, in accordance with section 601KA of the Corporations Act and the terms of the Constitution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Loan</b>                                 | The sum of money that is borrowed by a Borrower from the Fund whether as one advance or numerous advances with the expectation that it will be paid back by its due date with interest.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>LVR</b>                                  | Loan to valuation ratio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>MSC Certane</b>                          | Certane CT Pty Ltd ACN 106 424 088 as sub-custodian for Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Offer</b>                                | The offer of Units under this PDS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>p.a.</b>                                 | Per annum.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Politically Exposed Persons (PEP)</b>    | To comply with the AML/CTF Act, we require you to disclose whether you (or any of your Beneficial Owners) are, or have an association with, a politically exposed person ("PEP"). A PEP is an individual who holds a prominent public position or function in a government body or an international organisation in Australia or overseas, such as a head of state, head of a country or government, a government minister, or equivalent senior politician. A PEP can also be an immediate family member of a person referred to above, including spouse, de facto partner, child, and a child's spouse or a parent. A close associate of a PEP, i.e. any individual who is known to have joint beneficial ownership of a legal arrangement or entity is also considered to be a PEP. Where you identify as, or have an association with, a PEP, we may request additional information from you. |
| <b>Product Disclosure Statement ("PDS")</b> | This Product Disclosure Statement ("PDS") dated the 28 August 2026 for the offer of Units in the Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Redemption Day</b>                       | The day on which a withdrawal request is accepted by Keystone and Keystone redeems an Eligible Investor's Units.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Responsible Entity</b>                   | Keystone Capital Limited (" <b>Keystone</b> ") ACN 163 616 064, AFSL No 439327.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Security Property</b>                    | Real property that is mortgaged as security for a Loan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Sophisticated Investor</b>               | Has the meaning given to that term in the Corporations Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Units</b>                                | Units in the KC Diversified Income Fund.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Wholesale Client</b>                     | Has the meaning given to that term in the Corporations Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Withdrawal Offer</b>                     | Means, where the Fund is not Liquid, a withdrawal offer made in accordance with section 601KB of the Corporations Act as explained in Section 4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



**SECTION**

**15**

Application Form

**KC Diversified Income Fund**

ARSN 615 690 876

Keystone Capital Limited ACN 163 616 064 AFSL 439327 ("Keystone" or "Responsible Entity")

**APPLICATION FORM**

This Application Form is part of the Product Disclosure Statement for the KC Diversified Income Fund ("Fund") dated the 28 August 2026. The PDS contains important information about investment in the Fund and should be read in full before filling in this Application Form.

Keystone will endeavour to open your account as soon as practicable upon the receipt of this Application Form, the investment funds and all necessary supporting documentation. In some circumstances, where questions are not complete, or all necessary supporting documentation is not provided we will not be able to open your account until such time as this information is completed / provided. If we do not receive completed documentation within 30 days, money will be returned.

**Collection Notice**

We collect your personal data for the purposes of:

- providing you with our products and services;
- providing information or assistance; and
- as required or authorised by or under Australian laws, including Australian tax laws and the AML/CTF Act.

We may disclose your personal information to our affiliates, third party service providers, government agencies and regulatory bodies, and our professional and legal advisers. We may transfer or disclose your personal data to our affiliates and service providers, including to recipients outside Australia.

If you do not provide personal information to us when requested, it may affect our ability to provide you with products, services, information or assistance you have requested.

Your personal information will be handled in accordance with our privacy policy and any consents you have given.

Our privacy policy details how you can access, correct or complain about the handling of your personal data, and how we will respond to your requests or complaints.

Our privacy policy is available on the Keystone website [keystonecapital.com.au](https://keystonecapital.com.au) or via request to [admin@keystonecapital.com.au](mailto:admin@keystonecapital.com.au).

**Design & Distribution Obligations (DDO) Filtering Questions**

From 5 October 2021, financial product issuers need to comply with Design and Distribution Obligations (DDO) as regulated by the Australian Securities and Investments Commission (ASIC). These obligations are intended to help customers obtain the financial products that are appropriate for them. To assist us identify whether you are likely to be within the target market for the Fund, please answer the following questions prior to submitting your application.

