



CFMG
Funds
Management

CFMG Land & Opportunity Fund

ARSN 602 610 006

Supplementary Product Disclosure Statement Outlook Yandina Units

This Supplementary Product Disclosure Statement ('SPDS') supplements the Product Disclosure Statement dated 25 January 2018 for the Trust issued by the Responsible Entity. Together, the PDS and this SPDS contain all of the information about the Offer of Class O Units ('Outlook Yandina Units') in the Trust.

Capitalised terms used in this SPDS have the meaning given to those terms as set out in the Glossary of the PDS.



Overview

The information presented below in this SPDS outlines an offer to acquire Outlook Yandina Units in the Trust to facilitate the Trust loaning up to \$2,500,000 to Outlook Yandina Pty Ltd A.C.N 649 647 898 ('Outlook Yandina SPV') to carry out the Property Development (Loan). The loan agreement between the Trust (as lender) and Outlook Yandina SPV (as borrower) ('Loan Agreement') will require interest at the fixed rate of 14.14% per annum payable on the loan amounts advanced ('Principal'). The Principal advanced to Outlook Yandina SPV will be used to fund the Property Development.

The Property Development relates to the purchase of real property, comprising approximately 2.148 hectares ('**Property**') with Outlook Yandina SPV having contracted with the registered owners of the Property to pay \$2,500,000 (plus GST) with settlement due on 24 May 2021.

The Property has the benefits of an existing development approval for the proposed residential land subdivision generally in accordance with the Concept Plan in this SPDS.

The Loan of up to \$2.5m to be advanced by the Trust to Outlook Yandina SPV is to be applied to the costs associated with payment of stamp duty on the purchase contract, towards payment of the purchase price to the registered owners of the Property under the purchase contract, towards the development costs associated with the Property Development and to funding associated working capital.

A fixed interest rate of 14.14% per annum on the Principal is contractually required to be paid to the Trust by Outlook Yandina SPV under the Loan Agreement.

The repayment of the Principal by Outlook Yandina SPV is to be paid on completion of the Property Development and sale of the Property. Please note that whilst Outlook Yandina SPV, upon repayment of the Loan is required to make an interest payment to the Trust calculated at 14.14% per annum on the Principal over the term of the Loan Agreement, the return is not guaranteed by the Responsible Entity, and Outlook Yandina SPV's ability to make these payments is totally dependent on successful completion of the Property Development and sale of the Property.

The Outlook Yandina Units have a targeted rate of return of 8.95% per annum, which is based on the fixed interest rate payable under the Loan Agreement by the Outlook Yandina SPV less the Asset Identification and Negotiation Fee, Management Fee and administrative fees and costs the Responsible Entity is entitled to be reimbursed for in operating the Trust. The payment of any returns to Unit Holders are totally dependent on Outlook Yandina SPV meeting its interest and Principal repayment obligations. An interim distribution by the Trust is expected to be paid in June 2022. This interim repayment is intended to be funded by a component of the advanced Principal being retained by the Trust and not provided to Outlook Yandina SPV.

The Responsible Entity will waive payment of any fees and costs it is entitled to be reimbursed in the event the incurring of those fees and costs result in the Outlook Yandina Units not achieving the targeted return of 8.95% per annum.

The specific risks associated with this investment are disclosed in this SPDS. These risks should be read in conjunction with the risks disclosed in the PDS.

The Investment Proposal

Outlook Yandina Units	The Trust is offering a minimum of 250,000 and up to 2,500,000, Outlook Yandina Units, to be issued at a price of \$1.00 per Unit, to raise up to \$2,500,000, which the Trust will loan to the Outlook Yandina SPV.
Outlook Yandina SPV	<p>Outlook Yandina SPV is a special purpose vehicle incorporated for the sole purpose of acquiring the Property and carrying out the Property Development.</p> <p>Outlook Yandina SPV currently has one director serving on its board, Scott Watson. Scott Watson is also a director of the Responsible Entity. Details of this director are set out below.</p> <p>The sole shareholder of Outlook Yandina SPV is CFMG Land Limited ACN 127 663 414 ('CFMG Land'). CFMG Land has also been engaged by Outlook Yandina SPV to provide it with project management functions and administrative and company secretarial functions. The ultimate holding company of CFMG Land, Outlook Yandina SPV and the Responsible Entity is CFMG Capital Limited.</p>
Director of Outlook Yandina SPV	<p>The Outlook Yandina SPV currently has one director serving on its board, Scott Watson. Details of Scott Watson, his background and experience is:</p> <p>Scott Watson</p> <p>Scott is a founding Director of both the residential communities and income fund businesses of CFMG.</p> <p>After five years as a solicitor in private practice advising a wide range of clients including State Government departments, publicly listed and private companies, Scott joined a private development and financial services group where his responsibilities included management of the group's legal requirements and obligations, project management and broad acre acquisitions.</p> <p>From 2008, Scott has been actively involved in overseeing the governance and compliance obligations in relation to residential land development companies.</p> <p>Scott holds Bachelor degrees in Law and Accountancy, a Graduate Diploma in Urban and Regional Planning and has more than 12 years broad experience in the property development and finance industries.</p>
Trust Structure	The Trust is a registered managed investment scheme. This SPDS relates to the offer of Outlook Yandina Units which will have a beneficial interest in the Loan Agreement. The Loan Agreement between the Trust and the Outlook Yandina SPV will require the Outlook Yandina SPV to pay the Trust interest of 14.14% per annum on the Principal over the term of the Loan.
Asset identification and negotiation fee	An asset identification and negotiation fee of 4.4% of the capital raised by the issue of Outlook Yandina Units will be paid to the Responsible Entity on the issue of units in the Trust.
Anticipated Distribution Rate	<p>Outlook Yandina Units have a targeted distribution rate of up to 8.95% per annum (pre tax and net of fees) over the life of the investment. For the timing of distribution payments please refer to the table on page 9 of this SPDS.</p> <p>For example, for each \$25,000 you invest in the Trust, the anticipated income distribution you will receive is \$2,237.50 per annum. An interim distribution by the Trust is expected to be paid in June 2022. This interim distribution will be funded by a small component of the advanced Principal being retained by the Trust and not provided to Outlook Yandina SPV.</p>
Minimum Investment	<p>Applications for Outlook Yandina Units must be for a minimum investment of \$25,000 and then in multiples of \$5,000. The Responsible Entity reserves the right to accept lower amounts.</p> <p>The Outlook Yandina Units will be issued for \$1.00 each.</p>
Likely term of your Investment	<p>The Property Development is currently anticipated to be completed by December 2022.</p> <p>Accordingly, the Outlook Yandina Units are intended to be on issue for a minimum term of eighteen (18) months.</p> <p>Unitholders may not withdraw their investment (although transfers are permitted subject to the Constitution).</p>

