

CFMG Land & Opportunity Fund

ARSN 602 610 006

Supplementary Product Disclosure Statement

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 E Units ('**Lomandra Park 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.

CFMG Equity and Income Funds Limited ACN 112 753 876, the holder of Australian Financial Services Licence (AFSL) no. 291390, is the responsible entity of CFMG Land and Opportunity Fund ARSN 602 610 006 (**Trust**).



Overview

The information presented below in this SPDS outlines an offer to acquire Lomandra Park Units in the Trust to facilitate the Trust investing in a minimum of 500,000 and a maximum of 5,000,000 notes issued by Lomandra Park Syndicate Limited A.C.N 617 313 167 (**Lomandra Park SPV**). The notes have a fixed return of 15.6% per annum. Money raised by the issue of the notes will be used by the Lomandra Park SPV to fund the Property Development.

The Property Development relates to the purchase of real property, comprising approximately 6.3811 hectares (5.837 hectares of developable area) paying \$16,820,000 with settlement due on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018 in exchange for payment to each of the six individual Vendors of an amount equal to \$10,000 per month for each month beyond 30 June 2018.

Lomandra Park SPV has applied for development approval to subdivide the Property into 90 residential allotments, supporting roads and other services generally in accordance with the Concept Plan in this SPDS. Under the acquisition contract for the purchase of 245 Graham Road, Lomandra Park SPV has agreed with the Vendor of 245 Graham Road, Bridgeman Downs to 'sell back' the existing dwelling located on that property resulting in Lomandra achieving a net of 86 residential allotments with that one retained dwelling lot (with approval to itself be further subdivided into four lots) to be sold back.

A development application seeking approval for the reconfiguration of the Property into 90 residential allotments, dedicated parkland, drainage reserves and other services was lodged with the Brisbane City Council on 9 November 2017. While approval has been sought to develop the Property into 90 residential allotments the Lomandra Park SPV has agreed with the Vendor of 245 Graham Road, Bridgeman Downs to 'sell back' the existing dwelling located on that property resulting in a proposed development of 86 residential allotments and one retained dwelling to be sold back.

The funding of up to \$5.0m to be contributed by the Trust in exchange for the issue of notes is to be applied to the costs associated with funding deposits paid by Lomandra Park SPV to the Sellers of the individual allotments comprising the Property, the costs associated with payment of stamp duty on the purchase contracts, the costs of carrying out due diligence and for working capital associated with the Property Development.

A fixed return of 15.6% per annum is required to be paid to the Trust by Lomandra Park SPV on the notes. An initial distribution by the Trust is expected to be paid during June 2019. This initial distribution will be funded by subscription money retained by the Trust and not provided to Lomandra Park SPV.

A final distribution and redemption of the notes is to be paid on completion of the Property Development and sale of the Property. Please note that whilst Lomandra Park SPV is required to make interest payments of 15.6% per annum over the term of the issue of the notes, the return is not guaranteed by the Responsible Entity, and the Lomandra Park SPV's ability to make these payments is (subject to the subscription money being retained by the Responsible Entity) totally dependent on the successful completion of the Property Development and sale of the Property.

The Lomandra Park Units will provide a targeted return of 12.0% per annum to investors. This is based on the fixed return payable on the notes to be issued by the Lomandra Park 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 other than the initial distribution during June 2019 is totally dependent on Lomandra Park SPV meeting its interest and repayment obligations.

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 Lomandra Park Units not achieving the targeted return of 12.0% per annum.

The specific risks associated with this investment are disclosed in this Supplementary Product Disclosure Statement. These risks should be read in conjunction with the risks disclosed in the PDS.



The Investment Proposal

Lomandra Park Units	The Trust is offering a minimum of 500,000 and up to 5,000,000, Lomandra Park Units, to be issued at a price of \$1.00 per Unit, to raise up to \$5,000,000, which the Trust will invest in notes issued by Lomandra Park SPV.
Lomandra Park SPV	<p>Lomandra Park SPV is a special purpose vehicle incorporated for the sole purpose of acquiring the Property and carrying out the Property Development.</p> <p>The Lomandra Park SPV currently has three directors serving on its board. Scott Watson, Jason Matigian and Ross Stiles. Two of these persons (Scott Watson and Jason Matigian) are also directors of the Responsible Entity. Details of each of these directors are set out below.</p> <p>The sole shareholder of Lomandra Park SPV is CFMG Land Limited ACN 127 663 414 ('CFMG Land'). CFMG Land has also been engaged by Lomandra Park SPV to provide it with project management functions and administrative and company secretarial functions. The ultimate holding company of CFMG Land, Lomandra Park SPV and the Responsible Entity is CFMG Capital Limited.</p>
Directors of Lomandra Park SPV	<p>The Lomandra Park SPV currently has three directors serving on its board. Details of the directors, their background and experience is:</p> <p>Scott Watson Scott is a founding Director of both the residential communities and income fund businesses of CFMG Capital.</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> <p>Jason Matigian Jason has 15 years experience in the property industry specialising in valuation and real estate advisory. Jason has had a broad range of property experience across all sectors including residential, commercial, retail, industrial, rural, special purpose and mixed use. This broad range of experience has seen Jason and his Valuation Practice (JPM Valuers & Property Consultants) actively providing advice to the public, private and government bodies across Victoria, New South Wales, Queensland and Northern Territory.</p> <p>Prior to Jason setting up his own valuation practice he held positions with Brisbane Real Estate specialising in site acquisition and Asset Realisation for receivers; and approximately 10 years with Australia's largest valuation and advisory firm Herron Todd White Valuers.</p> <p>Jason has a strong background in valuation and advisory services and has completed various valuation assignments for due diligence and mortgage security lending purposes. More recently Jason has been working closely with receivers in provide advice on 'Highest & Best Use' analysis and distressed asset workouts.</p> <p>Jason holds a Bachelor of Applied Science (Property), is a Certified Practising Valuer in Queensland and New South Wales and an Associate member of the Australian Property Institute.</p> <p>Ross Stiles During a career spanning more than 40 years, Ross has held a number of senior executive positions with a strong emphasis on the Financial Services sector, particularly with a Property and Real Estate background.</p> <p>In 1998, Ross was a founding partner and Managing Director of ASX top 200 company Cromwell Corporation Limited (ASX Code CMW), now known as Cromwell Property Group, and managed and directed the growth of the Company, now one of Australia's largest Real Estate Investment Trusts with a market capitalisation of more than \$1.7 billion as at 31 December 2016. Apart from his role of Managing Director at Cromwell, Ross was Compliance Director and Responsible Manager for the Managed Investment Schemes the company promoted.</p> <p>Since his retirement from Cromwell in 2008, Ross has maintained his interest in property and real estate, undertaking a number of residential and industrial land developments in his own right. Ross also maintains an interest in pre-fabricated housing manufacturer and builder, Arkistruct Pty Ltd, to whom he provides consulting and advisory services.</p>

