

CFMG Land & Opportunity Fund

ARSN 602 610 006

Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement ('SPDS') supplements the Product Disclosure Statement dated 29 November 2016 for the Trust issued by the Responsible Entity. Together, the PDS and this SPDS contain all of the information about the Offer of Class B Units ('Oakland Pocket 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.

Custodian 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 Oakland Pocket Units in the Trust to facilitate the Trust investing in a minimum of 500,000 and in up to a maximum of 1,500,000 unsecured notes issued by Oakland Pocket Syndicate Limited A.C.N 616 908 920 ('Oakland Pocket SPV'). The unsecured notes will have a fixed return of 16.5% per annum to fund up to \$1,500,000 of the capital to the Property Development.

The Property Development relates to the purchase of real property, comprising approximately 2.620 hectares with a developable area of approximately 2.584 hectares for \$2,700,000 (excluding GST) with settlement due to take place within twenty one (21) days of the developer of the neighbouring subdivision causing all necessary services, as part of that neighbouring subdivision, to be brought to the boundary of the Property to the satisfaction of the Moreton Bay Regional Council.

It is proposed that the Property be developed into 57 residential allotments, supporting roads and other services generally in accordance with the Concept Plan in this SPDS.

A development approval for the proposed development was granted by the Moreton Bay Regional Council on 23 December 2016. The funding of up to \$1.5m to be contributed by the Trust in exchange for the issue of unsecured notes is to be applied to the costs associated with funding deposits paid to the Seller of the Property, the costs associated with payment of stamp duty on the purchase contract, the costs of carrying out due diligence, the costs of obtaining the engineering design approvals and for working capital associated with the Property Development.

A fixed return of 16.5% per annum is required to be paid on the unsecured notes issued by Oakland Pocket SPV to the Trust. Annual distributions by the Trust are expected to be paid in June 2017 and June 2018. These distributions will be funded by subscription money retained by the Trust and not provided to Oakland Pocket SPV.

A final distribution is to be paid at the end of the completion and sale of the Property on the redemption of the unsecured notes subject to the successful completion and sale of the Property Development. Please note that whilst Oakland Pocket SPV is required to make interest payments of 16.5% per annum over the term of the issue of the unsecured notes the return is not guaranteed by the Responsible Entity, and Oakland Pocket SPV's ability to make these payments is totally dependent on the successful completion and sale of the Property Development and therefore this investment should be considered highly speculative.

The Oakland Pocket Units have a targeted return of 12.0% per annum, which is based on the fixed return payable on the unsecured notes to be issued by the Oakland Pocket SPV less the Asset Identification and Negotiation Fee, Management Fee and administrative fees and costs we are entitled to be reimbursed for in operating the Trust. The payment of any returns are totally dependent on Oakland Pocket SPV meeting its distribution and repayment obligations.

In the event the Oakland Pocket SPV meets its payment obligations on the unsecured notes then the Responsible Entity will waive payment of any fees and costs we are entitled to be reimbursed in the event the incurring of those fees and costs result in the Oakland Pocket 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.