Income Distribution	<p>The targeted rate of return for the Outlook Yandina Units is up to 8.95% per annum, which is based on the interest rate payable under the Loan Agreement by the Outlook Yandina SPV less the Asset Identification and Negotiation Fee, Management Fee and administrative fees and costs the Responsible Entity is entitled to be reimbursed for in operating the Trust.</p> <p>The Responsible Entity does not, and its related parties, associates, officers and employees do not, guarantee Unitholders will receive any, or a particular rate of, return on their investment.</p> <p>An interim distribution is intended to be paid by the Trust in June 2022. This interim distribution will be funded by some of the advanced Principal under the Loan Agreement being retained by the Trust and not provided to Outlook Yandina SPV. Interim distributions will be made by electronic funds transfer to the Unitholder's nominated Australian bank account.</p> <p>A final distribution is to be paid on completion of the Property Development and sale of the Property and upon repayment of the Principal and interest under the Loan Agreement.</p> <p>The final distributions for the financial year FY2023 will be totally dependent on Outlook Yandina SPV complying in full and on time with its obligations under the Loan Agreement.</p> <p>A forecast Application, Sources, Income and Distribution Statement is set out in the table on page 9 of this SPDS which has been prepared on the basis that capital of \$2.5m is raised by the issue of Outlook Yandina Units. The forecast Application, Sources, Income and Distribution Statement is provided for illustrative purposes only and is not represented as being necessarily indicative of the Trust's future position or outcomes.</p> <p>Following the repayment of the Principal and payment of the interest under the Loan Agreement by the Outlook Yandina SPV, the Trust will redeem your Outlook Yandina Units by electronic funds transfer to your nominated Australian bank account.</p>
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DETAILS OF OUTLOOK YANDINA SPV (SPV DEVELOPER)

Outlook Yandina SPV is a special purpose vehicle incorporated for the sole purpose of acquiring the Property and carrying out the Property Development.

Outlook Yandina SPV was incorporated in Queensland on 22 April 2021 as a proprietary company and currently has one director serving on its board, Scott Watson. Details of this director are set out in section 2 of the PDS.

The Outlook Yandina SPV, pursuant to a management agreement, will draw on the resources of CFMG Land Limited ACN 127 663 414 ('CFMG Land') for project management functions and administrative and company secretarial functions.

The directors serving on the board of CFMG Land are Scott Watson, Jason Matigian, Wayne Hamburger and Ross Stiles.

DETAILS OF OUTLOOK YANDINA SPVS CORPORATE AND PROJECT MANAGEMENT

CFMG Land provides management and administrative services to the Outlook Yandina SPV and is also the project manager of the Property Development for the Outlook Yandina SPV.

CFMG Land will earn management fees as set out below.

Project Management Fees

The Outlook Yandina SPV has agreed to pay CFMG Land a project management services fee in consideration for CFMG Land endeavoring to do all things it may deem necessary, prudent and desirable for carrying out the efficient, businesslike and proper management of the Property Development.

The project management fee:

- a. comprises an amount equal to 2.0% plus GST of the gross sales price received by the Outlook Yandina SPV from any sale and/or similar transaction relating to the Property; and
- b. is payable on the date of settlement of the sale by the Outlook Yandina SPV of any allotment developed or created from the Property.

Company and Asset Management Services Fee

The Outlook Yandina SPV has agreed to pay CFMG Land a company and asset management services fee in consideration for CFMG Land endeavoring to do all things it may deem necessary, prudent and desirable for carrying out the efficient and proper management of the Outlook Yandina SPV, the Property and the Property Development.

The company and asset management fee:

- a. comprises an amount equal to 3% plus GST of the gross sales price received by the Outlook Yandina SPV for any sale and/or similar transaction in respect of the Property; and
- b. is payable by the Outlook Yandina SPV as lot sales are finalised.

Company Secretarial Services Fee

The Outlook Yandina SPV has agreed to pay CFMG Land a company secretarial services fee in consideration for CFMG Land endeavoring to do all things it may deem necessary, prudent and desirable for carrying out the efficient administration of the Outlook Yandina SPV's secretarial affairs.

The company secretarial services fee:

- a. is \$60,000 plus GST per annum (on a pro-rata basis); and
- b. is payable monthly on a pro-rata basis in arrears.

The Outlook Yandina SPV must reimburse CFMG Land for any:

- a. disbursements paid or incurred by CFMG Land in the course of performing its duties under the management agreement; and
- b. disbursements or payments made by CFMG Land on behalf of the Outlook Yandina SPV in respect of the acquisition of the Property, the capital raising and administration of the Outlook Yandina SPV not otherwise covered by the management agreement.

