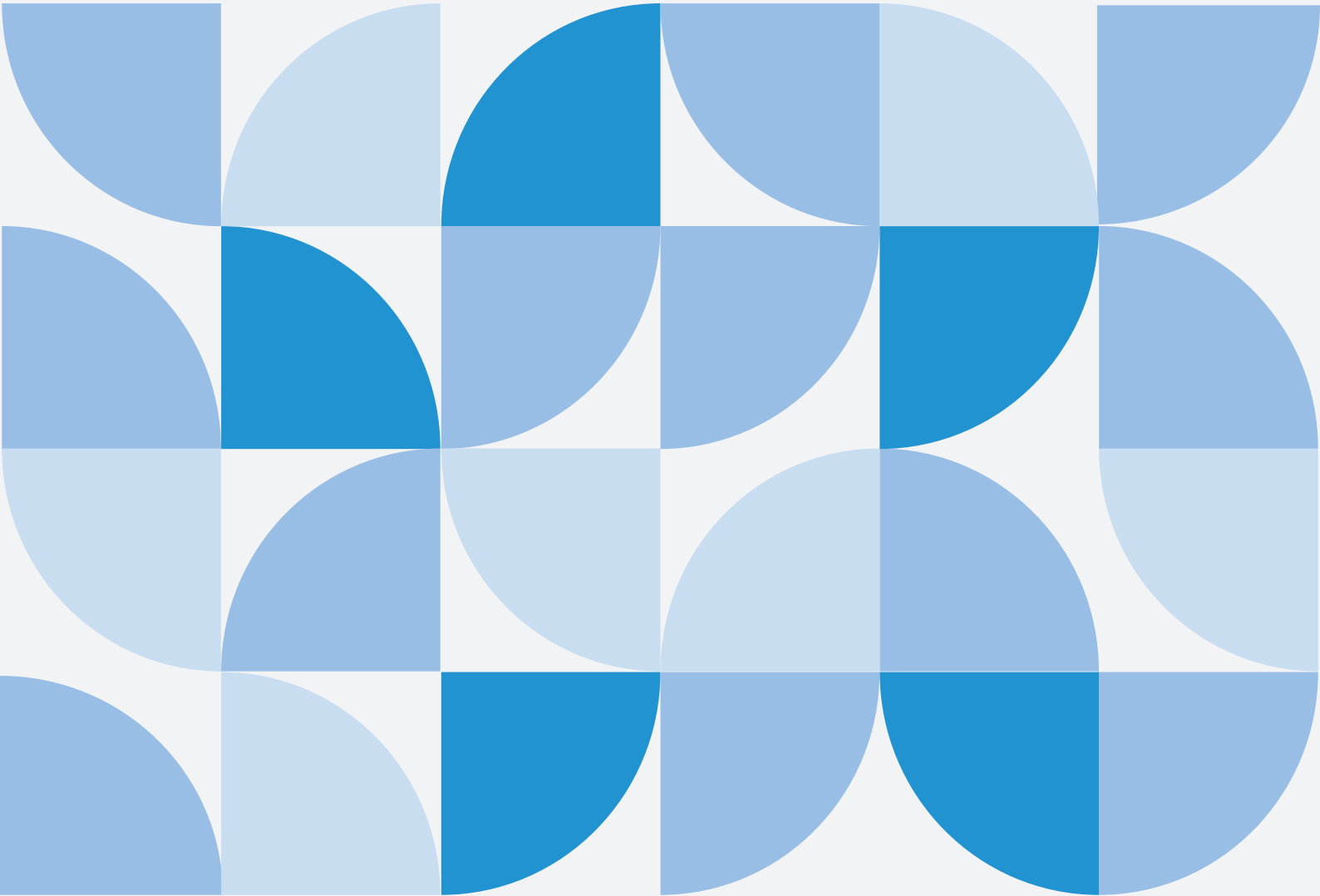




KC Select Income Fund

PRODUCT DISCLOSURE STATEMENT | ARSN 615 690 732 | 28 AUGUST 2026

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

keystonecapital.com.au



The three key steps to investing

THE KC SELECT INCOME FUND ARSN 615 690 732 IS A CONTRIBUTORY 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 8 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 14. The completed form must be returned in full together with the necessary certified supporting documentation.

Applications must be for at least \$25,000. Keystone Capital Limited may, at its discretion, accept an application for a lesser amount.

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

STEP #3

PAYMENT OF FUNDS

Electronic Funds Transfer

You can transfer your investment funds to the following account:

BSB Number: 085 458

Account Number: 949 513 937

Reference: KC <Your Full Name>

PAYID

PAYID: kcsif@keystonecapital.com.au

BPAY

BPAY Biller Code: 427989

BPAY Biller Name: Keystone KCSIF

Reference: Please contact
invest@keystonecapital.com.au
to receive your BPAY
reference number

Important Notice And Disclaimer

This Product Disclosure Statement ("**PDS**") offers investors the opportunity of becoming a Member in the KC Select Income Fund ARSN 615 690 732 (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 or downloaded from our website at 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 15).

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
Overview And Objectives Of Fund		
Name of Fund:	KC Select Income Fund	
Investment Manager & Responsible Entity	Keystone Capital Limited ACN 163 616 064, AFS Licence No 439327	Section 3
Nature of the Fund	The Fund is an unlisted managed investment scheme offering you the opportunity to gain a direct exposure to specific loans secured by registered mortgages over real property. From time to time, Keystone will provide you with the opportunity to invest in an Approved Mortgage Investment (“AMI”). The details of each AMI will be outlined in a Supplementary Product Disclosure Statement (“SPDS”). As the Investor, you have ultimate control over which AMI you invest your money in. When Member’s funds are not contributed towards an AMI, these funds are held within the Transitional Cash Account (“TCA”), whereby Members earn interest, which is distributed monthly.	Section 4
Investment Objective	The Fund’s objective is to provide Investors with regular and consistent investment returns whilst maintaining a relatively low level of capital volatility. The specific risk and return will depend upon the AMI that you invest your money in.	Section 4
Types of Loans	The purpose of the specific loan that underlies an AMI may be for property investment, property development or other business purposes. The property security underpinning an AMI will typically be located in the metropolitan region of Australia’s mainland capital cities and major regional centres. The SPDS for the specific AMI will clearly detail what the purpose of the underlying loan is and where the property security underpinning the loan is located.	Section 5
Types of Mortgages	An AMI may be secured against either a registered first or second mortgage over the relevant Borrower’s property. The SPDS for the specific AMI will clearly detail whether the investment is secured against a first or second registered mortgage.	Section 5
Typical Loan to Valuation Ratio (“LVR”)	The LVR for an AMI will vary depending upon whether the type of loan is for property investment or property development and whether it is a registered first or second mortgage. The SPDS for the specific AMI will clearly detail what the LVR is for the investment.	Section 5
Term of Investment	Each AMI will have its own specific investment term, which will be clearly detailed in the relevant SPDS. As a guide, the term for most AMIs will be between 6 months and 2 years. Withdrawal from an AMI before the loan repayment is not permitted. However, subject to the approval of Keystone (at its absolute discretion), a transfer of Loan Units may be permitted. Such a transfer may be subject to a Transfer Fee.	Section 5

FEATURE	SUMMARY	SECTION
Balance Requirements And Unit Pricing		
Minimum Investment	The minimum initial investment in the Fund is \$25,000. The minimum investment in a specific AMI is \$25,000. A lower level of investment may be permitted at the discretion of Keystone.	Section 14
Minimum Additional Investment	\$1,000	Section 14
Maximum Investment	Unlimited, but at the discretion of Keystone.	
Minimum Balance	Investors must maintain a minimum balance of \$25,000 between Cash Units and Loan Units.	Section 14
Unit Price	Initially \$1.00 per Unit.	Section 14
Distributions		
Income Distribution Frequency	Distributions from the TCA (" Cash Units ") will be variable and will be paid monthly in arrears. Distributions from an AMI (" Loan Units ") are linked to the individual loan underlying each investment. In most cases the distributions will be fixed and will be paid monthly in arrears. In certain circumstances, other interest payment structures such as prepaid or capitalised interest may be available. The SPDS for each AMI will clearly detail the interest payment methodology. Distributions are calculated for each month, based on the number of Cash Units and Loan Units held by each investor on each day during the month. Normally distributions will be paid within 10 business days after the end of the month.	Section 4
Payment Method	Direct credit into your nominated bank account.	Section 4
Fees And Charges		
Establishment, Contribution, Withdrawal and Termination Fees	Nil	Section 10
Investment Management Fee	0.15% p.a. – On the balance of your funds that are invested in the TCA (Cash Units). Up to 4.4% p.a. – When your funds are invested in an AMI (Loan Units). The SPDS for the specific AMI will clearly detail what the applicable management fee is for the investment. A typical management fee is 2-3% p.a.	Section 10
Other		
Risks	Like any investment, there are risks associated. Keystone does not guarantee your funds or the interest payment by the Borrower. To appreciate the risks associated with an investment in an AMI, this PDS and the specific SPDS must be read in conjunction with each other.	Section 8
Cooling-off	There are no cooling-off rights applicable to applications for Units in the Fund.	Section 4