**1. Have you received advice prior to applying to invest in the Fund?**☐

I/We have received personal advice in relation to my investment in this Fund

☐

I/We have received general advice in relation to my investment in this Fund

☐

I/We have not received any advice in relation to my investment in this Fund

**2. While the unit price of the Fund has historically been \$1.00, capital losses can occur where an asset of the Fund incurs a capital loss. Do you understand the capital value of your investment is not guaranteed?**☐

Yes

☐

No

**3. The income paid by this Fund is not guaranteed and may vary. Are you able to accept fluctuations in your income distribution, including no income distribution at all?**☐

Yes

☐

No

**4. Diversification is an important principle of investing. Do you understand you should not invest all your savings in a single investment or asset type and this investment should form part of a broader investment portfolio?**☐

Yes

☐

No

**5. In relation to Q4, will you be investing no more than 25% of your assets you have available for Investment?**☐

Yes

☐

No

**6. Whilst the Fund is Liquid, In order to be eligible to submit a withdrawal request with the Responsible Entity you must have held your Units for at least 90 days and processing of any withdrawal request whilst targeted to be over a 60 day period is at the discretion of the Responsible Entity, may take up to 365 days or be rejected. Are you prepared to hold units for at least five months from the date of issue of the units or longer?**☐

Yes

☐

No

**7. Do you understand that in extreme cases withdrawals from the Trust might be paused temporarily until markets return to normal?**☐

Yes

☐

No

**8. Is your interest in this Fund because you consider yourself an investor who prefers medium risks, seeks low volatility and potential losses and is comfortable with a moderate target return profile?**☐

Yes

☐

No

**Please note:**

1. Failure to complete the above questions may result in your application not being accepted;
2. Acceptance of your application should not be taken as a representation or confirmation that an investment in the Fund is, or is likely to be, consistent with your intentions, objectives and needs as indicated in your responses to these questions; and

For further information on the suitability of this product, please refer to your financial adviser and/or the Target Market Determination (TMD).

Further information in relation to these questions can be found in the TMD for the Fund. If you wish to access the TMD, please visit <https://keystonecapital.com.au/resources/>

**A** Type of Investor (please X appropriate box)

| Investor Type                                                                                       | Complete Section                                                            |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <input type="checkbox"/> Existing Investor / Complete section Additional Investment form on page 71 | Part A, B, C, I & K                                                         |
| <input type="checkbox"/> Individual / Joint Investors / Partnership                                 | Part B(1), C, D, E, F, G, H, I & K                                          |
| <input type="checkbox"/> Company                                                                    | Part B(2), C, D, E, F, G, H, I & K and Part 3 of the AML/CT checklist       |
| <input type="checkbox"/> Trust / Superannuation Fund (including SMSF) with Individual Trustee       | Part B(1), B(3), C, D, E, F, G, H, I & K and Part 3 of the AML/CT checklist |
| <input type="checkbox"/> Trust / Superannuation Fund (including SMSF) with Corporate Trustee        | Part B(2), B(3), C, D, E, F, G, H, I & K and Part 3 of the AML/CT checklist |

**B** Investor Details**B (1) - Individual / Joint Investors / Partnership / Natural Person Trustee(s) / Directors****Investor 1**

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Title                | Given Name           | Surname              |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Date of Birth        | Tax File Number      |                      |
| <input type="text"/> | <input type="text"/> |                      |
| Place of Birth       | Country of Birth     |                      |
| <input type="text"/> | <input type="text"/> |                      |
| Occupation           |                      |                      |
| <input type="text"/> |                      |                      |

**Investor 2**

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Title                | Given Name           | Surname              |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Date of Birth        | Tax File Number      |                      |
| <input type="text"/> | <input type="text"/> |                      |
| Place of Birth       | Country of Birth     |                      |
| <input type="text"/> | <input type="text"/> |                      |
| Occupation           |                      |                      |
| <input type="text"/> |                      |                      |

**B (2) - Company / Corporate Trustee (please also fill in Part B(1) for each director)**

Full Name of Company / Corporate Trustee

|                                     |                            |  |
|-------------------------------------|----------------------------|--|
| <input type="text"/>                |                            |  |
| Tax File Number                     | Australian Company Number  |  |
| <input type="text"/>                | <input type="text"/>       |  |
| Address of Registered Office Number | Street                     |  |
| <input type="text"/>                | <input type="text"/>       |  |
| Suburb, City or Town                | State                      |  |
| <input type="text"/>                | <input type="text"/>       |  |
| Postcode                            | Country (if not Australia) |  |
| <input type="text"/>                | <input type="text"/>       |  |

Beneficial Owners of the Company/Corporate Trustee" Please provide details of the Beneficial Owner of the company who directly or indirectly controls the company in Part 3 of the AML/CTF Checklist.