Trust Structure	<p>The Trust is a registered managed investment scheme. This SPDS relates to the offer of Lomandra Park Units which will have a beneficial interest in notes issued by the Lomandra Park SPV to the Trust. The notes to be issued by the Lomandra Park SPV will carry a rate of return of 15.6% per annum. The Lomandra Park Units have a targeted return of 12.0% per annum, which is based on the fixed return of 15.6% per annum payable on the notes to be issued by the Lomandra Park 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 resulting fixed targeted return of 12.0% per annum is totally dependent on completion of the Property Development and sale of the Property.</p>
Asset identification and negotiation fee	<p>An asset identification and negotiation fee of 4.4% of the capital raised by the issue of Lomandra Park Units will be paid to the Responsible Entity on the issue of units in the Trust.</p>
Anticipated Distribution Rate	<p>Lomandra Park Units have a targeted distribution rate of up to 12.0% per annum (pre tax and net of fees) over the life of the investment. For the timing of distribution payments please refer to page 12 of this SPDS.</p> <p>For example, for each \$25,000 you invest in the Trust, the anticipated income distribution you will receive is \$3,000 per annum. An initial distribution by the Trust is expected to be paid during June 2019. This initial distribution will be funded by subscription money retained by the Trust and not provided to Lomandra Park SPV.</p> <p>Please note that whilst Lomandra Park SPV is required to make interest payments over the term of the issue of the notes, Lomandra Park SPV's ability to make these payments is (subject to the subscription money being retained by the Responsible Entity) totally dependent on the successful completion of the Property Development and sale of the Property.</p>
Minimum Investment	<p>Applications for Lomandra Park 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 Lomandra Park Units will be issued for \$1.00 each.</p>
Likely term of your Investment	<p>Lomandra Park SPV expects the Property Development to be completed and the Property sold by June 2020.</p> <p>Accordingly, the Lomandra Park Units are intended to be on issue for a minimum term of twenty four (24) months.</p> <p>Unitholders may not withdraw their investment (although transfers are permitted subject to the Constitution).</p>
Income Distribution	<p>The targeted return for the Lomandra Park Units is up to 12.0% per annum, which is based on the rate of return on the notes issued by the Lomandra Park 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>An initial distribution is intended to be paid by the Trust in June 2019. This initial distribution is to be funded by subscription money retained by the Trust and not provided to Lomandra Park SPV. Distributions will be made by electronic funds transfer to the Unitholder's nominated Australian bank account.</p> <p>A final distribution and redemption of the notes is to be paid on completion of the Property Development and sale of the Property.</p> <p>The final distributions and redemption of the notes for the financial year FY2020 will be totally dependent on Lomandra Park SPV complying in full and on time with its obligations under the terms of the notes.</p> <p>An Application, Sources, Income and Distribution Statement is set out on page 12 of this SPDS which has been prepared on the basis that capital of \$5.0m is raised by the issue of Lomandra Park Units. The 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 redemption of the notes by the Lomandra Park SPV the Trust will redeem your Lomandra Park Units by electronic funds transfer to your nominated Australian bank account.</p>



DETAILS OF LOMANDRA PARK SPV (SPV DEVELOPER)

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

Lomandra Park SPV was incorporated in Queensland on 10 February 2017 as a public company and currently has three directors serving on its board. Scott Watson, Jason Matigian and Ross Stiles. Details of each of these directors are set out above.

The Lomandra Park 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 LOMANDRA PARK SPV'S CORPORATE AND PROJECT MANAGEMENT

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

CFMG Land will earn management fees as set out below.

Project Management Fees

The Lomandra Park 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 Lomandra Park 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 Lomandra Park SPV of any allotment developed or created from the Property.

Company and Asset Management Services Fee

The Lomandra Park 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 Lomandra Park 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 Lomandra Park SPV for any sale and/or similar transaction in respect of the Property; and
- b. is payable by the Lomandra Park SPV as lot sales are finalised.

Company Secretarial Services Fee

The Lomandra Park 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 Lomandra Park 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 Lomandra Park 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 Lomandra Park SPV in respect of the acquisition of the Property, the capital raising and administration of the Lomandra Park SPV not otherwise covered by the management agreement.

CFMG Land is an experienced project manager and is currently delivering and has recently completed a number of residential land developments.

CFMG Land draws from extensive experience as the manager of significant residential land developments in Queensland, Victoria and New South Wales. The board of directors have backgrounds in funds management and property development, and use this experience to assess opportunities based on location, population growth and demographics, infrastructure suitability, and community development plans.

While CFMG Land has undertaken projects in the past, past performance is not an indication of future performance on similar projects.



DETAILS OF LOMANDRA PARK PROPERTY DEVELOPMENT

Overview

The Lomandra Park SPV has contracted to purchase 6.3811 hectares of land (5.837 hectares of developable area) in Bridgeman Downs, situated approximately 13 kilometres north west of the Brisbane CBD (**'Property'**).