The Investment Proposal

Oakland Pocket Units	The Trust is offering a minimum of 500,000 and up to 1,500,000, Oakland Pocket Units, to be issued at a price of \$1.00 per unit, to raise up to \$1,500,000, which the Trust will invest in unsecured notes issued by Oakland Pocket SPV.
Oakland Pocket SPV	Oakland Pocket SPV is a special purpose vehicle incorporated for the sole purpose of acquiring the Property and carrying out the Property Development.
Trust Structure	The Trust is a registered managed investment scheme. This SPDS relates to the Offer of Oakland Pocket Units which will have a beneficial interest in unsecured notes issued by the Oakland Pocket SPV to the Trust. The unsecured notes to be issued by the Oakland Pocket SPV will carry a preferential rate of return of 16.5% per annum. The return is not guaranteed, is totally dependent on the successful completion and sale of the Property Development and therefore this investment should be considered highly speculative.
Asset identification and negotiation fee	4.4% of the capital raised by the issue of Oakland Pocket Units will be paid to the Responsible Entity on the issue of Units in the Trust.
Anticipated Distribution Rate	<p>Oakland Pocket Units are anticipated to have a 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 10 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. Payment of any distribution is totally dependent on the Trust receiving a return on the Oakland Pocket SPV's unsecured notes held by the Trust.</p>
Minimum Investment	<p>Applications for Oakland Pocket 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 Oakland Pocket 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 March 2019.</p> <p>Accordingly, the Oakland Pocket Units are intended to be on issue for a minimum term of twenty four (24) months.</p> <p>Unitholders may not withdraw their investment until the completion and sale of the Property Development (although transfers are permitted subject to the Constitution at the risk of the Unitholder).</p>
Income Distribution	<p>The targeted return for the Oakland Pocket Units is up to 12.0% per annum, which is based on the rate of return on the unsecured notes issued by the Oakland Pocket SPV less the Asset Identification and Negotiation Fee, Management Fee and administrative fees and costs we are 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>Interim distributions are intended to be paid by the Trust in June 2017 and June 2018 and a final distribution to be paid at the end of the completion and sale of the Property Development from the redemption proceeds of the unsecured notes paid to the Trust by the Oakland Pocket SPV.</p> <p>The interim distribution payments will be paid by the Trust retaining an amount from the subscription price for the unsecured notes which will be applied progressively to make these interim distributions. Interim distributions will be made by electronic funds transfer to the Unitholder's nominated Australian bank account.</p> <p>The final distributions for the financial year FY2019 will be totally dependent on Oakland Pocket SPV complying in full and on time with its obligations under the terms of the unsecured notes.</p> <p>A forecast Application, Sources, Income and Distribution Statement is set out on page 10 of this SPDS which has been prepared on the basis that capital of \$1.5m is raised by the issue of Oakland Pocket 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 redemption of the unsecured notes by the Oakland Pocket SPV the Trust will redeem Your Units by electronic funds transfer to the Unitholder's nominated Australian bank account.</p>



DETAILS OF OAKLAND POCKET SPV (SPV DEVELOPER)

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

Oakland Pocket SPV was incorporated in Queensland on 19 January 2017 as a public company and currently has three directors serving on its board. Scott Watson, Graeme MacLaren and Jason Matigian. Details of each of these directors are set out in section 2 of the PDS

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

The directors serving on the board of Custodian Land are Scott Watson, Graeme MacLaren and Jason Matigian.

DETAILS OF OAKLAND POCKET SPVS CORPORATE AND PROJECT MANAGEMENT

Custodian Land provides management and administrative services to the Oakland Pocket SPV and is also the project manager of the Property Development for the Oakland Pocket SPV.

Custodian Land will earn management fees as set out below.

Project Management Fees

The Oakland Pocket SPV has agreed to pay Custodian Land a project management services fee in consideration for Custodian 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 Oakland Pocket 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 Oakland Pocket SPV of any allotment developed or created from the Property.

Company and Asset Management Services Fee

The Oakland Pocket SPV has agreed to pay Custodian Land a company and asset management services fee in consideration for Custodian Land endeavoring to do all things it may deem necessary, prudent and desirable for carrying out the efficient and proper management of the Oakland Pocket 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 Oakland Pocket SPV for any sale and/or similar transaction in respect of the Property; and
- b. is payable by the Oakland Pocket SPV as lot sales are finalised.

Company Secretarial Services Fee

The Oakland Pocket SPV has agreed to pay Custodian Land a company secretarial services fee in consideration for Custodian Land endeavoring to do all things it may deem necessary, prudent and desirable for carrying out the efficient administration of the Oakland Pocket SPVs 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 Oakland Pocket SPV must reimburse Custodian Land for any:

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

Custodian Land acts as the manager of a number of syndicated residential property development companies.