DETAILS OF OUTLOOK YANDINA PROPERTY DEVELOPMENT

Overview

Outlook Yandina SPV has purchased 2.148 hectares of land in Yandina, situated approximately 113 kilometres north of the Brisbane CBD, 20 kilometres west of Coolumb on the Sunshine Coast and 9 kilometres north of Nambour ('Property').

The Property has the benefits of an existing development approval for the development into a 21 allotment residential land subdivision generally in accordance with the Concept Plan in this SPDS.

The Locality

Located 9 kilometres north of Nambour on the Sunshine Coast, the Property is intended to be developed into a small to medium scale residential subdivision within an established rural residential location of the Sunshine Coast region.

The location of the Property is within reasonable proximity to retail and public amenities. Old Gympie Road has a moderate volume of passing traffic and exposure is adequate for the current and proposed use.

Immediate surrounding development includes modern subdivisions and acreage properties. There are several similar projects recently completed and currently under construction in the immediate vicinity.

The Property is situated on the southern side of Old Gympie Road approximately 900 metres west of the Yandina Train Station.

It is anticipated that the proposed development will provide a range of new housing opportunities with a predominant buyer profile considered to be owner occupiers (second and third home owners) and to a lesser extent, investors.

The Property

The Property is situated at 39-41 Old Gympie Road, Yandina and is more particularly described as lot 4 on RP 144885 and having certificate of title reference number 15272226.

Market Demographics

The outbreak of the Novel Coronavirus (COVID-19) has presented an unprecedented disruption to the global economy. Although the recovery has now commenced, there remains ongoing downside risk (through the presence and potential impacts from mutated strains) with the complete recovery from the COVID-19 fallout likely to require years to fully overcome.

The economic recovery is now well underway, as all States and Territories continue to lift restrictions, usher back non-essential services and ease border restrictions. This process will be gradual and non-linear with the risk of COVID-19 related disruptions still present. Notwithstanding, the recovery to date has been stronger than expected through the significant fiscal and monetary stimulus supporting the economy through the down turn.

Demand for established residential property is currently reported to be strong, predominantly on the back of the increase in interstate migration and a general lack of supply.

There is currently steady demand for development sites within established and emerging markets. Good demand remains for development ready, approved holdings situated to infill locations like the Property.

The Property has a good outlook in an established residential area. There is currently limited direct competition to the intended residential subdivision from the Property, with two active subdivisions reporting strong sales and limited remaining available stock.

The Property has been identified to capitalise on the potential from the lack of supply and potential increase in demand.



Purchase of the Property

The contract to purchase the Property between the Outlook Yandina SPV and the registered owner was entered into on 22 April 2021.

The registered owner of the Property is unrelated to the Outlook Yandina SPV, to CFMG Land Limited, to CFMG Capital Limited, to CFMG Equity and Income Funds Limited as Responsible Entity or any of their directors or shareholders.

The key commercial terms of the contract to purchase the Property are as follows:

- a. Settlement is due to be completed on 24 May 2021;
- b. the purchase price payable by Outlook Yandina SPV is \$2,500,000 (plus GST);
- c. a deposit of \$250,000 is payable which has been paid by CFMG Land on behalf of Outlook Yandina SPV.

The Development Concept

The Concept Plan set out on page 14 of this SPDS illustrates the proposed development concept.

The proposed development is to comprise 21 residential allotments and other services.

It is proposed that the Property be developed over a single stage.

The allotments proposed to be developed range from 703m² to 1,781 m² with an overall average land area of approximately 845m².

The Property Development involves the development of the Property as residential allotments for on-sale as sites for residential housing.

Marketing and Distribution

The marketing strategy for the residential allotments is intended to include a mix of direct selling to individual buyers and also selling to the local home builders, who on sell the allotments to their clients.

It is proposed that the Outlook Yandina SPV will be direct marketing allotments through a project web site, real estate marketing sites and other media campaigns.

It is anticipated that marketing of the allotments will commence prior to commencement of the development works and will continue during construction with allotments to be pre-sold subject to titles being created.

While the Outlook Yandina SPV anticipates that the above marketing and distribution strategy is appropriate the directors of the Responsible Entity or the Outlook Yandina SPV are not able to forecast land sales prices or rates.

Sales rates and selling prices can be influenced by a number of factors which are outside the control of either the Responsible Entity or the Outlook Yandina SPV including property market conditions, supply and demand, interest rates and buyer sentiment.

Indicative Property Development Timing

Based on the likely time frame for engineering plan approvals, it is currently anticipated that the construction works for the Property Development could commence in or before September 2021 and the Property Development could be completed by December 2022.

Marketing is anticipated to commence prior to the construction of the development works, with allotments to be pre-sold subject to titles being created and then continue following completion of the development works and titling process.

Provided that the key assumptions anticipated by the Outlook Yandina SPV hold true then the anticipated timing for the carrying out of the Property Development is expected to be as follows:

Settlement of Property	May 2021
Subdivision Works	September 2021 to March 2022
Registration of Allotments	April 2022
Settlement of Allotments	May 2022 to September 2022

* Dates indicative only and subject to change.

Whilst the above timing is how the Outlook Yandina SPV anticipates the Property Development could progress, there is no guarantee that the assumptions above will be met. The directors of the Outlook Yandina SPV are not able to forecast land sales rates or other delays which may be experienced with the timing of the Property Development.

Accordingly, the financial performance or returns which may be generated by the Outlook Yandina SPV is not guaranteed and an investment in the Loan is considered a speculative investment.