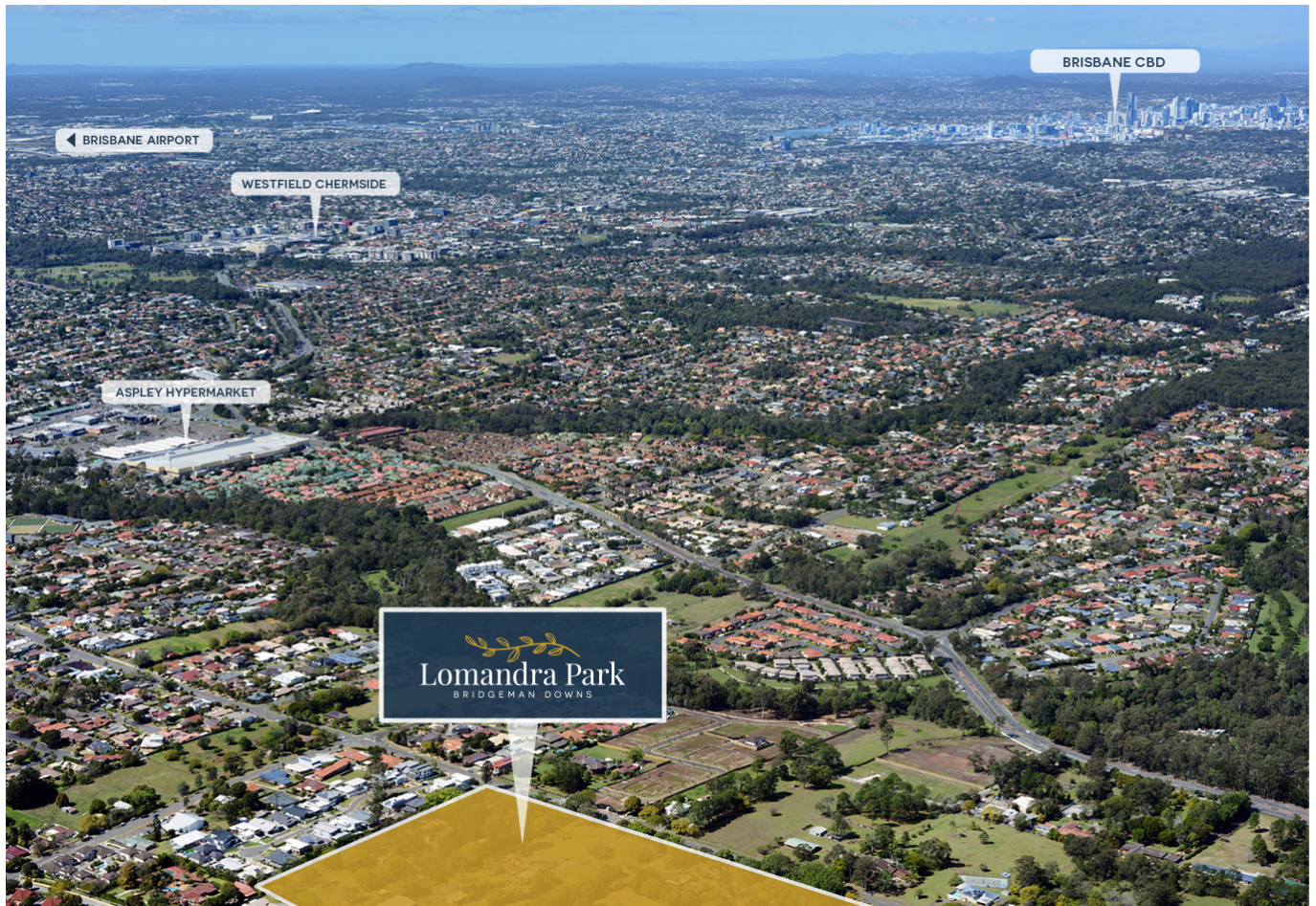
It is intended that the Property be developed into 86 residential allotments and one retained dwelling to be sold back to the Vendor of 245 Graham Road, Bridgeman Downs generally in accordance with the Concept Plan in this SPDS.

The Locality

Located 13 kilometres north west of the Brisbane CBD, the surrounding land comprises a mix of residential dwellings situated on acreage lots interspersed with modern small lot residential subdivisions either completed or currently under construction.

A number of primary and secondary schools are located within 3 kilometres. Local retail facilities are located at the Aspley Hypermarket approximately 2 kilometres to the south east.

Zillmere Railway station is situated approximately 4 kilometres to the east and local bus services are available from Grahams Road and Albany Creek Road.



The Property

The Property comprises six individual parcels of land situated at 67 Bridgeman Road and 217, 223, 237, 241 and 245 Graham Road, Bridgeman Downs, QLD 4035 and is more particularly described as Lot 2 on RP 231050, Lot 2 on RP 110642, Lot 1 on RP 110642, Lot 21 on RP 843652, Lot 11 on SP 227426 and Lot 12 on SP 227425.

Market Demographics

The state of the residential market in South East Queensland is characterised by improving economic conditions and a stable residential real estate market where sentiment varies depending on location, product and local supply and demand.

Residential estates in major growth corridors have witnessed the 'ripple effect' whereby demand has increased over the past 24 months as a result of improved confidence in the market, greater demand from owner occupiers and the relative affordability in outer lying locations compared to inner city locations.

This is particularly noticeable in middle to outer ring suburbs and areas situated within and adjacent to established major master planned communities, which are underpinned by easy access to public transport nodes, well serviced by shopping facilities and other essential services, and proximity to employment and education hubs such as universities and hospitals.

The residential development site market throughout South East Queensland, particularly for middle suburb and outer growth locations, has been relatively strong over the past 24 months.

Bridgeman Downs is a middle ring northern suburb of Brisbane, which is witnessing continuing land use change from rural residential to small lot residential. This has resulted in heightened activity from developers, and an increase in sales activity for residential development sites, particularly in the last 24 months.

In line with increased sales volumes and competition for sites, reasonable price growth has occurred for development sites in the local area.

The Property has been identified to capitalise on these existing and future opportunities.

Infrastructure

Bridgeman Downs is surrounded by infrastructure and amenity, these factors paired with proximity to major employment nodes act as key drivers of the residential market.