**B (3) - Trust (please also fill in Part B(1) if Trustee is a Natural Person or Part B(2) if the Trustee is a Corporation)**

Full Name of Trust

|                                        |                                 |  |
|----------------------------------------|---------------------------------|--|
| <input type="text"/>                   |                                 |  |
| Tax File Number                        | Country Where Trust Established |  |
| <input type="text"/>                   | <input type="text"/>            |  |
| Type of Trust (ie Discretionary, Unit) |                                 |  |
| <input type="text"/>                   |                                 |  |

Beneficiary Details: Please provide the details of each beneficiary of the trust in Part 3 of the AML/CTF Checklist.

**C** **Contact Details**

Residential Address (not PO Box)

|                            |                            |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
|----------------------------|----------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|----------------------|
| Number                     | Street                     |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| <input type="text"/>       | <input type="text"/>       |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| Suburb, City or Town       |                            |  |  |  |  |  |  |  |  |  |  |  |  |  | State                |
| <input type="text"/>       |                            |  |  |  |  |  |  |  |  |  |  |  |  |  | <input type="text"/> |
| Postcode                   | Country (if not Australia) |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| <input type="text"/>       | <input type="text"/>       |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| Telephone (business hours) | Mobile Phone               |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| <input type="text"/>       | <input type="text"/>       |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| Email Address              |                            |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| <input type="text"/>       |                            |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |

Postal Address (if different to residential address)

|                      |                            |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
|----------------------|----------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|----------------------|
| Number               | Street                     |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| <input type="text"/> | <input type="text"/>       |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| Suburb, City or Town |                            |  |  |  |  |  |  |  |  |  |  |  |  |  | State                |
| <input type="text"/> |                            |  |  |  |  |  |  |  |  |  |  |  |  |  | <input type="text"/> |
| Postcode             | Country (if not Australia) |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |
| <input type="text"/> | <input type="text"/>       |  |  |  |  |  |  |  |  |  |  |  |  |  |                      |

**D** **Application Amount**

I / We lodge full application monies

\$    ,    , 0 0 0

› Minimum initial application amount is \$50,000

**E** **Payment Instructions**

All payments must be made in Australian Dollars

|                 |                                                     |
|-----------------|-----------------------------------------------------|
| Account Name:   | Certane CT Pty Ltd ASCF KCDIF - Application Account |
| Bank:           | Commonwealth Bank of Australia                      |
| BSB Number:     | 062 - 000                                           |
| Account Number: | 204 338 46                                          |
| Reference:      | Your Surname                                        |

**F** **Distribution Preference**

|                          |                                                                              |
|--------------------------|------------------------------------------------------------------------------|
| <input type="checkbox"/> | Reinvest distributions in additional units in the KC Diversified Income Fund |
| <input type="checkbox"/> | Pay distributions to the nominated bank account                              |

**Nominated Bank Account for Withdrawals and Distributions**

|                       |                                             |
|-----------------------|---------------------------------------------|
| Account Name          | BSB                                         |
| <input type="text"/>  | <input type="text"/> - <input type="text"/> |
| Financial Institution | Account Number                              |
| <input type="text"/>  | <input type="text"/>                        |