Custodian Land draws from extensive experience as the manager of syndicated residential property development companies. The board of directors have backgrounds in banking, 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 Custodian Land has undertaken projects in the past, past performance is not an indication of future performance on similar projects.

DETAILS OF OAKLAND POCKET PROPERTY DEVELOPMENT

Overview

The Oakland Pocket SPV has contracted to purchase 2.620 hectares of land in Morayfield, situated approximately 40 kilometres north of the Brisbane CBD ('Property').

It is intended that the Property be developed into 57 residential allotments, supporting roads and other services generally in accordance with the Concept Plan in this SPDS.

The Locality

Located 40 kilometres north of the Brisbane CBD, Morayfield is characterised by modest residential dwellings and is dominated by the Morayfield regional shopping centre and the commercial, retail and trade developments on either side of Morayfield Road.

Immediately surrounding the Property is predominantly existing residential consisting of either modern average sized residential dwellings or rural residential allotments.

Morayfield High School and Primary School are located within two kilometres of the Property and the Goodstart Childcare Centre is to the immediate South on Graham Road.

The Property has frontage to Graham Road, which is a part two/part four lane bitumen sealed road. Graham Road connects with Buchanan Road in the north which connects with the Bruce Highway and Morayfield Road in the south which is the main road travelling through the Morayfield Town Centre.

The nearest rail service is located in Morayfield approximately one kilometre north of the Property.

The Property

The Property is situated at 161-165 Graham Road, Morayfield and is more particularly described as lot 2 on SP 183350 having certificate of title reference number 50582208.

Market Demographics

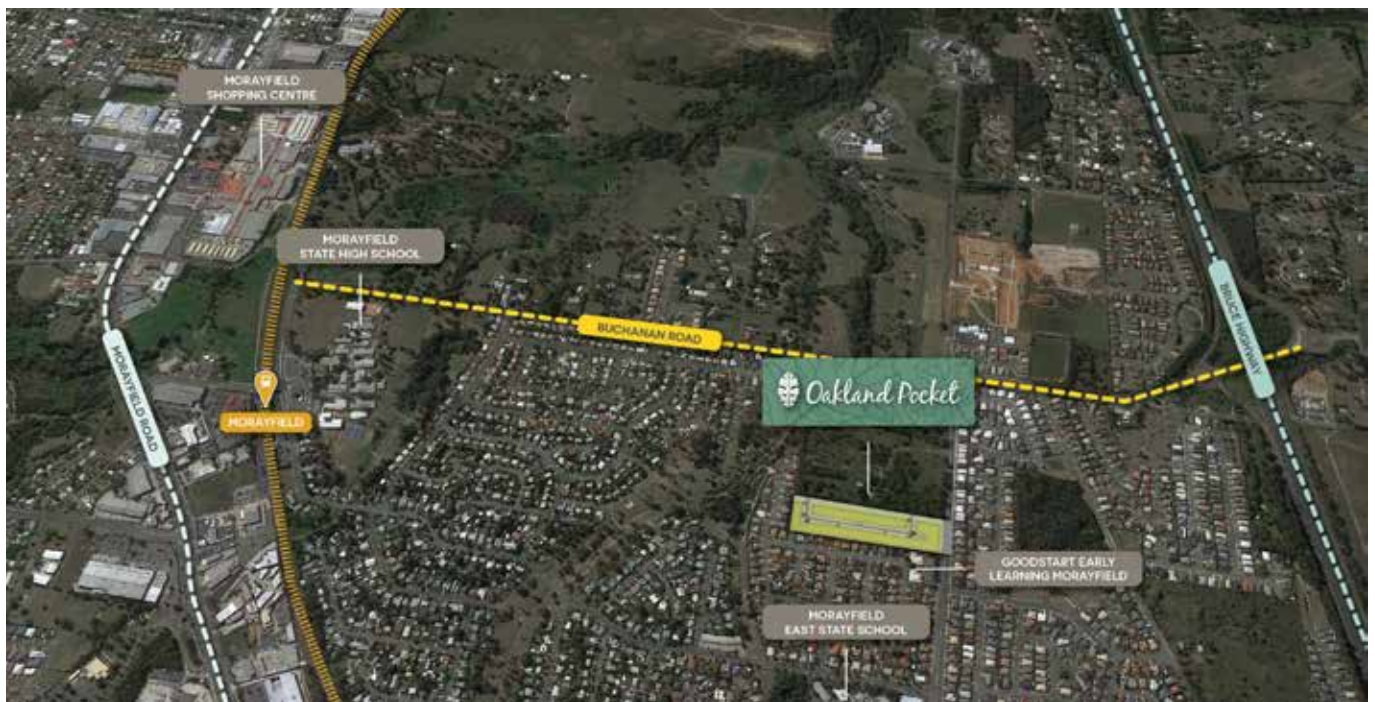
Between 30 June 2008 and 30 June 2014 the Moreton Bay Regional Council area the municipality in which the Property is located, has experienced an average of 2.6% annual population growth rate 0.6% above the state average.