Bridgeman Downs is included in the Brisbane City 2014 plan as an emerging community zone and designated as priority infrastructure area for existing and future residential and non-residential development.

Bridgeman Downs is surrounded by a diverse range of employment opportunities. These include the Australia Trade Coast and major health projects such as the Holy Spirit Northside private hospital and Prince Charles Hospital. Local retail offerings include Carseldine Central Shopping Center, Aspley Hypermarket and the largest Westfield Shopping Centre in Australia – Westfield Chermside.

The diverse mix of employment, education, retail and lifestyle amenity continues to drive residential demand within Bridgeman Downs.

Purchase of the Property

67 Bridgeman Road, Bridgeman Downs, QLD 4035

The contract to purchase the land at 67 Bridgeman Road, Bridgeman Downs, QLD 4035 between the Lomandra Park SPV and the registered owners was entered into on 31 March 2017.

A further deed of variation was entered between the Lomandra Park SPV and the registered owners on 6 October 2017 to amend the purchase price and other commercial terms under the contract.

The registered owners of the property at 67 Bridgeman Road, Bridgeman Downs, QLD 4035 are unrelated to the Lomandra Park SPV, to CFMG Land 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 at 67 Bridgeman Road, Bridgeman Downs as amended by the deed of variation are as follows:

- a. Settlement is due to be completed on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018 in exchange for payment of \$10,000 per month for each month beyond 30 June 2018;
- b. The purchase price payable by the Lomandra Park SPV under is \$2,840,000;
- c. A deposit of \$284,000 is payable in instalments with \$142,000 having been paid and released to the registered owners and a balance of \$142,000 payable on 6 April 2018.
- d. If a valuation, to be conducted once the development permit has been obtained, shows that the 'per developed lot' valuation exceeds \$187,971 per approved lot then the purchase price shall be increased up to a maximum of \$80,000.

- e. The registered owners have the right to make an election to purchase a lot (or lots) with an aggregate land area of between 800 and 1000 square metres, at a 20% discount from the list prices proposed by the Lomandra Park SPV, within 10 business days of the Lomandra Park SPV offering.

215-217 Graham Road, Bridgeman Downs, QLD 4035

The contract to purchase the land at 215-217 Graham Road, Bridgeman Downs, QLD 4035 between the Lomandra Park SPV and the registered owners was entered into on 26 March 2017.

A deed of variation was entered between the Lomandra Park SPV and the registered owners on 6 October 2017 to amend the purchase price and other commercial terms under the contract.

The registered owners of the property at 215-217 Graham Road, Bridgeman Downs, QLD 4035 are unrelated to the Lomandra Park SPV, to CFMG Land 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 at 217 Graham Road, Bridgeman Downs as amended by the deed of variation are as follows:

- a. Settlement is due to be completed on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018 in exchange for payment of \$10,000 per month for each month beyond 30 June 2018;
- b. The purchase price payable by the Lomandra Park SPV under is \$2,520,000;
- c. A deposit of \$252,000 is payable in instalments with \$126,000 having been paid and release to the registered owners and a balance of \$126,000 payable by 31 March 2018;
- d. If a valuation, to be conducted once the development permit has been obtained, shows that the 'per developed lot' valuation exceeds \$187,971 per approved lot then the purchase price shall be increased up to a maximum of \$80,000.

223 Graham Road, Bridgeman Downs, QLD 4035

The contract to purchase the land at 223 Graham Road, Bridgeman Downs, QLD 4035 between the Lomandra Park SPV and the registered owner was entered into on 7 April 2017.

A deed of variation was entered between the Lomandra Park SPV and the registered owners on 6 October 2017 to amend the purchase price and other commercial terms under the contract.

The registered owner of the property at 223 Graham Road, Bridgeman Downs, QLD 4035 is unrelated to the Lomandra Park SPV, to CFMG Land 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 at 223 Graham Road, Bridgeman Downs as amended by the deed of variation are as follows:

- a. Settlement is due to be completed on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018 in exchange for payment of \$10,000 per month for each month beyond 30 June 2018;
- b. The purchase price payable by the Lomandra Park SPV under is \$2,870,000;
- c. A deposit of \$287,000 is payable in instalments with \$143,500 having been paid and released to the registered owners and a balance of \$143,500 payable by 31 March 2018.

- d. If a valuation, to be conducted once the development permit has been obtained, shows that the 'per developed lot' valuation exceeds \$187,971 per approved lot then the purchase price shall be increased up to a maximum of \$80,000.

237 Graham Road, Bridgeman Downs, QLD 4035

The contract to purchase the land at 237 Graham Road, Bridgeman Downs, QLD 4035 between the Lomandra Park SPV and the registered owner was entered into on 26 March 2017.

A deed of variation was entered between the Lomandra Park SPV and the registered owner on 6 October 2017 to amend the purchase price and other commercial terms under the contract.

The registered owner of the property at 237 Graham Road, Bridgeman Downs, QLD 4035 is unrelated to the Lomandra Park SPV, to CFMG Land 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 at 237 Graham Road, Bridgeman Downs as amended by the deed of variation are as follows:

- a. Settlement is due to be completed on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018 in exchange for payment of \$10,000 per month for each month beyond 30 June 2018;
- b. The purchase price payable by the Lomandra Park SPV under is \$2,820,000;
- c. A deposit of \$270,000 is payable in instalments having been paid in full and released to the registered owner;
- d. a valuation, to be conducted once the development permit has been obtained, shows that the 'per developed lot' valuation exceeds \$187,971 per approved lot then the purchase price shall be increased up to a maximum of \$80,000.

245 Graham Road, Bridgeman Downs, QLD 4035

The contract to purchase the land at 245 Graham Road, Bridgeman Downs, QLD 4035 between the Lomandra Park SPV and the registered owners was entered into on 27 October 2017.