**When you complete this Application Form you make the following declarations:**

- I/We have received the PDS and made this application in Australia and/or New Zealand.
- 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 Fund.
- I/We have carefully considered the features of the Fund as described in the PDS.
- I/We have not relied on any statements or representations made by anybody (including the Responsible Entity, its directors, its officers or its employees) prior to applying, other than those representations made in the PDS to which this Application Form relates.
- I/We have signed this Application Form under a Power of Attorney and I/we declare that I/we have no knowledge of the revocation of that Power of Attorney.\*
- The Responsible Entity may accept or reject this application in whole or part.
- I/We have considered our personal circumstances and, where appropriate, obtained investment and/or taxation advice.
- I/We hereby declare that I/we are not a US Person as defined in the PDS.
- I/We acknowledge that (if a natural person) I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund.
- I/we have read the information on privacy and personal information contained in the PDS and this Application Form and confirm that:
  - I/we have the legal capacity to understand and communicate any personal information required under this application;
  - I/we have read and understood the privacy disclosure as detailed in the PDS and in this Application Form; and
  - I/we consent to my personal information being collected, held, used and disclosed as set out in the PDS and Application Form.
- I/We hereby confirm that the personal information that I/we have provided to the Responsible Entity is correct and current in every detail, and should these details change, I/we shall promptly advise the Responsible Entity in writing of the change(s).
- I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation, US tax legislation or reporting legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.
- 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 email.
- I/We acknowledge that the Responsible Entity does not guarantee the repayment of capital or the performance of the Fund or any particular rate of return from the Fund.
- I/We acknowledge that an investment in the Fund is not a deposit with or liability of the Responsible Entity and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
- I/We acknowledge that the Responsible Entity is not responsible for the delays in receipt of monies caused by the postal service or the investor's bank.
- If I/we have completed and lodged the relevant sections on authorised representatives, agents and/or financial advisers on the Application Form then I/we agree to release, discharge and indemnify the Responsible Entity from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from the Responsible Entity acting on the instructions of my/our authorised representatives, agents and/or financial advisers.
- If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge that my/our adviser may receive a payment as detailed in the PDS.
- 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 the Responsible Entity,
 then 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 Fund.
- I/We consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services for which I/we have engaged the services of the Responsible Entity or its related bodies corporate and to any Australian or foreign government agencies for reporting purposes (if necessary).
- This Application Form must not be handed out or used unless attached to the PDS. If received through electronic means I/we declare that I/we received the Application Form accompanied by or attached to an electronic or paper copy of this PDS. Units in the Fund will only be issued on receipt of a completed Application Form issued together with the PDS.
- I am/we are not aware and have no reason to suspect that the monies used to fund my/our investment in the Fund have been or will be derived from or related to any money laundering, terrorism financing or similar or other activities that are illegal under the AML/CTF Act or any international convention or agreement.
- **For New Zealand applicants\*** – I/we have read the terms of the offer relating to New Zealand investors, including the New Zealand warning statement.

\* Disregard if not applicable.

Collection of TFN and ABN information is authorised and its use and disclosure strictly regulated by tax laws and the Privacy Act. Investors must only provide an ABN instead of a TFN when the investment is made in the course of their enterprise. You are not obliged to provide either your TFN or ABN, but if you do not provide either or claim an exemption, we are required to deduct tax from your distribution at the highest marginal tax rate plus Medicare levy to meet Australian taxation law requirements.

For more information about the use of TFNs for investments, contact the enquiries section of your local branch of the ATO. Once provided, your TFN will be applied automatically to any future investments in the Fund where formal application procedures are not required (e.g. distribution reinvestments), unless you indicate, at any time, that you do not wish to quote a TFN for a particular investment. Exempt investors should attach a copy of the certificate of exemption. For super funds or trusts list only the applicable ABN or TFN for the super fund or trust.

**When you sign this Application Form you declare that you have read, agree to and make the declarations above**

## Name of individual/entity

[illegible]

Capacity (e.g. Director, Secretary, Authorised signatory)

[illegible]

Signature

Signature \_\_\_\_\_

|  |  |   |  |   |  |  |  |  |  |
|--|--|---|--|---|--|--|--|--|--|
|  |  | / |  | / |  |  |  |  |  |
|--|--|---|--|---|--|--|--|--|--|

Company Seal (if applicable)

Company Seal (if applicable)

## Name of individual/entity

[illegible]

Capacity (e.g. Director, Secretary, Authorised signatory)

[illegible]

Signature \_\_\_\_\_

Signature \_\_\_\_\_

|  |  |   |  |  |   |  |  |  |  |
|--|--|---|--|--|---|--|--|--|--|
|  |  | / |  |  | / |  |  |  |  |
|--|--|---|--|--|---|--|--|--|--|

**H** Operating Authority

When giving instructions to us about your investment please indicate who has authority to operate your account:

- ☐ Any to sign
- ☐ Any two to sign
- ☐ Other instruction

Please Specify Instructions:

**I** AML/CTF Act and Risk Assessment (including Politically Exposed Persons (PEP) and Sanction screening)

Since 2006 the Australian Government adopted the AML/CTF Act aimed at reducing the possibility of criminals or terrorists making use of the financial services, bullion or gaming industries for money laundering or the financing of terrorism.