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 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 scheme: 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
ASIC Benchmark and Disclosure Principle 1: Liquidity The responsible entity should have cash flow estimates for the scheme that: (a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; (b) are updated at least every three months and reflect any material changes; and (c) are approved by the directors of the responsible entity at least every three months.	Not applicable (because the Fund is a contributory mortgage scheme). However, Keystone will monitor historical rolling 12 months' inflows and outflows and regularly revise its cash flow estimates based on this historical data as material assumptions underlying the cash flow which Keystone will periodically stress test against relevant scenarios, such as increased levels of redemption requests and disruption to cash flows. Keystone does not expect there will be any change to the Fund's expenses, liabilities and other cash flow needs that will affect the cash flow estimates. Any material changes will be reflected in the cash flow estimates.
ASIC Benchmark and Disclosure Principle 2: Scheme borrowing The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.	Yes. Keystone meets this Benchmark. Keystone does not and does not intend to borrow on behalf of the Fund.
ASIC Benchmark and Disclosure Principle 3: Portfolio diversification The pooled mortgage scheme should disclose: (a) portfolio of assets diversified by size, borrower, class of borrower activity and geographic region; (b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets; (c) the scheme has no single borrower who exceeds 5% of the scheme assets; and (d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title).	Not applicable (because the Fund is a contributory mortgage scheme).

ASIC Benchmark and Disclosure Principle Description	Benchmark met (Y/N or Not Applicable) and Explanation
ASIC Benchmark and Disclosure Principle 4 Related party transactions The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.	Yes. Keystone meets this Benchmark. Keystone maintains and complies with a written policy that governs related party transactions and the management of real and potential conflicts of interest. The policy strictly forbids lending to Keystone or any related entity.
ASIC Benchmark and Disclosure Principle 5: Valuation policy In relation to valuations of mortgage assets and their security property, the board of the responsible entity requires: (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located; (b) a valuer to be independent; (c) procedures to be followed for dealing with any conflict of interest; (d) the rotation and diversity of valuers; (e) in relation to security property for a loan, an independent valuation to be obtained: (i) before the issue of a loan and on renewal: (A) for development property, on both an 'as is' and 'as if complete' basis; and (B) for all other property, on an 'as is' basis; and (ii) within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant	Yes. Keystone meets this Benchmark. Details of Keystone's valuation policy are set out in section 5 of this PDS.
ASIC Benchmark and Disclosure Principle 6: Lending principles If the scheme directly holds mortgage assets: (a) where the loan relates to property development—funds are provided to the borrower in stages based on independent evidence of the progress of the development; (b) where the loan relates to property development—the scheme does not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and (c) in all other cases—the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.	No. Keystone does not meet this Benchmark. Keystone may for certain AMI's lend money where the loan to valuation ratio exceeds the Benchmark ratios. Where this is proposed it will be clearly explained in the SPDS.

ASIC Benchmark and Disclosure Principle Description	Benchmark met (Y/N or Not Applicable) and Explanation
ASIC Benchmark and Disclosure Principle 7: Distribution practices The responsible entity will not pay current distributions from scheme borrowings.	Yes. Keystone meets this Benchmark. The payment of distributions is dependent on the Borrowers who have been lent money meeting their repayment obligations on time and in full.
ASIC Benchmark and Disclosure Principle 8: Withdrawal arrangements Non-liquid schemes For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.	No. Keystone will not make quarterly withdrawal offers. Investors are not entitled to withdraw from the Fund until completion of the term of the relevant Sub-Scheme(s). Keystone will distribute income to Investors in their respective AMI during the term of the investment as the Borrower makes interest payments on the loan and capital will be returned on repayment of the loan by the Borrower.

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.

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 Member 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 Members for any loss suffered in any way related to the Fund or a Sub-Scheme,

including any AMI. 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 a Member, 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 Member.

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 an AMI in respect of all liabilities, costs and expenses incurred by Keystone in relation to the operation of the Fund or the enforcement of the AMI. The right of Keystone to be indemnified is limited to the assets and does not extend to enable Keystone to recover from any Member of a Sub-Scheme or other person beneficially entitled to any interest in the Sub-Scheme.

SECTION

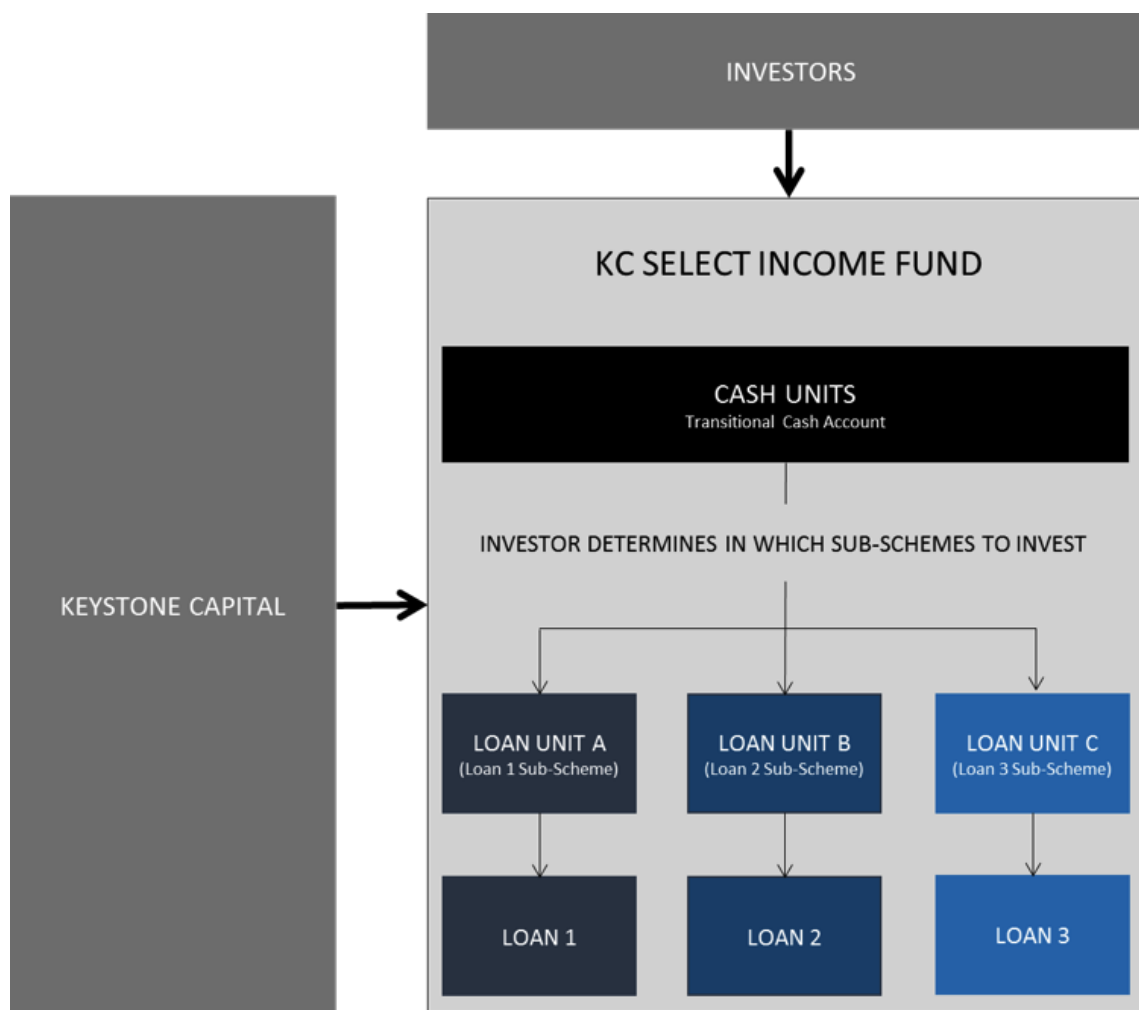
04

How The Fund Works

04 How The Fund Works

Structure Of The KC Select Income Fund

The Fund is structured as a managed investment scheme, which comprises the TCA and a series of discrete Sub-Schemes. The Sub-Schemes each hold a single AMI. A Member's involvement in any particular AMI is solely based on their decision to invest in that specific Sub-Scheme. Diagrammatically the structure is as follows:



Keystone is NOT a debenture issuer and the KC Select Income Fund is NOT a pooled mortgage investment. The Fund provides Investors with the opportunity to invest in specific AMIs that Keystone has pre-vetted. Your return and risk is referable only to the specific AMI underlying the Sub-Scheme that you invest in, specifically:

- › Your entitlement to income or capital is based entirely on the investment in the specific AMI underlying the Sub-Scheme that you have invested in. There are no rights to the income or capital of any other AMIs that underlay any other Sub-Scheme.