The registered owners of the property at 245 Graham Road, Bridgeman Downs, QLD 4035 are unrelated to the Lomandra Park SPV, to CFMG Land 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 at 245 Graham Road, Bridgeman Downs as amended by the deed of variation are as follows:

- a. Settlement is due to be completed on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018 in exchange for payment of \$10,000 per month for each month beyond 30 June 2018;
- b. The purchase price payable by the Lomandra Park SPV is \$2,920,000;
- c. An agreement for the registered owners of the property at 245 Graham Road, Bridgeman Downs, QLD 4035 to 'buy back' from the Lomandra Park SPV an area of land comprising approximately 3,000m² for \$1.0m;
- d. Lomandra Park SPV is required to lodge an application for the subdivision of the 'buy back' lot in to four separate lots; and
- e. A deposit of \$292,000 is payable in instalments having been paid in full and released to the registered owners.

241 Graham Road, Bridgeman Downs, QLD 4035

The contract to purchase the land at 241 Graham Road, Bridgeman Downs, QLD 4035 between the Lomandra Park SPV and the registered owners was entered into on 6 October 2017.

The registered owners of the property at 241 Graham Road, Bridgeman Downs, QLD 4035 are unrelated to the Lomandra Park SPV, to CFMG Land 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 at 241 Graham Road, Bridgeman are as follows:

- a. Settlement is due to be completed on 30 June 2018 with the Lomandra Park SPV having the option to extend the settlement date until any date up to 30 September 2018;
- b. The purchase price payable by the Lomandra Park SPV under is \$2,850,000; and
- c. A deposit of \$285,000 is payable in instalments with \$142,500 having been paid and released to the registered owners and a balance of \$142,500 payable on 31 March 2018.

The Development Concept

The Concept Plan set out on page 19 of this SPDS illustrates the proposed development concept.

The proposed development is to comprise 90 residential allotments, dedicated parkland, drainage reserves and other services. While approval has been sought to develop the Property into 90 residential allotments the Lomandra Park SPV has agreed with the Vendor of 245 Graham Road, Bridgeman Downs to 'sell back' the existing dwelling located on that property resulting in a proposed development of 86 residential allotments and one retained dwelling to be sold back.

It is proposed that the Property be developed over two stages – with the area identified as stage 3 being the proportion of the project site to be 'sold back' to the Vendor of 245 Graham Road, Bridgeman Downs.

The allotments proposed to be developed range from 450m² to 3,000m² with an overall average land area of approximately 500m².

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

A development application for the proposed development was lodged with the Brisbane City Council on 9 November 2017.

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 Lomandra Park 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 settlement of the purchase of the Property and will continue during construction with allotments to be pre-sold subject to titles being created.

While the Lomandra Park SPV anticipates that the above marketing and distribution strategy is appropriate the directors of the Responsible Entity or the Lomandra Park 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 Lomandra Park SPV including property market conditions, supply and demand, interest rates and buyer sentiment.

Indicative Property Development Timing

Based on the likely time frames for development approval and engineering plan approvals, it is currently anticipated that the construction works for the Property Development could commence shortly after settlement of the purchase of the Property and the Property Development could be completed by June 2020.

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 Lomandra Park SPV hold true then the anticipated timing for the carrying out of the Property Development is expected to be as follows:

Settlement of Property	July 2018
Stage 1 -Subdivision Works	November 2018 – April 2019
Stage 1 - Registration of Allotments	May 2019
Settlement of Stage 1 Allotments	June 2019 – August 2019
Stage 2 -Subdivision Works	June 2019 – November 2019
Stage 2 - Registration of Allotments	December 2019
Settlement of Stage 2 Allotments	January 2020 – March 2020

* Dates indicative only and subject to change.

Whilst the above timing is how the Lomandra Park SPV anticipates the Property Development could progress, there is no guarantee that the assumptions above will be met. The directors of the Lomandra Park 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 Lomandra Park SPV is not guaranteed and an investment in the notes to be issued by Lomandra Park SPV is considered a speculative investment.

Property Development Finance

The Trust will contribute the capital raised by the issue of Lomandra Park Units (less the amounts retained from the subscription price to pay management fees to the Responsible Entity and the initial distribution in June 2019) to the Property Development by taking up notes to be issued by Lomandra Park SPV.

The Lomandra Park SPV will apply the funds received from the Trust to refunding to CFMG Land the deposits paid to the Sellers of the Property, the costs associated with payment of stamp duty on the purchase contracts, the costs associated with carrying out due diligence and for working capital associated with the Property Development

In addition to the amount raised through the Trust, it is anticipated that approximately a total of \$6.5m in third party equity will need to be contributed together with approximately \$13.5m of debt finance to complete the Property Development.

As at the date of this SPDS, the Lomandra Park SPV has received an expression of interest from a major lending institution advising how debt finance can be secured and may be applied towards the funding of part of the purchase price to be paid for the Property and the development costs for the Property Development.

Based on the expression of interest, the Lomandra Park SPV considers that debt finance can be obtained to fund the development costs to an amount equal to 60% of the total budgeted development costs for Stage 1, together with 40% of the residual land value for the balance of the stages.

The expression of interest is subject to a number of terms and conditions. Whilst the Lomandra Park SPV expects to satisfy the terms and conditions applying to the expression of interest, there is no guarantee that such conditions will be met.

PLANNED FURTHER CAPITAL RAISING BY LOMANDRA PARK SPV

In the immediate future, the Lomandra Park SPV will need to raise further funds to complete the contracts for the purchase of the Property.

Specifically, the Lomandra Park SPV will require funds of at least \$16,820,000 to fund the purchase price to be paid for the Property from the Sellers in June 2018 (or by September 2018 if it elects to extend the settlement date by up to three months as is contemplated by the purchase contracts).

In addition to the \$5m capital intended to be contributed by the Trust the Lomandra Park SPV intends to raise a minimum of \$6.5m in third party equity, through the issue of further notes which are likely to rank ahead of the Trust and to secure debt finance to complete the purchase of the Property.

The abovementioned information is important. This offer of Lomandra Park Units should be considered a highly speculative investment opportunity. Completion of the purchase of the Property from the sellers of the Property (and the development of the Property Development) is dependent on both the securing of debt finance and the raising of at least \$11.5m including the capital contributed by the Trust together with third party equity to fund payment of the purchase price for the Property.

