

CFMG
Funds
Management

CFMG First Mortgage and Income Fund

ARSN 118 670 705

Supplementary Product Disclosure Statement First Mortgage and Income Fund - Class B Units

This supplementary product disclosure statement (**SPDS**) is issued by CFMG Equity and Income Funds Limited ACN 112 753 876, AFSL 291390 (**Responsible Entity, we, us and our**) of Level 2, 117 McLachlan Street, Fortitude Valley QLD 4006. www.cfmcapital.com.au.

This SPDS is dated 10 August 2021. This SPDS supplements the Product Disclosure Statement (**PDS**) which is dated 9 July 2021 with which it is distributed, and together make up the PDS for the offer (**Offer**) of Class B Units in the CFMG First Mortgage and Income Fund ARSN 118 670 705 (**Fund**).

The PDS provides information about the Fund and this SPDS relates to the offer of the Class B Units, provides information on the rights and obligations attaching to the Class B Units and contains the Application Form.

Each of the PDS and this SPDS must be read in conjunction with the other and neither will be distributed without the other. Terms defined in the PDS equally apply to this SPDS unless stated otherwise. The Important information section in the PDS applies equally to this SPDS. If you wish to participate in this Offer you should read the PDS and this SPDS, in their entirety.

Issued by CFMG Equity and Income Funds Limited
Responsible Entity ACN 112 753 879 | AFSL No. 291390



This is an important document and should be read in its entirety.
If you do not understand any part of this document you should consult your professional adviser.

Offer Details

You should read the PDS in full to properly understand your investment in the Fund.

INVESTMENT OPPORTUNITY

Class of Units	Class B
Issue price	\$1.00 per Class B Unit
Minimum investment amount	\$25,000 and then in increments of \$5,000.
Minimum subscription	The Offer will only proceed if Applications are received for at least \$100,000.
Minimum Investment Term	Six (6) months minimum investment term.
Targeted Distribution Rate and Distribution policy	<p>The current Targeted Distribution Rate for Class B Units is 6.25% per annum.</p> <p>Distributions will generally be paid quarterly with a final distribution to be paid when the Class B Units are redeemed.</p> <p>The Targeted Distribution Rate is an investment objective and not a forecast.</p> <p>We do not guarantee the payment, or amount, of distributions or capital repayment.</p> <p>See sections 3.9, 8.6 and 8.7 of the PDS for further distribution information.</p>
Withdrawal rights	<p>You will not have the right to withdraw your investment in Class B Units during the Minimum Investment Term. Generally, your investment is for the term of the investment with no ongoing liquidity.</p> <p>See sections 3.10 and 8.8 of the PDS for further information on your withdrawal rights and the withdrawal process.</p>

FEES AND OTHER COSTS

Fees and other costs	See section 6 of the PDS.
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LOAN INVESTMENT

SPV Developer(s)	<p>Solander Syndicate Limited A.C.N 603 309 995 being the registered owner of 51 Weedbrook Street, Park Ridge QLD 4125 and 37 Irma Circuit, Park Ridge QLD 4125 (Park Ridge SPV).</p> <p>Middleton Park Syndicate Limited Pty Ltd A.C.N 616 911 678 being the registered owner of 1 Almandin Street, Logan Reserve QLD 4133, 2 Almandin Street, Logan Reserve QLD 4133 and 53 Almandin Street, Logan Reserve QLD 4133 (Logan Reserve SPV).</p>
Loan Amount	<p>The sum of \$804,050 comprised of:</p> <p>(a.) \$469,300 in relation to the loan to the Logan Reserve SPV; and</p> <p>(b.) \$334,750 in relation to the loan to the Park Ridge SPV.</p>
Loan Term(s)	6 months term
Purpose of the Loan(s)	To fund working capital to each SPV Developer.
LVR	The LVR for the loans to each SPV developer is 65% (including GST) and 70% (net of GST)
Interest rate	15.71% per annum interest rate

Security property details	<p>In relation to the loan from the Park Ridge SPV;</p> <p>(a.) 51 Weedbrook Street, Park Ridge QLD 4125 more particularly described as lot 256 on SP302389 having certificate of title reference 51210064; and</p> <p>(b.) 37 Irma Circuit, Park Ridge QLD 4125 more particularly described as lot 281 on SP302389 having certificate of title reference 51210089.</p> <p>In relation to the loan to the Logan Reserve SPV:</p> <p>(a.) 1 Almandin Street, Logan Reserve QLD 4133 more particularly described as lot 150 on SP304520 having certificate of title reference 51175281;</p> <p>(b.) 2 Almandin Street, Logan Reserve QLD 4133 more particularly described as lot 2 on SP304520 having certificate of title reference 51175208; and</p> <p>(c.) 53 Almandin Street, Logan Reserve QLD 4133 more particularly described as lot 124 on SP304520 having certificate of title reference 51175255.</p>
'As is' or market valuation of the Security Property	<p>Directors Assessment of the Market Value of the Security Property</p> <p>The Directors based on their experience in the property development business assess the Security Property to be worth approximately:</p> <p>(i) \$255,000 for 51 Weedbrook Street, Park Ridge QLD 4125;</p> <p>(ii) \$260,000 for 37 Irma Circuit, Park Ridge QLD 4125;</p> <p>(iii) \$250,000 for 1 Almandin Street, Logan Reserve QLD 4133;</p> <p>(iv) \$240,000 for 2 Almandin Street, Logan Reserve QLD 4133; and</p> <p>(v) \$232,000 for 53 Almandin Street, Logan Reserve QLD 4133.</p>
How do I invest in this Offer?	See section 8 of the PDS and the Application Form attached to this SPDS.
Cooling-off	There are no cooling-off rights applicable to applications for Class B Units.



Application Form

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

CFMG First Mortgage and Income Fund ARSN 118 670 705 – Class B 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:** _____

Date _____ **Confirmed.** _____

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 First Mortgage and Income Fund - Class B 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 First Mortgage and Income Fund – Class B Units
Bank: ANZ
BSB: 012-003
Account No: 8383 85856

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.

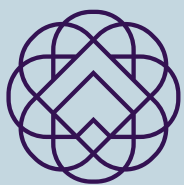
6. SIGNATURE

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



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Real returns from real projects

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