- › If a Member sustains a loss of income or capital from a specific AMI they cannot seek indemnity or to offset their loss from any other AMI or the assets of any other Sub-Scheme.

The benefit of this type of mortgage fund is that individual Investors have the opportunity to create their own portfolio of AMIs by investing in multiple Sub-Schemes. In this way, individual Investors can manage their own risk and return exposure by selecting the combination of Sub-Schemes that suit their individual return requirements and risk tolerance.

Keystone does not guarantee the return of your capital invested in the Fund nor does it guarantee the income earned on your investment. As a Member, you receive income from the interest payments made by the Borrower against the principal sum lent to the Borrower, as such the income on your investment is contingent upon the Borrower making their interest payments in full and on time, likewise the return of your capital is contingent upon the Borrower repaying the principal.

To mitigate the chance of loss of income and / or capital, before any mortgage funding opportunity becomes an AMI, which is offered to Members, Keystone will have pre-vetted the opportunity, and had it approved by its Credit Committee. Further, during its lifetime all AMIs are regularly monitored by Keystone.

Becoming a Member of the Fund and then making an investment in an AMI is a two-stage process.

Stage 1 Registering To Become A Member

To apply for registration as a Member of the Fund you should complete the Application Form at the back of this PDS and return it to us with the necessary supporting documentation. Funds can be transferred via EFT.

Once an Investor's application is approved they become a Member of the Fund and are issued with Cash Units and their funds are deposited in the TCA pending the allocation of these funds into one or more Sub-Schemes.

Stage 2 Investing In A Sub-Scheme

Subject to availability, Members of the Fund will be offered the opportunity to invest in one or more Sub-Schemes. Keystone will forward SPDSs to Members that relate to specific Sub-Schemes.

The SPDS may contain the following information:

- › Details of the Borrower and its credit record.
- › Details of the Loan purpose.
- › Details of the Borrower's exit strategy.
- › The total amount to be lent to the Borrower.
- › Details of the address and type of the Security Property.
- › Details of the value of the Security Property as certified by an approved valuer and the basis of valuation.
- › Details of any collateral security such as guarantees.
- › The LVR.
- › Insurance particulars of the Security Property.
- › The Commencement Date.
- › The Due Date.
- › The lower interest rate and the higher interest rate payable by the Borrower.
- › The distribution rate payable to the Sub-Scheme Members, provided the Borrower meets its loan obligations in full and on time.
- › How interest will be calculated and when a distribution is intended to be paid.
- › Application fees and any other fees payable by the Borrower.

The SPDS may contain other information that is relevant to a Sub-Scheme and you should read it in full in conjunction with this PDS before making a decision to invest.

If a Member wishes to subscribe for Loan Units in a Sub-Scheme for a specific AMI they need to complete the Member Participation Notice ("**MPN**") enclosed in the SPDS and return it to Keystone as soon as practicable. Participation in any given Sub-Scheme is on a "first in best dressed" basis.

Upon receipt of the completed MPN and subject to the availability of Loan Units, the Member is committed to the Sub-Scheme and Keystone is authorised to convert the Member's Cash Units for the amount (or a lesser amount) they have indicated on the MPN to Loan Units in the specific Sub-Scheme at the issue price (generally \$1.00 per Unit). Practically, the conversion of the Cash Units will generally occur at the earliest of either drawdown of the Loan by the Borrower or no more than 10 working days after Borrower acceptance of the Loan terms.

Income Distributions

Distributions from the TCA (Cash Units) will be variable and will be paid monthly in arrears.

Distributions from an AMI (Loan Units) are linked to the individual loan underlying each investment. In most cases the distributions will be fixed and will be paid monthly in arrears.

In certain circumstances, other interest payment structures such as prepaid or capitalised interest may be available. The SPDS for each AMI will clearly detail the distribution payment methodology.

Distributions are calculated for each month, based on the number of Cash Units and Loan Units held by each Investor on each day during the month. Normally distributions will be paid within 10 business days after the end of the month.

Income distribution to Members in an AMI will only be made upon receipt by Keystone of the corresponding interest payment from the Borrower. Keystone will pay income distributions into your nominated bank account.

Where a Borrower is in default (e.g.: late in making an interest payment) the Borrower will typically be charged interest at a higher rate, which will be passed onto Members net of the Default Management Fee.

Keystone does not guarantee income distributions to Members.

Return Of Capital

Expiry of Term of Sub-Scheme

The term of your investment ends on the Sub-Scheme Due Date.

Where the Loan is to be repaid by the Borrower on the Due Date, in some circumstances, there may be a delay between the Due Date and the return of your funds due to circumstances beyond the control of Keystone or the Borrower, such as a delay in the settlement date. In this situation, interest continues to be payable until the Loan is repaid.

Upon repayment, your funds will at your election either:

1. be converted to Cash Units pending reinvestment in a new Sub-Scheme; or
2. repaid to you and your Loan Units cancelled.

Early Repayment of the Loan

A Borrower may in some circumstances wish to make an early, full or partial repayment of the Loan, this is a matter, which is outside the control of Keystone (e.g.: Borrower refinances or sells the Security Property).

Typically, under the terms and conditions of the Loan, early repayment of the Loan will attract a prepayment fee. Some or all of this fee may be passed onto the Members of the Sub-Scheme.

Upon an early full or partial repayment of the Loan by the Borrower, your funds will at your election:

1. be converted to Cash Units pending reinvestment in a new Sub-Scheme; or
2. repaid to you and your Loan Units cancelled.

Extension of the Sub-Scheme Due Date

In some circumstances, a Borrower may request an extension of a Loan. If this occurs, Keystone will consider the current status of the Loan and may allow an extension of up to six months. Such an extension will extend the term of the Sub-Scheme.

Any extension or renewal in excess of six months will be considered a new Loan and will undergo the same credit assessment process that it does when considering any other mortgage financing opportunity, including seeking approval from the Credit Committee. This will require Keystone assessing the Borrower's current circumstances and servicing capacity as well as obtaining an up to date valuation.

Where a Borrower seeks a renewal of a Loan for an additional term in excess of six months, and Keystone is prepared to renew the Loan, Members of the Sub-Scheme will be notified by Keystone and will be asked if they wish to remain in the same Sub-Scheme or exit.

1. Members who elect to exit the Sub-Scheme will have their Loan Units converted to Cash Units.
2. Members who elect to remain will be joined by new Members who have elected to participate in the new Loan in the Sub-Scheme.

In the event the Loan does not proceed, Keystone will seek to terminate the Sub-Scheme. Termination of the Sub-Scheme could result in the Borrower refinancing through another financier or if the Borrower is unable to source alternative funding it could result in Keystone taking legal steps to enforce the security.

Withdrawal Of Funds

Whilst funds are in the TCA, you may request Keystone return your funds on 5 working days' notice in writing.

Investors should note, there is no cooling-off period.

Whilst funds are invested in a Sub-Scheme, there is no right to withdraw. A return of funds will only be available if:

1. Upon repayment of the loan by the Borrower at the expiration of the term of the Sub-Scheme.
2. On early repayment of the loan by the Borrower and you have elected to be repaid your funds.
3. You are able to transfer your Loan Units to another Investor.
4. Proceeds of the sale of the Secured Property permit. In these circumstances the funds will be allocated according to the priorities outlined in Section 5 and 6, as applicable.

You are NOT able to withdraw your funds from a Sub-Scheme where the Loan is in default. You can only receive a return of your funds subject to the above, once the default has been rectified or recovery proceedings have been completed and then, only proportionally relevant to the amount recovered.