If the intended capital raising is not successful, the Property Development is unlikely to proceed and Lomandra Park SPV would be unable to redeem the notes issued to the Trust in turn meaning the Lomandra Park Units may have minimal or little value.

That said, the directors of the Responsible Entity do not intend to allow the Trust to subscribe for the notes unless the directors are satisfied the third party funding has been secured (and all of the other conditions precedent referred to in the Subscription Agreement have been satisfied, as discussed below). That is, the Trust's investment in the Lomandra Park SPV is not intended to proceed unless the directors are satisfied that all those matters are satisfactory.

SUBSCRIPTION AGREEMENT

The Trust's investment in the Lomandra Park SPV is by way of a subscription agreement. Upon entering into the subscription agreement the Trust will be issued with notes issued by Lomandra Park SPV.

The subscription agreement sets out the terms on which the Trust subscribes for and is issued the notes and the rights and obligations of the parties to that agreement.

The subscription agreement also includes key matters such as the conditions precedent (and subsequent) to the Trust subscribing for the notes, the Trust's step in rights, undertakings by the Lomandra Park SPV to the Trust, representations and warranties by the Lomandra Park SPV and the terms of the notes (including the interest entitlements attached to the notes, the waterfall of payments relating to distribution of Property Development proceeds and other rights attaching to the notes.

Key conditions precedent required before the Trust will subscribe for the notes issued by Lomandra Park SPV under the subscription agreement, include:

- approval by the board of the Responsible Entity to entry into and completion of the subscription agreement;
- the grant of and entry into a general security over the Lomandra Park SPV in favour of the Trust which ranks behind other lenders to Lomandra Park SPV;
- receipt of an expression of interest from a secured funder to provide property finance and a construction debt facility to Lomandra Park SPV outlining the terms and basis on which development finance may be provided to the Property Development on terms satisfactory to the Lomandra Park SPV 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.

Should the Lomandra Park SPV default under the subscription agreement (or the management agreement with CFMG Land) and not remedy the default, the Trust may (subject to the rights of the other lenders) exercise step in rights.

The Lomandra Park 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 is likely to rank in priority to the notes to dividends and/or on winding up);
- 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 Lomandra Park SPV other than in relation to raising the third party equity that ranks equally or take priority to the notes to dividends and/or on winding up;
- pay any dividends; or
- amend the management agreement with CFMG Land in a manner which materially impacts the Trust.

Under the subscription agreement, the application by the Lomandra Park SPV of surplus cashflow of the Lomandra Park 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 Lomandra Park SPV; then

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

fifthly, to pay interest and redeem any notes issued that rank ahead of the notes held by the Trust;

sixthly, to redeem notes, pari passu amongst the holders of any other notes issued by Lomandra Park SPV that rank equally with the notes held by the Trust; then

seventhly, to pay the interest payments on the notes, pari passu as between the holders of all notes in the Lomandra Park SPV that rank equally with the notes held by the Trust; then

finally, balance of Property Development profits to the Lomandra Park SPV.



ABOUT THE NOTES ISSUED BY LOMANDRA PARK SPV

The notes are to be issued on the following basis:

Issue Price	\$1.00 per note.
Type of notes	The notes are issued by Lomandra Park SPV and are secured by a general security over Lomandra Park SPV.
Interest Payable	An interest payment of 15.6% per annum is payable in arrears on the notes held by the Trust.
Distributions by the Trust	The Responsible Entity intends to make an initial distribution in June 2019 with the final distribution once the notes are redeemed by Lomandra Park SPV.
Voting Rights	There will be no entitlement to receive notice of, to attend or to vote at, any general meetings of the Lomandra Park SPV or to vote on any written resolution of members of the Lomandra Park SPV.
Property Development Cashflow Waterfall	Repayment of the notes is subject to the Property Development cashflow waterfall set out on page 11 of this SPDS.
Redemption Date	Each note issued to the Trust is redeemable on the date which is twenty four (24) months after the issue of the notes or earlier at the election of the Lomandra Park SPV (provided that such redemption will not occur until at least 12 months after the note is issued). The Responsible Entity may agree with the Lomandra Park SPV to agree to extend the redemption date by up to 12 months.
Redemption Price	\$1.00 per unsecured note

APPLICATION, SOURCES, INCOME AND DISTRIBUTION STATEMENT

The application, sources, income and distribution statement assumes that capital of \$5.0m is raised by the issue of Lomandra Park Units and that Lomandra Park SPV meets all its repayment obligations on time and in full. It is not a forecast of future performance of the notes, the Lomandra Park Units, Lomandra Park SPV or the Property Development.

Set out below are the application and sources of Trust funds together with the income and distribution statements of the Fund for the periods ending 30 June 2019 and 30 June 2020.

	Jun-19	Jun-20	Total
Income/Capital			
Units	\$5,000,000.00		
Fixed Return - 15.6% pa	\$780,000.00	\$782,136.99	
Sub-total	\$5,780,000.00	\$782,136.99	\$6,562,136.99
Distributions			
Asset Identification & Negotiation Fee - 4%	\$200,000.00		\$200,000.00
Management Fee of units on issue - 1%	\$50,000.00	\$50,000.00	\$100,000.00
Annual Fund Expenses - \$30,000 pa	\$30,000.00	\$30,021.00	\$60,021.00
Sub-total	\$280,000.00	\$80,021.00	\$360,021.00
Funds available for distribution	\$5,500,000.00	\$6,202,115.99	
Unitholder Distributions		\$6,202,115.99	\$6,202,115.99
Per Unit Distribution		\$1.24	\$1.24
Surplus/shortfall	\$5,500,000.00		

*The initial distribution on June 2019 will be funded by the Trust retaining an amount from the subscription price for the notes. Whilst the Trust will be entitled to the full 15.6% per annum interest on the amount raised, the funds retained by the Trust will be sufficient to pay for the fees and expenses of the Trust and the initial distribution on June 2019. The final distributions for the financial year FY20 will be totally dependent on the Lomandra Park SPV complying in full and on time with its obligations under the terms of the notes.