Property Development Finance

The Trust will contribute the capital raised by the issue of Outlook Yandina Units (less the amounts retained from the Principal to pay management fees to the Responsible Entity and to be applied to make the interim distribution in June 2022) to the Property Development by advancing the Principal under the Loan Agreement to Outlook Yandina SPV.

The Outlook Yandina SPV will apply the funds received from the Trust towards costs associated with payment of stamp duty on the purchase contract, towards payment of the purchase price to the registered owners of the Property under the purchase contract, towards the development costs associated with the Property Development and to funding associated working capital.

In addition to the amount raised through the Trust, it is anticipated that approximately a total of \$3.4m of debt finance is required in order to complete the Property Development.

Based on the experience of CFMG Land Limited as manager of the Outlook Yandina SPV in sourcing debt finance from major lending institutions on other similar projects Outlook Yandina SPV considers that debt finance can be secured and may be applied towards the development costs and other working capital for the Property Development. Based on that expectation the Outlook Yandina SPV considers that debt finance can be obtained to fund the development costs and other working capital to an amount equal to 50% of the total assessed gross realizations from the Property Development.

It is anticipated the funding from a major lending institution will be subject to a number of terms and conditions. Whilst the Outlook

Yandina SPV expects to satisfy the terms and conditions applying to the expression of interest, there is no guarantee that such conditions will be met.

LOAN AGREEMENT

The Trust's investment in Outlook Yandina SPV is by way of the Loan Agreement.

The Loan Agreement sets out the terms on which the Trust loans the Principal to the Outlook Yandina SPV and the rights and obligations of the parties to that agreement.

The Loan Agreement also includes key matters such as the conditions precedent (and subsequent) to the Trust drawing down the advanced Principal to the Outlook Yandina SPV, undertakings by the Outlook Yandina SPV to the Trust, representations and warranties by the Outlook Yandina SPV and the terms of the operation of the Outlook Yandina SPV (including the interest entitlements under the Loan Agreement, the waterfall of payments relating to distribution of Property Development proceeds and other matters relating to the payment of funds by the Outlook Yandina SPV).

Key conditions precedent required before the Trust will draw down any Principal to the Outlook Yandina SPV under the Loan Agreement, include:

- approval by the board of the Responsible Entity to entry into and completion of the Loan Agreement;
- the grant of and entry into a general security over the Outlook Yandina SPV in favour of the Trust which ranks behind other lenders to Outlook Yandina SPV;
- receipt of an expression of interest from a secured funder to provide property finance and a construction debt facility to Outlook Yandina SPV outlining the terms and basis on which development finance may be provided to the Property Development on terms satisfactory to the Outlook Yandina and the Responsible Entity;
- confirmation as to the status of the development approvals required to be able to carry out the Property Development to the satisfaction of the Responsible Entity; and
- receipt of an independent valuation confirming the value of the Property.

The Outlook Yandina SPV must not, without the Responsible Entity's prior written consent:

- create any liability by way of further financial indebtedness in relation to the Property Development (except in relation to the secured senior debt and the third party equity that may rank equally or take priority to the Loan Agreement with the Trust);
- create any mortgage, charge or other security interest affecting or relating to the Property Development (other than in relation to the construction debt facility for the Property Development);
- issue or redeem new shares or other securities in the Outlook Yandina SPV (other than in relation to raising the third party equity that ranks equally or take priority to repayment of the Loan);
- amend the management agreement with CFMG Land in a manner which materially impacts the Trust.

Under the Loan Agreement, the application by the Outlook Yandina SPV of surplus cashflow of the Outlook Yandina SPV is to be made in the following order:

firstly, to repay the secured funder and interest; then

secondly, to pay all taxes and other statutory imposts; then

thirdly, to pay all other outstanding costs, expenses and liabilities incurred in the operations of the Outlook Yandina SPV; then

fourthly, to pay any fees to CFMG Land for services provided to the Outlook Yandina SPV in accordance with the terms of the management agreement; then

fifthly, to repay the Principal to the Trust under the Loan Agreement; then

sixthly, to pay the interest to the Trust under the Loan Agreement; then

finally, balance of Property Development profits to the Outlook Yandina SPV.

ABOUT THE LOAN AGREEMENT BETWEEN THE TRUST AND OUTLOOK YANDINA SPV

The Loan is to be made on the following basis:

Type of Loan	The Loan Agreement will be between the Trust and Outlook Yandina SPV.
Interest Payable	An interest payment of 14.14% per annum is payable in arrears (when the loan is repaid) on the Principal advanced under the Loan Agreement.
Distributions by the Trust	The Responsible Entity intends to make an interim repayment in June 2022 with the final distribution after the Outlook Yandina SPV repays the Principal and interest under the Loan Agreement.
Voting Rights	There will be no entitlement to receive notice of, to attend or to vote at, any general meetings of the Outlook Yandina SPV or to vote on any written resolution of members of the Outlook Yandina SPV.
Property Development Cashflow Waterfall	Repayment of the Principal and interest under the Loan Agreement is subject to the Property Development cashflow waterfall set out in this SPDS.
Repayment Date	The Principal and interest is repayable on the date which is eighteen (18) months after the date Loan funds are first advanced or earlier at the election of the Outlook Yandina SPV (provided that such repayment will not occur until at least 12 months after the drawdown of the relevant Principal). The Responsible Entity may agree with the Outlook Yandina SPV to agree to extend a repayment date by up to 12 months.

FORECAST APPLICATION, SOURCES, INCOME AND DISTRIBUTION STATEMENT

The forecast application, sources, income and distribution statement assumes that capital of \$2.5 is raised by the issue of Outlook Yandina Units.