SECTION

05

Mortgage Investment
Opportunities

05 Mortgage Investment Opportunities

Members will be offered the opportunity to invest in a range of AMIs. The key investment parameters of each AMI will be fully detailed in the relevant SPDS. Typically, AMIs will be as follows:

KEY INVESTMENT PARAMETERS	COMMENT
Type of Loan	All Loans will be secured by either a registered first or second mortgage over property within Australia.
Type of Security Property	The Security Property may be any type of property, including office, retail, industrial, residential, vacant land, construction or development sites, hotels or specialist property.
Loan to Valuation Ratio	The LVR will depend on whether it is a registered first or second mortgage Investment, the purpose of the Loan, and the quality and types of Security Property.
Loan Size	Typically \$100,000 to \$5,000,000.
Loan Term	Typically 6 months to 2 years.
Geography	Typically the Security Property will be located in the metropolitan region of Australia's mainland capital cities and major regional centres.
Lending Rate	The lending rate will depend on market conditions, whether the loan is secured by a registered first or second mortgage, the loan term, the LVR, the purpose of the loan and the quality of the Security Property. Typically, the lending rates will be 9% p.a. – 14% p.a. for first mortgages and 15% p.a. – 25% p.a. for second mortgages.

Loan Assessment

Keystone has a fully documented lending policy manual, which is approved by the Board and overseen by the Credit Committee. Prior to Keystone's Loan Origination team recommending a mortgage funding opportunity to Keystone's Credit Committee, each opportunity will be assessed and qualified. The following diagram outlines the process from initial assessment to becoming an AMI that underlies a Sub-Scheme:

STEP #1

Loan Application

STEP #2

Keystone's mortgage team undertakes a preliminary screening of the mortgage funding opportunity

STEP #3

Keystone's mortgage team prepares an indicative term sheet for the Borrower

STEP #4

The Borrower accepts the term sheet, pays the mandate fee and provides Keystone's mortgage team with the information necessary to satisfy Keystone's due diligence inquiries

STEP #5

Keystone's mortgage team present the mortgage funding opportunity to Keystone's Credit Committee. Assuming it is acceptable, Keystone's Credit Committee signs off the mortgage funding opportunity as an Approved Mortgage Investment

STEP #6

An SPDS is issued to the Members of the Fund

STEP #7

Loan & security documentation prepared & executed, security registered and the Sub-Scheme drawn

During steps 2 to 4 in the above diagram the qualifying of each mortgage funding opportunity will vary depending on its nature, its key drivers and characteristics. An assessment of the loan quality is made by taking into account factors such as the Borrower's capacity to pay interest and principal when they fall due, the available security, the type of Security Property and the LVR. If Keystone's Loan Origination team determines the mortgage funding opportunity satisfies its lending policy and its due diligence enquires are satisfied, the Loan Origination team will forward a loan funding submission to the Credit Committee with a recommendation. The Credit Committee then combine its experience, qualifications, knowledge and skills to determine whether the mortgage funding opportunity should be approved and given the status of being a Keystone AMI.

Keystone does not delegate the authority to approve loans to an approving officer. Before any mortgage financing opportunity can become an AMI it must receive the unanimous approval from Keystone's Credit Committee.

Valuations And LVR

All Loans are subject to a valuation by a registered property valuer who is approved and appointed as a Panel Valuer by Keystone. 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 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.

If for any reason Keystone's Credit Committee approves a mortgage funding opportunity in circumstances, which do not comply with Keystone's valuation policy (contained within the lending policies manual), the relevant SPDS for the AMI will disclose the extent to which there has been a departure from the policy. In this way, each Member of the Sub-Scheme can consider and, if in agreement, sign and return the MPN, prior to their funds being invested.

Loan Management

Each drawn Sub-Scheme 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

There are situations in which Borrowers will be late in paying interest or in meeting 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 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.

Keystone will notify the Members of a Sub-Scheme if the payment of interest is more than 30 days in arrears or the Loan has not been repaid within 30 days after the Loan's Due Date. Keystone will also notify the Members of the relevant Sub-Scheme within 30 days after the commencement of any enforcement action and of the outcome of those proceedings.

Payment Priorities

Where there has been a default within a Sub-Scheme and that default has not been rectified and the Security Property is sold, the net available proceeds of the sale of the Security Property will be distributed according to the following priorities:

1. Payment of any liabilities that have priority at law.
2. Payment of Keystone's out of pocket expenses incurred in the proper performance of its duties.
3. Payment of Sub-Scheme Member's capital.
4. Payment of unpaid distribution entitlements to Sub-Scheme Members.
5. Payment of Keystone's unpaid and accrued Investment Management and Default Management fees.

The payment priorities outlined above relate to a standard (i.e. single-tranche) Sub-Scheme, if the Sub-Scheme related to the Loan in default has two or more tranches the payment priorities, as detailed in Section 6, will apply.

All Applicants are advised that any loss that may occur by reason of a default under an AMI is borne by the Members of that specific Sub-Scheme only and not by other Members.

SECTION

06

Tranche Sub-Scheme Options

06 Tranche Sub-Scheme Options

In addition to a typical arrangement whereby all Investors in the Sub-Scheme have equal rights to the Security Property, pro-rata to their investment amount in the Sub-Scheme, Keystone may offer AMIs whereby Investors rights to the Sub-Scheme are prioritised into separate groups or tranches, with each tranche having different risks and rewards.

Keystone refers to these investment opportunities as Tranche Sub-Schemes.

A Tranche Sub-Scheme, in addition to providing a pro-rata prioritised Security Property sharing arrangement within the Sub-Scheme, similarly provides for a prioritised sharing arrangement to the interest paid by a Borrower.

Under these arrangements, Investors having rights to the higher risk tranche of a Tranche Sub-Scheme are similarly offered a higher distribution.

Availability of Tranche Sub-Schemes are further explained below and will be dependant upon Investor demand.

The SPDS related to a Tranche Sub-Scheme will clearly set out the prioritised rights of each tranche of Investors and the terms and conditions applicable to those prioritised rights.

Overview Of Tranche Sub-Schemes

Not every Investor has the same risk versus investment return profile. As such, some Investors will be seeking a lower risk versus return AMI whilst other Investors have a higher risk versus return investment appetite.

By prioritising the rights of Investors within a Sub-Scheme into two or even three separate tranches, Keystone is able to allow Investors to participate in the same AMI at different risk levels, with each tranche having a separate risk versus return profile.

Senior tranches of loans (the "A" Tranche) are attractive to those Investors who have a lower tolerance to capital loss and are prepared to accept a lower distribution rate. Subordinated tranches of loans (the "B" or even the "C" Tranche) are attractive to those Investors who are seeking a distribution rate more commensurate with a second mortgage and are willing to assume a higher level of risk of loss of income and / or capital loss.

Example Of A Two Tranche Sub-Scheme

Following is a diagrammatic and numerical example of how a two tranche Sub-Scheme operates. It assumes the Borrower meets all interest and principal obligations in full and on time.

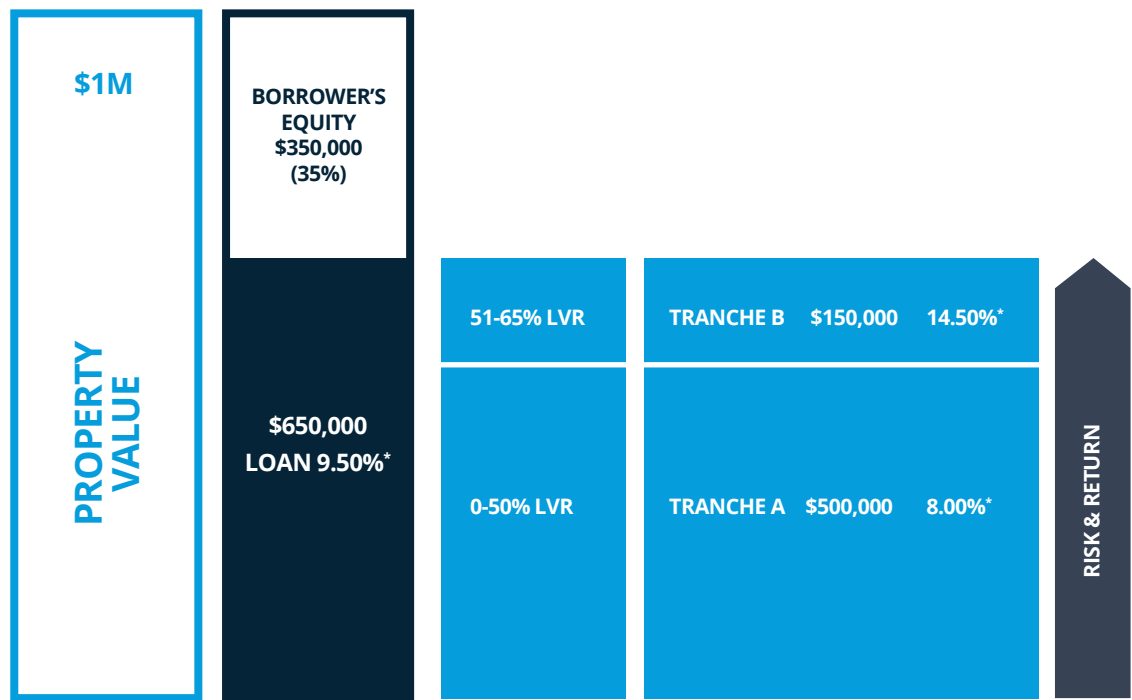
A single 1st registered mortgage loan of \$650,000 is made to a Borrower, this represents a 65% LVR against the \$1,000,000 valuation of the Security Property.