If you are not investing through a dealer or licensed adviser you must provide Keystone with appropriate identification material, this will enable Keystone to properly identify you and meet the requirements of this legislation.

A key requirement of the legislation is for Investors to provide their identity details, PEP status and, if applicable, details of their Beneficial Owners and/or Beneficiaries as required under Part Three of the AML/CTF Checklist.

**Please confirm whether anyone named in this Application Form is a PEP (including the Investor, its directors, Beneficial Owners and Beneficiaries):**

Please tick Yes or No:

- ☐ Yes - please complete the below.
- ☐ No

Please refer to Section 14 if you are unsure as to what a PEP means.

Name of the PEP

Description of the above PEP's Position

Name of the PEP

Description of the above PEP's Position

**J** Privacy Notice

We collect your personal data for the purposes of:

- providing you with our products and services;
- providing information or assistance; and
- as required or authorised by or under Australian laws, including Australian tax laws and the AML/CTF Act.

We may disclose your personal information to our affiliates, third party service providers, government agencies and regulatory bodies, and our professional and legal advisers.

We may transfer or disclose your personal data to our affiliates and service providers, including to recipients outside Australia.

If you do not provide personal information to us when requested, it may affect our ability to provide you with products, services, information or assistance you have requested.

Your personal information will be handled in accordance with our privacy policy and any consents you have given. Our privacy policy details how you can access, correct or complain about the handling of your personal data, and how we will respond to your requests or complaints.

Our privacy policy is available on the Keystone website [keystonecapital.com.au](http://keystonecapital.com.au) or via request to [admin@keystonecapital.com.au](mailto:admin@keystonecapital.com.au).

**K** Email Communication Consent

The Responsible Entity will make information relevant to the Fund, and your investment in it, available to you both on the Fund's website and through direct communication with you.

For reasons including sustainability, privacy, efficiency and costs, the Responsible Entity recommends you elect to receive all communications in respect of the Fund and your investment by email.

- ☐ please tick if you would like to receive all communications in respect of the Fund by email.

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>A</b></p> | <p><b>A certified copy of one of the following:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> an Australian drivers licence containing a photograph of the person</li> <li><input type="checkbox"/> an Australian passport</li> <li><input type="checkbox"/> an identification card issued by a State or Territory that contains the date of birth and a photograph of the person</li> <li><input type="checkbox"/> a foreign government, United Nations or United Nations agency issued passport or similar travel document containing a photograph and signature of the person. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>B</b></p> | <p><b>A certified copy of one of the following:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> an Australian birth certificate</li> <li><input type="checkbox"/> an Australian citizenship certificate</li> <li><input type="checkbox"/> a pension card or health card issued by Centrelink</li> <li><input type="checkbox"/> a foreign drivers licence that contains a photograph of the person. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator</li> <li><input type="checkbox"/> a citizenship certificate issued by a foreign government. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator.</li> <li><input type="checkbox"/> a birth certificate issued by a foreign government, United Nations or United Nations agency. Where the document is not in English, it must be accompanied by an English translation prepared by an accredited translator</li> </ul> <p><b>PLUS one of the following:</b></p> <p><b>An original notice that contains the name and residential address of the person and is</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits</li> <li><input type="checkbox"/> issued by the Australian Taxation Office within the preceding 12 months and records a debt payable to or by the person by or to the Commonwealth</li> <li><input type="checkbox"/> issued by a local government body or utilities provider within the preceding 3 months that records the provision of services to that address or to that person.</li> </ul> |

**Partnership**

Please complete: full name, date of birth and residential address on application form and provide verification documents from either A or B

A certified copy or certified extract of one of the following:

☐ A current partnership agreement

☐ Minutes of a partnership meeting

Either copy must include:

- the full name of the partnership
- the full business name (if any) of the partnership, as registered under any State or Territory business name legislation
- the country in which the partnership was established
- the full name and residential address of each partner; and

Please also provide verification documents required for individuals as listed above.