Set out below are the forecast application and sources of Trust funds together with the income and distribution statements of the Fund for the periods ending 30 June 2022 and 30 June 2023:

	Jun-21	Jun-22	Oct-22	Total
Income/Capital				
Units	\$2,500,000.00			
Fixed Return - 14.14% pa	\$45,519.18	\$353,500.00	\$119,124.66	\$518,143.84
Sub-total	\$2,545,519.18	\$353,500.00	\$119,124.66	\$3,018,143.84
Distributions				
Asset Identification & Negotiation Fee - 4%	\$100,000.00			\$100,000.00
Management Fee of units on issue - 1%	\$4,166.67	\$25,000.00	\$8,333.33	\$37,500.00
Annual Fund Expenses - \$30,000 pa	\$5,000.00	\$30,000.00	\$10,000.00	\$45,000.00
Sub-total	\$109,166.67	\$55,000.00	\$18,333.33	\$182,500.00
Funds available for distribution	\$2,436,352.51	\$2,734,852.51	\$2,765,188.08	
Unitholder Distributions		\$70,455.75	\$2,765,188.08	\$2,835,643.84
Per Unit Distribution		\$0.03	\$1.11	\$1.13
Surplus/shortfall	\$2,436,352.51	\$2,664,396.76		

* The interim distribution of June 2022 will be funded by the Trust retaining an amount from the Principal advanced under the Loan Agreement. Whilst the Trust will be entitled to the full 14.14% per annum interest on the amount raised, the Principal proportion retained by the Trust will be sufficient to pay for the fees and expenses of the Trust and the interim distribution for financial year FY22. The final distributions for the financial year FY2023 will be totally dependent on the Outlook Yandina SPV complying in full and on time with its obligations under the terms of the Loan Agreement.

The forecast application, sources, income and distribution statement is provided for illustrative purposes only and is not represented as being necessarily indicative of the Trust's future financial position or outcomes.

RISK FACTORS

All investments involve some risk, as investments can decline as well as increase in value.

Details of the risks relating to an investment in the Trust are set out in the PDS dated 25 January 2018.

Below are specific risks associated with an investment in Outlook Yandina Units.

SPECIFIC RISKS

An investment in the offer of Outlook Yandina Units also involves specific risks relating to the Property Development to be carried out by the Outlook Yandina SPV which is the development of the Property. These risks are common when undertaking property development. By undertaking a process of due diligence, key Property Development risks are where possible identified and management strategies put in place. This reduces the risk that the Property Development will not perform as anticipated but does not eliminate all risk. Some of the key risks (and potential mitigating factors) are summarised below.

Before deciding whether to subscribe for Units, you should carefully consider the principal risks to which you are exposed and whether the purchase of Units is a suitable investment for you.

If you are in doubt as to whether you should apply for Units, you should first seek advice on the matters contained in this SPDS from a professional adviser.

RISK	RISK MANAGEMENT
Planning Risks There are risks associated with planning for the Property Development, particularly in relation to obtaining and satisfying conditions relating to a development approval.	<ul style="list-style-type: none">Professional town planning consultants will be engaged by the Outlook Yandina SPV to advise in relation to the planning for the Property Development.The Property has the benefit of an existing development permit being in place to authorise the development of the Property into the residential allotments.
Development Approval Risk There are risks associated with property development projects including in relation to obtaining a development approval and any resulting conditions.	<ul style="list-style-type: none">Professional town planning consultants will be engaged by the Outlook Yandina SPV to advise in relation to the planning for the Property Development.The Property has the benefit of an existing development permit being in place to authorise the development of the Property into the residential allotments.
Market Risk The Property Development is exposed to changes in the supply and demand for residential dwellings and the values of residential dwellings.	<ul style="list-style-type: none">A marketing strategy has been developed for the marketing and sale of the allotments intended to be developed in the Property Development.Marketing is anticipated to commence prior to the construction of the development works, with allotments to be pre-sold subject to titles being created and then continue following completion of the development works and titling process.
Market and Site Sentiment The market for medium to large subdivision sites is considered to be at, or near its peak. The residential market throughout the growth corridors in South East Queensland is in part driven by interstate and foreign investment as opposed to purely local market fundamentals.	<ul style="list-style-type: none">A marketing strategy has been developed for the marketing and sale of the allotments intended to be developed in the Property Development.Marketing is anticipated to commence prior to the construction of the development works, with allotments to be pre-sold subject to titles being created and then continue following completion of the development works and titling process.The marketing strategy for the residential allotments is intended to include a mix of direct selling to individual buyers and also selling to the local home builders, who on sell the allotments to their clients.It is proposed that the Outlook Yandina SPV will direct market allotments through a project web site, real estate marketing sites and other media campaigns.
Sales Risk The price achieved for the sale of the residential allotments intended to be developed from the Property may be insufficient to deliver the interest payable and the repayment of the Principal under the Loan Agreement.	<ul style="list-style-type: none">A sales and marketing strategy has been developed by the Outlook Yandina SPV which includes a mix of direct selling to individual buyers and also selling to the local home builders, who on sell the allotments to their clients.It is anticipated that marketing of the allotments will commence prior to settlement of the purchase of the Property and will continue during development with allotments to be pre-sold subject to titles being created.