This \$650,000 Loan is then divided into two tranches i.e. an “A” Tranche of \$500,000 representing the 0% to 50% LVR component; and a “B” Tranche of \$150,000 representing the 51% to 65% LVR component of the Loan.

The Borrower pays interest at 12.00% p.a. Keystone is paid (in this example) an Investment Management Fee of 2.5% p.a.

In a typical Sub-Scheme (i.e. not a Tranche Sub-Scheme) the Member’s in the Sub-Scheme would all receive an income distribution of 9.50% p.a. for the term of the Loan. However, in a two tranche example, due to the relatively lower risk associated with the “A” Tranche, the income distribution could be (say) 8.00% p.a. whilst the income distribution to compensate for the higher relative risk associated with the “B” Tranche could be (say) 14.50% p.a.

These arrangements are shown diagrammatically as follows:



These arrangements are shown numerically as follows:

BORROWER'S POSITION - 12 MONTH LOAN

Property Valuation		1,000,000
Loan Size at 65% LVR	65.00%	650,000
Interest Paid by Borrower	12.00%	78,000
Keystone Investment Management Fee	2.50%	16,250
Income Distribution to Sub-Scheme Members	9.50%	61,750

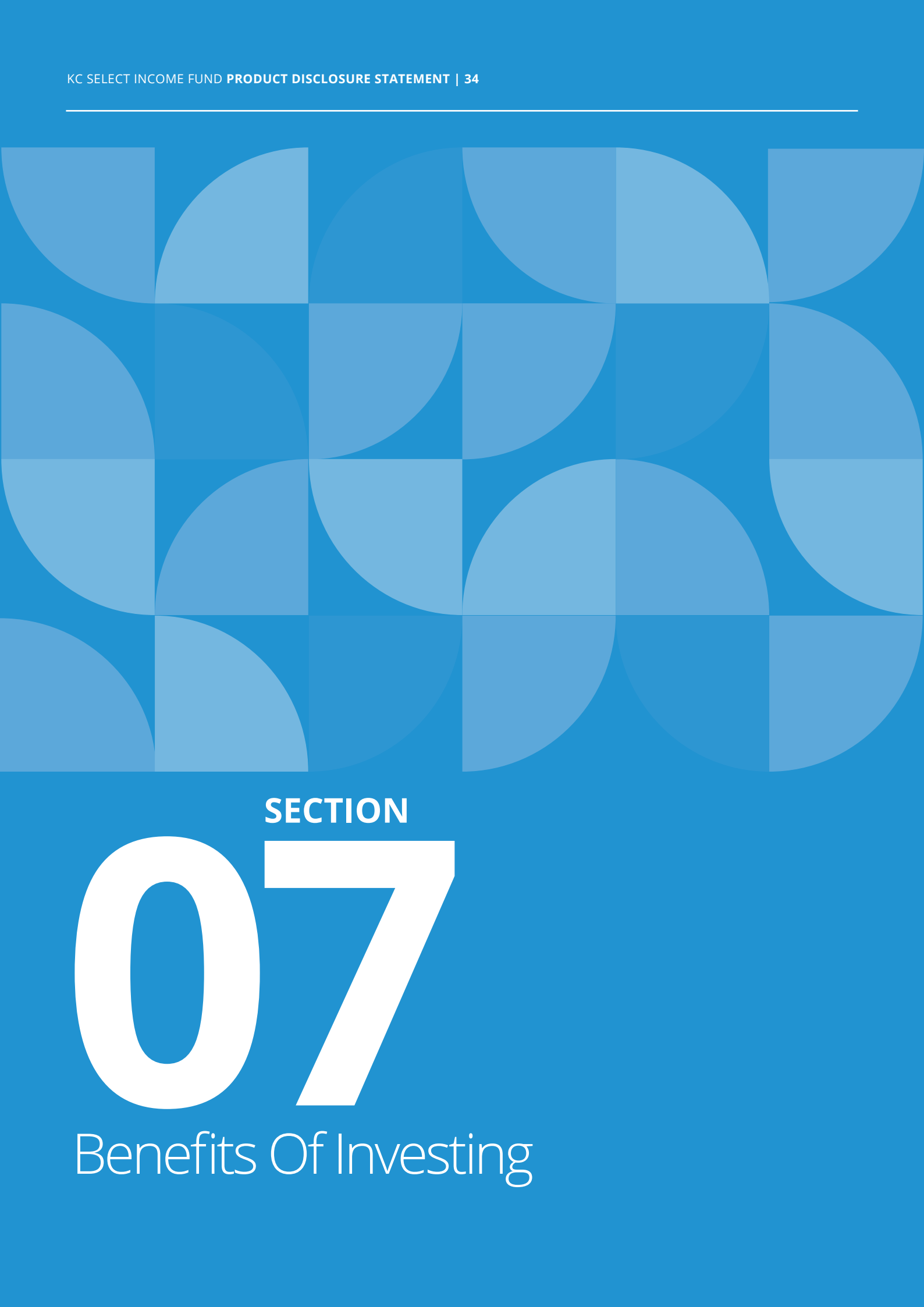
INVESTOR POSITION - TWO TRANCHE SUB-SCHEME

Tranche A Size	50.00%	500,000
Tranche B Size	65.00%	150,000
		650,000
Tranche A Income Distribution	8.00%	40,000
Tranche B Income Distribution	14.50%	21,750
		61,750

Payment Priorities In A Two Tranche Sub-Scheme

Where there has been a default within a Sub-Scheme that has two tranches and that default has not been rectified and the Security Property is sold, the net available proceeds of the sale of the Security Property will be distributed according to the following priorities:

1. Payment of any liabilities that have priority at law.
2. Payment of Keystone's out of pocket expenses incurred in the proper performance of its duties.
3. Payment of Tranche A Sub-Scheme Member's capital.
4. Payment of any unpaid distribution entitlements to Tranche A Sub-Scheme Members.
5. Payment of Tranche B Sub-Scheme Member's capital.
6. Payment of unpaid distribution entitlements to Tranche B Sub-Scheme Members.
7. Payment of Keystone's unpaid and accrued Investment Management and Default Management fees.



SECTION 07

Benefits Of Investing

07 Benefits Of Investing

The benefits of investing in the Fund include the following:

Control

As the Fund is NOT a “pooled fund”, as a Member you have the opportunity to select the Sub-Scheme(s) in which you invest, allowing you to exercise control in your investment decisions. Members are beneficially entitled to an interest in the Sub-Scheme in which they are invested.

Diversification

As a Member of the Fund, subject to availability, you will be presented with a broad range of AMIs with differing risk and return characteristics. As a Member, by selecting the combination of Sub-Schemes that appeal to you, you can decide how diversified or how concentrated your mortgage exposure to be to any given risk type i.e. borrower type, loan purpose, geographic location etc.

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 class of opportunity and risk to listed equities, direct property and government and corporate bonds.

Transparency

This PDS when read in conjunction with the SPDS related to a particular Sub-Scheme will provide the pertinent information related to the AMI as well as the rights and obligations of the Member, the Borrower and Keystone.

Experience And Oversight

Before a mortgage funding opportunity becomes an AMI that is offered to Members of the Fund it is subjected to a credit and due diligence assessment and must be approved by Keystone’s Credit Committee.

Loans are regularly monitored by Keystone. If any Loan becomes delinquent, Keystone actively manages the exposure to minimise the chance of loss of income or capital to the Sub-Scheme Members.

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

08

Risks Of Investing

08 Risks Of Investing

Investing in the Fund carries with it certain risks, which could impact on the performance of the Fund and the individual Sub-Schemes. 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. Risks which are specific to a particular Sub-Scheme, will be disclosed in the relevant SPDS.

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 those risks. Should one or more of the risks materialise, then the return of Member's capital, and / or the income return from the Fund or the individual Sub-Scheme may be adversely affected.