**Company**

Please complete: full company name, ACN and registered office on the application form and provide:

A certified copy or certified extract of one of the following:

☐ A certified copy of the trust deed (or certified extract) confirming:

- the full name of the company
- the ACN
- the registered office address
- the principal place of business
- the names and addresses of each director
- the names and addresses of each shareholder

For any shareholder who directly or indirectly owns 25% of the shares in the company please also provide the verification documents required for individuals as listed above.

**Trustee**

Please complete: full name of Trust, country of establishment and full business name of trustee (if any) on application form and provide:

☐ A certified copy of the trust deed (or certified extract) confirming:

- the full name of the trust
- the type of trust
- the country where the trust was established
- the name of each beneficiary or class of beneficiary. If the trust is a unit trust you will need to provide a certified extract of the trust register to confirm the name of each beneficiary.

If the trustee is an individual, please also provide the documentation required for individuals (listed above)

If the trustee is a company, please also provide the documentation required for companies (listed above)

In the case of a unit trust, for any unitholder who directly or indirectly owns 25% of the units in the trust please also provide the verification documents required for individuals as listed above.

**PART TWO**

Name of Financial Adviser

AFSL Name

AFSL Number

Date Verified (ddmmyyyy)

**AFSL holder AML / CTF Act declaration**

I confirm that:

- > I have an Australian financial services licence ("AFSL") which authorises me to provide financial product advice in relation to interests in a managed investment scheme to wholesale clients.
- > I have complied with all of my obligations as an AFSL holder and have not amended any of the documentation provided by Keystone in relation to the Fund.
- > I have undertaken initial customer due diligence ("ICDD") in respect of the application and obtained and verified identification documentation in accordance with the AML / CTF Act.
- > I have complied and will continue to comply with all of my obligations in respect of taking copies and retaining records of all identification documentation in accordance with the AML / CTF Act.
- > I have provided a designated service to the applicant within the meaning of item 54 of table 1 of section 6 of the AML / CTF Act which involved me making an arrangement for the applicant to receive a designated service from Keystone.
- > I have at all times remained a reporting entity and complied with the obligations of a reporting entity under the AML / CTF Act.
- > I have obtained consent to collect and disclose to Keystone the personal information (as defined in the Privacy Act) contained in the information collected in undertaking the ICDD and complied with the Privacy Act in relation to collection, storage and disclosure of the information concerning the applicant.
- > I will provide a copy of the Procedure and identification documents relating to the applicant to Keystone at any time upon request.

I acknowledge that Keystone will rely on the ICDD undertaken by me in respect of the applicant in accordance with the AML / CTF Act.

Signature

**CATEGORIES OF CERTIFIERS**

The people who can certify documents for the purposes of AML / CTF legislation are as follows:

- > A person who, under a law in force in a State or Territory, is currently licensed or registered to practice in an occupation listed in Part 1 and Part 2 of Schedule 2 of the Statutory Declarations Regulations 2023;
- > 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);
- > A person listed in Part 1 or Part 2 of Schedule 2 of the Statutory Declarations Regulations 2023. For the purposes of the AML/CTF Act, where Part 2 uses the term ‘5 or more years of continuous service’, this should be read as ‘2 or more years of continuous service’;
- > An officer with, or authorised representative of, a holder of an Australian financial services licence or Australian credit licence, having 2 or more years of continuous service with one or more licensees;
- > A person authorised as a notary public in a foreign country.

**PART THREE**

**1. For Company and/or Corporate Trustee**

☐ Beneficial owners of the company/corporate trustee AND/OR ☐ Beneficiary of the Trust

First Name

Family Name/Surname

Current Residential Address

City/Suburb

State

Post Code

Country

Date of Birth

City/Town of Birth

Country of Birth

**2. For Company and/or Corporate Trustee**

☐ Beneficial owners of the company/corporate trustee AND/OR ☐ Beneficiary of the Trust

First Name

Family Name/Surname

Current Residential Address

City/Suburb

State

Post Code

Country

Date of Birth

City/Town of Birth

Country of Birth

**3. For Company and/or Corporate Trustee**

☐ Beneficial owners of the company/corporate trustee AND/OR ☐ Beneficiary of the Trust