The 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 Lomandra Park Units



SPECIFIC RISKS

An investment in the offer of Lomandra Park Units also involves specific risks relating to the Property Development to be carried out by the Lomandra Park SPV which is the purchase and 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 have been engaged by the Lomandra Park SPV to advise in relation to the planning for the Property Development. Lomandra Park SPV has advised that a pre-lodgement meeting was held with the Brisbane City Council and the feedback was that the development proposal was supported in principle. A development application was lodged on 9 November 2017.
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 have been engaged by the Lomandra Park SPV to advise in relation to the planning for the Property Development. Lomandra Park SPV has advised that a pre-lodgement meeting was held with the Brisbane City Council and the feedback was that the development proposal was supported in principle. A development application was lodged on 9 November 2017.
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 Lomandra Park 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 return on the unsecured notes.	<ul style="list-style-type: none"> A sales and marketing strategy has been developed by the Lomandra Park 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.

<p>Development Costs Risk</p> <p>Budgeted development costs may be materially different to actual costs incurred by the Property Development.</p> <p>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.</p>	<ul style="list-style-type: none"> • Lomandra Park SPV will engage professional engineering consultants to provide an opinion on costs for the Property Development. The Responsible Entity will only advance subscription money once it is satisfied with the opinion of the professional engineering consultants. • It is anticipated that the civil contractor will enter into a fixed-time, fixed price construction contract with Lomandra Park SPV to reduce the risk to the Property Development.
<p>Additional Funding Risk</p> <p>Should the development costs increase, further debt and/or equity may be required to complete the Property Development.</p>	<ul style="list-style-type: none"> • Lomandra Park SPV will engage professional engineering consultants to provide an opinion on costs for the Property Development. The Responsible Entity will only advance subscription money once it is satisfied with the opinion of the professional engineering consultants. • It is anticipated that the civil contractor will enter into a fixed-time, fixed price construction contract with the Lomandra Park SPV to reduce the risk to the Property Development.
<p>Development Delay Risk</p> <p>If development is delayed, then this may lead to increased interest costs, reduced returns to Unitholders and a delay in those returns.</p>	<ul style="list-style-type: none"> • It is anticipated that the Lomandra Park 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 however 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.
<p>Property Development Debt Financing Risk</p> <p>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.</p> <p>The Lomandra Park SPV has not yet secured debt funding for the Property Development.</p>	<ul style="list-style-type: none"> • A condition precedent to the Trust subscribing for the unsecured notes issued by Lomandra Park SPV is that the Responsible Entity be satisfied with the basis on which development finance may be secured for the Property Development.
<p>Interest Rate Risk</p> <p>There are risks associated with increases in interest rates impacting the cost of anticipated borrowings over the term of the Property Development.</p>	<ul style="list-style-type: none"> • A condition precedent to the Trust subscribing for the unsecured notes to be issued by Lomandra Park SPV is that the Responsible Entity be satisfied with the terms and basis on which development finance may be secured for the Property Development.
<p>Counterparty Risk</p> <p>There are risks associated with counterparties fulfilling their obligations including the potential for disputes between the Lomandra Park SPV and the manager.</p>	<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 Lomandra Park SPV. • The Responsible Entity will closely monitor the progress of the Property Development.
<p>Conflict of Interest Risk</p> <p>A number of related parties are providing services to the Property Development and receiving fees creating a potential for conflicts of interest.</p>	<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 subscription agreement and the Lomandra Park 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 of the actions being taken.
<p>Rectification Risk</p> <p>Upon the completion of the Property Development, there are risks associated with defects in the residential allotments requiring rectification which may prove costly.</p>	<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 Lomandra Park SPV is intended to have recourse to the contractors 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 Lomandra Park SPV are governed by a set of legal documents and contracts which include the Subscription 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 Lomandra Park Units.</p>	<ul style="list-style-type: none"> • The Responsible Entity will engage professional advisers including in the fields of law to assist in interpreting the agreements.



TOWN PLANNING ASSESSMENT

Professional town planning consultants have been engaged by the Lomandra Park SPV as the consulting town planners for the Property Development.

The directors of the Responsible Entity note:

- a. a development application for the proposed development was lodged with the Brisbane City Council on 9 November 2017;
- b. the directors consider the proposed development of the Property is consistent with the town planning scheme and that feedback from the Brisbane City Council officers is that the proposal is supported in principle; and
- c. based on the statutory time frames for the Brisbane City Council to assess the development application that a decision to the application for development approval by the Lomandra Park SPV can be expected by mid August 2018.

ENGINEERING ASSESSMENT

Professional engineering consultants will be engaged by the Lomandra Park 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. The proposal includes construction of a new Queensland Urban Utilities sewer pump station to service the development.

RELATED PARTY ARRANGEMENTS

CFMG Land and the Lomandra Park 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 Lomandra Park 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 subscription agreement and the Lomandra Park 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 Lomandra Park SPV. The intended terms of the subscription 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 subscription 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:

- a. Lomandra Park Syndicate Limited A.C.N 617 313 167; and
- b. 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 6.56%. 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	6.73% p.a.	And , for every \$50,000 you have in the Trust you will be charged \$3,365 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 \$3,365 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
Contribution fees	Nil	For every \$50,000 you put in, you will be charged \$0.
PLUS Management Costs	2.33% p.a.	And , for every \$50,000 you have in the Trust you will be charged \$1,165 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 \$1,165 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 Lomandra Park SPV to CFMG Land Limited

Under the Project and Company Management Agreement the Lomandra Park 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 \$5,000,000 in Units are subscribed for in the Trust), you will be charged \$3,369 in Project Management Fees and \$5,503 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 \$38,360,000 and assumes the maximum \$5,000,000 of Units are subscribed for under this Offer.

The above calculation also assumes the Lomandra Park SPV raises \$6,500,000 in third party investment in addition to the \$5,000,000 investment by the Trust as contemplated under this offer.



Taxation

The following is a general summary of the expected taxation consequences for Unitholders, in holding Units in the Trust. The Responsible Entity is not licensed to provide taxation advice and cannot provide advice to specific Unitholders. Unitholders should seek advice on the taxation consequence of their investment which takes into account their personal circumstances, from a suitably qualified adviser.