General Investment Risks

The future performance of the Fund, or an individual Sub-Scheme, 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 investing in 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-performance 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.

Capital Risk

Keystone and Representatives do not guarantee the return of Member's capital or the investment performance of the Fund or the individual Sub-Schemes.

An investment in the Fund and any Sub-Scheme is not capital guaranteed. During the term of the investment, factors outside the control of Keystone may affect the value of the Security Property, such that situations may occur where Keystone when required to enforce the security in a defaulting situation may not be able to realise sufficient funds from the sale of the Security Property to fully meet the Loan and capitalised costs, in which case your capital may be diminished.

Keystone mitigates capital risk by:

- › strictly applying its credit and due diligence assessments before a mortgage funding opportunity is presented to Members as an AMI; and
- › regularly monitoring all AMIs.

If a Loan becomes delinquent, Keystone actively manages the exposure and implements recovery procedures.

Return of Member's capital may also be delayed at the expiration of the Due Date of the Sub-Scheme if payout of the underlying mortgage is delayed.

Income Risk

Keystone and Representatives does not guarantee the income return of the Fund or the individual Sub-Schemes.

Your investment in the Fund and any individual Sub-Scheme is dependent upon the ability of the particular Borrower in the particular Sub-Scheme to pay the interest payments as and when they fall due and to repay the Loan principal on the Due Date of the Sub-Scheme.

Members should note that no income return to Members is payable if no corresponding interest payment is received by Keystone and the Sub-Scheme from the Borrower. The non-payment of the income return to Members will continue until the Borrower either rectifies the default or the Sub-Scheme property is discharged either by way of sale or refinance by the Borrower or the Sub-Scheme property is sold by Keystone as mortgagee in possession.

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) is false.

If the valuation that is being relied upon is wrong, then the SPDS for the affected Sub-Scheme may understate the true LVR of a Loan. This can increase the chances of a shortfall of funds from a default sale of a Security Property to meet the Loan and capitalised costs.

Keystone takes steps to mitigate this risk by having a documented valuation policy (contained within the lending policy manual) and ensuring that the LVR on all AMIs are disclosed within the SPDS.

Illiquidity And Term Risk

An investment in a Sub-Scheme is an illiquid investment and you may not be able to access your money quickly when you need it.

The withdrawal of a Member's capital from a Sub-Scheme prior to the Due Date of the Sub-Scheme will only be possible if Keystone is able to source an alternative Member who is willing to acquire the Members Loan Units in the specific Sub-Scheme. Keystone makes no guarantee that alternative Members will be able to be sourced and in what timeframe.

Further, given that the security underlying all Sub-Schemes is real property, there is a risk that even upon the expiration of the Due Date of a Sub-Scheme there could be delays before Members receive their funds. This can occur where the Borrower has been unable to refinance, where there has been construction or development overruns or where the Borrower is in default and Keystone is in the process of selling the Security Property. In these circumstances, there may be delays that affect the payment of income distributions to Members as well as the ability of Keystone to return Member's capital.

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 will result in the Fund having insufficient money to pay income distributions related to that investment.

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 these additional risks 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 project is executed between the builder and the Borrower.
- › Where appropriate, a quantity surveyor or another 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 LVR's as advised in a SPDS.
- › By ensuring a contingency factor on total construction costs is factored into the debt funding.

SECTION

09

Rights of Members

09 Rights of Members

Member Entitlements

An interest in a Sub-Scheme entitles a Member to:

- › Receive the Members proportionate share (or pro-rata share if a Tranche Sub-Scheme) of the interest paid by the Borrower.
- › Receive the Members proportionate share (or pro-rata share if a Tranche Sub-Scheme) of any surplus when terminated.
- › Attend and vote at any meeting of Members. Each Member has one vote for each \$1 invested in the relevant Sub-Scheme.

Limitations On Members

An interest in the Fund or a given Sub-Scheme does not entitle a Member to:

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

What Information Can A Member Expect?

To keep track of your investments, Keystone sends regular information to Members. They will include the following:

- › **Acknowledgement** – Confirmation of the receipt and acceptance of the Member's Application Money.
- › **Supplementary Product Disclosure Statements** – Providing details of the Sub-Scheme offered along with a MPN which must be completed and returned to Keystone as soon as practicable for allocation to the Sub-Scheme.
- › **Advice of Mortgage** – When a Members funds are allocated to a specific Sub-Scheme they will receive an Advice of Mortgage, this will confirm the terms on which the Loan has been advanced to a Borrower and of the registration of the mortgage.

- › **Monthly Income Statements** – A monthly statement that itemises the income that has been distributed from the Sub-Schemes they are invested in and from any funds that are held on their behalf in the TCA.
- › **Quarterly Holding Statements** – A quarterly statement that itemises the principal they have invested in each Sub-Scheme as well as the balance of funds that are held on their behalf in the TCA.
- › **Annual Statement** – An Annual Statement of the amount of interest received during the relevant financial year along with a summary of investments as at the end of the financial year.
- › **Notification of Default** – Notices of default and what action is being taken.
- › **Renewal Notice** – If a Borrower has requested the renewal of the term of a Sub-Scheme Loan you will be notified of this intention and asked whether you wish to remain in the Sub-Scheme or to redeem your Loan Units.

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

SECTION

10

Fees & Other Costs

10 Fees & 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) has a managed funds fee calculator to help you check out different fee options.

Fees & Costs 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 as a whole.

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
Ongoing annual fees and costs		
Management fees and costs: The fees and costs for managing your investment	Cash Units 0.15% per annum on amounts invested in the TCA Loan Units Up to 4.4% per annum on amounts invested in an AMI, specific to each individual Sub-Scheme The management fees and costs for each Sub-Scheme will be disclosed in the corresponding SPDS.	This fee is generally paid monthly in arrears (or as outlined in the SPDS related to a specific investment). This fee is deducted from income received.
Performance fees: Amounts deducted from your investment in relation to the performance of the product	Nil	Not applicable.
Transaction costs: The costs incurred by the scheme when buying or selling assets	Nil	Payable on demand from the Fund's assets

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)¹		
Establishment fee: The fee to open your investment	Nil	Not applicable.
Contribution fee: The fee on each amount contributed to your investment	Nil	Not applicable.
Buy-sell spread: An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable.
Withdrawal fee: The fee on each amount you take out of your investment	Nil	Not applicable.
Exit fee: The fee to close your investment	Nil	Not applicable.
Switching fee: The fee for changing investment options	Nil	Not applicable.

¹ A transfer fee also applies on each amount transferred out of your investment in a Sub-Scheme to another party - see 'Additional explanation of fees and costs'.

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 – Funds invested in the TCA	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 \$0
PLUS Management fees and costs	0.15%	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$75 each year
PLUS Performance fees	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs each year
EQUALS Cost of the Fund (TCA)		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: \$75 What it costs you will depend on the investment option you choose and the fees you negotiate.

EXAMPLE – Funds invested in the Sub-Scheme	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 \$0
PLUS Management fees and costs	4.4% *	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$2,200 each year
PLUS Performance fees	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs each year
EQUALS Cost of the Fund (Loan Units)		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: \$2,200 What it costs you will depend on the investment option you choose and the fees you negotiate.

* The management fees and costs for each Sub-Scheme will be disclosed in the corresponding SPDS.

Note: The distribution rates advised in the SPDS are net of the above 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'

The actual fees and costs applicable to each specific AMI will be detailed in the SPDS related to that specific Sub-Scheme.

Investment Management Fee

Whilst your money is invested in the TCA an Investment Management Fee of 0.15% p.a. (\$6.25 per month for every \$50,000 you invest in the TCA) is deducted from the interest payments received by Keystone from the Bank.

Whilst your money is invested in a Sub-Scheme an Investment Management Fee of up to 4.4% p.a. (up to \$183.33 per month for every \$50,000 you have invested in a Sub-Scheme, depending on the Investment Management Fee specific to the AMI as disclosed in the relevant SPDS) is paid to Keystone. This Investment Management Fee is equal to the margin between the interest rate charged to a Borrower on their Loan and the income rate offered to Members in the AMI underlying the specific Sub-Scheme. The actual Investment Management Fee applicable to a given AMI will be clearly detailed in the SPDS related to the specific Sub-Scheme.

The Investment Management Fee paid to Keystone covers the day-to-day cost of administering the Fund, staffing costs, office costs, IT costs, compliance costs etc. Keystone is entitled to recover abnormal expenses (for example, costs of Members meetings, pursuing legal proceedings), being expenses not generally incurred during the day-to-day operation of the Fund and not necessarily incurred in any given year. In circumstances where abnormal expenses are incurred, Keystone may decide to recover these from the Fund. No abnormal costs or expenses were recovered from the assets of the Fund by Keystone for the financial year to 30 June 2026.