First Name

Family Name/Surname

Current Residential Address

City/Suburb

State

Post Code

Country

Date of Birth

City/Town of Birth

Country of Birth

|  |  |   |  |   |  |  |  |  |
|--|--|---|--|---|--|--|--|--|
|  |  | / |  | / |  |  |  |  |
|--|--|---|--|---|--|--|--|--|

No: continue to question 7

CRS

7. Are you a tax resident of any country outside of Australia and the US?

☐

Yes: state each country and provide your TIN or equivalent (or Reason Code if no TIN is provided) for each jurisdiction below and continue to question 8

Investor 1

| Country/Jurisdiction of tax residence |  |  |  |  |  |  |  | TIN |  |  |  |  |  |  |  | If no TIN available enter Reason A, B or C |  |  |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|--|-----|--|--|--|--|--|--|--|--------------------------------------------|--|--|--|--|--|--|--|--|
| 1                                     |  |  |  |  |  |  |  |     |  |  |  |  |  |  |  |                                            |  |  |  |  |  |  |  |  |
| 2                                     |  |  |  |  |  |  |  |     |  |  |  |  |  |  |  |                                            |  |  |  |  |  |  |  |  |

Investor 2

| Country/Jurisdiction of tax residence |  |  |  |  |  |  | TIN |  |  |  |  |  |  |  |  |  | If no TIN available enter Reason A, B or C |  |  |  |  |  |  |  |  |  |
|---------------------------------------|--|--|--|--|--|--|-----|--|--|--|--|--|--|--|--|--|--------------------------------------------|--|--|--|--|--|--|--|--|--|
| 1                                     |  |  |  |  |  |  |     |  |  |  |  |  |  |  |  |  |                                            |  |  |  |  |  |  |  |  |  |
| 2                                     |  |  |  |  |  |  |     |  |  |  |  |  |  |  |  |  |                                            |  |  |  |  |  |  |  |  |  |

If more space is needed please provide details as an attachment.

Reason Code:

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

|            | Reason B explanation |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|------------|----------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Investor 1 |                      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investor 2 |                      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

☐

No: continue to question 8

8. Are you a Financial Institution for the purpose of CRS?

☐

Yes: specify the type of Financial Institution below and continue to question 9

☐ Reporting Financial Institution

☐ Non-Reporting Financial Institution:

☐ Trustee Documented Trust

☐ Other: please specify:

☐

No: skip to question 10

9. Are you an investment entity resident in a non-participating jurisdiction for CRS purposes and managed by another financial Institution?

☐

Yes: skip to question 11

☐

No: skip to question 12



**Controlling person 2**

Title

First name(s)

Surname

Residential address (not a PO Box/RMB/Locked Bag)

Suburb, City or Town

State

Postcode

Country (if not Australia)

Date of Birth

|   | Country/Jurisdiction of tax residence | TIN | If no TIN available enter Reason A, B or C |
|---|---------------------------------------|-----|--------------------------------------------|
| 1 |                                       |     |                                            |
| 2 |                                       |     |                                            |

If there are more than 2 controlling persons, please provide details as an attachment.

**Reason Code:**

If TIN or equivalent is not provided, please provide reason from the following options:

- Reason A: The country/jurisdiction where the investor is resident does not issue TINs to its residents.
- Reason B: The investor is otherwise unable to obtain a TIN or equivalent number (Please explain why the investor is unable to obtain a TIN in the below table if you have selected this reason).
- Reason C: No TIN is required. (Note. Only select this reason if the domestic law of the relevant jurisdiction does not require the collection of the TIN issued by such jurisdiction).

If Reason B has been selected above, explain why you are not required to obtain a TIN:

|            | Reason B explanation |
|------------|----------------------|
| Investor 1 |                      |
| Investor 2 |                      |

☐

No: continue to question 12

**12. Signature and Declaration – ALL investors must sign**

☐

I undertake to provide a suitably updated self-certification within 30 days of any change in circumstances which causes the information contained herein to become incorrect.

☐

I declare the information above to be true and correct.