Settlement Risk Once allotments are sold there is a risk that buyers do not settle on their purchase. There are risks associated with the validity and enforceability of the sales contracts and satisfying foreign investment laws and regulations. The sale and marketing to foreign buyers is considered to be a higher settlement risk than to domestic owner occupiers due to the lending criteria applied to different categories of buyers.	<ul style="list-style-type: none"> • The marketing strategy for the residential allotments is intended to include a mix of direct selling to individual buyers and also selling to the local home builders, who on sell the allotments to their clients. • A law firm will be engaged to review and advise on the sale contracts and conveyancing process.
Development Costs Risk Budgeted development costs may be materially different to actual costs incurred by the Property Development. Cost overruns or changes to anticipated costs may result in additional equity or debt funds being required, which may dilute or extinguish returns to Unitholders.	<ul style="list-style-type: none"> • Outlook Yandina SPV has engaged professional engineering consultants to provide an opinion on costs for the Property Development. • It is anticipated that the civil contractor will enter into a fixed-time, fixed price construction contract with the Outlook Yandina SPV to reduce the risk to the Property Development.
Additional Funding Risk Should the development costs increase, further debt and/or equity may be required to complete the Property Development.	<ul style="list-style-type: none"> • Outlook Yandina SPV has engaged professional engineering consultants to provide an opinion on costs for the Property Development. • It is anticipated that the civil contractor will enter into a fixed-time, fixed price construction contract with the Outlook Yandina SPV to reduce the risk to the Property Development.
Development Delay Risk If development is delayed, then this may lead to increased interest costs, reduced returns to Unitholders and a delay in those returns.	<ul style="list-style-type: none"> • It is anticipated that the Outlook Yandina SPV will seek to avoid delay risks in its construction contract with the civil contractor by entering into a contract which is fixed-time and fixed-price. • A delay in the settlement of the Property sales may have an adverse impact on the Project returns and ultimately the interest paid to Unitholders.
Property Development Debt Financing Risk There are risks with raising the use of debt finance to fund part of the costs of delivering the Property Development. The use of debt funding can increase investment losses. The Outlook Yandina SPV has not yet secured debt funding for the Property Development.	<ul style="list-style-type: none"> • A condition precedent to the Trust advancing any Principal under the Loan Agreement to Outlook Yandina SPV is that the Responsible Entity be satisfied with the basis on which development finance may be secured for the Property Development.
Interest Rate Risk There are risks associated with increases in interest rates impacting the cost of anticipated borrowings over the term of the Property Development.	<ul style="list-style-type: none"> • A condition precedent to the Trust advancing any Principal under the Loan Agreement to Outlook Yandina SPV is that the Responsible Entity be satisfied with the interest rate on which development finance may be secured for the Property Development.
Counterparty Risk There are risks associated with counterparties fulfilling their obligations including the potential for disputes between the Outlook Yandina SPV and the manager.	<ul style="list-style-type: none"> • The principals of CFMG Land are experienced in managing the delivery of developments such as the Property Development and operating the Outlook Yandina SPV. • The Responsible Entity will closely monitor the progress of the Property Development.
Conflict of Interest Risk A number of related parties are providing services to the Property Development and receiving fees creating a potential for conflicts of interest.	<ul style="list-style-type: none"> • The Responsible Entity has a conflict of interest policy for dealing with conflicts of interest. • Should an event of default arise under the Loan Agreement and the Outlook Yandina SPV does not remedy that default then the Responsible Entity will and is required to take action to recover the money owed. • Both the Responsible Entity and its directors have a statutory duty to place the interests of Unitholders above their own interests where there is a conflict. • The Responsible Entity will keep the Unitholders informed of the actions being taken.
Rectification Risk Upon the completion of the Property Development, there are risks associated with defects in the residential allotments requiring rectification which may prove costly.	<ul style="list-style-type: none"> • Under the intended form of civil construction contract, the obligations of rectification works will rest with the contractor. • The Outlook Yandina SPV is intended to have recourse to the contractor's bank guarantees to use towards rectification costs should the contractor not meet its obligations.

<p>Documentation Risk</p> <p>The interlocking arrangements involved in the Property Development and arrangements between the Trust and the Outlook Yandina SPV are governed by a set of legal documents and contracts which include the Loan Agreement and Corporate Project and Asset Management Agreement. The risk of dispute over the interpretation or enforceability of the documentation may have a materially negative impact on the Property Development and distributions under the Outlook Yandina Units.</p>	<ul style="list-style-type: none"> • The Responsible Entity intends to engage professional advisers including in the fields of law to assist in interpreting the agreements.
<p>Risk arising out of or exacerbated by COVID 19</p> <p>The uncertain economic outlook arising out of the COVID 19 outbreak and the effect that it may or will have on matters concerning some of the specific areas of risk discussed above (including adverse market sentiment, lessened demand and sales, settlement risk, and funding risk) may have negative impact on the Property Development, the Loan Agreement and distributions under the Outlook Yandina Units.</p>	<ul style="list-style-type: none"> • There is no way of determining the extent if any, to which COVID 19 will exacerbate or heighten these specific areas of risk (discussed above) due to the uncertainty as to the impact, extent and duration of conditions caused by COVID 19.

TOWN PLANNING ASSESSMENT

Professional town planning consultants are intended to be engaged by the Outlook Yandina SPV as the consulting town planners for the Property Development.

The directors of the Responsible Entity note that a development permit has been granted for the Property Development which authorizes the development of the Property into 21 residential allotments.

ENGINEERING ASSESSMENT

Professional engineering consultants are intended to be engaged by the Outlook Yandina SPV to advise on the civil engineering, budgeted development costs, civil design and the servicing and development requirements for the Property.

The directors of the Responsible Entity are satisfied that in their opinion that there are existing services available to the Property or close to the Property to provide connections to storm water drainage, water and sewerage reticulation, electricity and telecommunications.

RELATED PARTY ARRANGEMENTS

CFMG Land and the Outlook Yandina SPV are each related parties of the Responsible Entity as they share common directors with the Responsible Entity.

A common risk of related party transactions is that in the event of default, the Responsible Entity (or the Outlook Yandina SPV) may not enforce its rights against a related party. See sections 3, 8.19 and 8.20 of the PDS for information about our Conflicts Policy that governs the related party transactions we may enter.