Default Management Fee

In any period in which a Borrower is in breach of the terms of their Loan, a higher rate of interest may be levied against the Borrower, the rate of which is disclosed in the SPDS related to each specific Sub-Scheme. In addition to its Investment Management Fee, Keystone is entitled to a 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.

Transfer Fee

If a Member requests, and is granted, an early repayment of their investment from a Sub-Scheme, Keystone has the discretion to charge the Member a transfer fee of up to 1.1% of the value of the investment amount being transferred (\$550 for every \$50,000 transferred).

A withdrawal is not permitted but Keystone may be able to find an alternative Member to take over the Loan Units by way of a transfer of your Loan Units. Keystone does not guarantee that it will be able to facilitate any transfers.

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 that underlies an AMI is 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 relevant Sub-Scheme 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 in accordance with the repayment priority outlined in Section 5 and 6, as applicable.

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

Borrower Fees And Costs

The Borrower of a Loan that underlies an AMI pays additional fees and costs directly to Keystone. 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 Members.

Loan Extension Fee

If Keystone agrees to extend the term of an AMI, 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 Members.

Early Repayment Fee

If the Borrower repays the Loan before the Due Date, Keystone may charge the Borrower an amount of up to 3 months interest on the original Loan amount at the higher or lower rate of interest specified in the Loan Agreement, dependent upon whether or not the Loan is in default at that time. Some or all of this Early Repayment Fee may be paid to Members of the specific Sub-Scheme.

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 relevant Sub-Scheme 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 in accordance with the repayment priority outlined in Section 5 and 6, as applicable. 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 parties that introduce either Borrowers or Wholesale Clients / 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 on Member's funds.

Differential Fees

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

Such negotiated fees will be entirely at Keystone's discretion and have no impact on the returns on other Members' funds.

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 that it may become entitled to from time to time, to any other entity.

Distributions Net of Fees and Expenses

Distributions paid to Members are always paid net of all fees and recoverable expenses outlined in this PDS. Other than as specifically disclosed such as a transfer fee, no fees will be charged directly to any Member.

Right of Indemnity

Keystone as the Responsible Entity of the Fund has a right of indemnity out of the assets of the Fund for all liabilities it incurs in performing or exercising any of its powers or duties related to that Sub-Scheme and for all fees payable to it and costs recovered by it. Keystone cannot avail itself of this indemnity unless it has properly performed its duties.

SECTION

11

Taxation Information

11 Taxation Information

The following comments are a general summary only of the taxation 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 and fluid 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 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 single ‘flow through’ trust for income 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 (provided it has and distributes all of its income to investors each year).

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 Members as part of the monthly distribution during the year of income. The distributable income of the Fund may include non-assessable amounts to Members, receipts of which may have capital gains tax consequences.

Taxation Of Australian Resident Members

At the end of the Fund’s financial year Members 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 Members and therefore Keystone recommend you seek professional advice prior to investing in the Fund.

Income Tax

You 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 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 a Member. Any capital losses arising from the disposal of the investment may be used to offset other capital gains a Member 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 contain 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

12

Summary Of Material Documents

12 Summary Of Material Documents

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

Fund Constitution

The relationship between the Members 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. Members 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 Members, the liability of Members, withdrawal rights and return of Application Monies, the making, the management, the realisation and the enforcement of AMIs) 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 Members.

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 Members or by Keystone alone if Keystone reasonably believes that the change will not adversely affect the rights of Members.

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.

Transaction Documents

The type and details of the transaction documents applicable to a given Sub-Scheme will vary depending upon the individual circumstances of the AMI. In general terms, a Member can expect that the transaction documents will include in the very least a loan agreement and a registered mortgage. In certain circumstances, the transaction documents will include other security documentation as determined by the Credit Committee.

From a practical perspective, copies of transaction documents are not available to prospective Members prior to the investment in a given Sub-Scheme. Copies of transaction documents for a specific Sub-Scheme will be made available (upon request) to Members who are investors in a Sub-Scheme.

SECTION

13

Additional Information

13 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. 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 and its Sub-Schemes 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 Members. 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:

Keystone Capital Limited
Level 1, 265 Pirie Street
Adelaide SA 5000
Email: admin@keystonecapital.com.au
Telephone: 08 7231 8780

Receipt of your complaint will be acknowledged within one business day. 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
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.

In order to secure a Loan while Keystone is waiting to receive MPNs from Members, there is the potential that all or some of a Loan amount may be initially funded by Keystone (in its own capacity), persons / entities associated with Keystone or other funds managed by Keystone. Such funding may occur directly with the Borrower or through the issue of a special class of Loan Units or other interest out of the Sub-Scheme. Any Units issued may carry preferential rights including the right to be redeemed during the term of the Loan.

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

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 Member may also obtain the following documents from Keystone free of charge, and such documents will be made available to Members 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

14

How To Invest

14 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

Electronic Funds Transfer

Account Name: **Keystone Capital Limited – KC Select Income Fund – Application Account**

BSB Number: **085 458**

Account Number: **949 513 937**

Reference: **KC <Your Full Name>**

PAYID

PAYID: **kcsif@keystonecapital.com.au**

BPAY

BPAY Biller Code: **427989**

BPAY Biller Name: **Keystone KCSIF**

Reference: **Please contact invest@keystonecapital.com.au to receive your BPAY reference number**

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.

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 Members should be conducted via email.

D - Application Amount

Please enter the amount you want to invest here. The minimum investment is \$25,000 and above that in multiples of \$1,000. Upon your application being approved by Keystone, your Application Money will be transferred from the Application Account to the TCA and you will be issued with Cash Units at an issue price of \$1.00 per Unit. The Cash Units will be issued by reference to Application Money lodged.

E – Payment Instructions

Please refer to Page 66 for payment instructions.

F – Distribution Payment Details

Please provide details of the bank account you would like your distributions deposited into.

G – Declaration and Signing

Please read this section carefully. By completing, signing and submitting the 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 68 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

Alternatively, contact your licensed or authorised financial adviser.

SECTION

15

Glossary

15 Glossary

AFSL	Australian Financial Services Licence.
AML / CTF	Anti-Money Laundering and Counter-Terrorism Financing.
AML / CTF Act	Anti-Money Laundering and Counter-Terrorism Financing Act 2006.
AML / CTF Checklist	The AML / CTF Checklist accompanying this PDS.
Applicant	A person / entity who has completed and submitted an Application Form and has paid their Application Money.
Application Account	The bank account in which an Applicants funds are deposited pending their application being approved and becoming a Member.
Application Form	The application form included in or accompanying this PDS.
Application Money	The money paid by an Applicant to invest in the Fund.
Approved Mortgage Investment ("AMI")	A mortgage investment that has been approved by Keystone's Credit Committee to be offered to Members via a SPDS.
ASIC	Australian Securities and Investments Commission.
Beneficial Owners	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.
Borrower	Any person, trust or company that Keystone approves to borrow Members funds through a Sub-Scheme.
Cash Units	A class of Unit held by Members who have subscribed under this PDS but have not yet chosen to invest all of their monies in specific Sub-Schemes.
Constitution	The trust deed constituting the Fund.
Corporations Act	The Corporations Act 2001 (Cth) for the time being in force together with the regulations of the Corporations Act.
Due Date	The expiry date of a Sub-Scheme.
EFT	Electronic Funds Transfer.
Fund	KC Select Income Fund ARSN 615 690 732.
GST	Goods and services tax.
Investment Manager	Keystone Capital Limited (" Keystone ") ACN 163 616 064, AFSL No 439327.
Investor, "you or "your"	A Member. A person who holds Cash Units and / or Loan Units.
Keystone and Representatives	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.
Loan	The sum of money that is borrowed by a Borrower from a Sub-Scheme controlled by Keystone whether as one advance or numerous advances with the expectation that it will be paid back by its Due Date with interest.