On the basis that the sole activity and income of the Trust will be the acquisition of interest bearing notes, the Trust will qualify as a 'flow through' trust for taxation purposes.

The notes to be issued by Lomandra Park SPV to the Trust will qualify as debt instruments and the interest payable on those will retain that character for Australian income tax purposes..

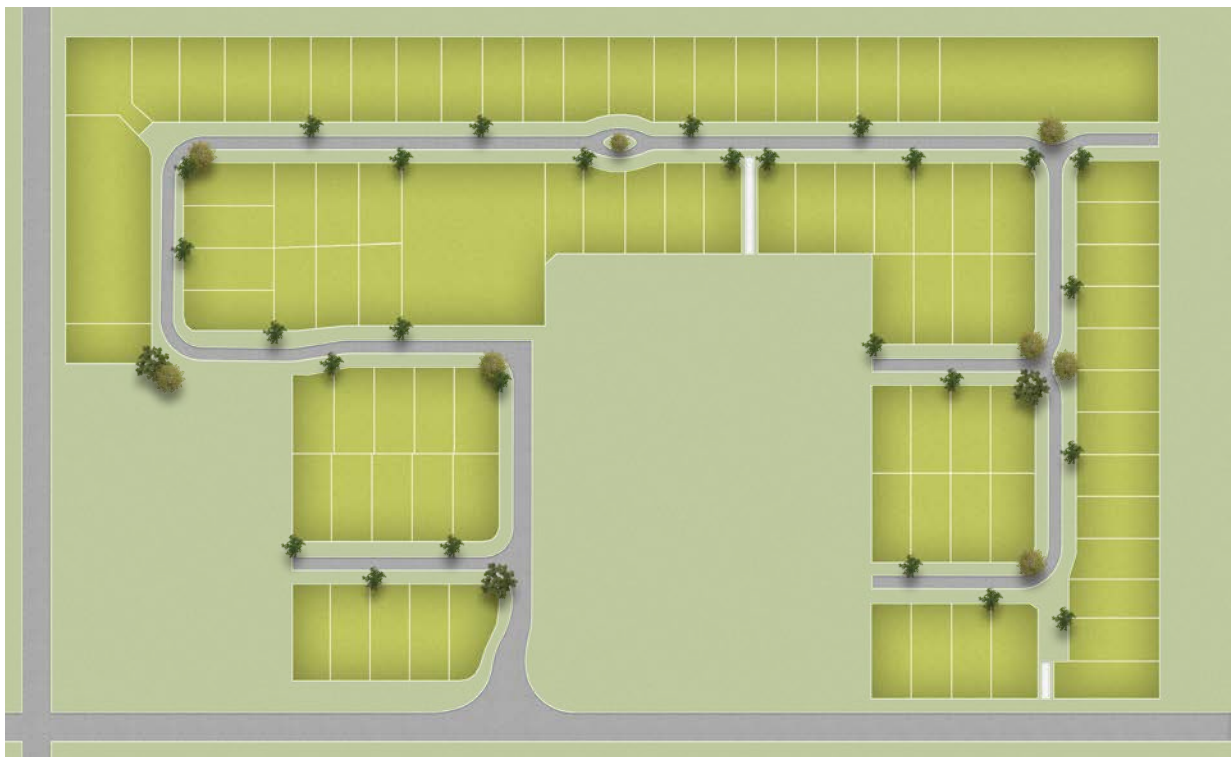
Under the terms of the Constitution of the Trust, the Responsible Entity must distribute the 'distributable income' of the Trust to Unitholders each year. Accordingly where the Trust has recognised income in excess of expenses for a year Unitholders should have an entitlement to their respective share of the income at year end.

In such cases taxation will not be payable at the Trust level but rather each Australian Resident Unitholder will be subject to tax on their share of the net (taxable) income of the Trust, and will be required to include this in their own returns.

In the case of a unitholder that is not a resident of Australia the Trustee would normally be assessed on the non resident unitholder share of the net (taxable) income. However, where the sole income of the trust is interest, the Trustee will instead deduct interest withholding tax at the rate of 10% from interest amounts as a final tax. Unitholders that are tax residents, or are otherwise subject to taxation in other countries, should seek specific advice from a qualified advisor on foreign taxation implications.

The Responsible Entity will provide Unitholders with a tax statement after the end of each financial year.

Concept Plan



Directors' Assessment of the Property to be developed

Property Address	67 Bridgeman Road and 217, 223, 237, 241 and 245 Grahams Road, Bridgeman Downs QLD 4035
'As is' or market valuation	\$14,500,000
'As if approved' or market valuation assuming approval	\$16,820,000
'Gross Realisation as if complete'	\$36,106,364
	The Directors based on their experience in the property development business assess the Property – with the benefit of the proposed development approval - to be worth approximately \$16.82 million (exclusive of GST).

Application Form

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

CFMG Land and Opportunity Fund ARSN 602 610 006 – Lomandra Park 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. Unitholder 1 - Mr/Mrs/Ms/Miss Given Names Surname Date of Birth

Unitholder 2 - Mr/Mrs/Ms/Miss Given Names Surname Date of Birth

Trust/Trust/Superannuation or other incorporated bodies Trust Details

Controllers of company Unitholder

2. Residential Address/Registered Office Address

Suburb/City State Postcode Country (for company, insert country of incorporation)

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

Telephone during business hours Telephone after business hours Email address

3. Tax File/Australian Business Number(s)
Applicant 1: TFN or ABN or Exemption Applicant 2: TFN or ABN or Exemption

4. 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 – Lomandra Park 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 – Lomandra Park Units
Bank: ANZ
BSB: 012-003
Account No: 837382979

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.

If the Applicant is a government body, it needs to supply the name of legislation creating its establishment, identifying whether it is Commonwealth, State or foreign legislation that creates its establishment.

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. DISTRIBUTIONS

Distributions are automatically reinvested. However, if you would prefer them to be paid to you, you must complete the appropriate details at this item.

5. 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:

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