Should an event of default arise under the Loan Agreement and the Outlook Yandina SPV does not remedy that default the Responsible Entity will take action to recover the money owed. Both the Responsible Entity and its directors have a statutory duty to place the interests of Unitholders above their own interests where there is a conflict. The Responsible Entity will keep the Unitholders informed of the actions being taken.

The Responsible Entity has not sought member approval to transact with the Outlook Yandina SPV. The intended terms of the Loan Agreement has been benchmarked to market and are in line with industry practice. On this basis, the directors of the Responsible Entity are satisfied the terms of the Loan Agreement are on terms no less favourable than they would have been had the terms been negotiated between non-related entities dealing at arms length.

CONSENTS

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

- Outlook Yandina Pty Ltd ACN 649 647 898; and
- CFMG Land Limited ACN 127 663 414.

Fees and costs update

Additional explanation of fees and costs

The information below is in addition to the disclosures contained in clause 5.3 of the PDS.

Indirect Costs Ratio

The Indirect Cost Ratio (**ICR**) for the Trust is the ratio of the Trust management costs that are not deducted directly from a Unitholder's account, divided by the Trust's total average net assets.

The ICR for this Offer is expected to be 8.14% Indirect costs are deducted from the assets of the Trust.

Example of annual fees and costs for the Trust – for the first year

The table below replaces the table in clause 5.9 of the PDS.

EXAMPLE		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every \$50,000 you put in, you will be charged \$0.
PLUS Management Costs	8.14%p.a.	And , for every \$50,000 you have in the Trust you will be charged \$4,070 each year.
EQUALS cost of the Trust		If you had an investment of \$50,000 in the Trust at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from \$4,070 What it costs you will depend on the investment option you choose and the fees you negotiate

Note. The management costs above include the one-off 4.4% asset identification, capital raising and structuring fee which is charged only once at the commencement of the investment.

Example of annual fees and costs for the Trust – for the second (and any subsequent) years

EXAMPLE		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR
Contribution fees	Nil	For every \$50,000 you put in, you will be charged \$0.
PLUS Management Costs	3.74%p.a.	And , for every \$50,000 you have in the Trust you will be charged \$1,870 each year.
EQUALS cost of the Trust		If you had an investment of \$50,000 in the Trust at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from \$1,870 What it costs you will depend on the investment option you choose and the fees you negotiate

Example of annual fees and costs payable by the Middleton Park SPV to CFMG Land Limited

Under the Project and Company Management Agreement the Outlook Yandina SPV is required to pay CFMG Land a Project Management Fee calculated at 2.2% of the sales revenues from the sale of the finished allotments plus a Company and Asset Management Fee calculated at 3.3% of those sales revenues.

For a \$50,000 investment in the Trust (and assuming the maximum \$2,500,000 in Units are subscribed for in the Trust), you will be charged \$3,189 in Project Management Fees and \$4,784 in Company Asset Management Fees over the life of the project. This projection is based on the total Project Management Fees and Company & Asset Management Fees calculated at 2.2% and 3.3% of a hypothetical total projected revenue of \$7,247,500 and assumes the maximum \$2,500,000 of Units are subscribed for under this Offer.

The above calculation also assumes the Outlook Yandina SPV raises the \$2,500,000, investment by the Trust as contemplated under this offer.

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Property Address	39-41 Old Gympie Road, Yandina Queensland 4561
‘As is’ or market valuation	\$2.5 million
‘Gross Realisation as if complete’ including GST	\$7,247,500
‘Gross Realisation as if complete’ excluding GST	\$6,815,909
The Directors based on their experience in the property development business assess the Property – with the benefit of the existing development approval to be worth approximately \$2.5 million (plus GST).	



THE OUTLOOK
YANDINA

Application Form

CFMG Equity and Income Funds Limited ACN 112 753 876, AFSL 291390

CFMG Land and Opportunity Fund ARSN 602 610 006 – Outlook Yandina Units



Please see next page for instructions on how to complete this application form

- ☐ Read the Product Disclosure Statement and the Supplementary Product Disclosure Statement before investing – it contains important investment information.
- ☐ Each unit will be issued at \$1.00.
- ☐ No units will be issued on receipt of an Application Form which was not attached to or accompanied by the Product Disclosure Statement and Supplementary Product Disclosure Statement or generated by software accessible by the same means as the Product Disclosure Statement and Supplementary Product Disclosure Statement.
- ☐ You agree to us using your personal information in the way the Product Disclosure Statement describes.

Units Applied for: Price per unit: Application money:

1. INVESTMENT DETAILS

Unitholder 1 - Mr/Mrs/Ms/Miss	Given Names	Surname	Date of Birth
<input type="text"/>			<input type="text"/>

Unitholder 2 - Mr/Mrs/Ms/Miss	Given Names	Surname	Date of Birth
<input type="text"/>			<input type="text"/>

Corporate Trustee (If applicable)

Trust/Trust/Superannuation or other incorporated bodies

Controllers of company Unitholder

2. INVESTMENT CONTACT DETAILS

UNIT HOLDER/DIRECTOR 1 - Residential Address/Registered Office Address

Suburb/City	State	Postcode	Country (for company, insert country of incorporation)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Postal address (if different) - Unit/PO Box/House Number/Street Name

Telephone during business hours	Telephone after business hours	Email address
<input type="text"/>	<input type="text"/>	<input type="text"/>

UNIT HOLDER/DIRECTOR 2 - Residential Address/Registered Office Address

Suburb/City	State	Postcode	Country (for company, insert country of incorporation)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Postal address (if different) - Unit/PO Box/House Number/Street Name

Telephone during business hours	Telephone after business hours	Email address
<input type="text"/>	<input type="text"/>	<input type="text"/>

3. TAX FILE/AUSTRALIAN BUSINESS NUMBER(S)

Applicant 1: TFN

Applicant 2: TFN

SMSF ABN/TFN

SMSF ABN/TFN

4. BANKING DETAILS

All Distributions to be paid to the following Account::

Account Name

Account Number

BSB Number

Institution

Branch

5. DECLARATION

I/We agree to be bound by the terms of the Product Disclosure Statement and the Constitution of the Trust as amended from time to time. I/We warrant that I/we have received in Australia and read a copy of the Product Disclosure Statement accompanied by or attached to this Application Form.