15 Glossary

Loan Units	A class of Units held by Investors who have elected to invest a portion of their money in a particular AMI. The holders of a class of Loan Units will have investment exposure only to the individual AMI in respect of which they have chosen to participate.
LVR	Loan to valuation ratio.
Member	An Applicant who has had their application approved by Keystone and is recorded in the Member's Register. A person who holds Cash Units and / or Loan Units.
Member Participation Notice ("MPN")	The notice form contained in the SPDS related to a specific Sub-Scheme. This notice forms a binding agreement between the Member and Keystone that the Member authorises Keystone to redeem the Member's Cash Units for the amount they have indicated on the notice and apply the proceeds of the redemption to a subscription for Loan Units in the specific Sub-Scheme.
Member Register	A register established and maintained by Keystone recording Members and their holdings of both Cash Units and / or specific classes of Loan Units.
MSC Certane	Certane CT Pty Ltd ACN 106 424 088 as sub-custodian for Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289.
Offer	The offer of Units under this PDS.
Politically Exposed Persons (PEP)	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.
p.a.	Per annum.
Product Disclosure Statement ("PDS")	This Product Disclosure Statement (" PDS ") dated the 28 August 2026 for the offer of Units in the Fund.
Redemption Day	The day on which a withdrawal request is accepted by Keystone and Keystone redeems an Eligible Investor's Units
Responsible Entity	Keystone Capital Limited (" Keystone ") ACN 163 616 064, AFSL No 439327.
Security Property	The real property that is mortgaged as security for a loan made in relation to an AMI.
Sub-Scheme	One of many similar schemes under the Fund in which Members invest funds in a specific AMI and includes a Tranche Sub-Scheme.
Sophisticated Investor	Has the meaning given to that term in the Corporations Act.
Supplementary Product Disclosure Statement ("SPDS")	Outlines specific details of an AMI and is to be used by Members of the Fund to invest in a Sub-Scheme.
Transitional Cash Account ("TCA")	The cash account where funds received from the issue of Cash Units will be invested with an Australian Authorised Deposit Taking Institution (" ADI "), such as a bank.
Tranche Sub-Scheme	A Sub-Scheme in which the investor's rights to income and the Security Property are prioritised into two or more tranches.
Units	Either Loan Units or Cash Units.
Wholesale Client	Has the meaning given to that term in the Corporations Act.

SECTION

16

Application Form

KC Select Income Fund

ARSN 615 690 732

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 Select Income Fund dated the 28 August 2026.

The Product Disclosure Statement 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 or via request to 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. Your investment term in the Fund varies with each loan. There is no mechanism available to withdraw your investment in the Fund until the loan is repaid by the Borrower. Are you prepared to hold your investment in the Fund for each of the individual loan terms and until the Borrower has repaid the loan?☐

Yes

☐

No

7. Do you understand that in some circumstances, for example because of the Fund having to take enforcement action against a defaulting borrower, that the investment term may be extended and are you prepared to hold your investment in the Fund for longer than the anticipated investment term?☐

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
☐ Existing Investor / Complete section Additional Investment form on page 71	Part A, B, C, I & K
☐ Individual / Joint Investors / Partnership	Part B(1), C, D, E, F, G, H, I & K
☐ Company	Part B(2), C, D, E, F, G, H, I & K and Part 3 of the AML/CT checklist
☐ 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
☐ 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
Date of Birth	Tax File Number	
Place of Birth	Country of Birth	
Occupation		

Investor 2

Title	Given Name	Surname
Date of Birth	Tax File Number	
Place of Birth	Country of Birth	
Occupation		

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

Full Name of Company / Corporate Trustee

Tax File Number	Australian Company Number	
Address of Registered Office Number	Street	
Suburb, City or Town	State	
Postcode	Country (if not Australia)	

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

Tax File Number	Country Where Trust Established	
Type of Trust (ie Discretionary, Unit)		

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
Suburb, City or Town	State
Postcode	Country (if not Australia)
Telephone (business hours)	Mobile Phone
Email Address	

Postal Address (if different to residential address)

Number	Street
Suburb, City or Town	State
Postcode	Country (if not Australia)

D Application Amount

I / We lodge full application monies

\$, , 0 0 0

› Minimum initial application amount is \$25,000

E Payment Instructions

All payments must be made in Australian Dollars

Account Name:	Keystone Capital Limited – KC Select Income Fund – Application Account
Bank:	National Australia Bank
BSB Number:	085 - 458
Account Number:	949 513 937
Reference:	KC <Your Full Name>
PAYID:	kcsif@keystonecapital.com.au
BPAY Biller Code:	427989
BPAY Biller Name:	Keystone KCSIF
Reference:	Please contact invest@keystonecapital.com.au to receive your BPAY reference number

F Distribution Payment Details

☐ Pay distributions to the nominated bank account

Nominated Bank Account for Withdrawals and Distributions

Account Name	BSB
	-
Financial Institution	Account Number

In most cases the information that you provide in this form will satisfy the AML/CTF Act, the US Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under the AML/CTF Act, FATCA and CRS.

- 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.

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

Name of individual/entity														
Capacity (e.g. Director, Secretary, Authorised signatory)														
Signature														
Company Seal (if applicable)														

Name of individual/entity

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

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

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

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 15 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 or via request to 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.

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

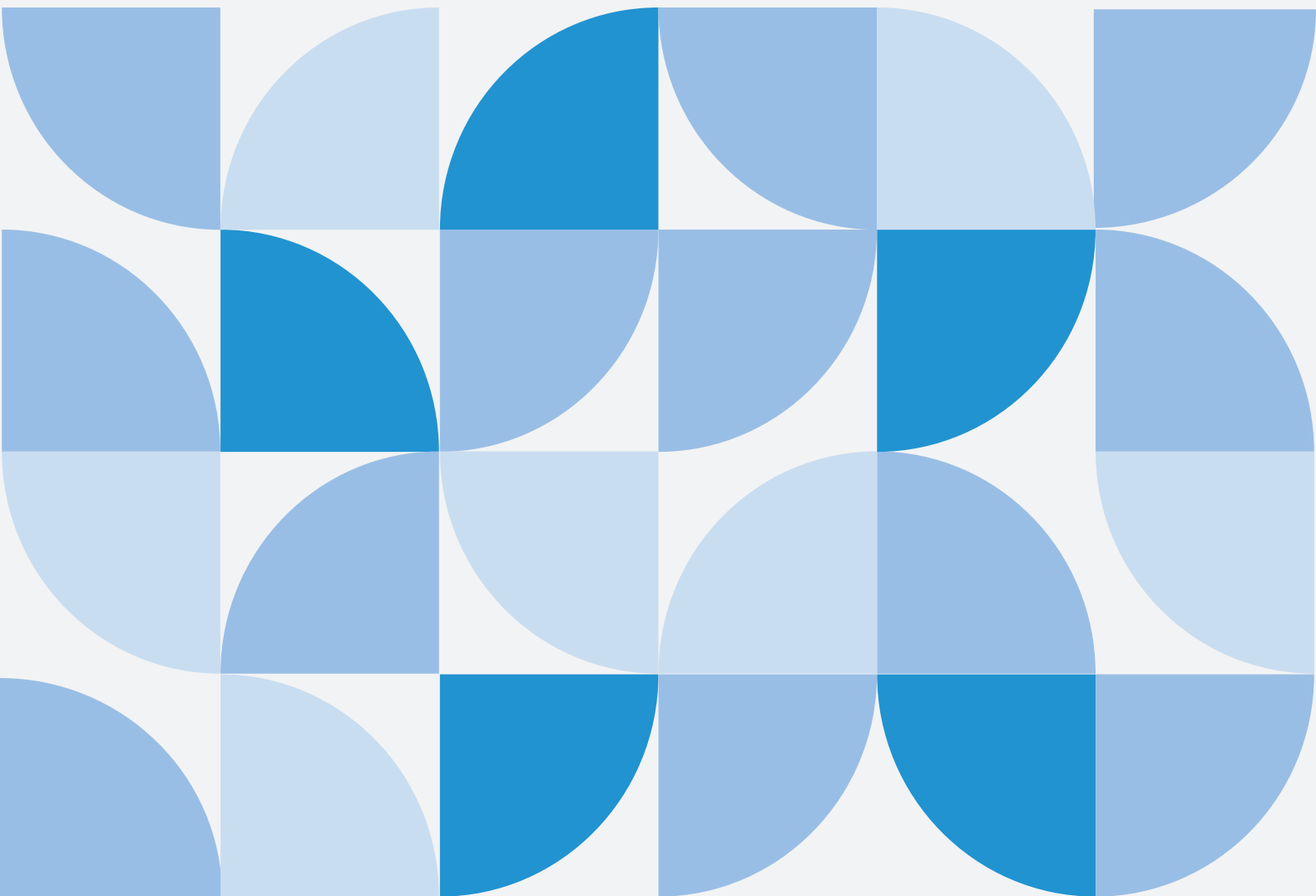
Name of individual/entity
Name of authorised representative
Signature

Notes

Notes

Notes

[illegible]



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Sydney NSW 2000

Level 10, 100 Collins Street
Melbourne VIC 3000

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