**Investor 1**

Name of individual/entity

Name of authorised representative

Signature

**Investor 2**

Name of individual/entity

Name of authorised representative

Signature

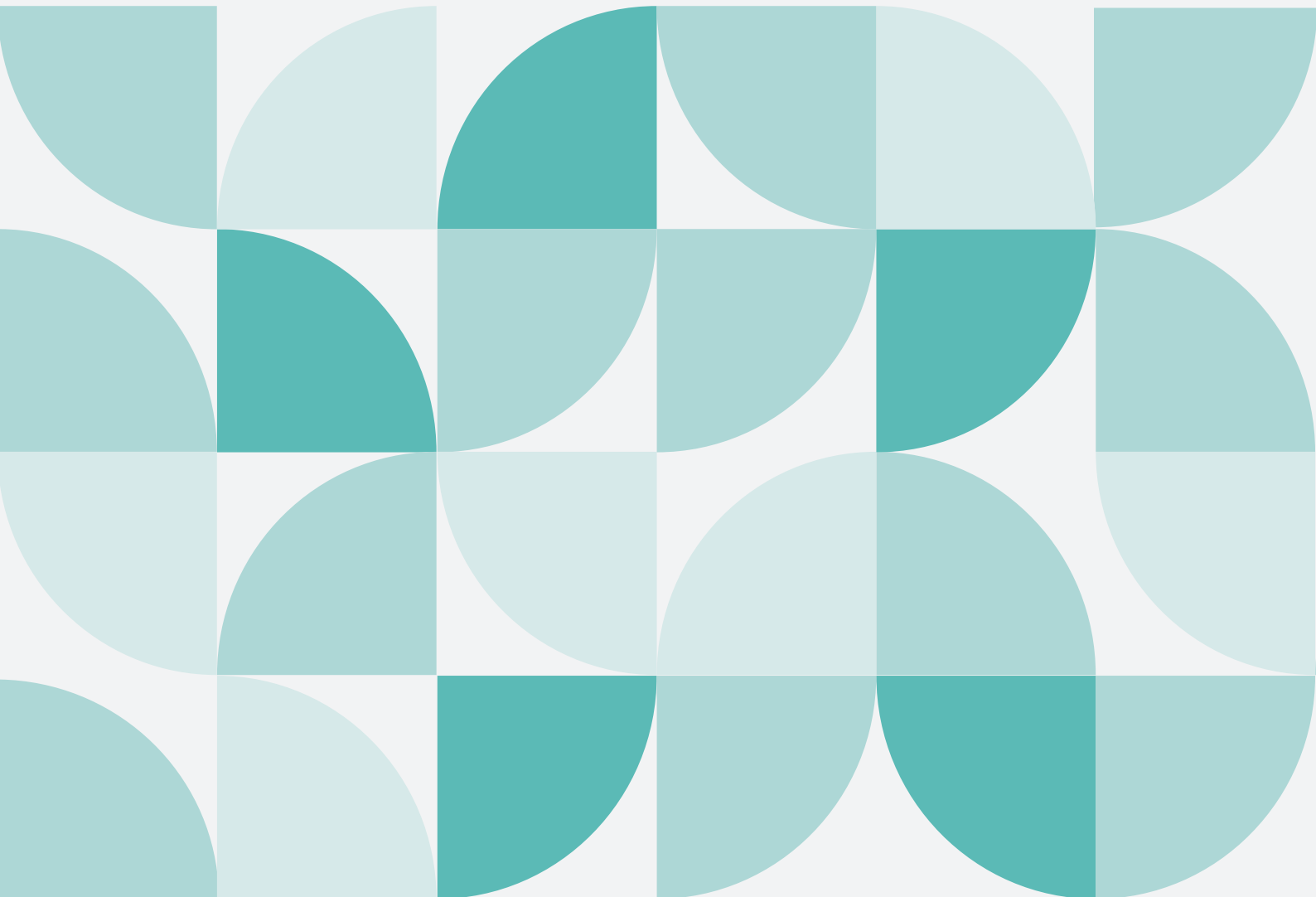
Company Seal (if required)

# Notes

## Notes

# Notes

## Notes



Level 1, 265 Pirie Street  
Adelaide SA 5000

Suite 8.02, 25 Bligh Street  
Sydney NSW 2000

Level 10, 100 Collins Street  
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