Until notice is received by any one of the Applicants, the investment can be operated by any one of the signatories below. Delete if not applicable.

Is the individual a US citizen or resident of the US for tax purposes?

Yes ☐ If yes, provide the individual's US Taxpayer Identification Number (TIN):

No ☐

6. APPLICANT SIGNATURE(S)

Director/as trustee for (If applicable)

Please print full name here

Date

Director/as trustee for (If applicable)

Please print full name here

Date

FOR OFFICE USE: Applicant's identity verified as per requirements of the Anti Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) **(AML/CTF Act)**. The Responsible Entity reserves the right to withhold formal acceptance of an Application and to defer processing an Application unless and until sufficient identifying information for an Unitholder has been supplied to establish compliance with the AML/CTF Act and the Rules under the AML/CTF Act.

Amount \$ _____ **Account No.** _____ **Units Issued:** _____

How to complete the application form

- ☐ complete in BLOCK LETTERS
- ☐ if you make a mistake, cross it out and initial it - do not use correction fluid
- ☐ attach your 'not negotiable' cheque payable to:
The Trust Company (Australia) Limited ACF CFMG Land and Opportunity Fund – Outlook Yandina Units
- ☐ send this form to:
PO Box 663 FORTITUDE VALLEY QLD 4006
- ☐ EFT your application monies to:
Account: The Trust Company (Australia) Limited ACF CFMG Land and Opportunity Fund
Bank: ANZ
BSB: 012-003
Account No: 8383 47411

THESE INSTRUCTIONS ARE CROSS REFERENCED TO EACH SECTION OF THE FORM

1. UNITHOLDER NAME

Individuals	Give full name – not initials
Person under the age of 18	Use name(s) of parent(s) or guardian(s) e.g. John Smith <Sam Smith A/C>
Companies	Use company title e.g. John Smith Pty Limited as well as inserting ACN
Trusts	Use the name of the Trustee and name of Trust e.g. John Smith Pty Limited <Smith Family Trust A/C>
Superannuation Trusts	Use the name of the Trustee and name of Trust e.g. John Smith Pty Limited <Smith Super Trust A/C>

If the Unitholder is acting as a trustee, ensure the full name of the trust or fund is included in the Unitholder's description. If the trust or fund is not Australian based, identify the country in which the trust or fund was established in 'Trust Details'.

In 'Trust Details' or in an accompanying page, also insert any ABN allocated to the trust or fund and add identifying wording to identify:

1. the ARSN, if the trust or fund is ASIC registered; or
2. if the trust or fund is an ATO Self Managed Superannuation Trust, and if so, insert 'SMSF'; or
3. if the trust or fund is regulated by APRA, and if so, write 'APRA Regulated' and the APRA registration number; or
4. if none of these categories apply, insert 'Other' and applicable descriptions, such as 'Family Discretionary Trust', 'Unit Trust' or 'Other'.

For the box headed 'Controllers of company Unitholder', please supply full names of shareholders who hold more than 25% of the shares in the Company, together with their percentage holding. This information is only needed for Australian proprietary limited companies. Attach a separate page if insufficient space.

If the company Unitholder is a foreign company, but is a majority owned subsidiary of an Australian listed company, insert in the box headed: 'Controllers of company Unitholder' – words of or to the effect of 'Controlled by listed Australian company'.

If a foreign company is the Unitholder, but the company is not registered with ASIC, specify on the form or on an accompanying page if it is a public or private company, its country of origin, any identifying number similar to an ACN or ARBN and its principal business address in its country of origin. If the Applicant is a foreign private company, supply the full name of every director on an accompanying page.

If the Applicant is an association, the full names of members of its board or governing committee need to be included on an accompanying page.

If the Applicant is a registered cooperative, the full names of its chairman, secretary or equivalent officer needs to be supplied on an accompanying page.

2. RESIDENTIAL AND POSTAL ADDRESS AND CONTACT DETAILS

Enter your residential or registered office address details. Please complete the postal address if your mail is delivered to a different address. If you state your email address, all reports may be sent to you by that means.

3. TAX FILE NUMBER (TFN)/AUSTRALIAN BUSINESS NUMBER (ABN)

You are not required to give us your TFN or ABN. However if you do not quote either, we are required to withhold tax (at the highest marginal rate plus Medicare Levy) from Distributions paid to you. Collection of TFN's is authorised and their use and disclosure are strictly regulated by the tax laws and Privacy Act. By quoting your TFN or ABN you authorise us to apply it to your investment and its disclosure to the Tax Office.

4. DECLARATION

Please read the Declaration, indicate whether you are a citizen of the United States of America and sign at item 6.

6. SIGNATURE

The Application Form should be signed and dated by all Unitholders. Companies would be expected to sign by two directors or by one director and the company secretary. In the case of a sole director company, when signing, add wording: 'Signed as sole director and sole secretary'.

For further details please contact the investor relations team at CFMG Capital:

PO Box 663
Level 2, 117 McLachlan Street
Fortitude Valley QLD 4006

P: 1800 155 526
E: investorrelations@cfmgcapital.com.au
W: cfmgcapital.com.au



CFMG
Funds
Management

Real returns from real projects

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