The Moreton Bay Regional Council announced in November 2015 that the University of the Sunshine Coast was selected to pioneer the Moreton Bay University Precinct in Petrie.

Over the 12 months to 30 June 2016, the median land sale price in Morayfield increased by 7.69%.

The Caboolture Public and Private hospitals provide over 250 beds for the surrounding regions. Together, they employ approximately 300 healthcare professionals and service over 20,000 patients per year.

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



Infrastructure

The Moreton Bay region is the key growth corridor north of Brisbane. Its major centres are a short distance from Brisbane's city centre (Strathpine 22kms, North Lakes 30km, Redcliffe 35kms and Caboolture 50kms).

The region has easy access to the Brisbane CBD, Brisbane Airport, Port of Brisbane and major transport routes in South East Queensland. Its ease of access and competitively priced residential and commercial premises and land has attracted numerous new residents, a highly skilled workforce and over 25,000 businesses (2014) and has underpinned the region's strong economic performance.

The Moreton Bay Regional Council is committed to improving the attractiveness of its main centres of business and employment and to providing opportunities for local business growth, and new business investment to support and complement continued strong population growth in the region.

Purchase of the Property

The contract to purchase the Property between Custodian Land and the Seller of the Property was entered into on 9 December 2016. In turn, the Oakland Pocket SPV has contracted with Custodian Land to purchase the Contract.

The Seller who is selling the Property to Custodian Land is not the registered owner of the Property but is the buyer under a prior contract of sale dated 15 August 2016. The contract to purchase the Property between the Seller and Custodian Land (and between Custodian Land and the Oakland Pocket SPV) each provides that the respective purchaser will accept at settlement a prior stamped transfer of the Property evidencing the transfer from the current registered owner of the Property to the Seller, and to Custodian Land respectively.

Settlement of the sale and purchase of the Property from the Seller to Custodian Land will become due when the Seller of the Property has caused all necessary services (required under the Seller's development permit in respect of its subdivision on its adjoining land) to be brought to be completed to the satisfaction of the Moreton Bay Regional Council.

The key commercial terms of Custodian Land's contract to purchase the Property are:

- a. the contract for sale is due to settle on the date which is 21 days after the date the Seller provides the Oakland Pocket SPV with confirmation that all necessary services are brought to the boundary of the Property;
- b. the purchase price is \$2,700,000;
- c. a deposit of \$160,000.00 has been paid to the deposit holder.

The Contract by which the Oakland Pocket SPV purchases the Property from Custodian Land has the same \$2,700,000 purchase price and in turn requires a deposit of \$160,000 to be paid to Custodian Land. The deposit to be paid by Custodian Land by the Oakland Pocket SPV will be paid to Custodian Land from the funds raised under this offer of the Oakland Pocket Units.

Settlement of the contract by which the Oakland Pocket SPV purchases the Property from Custodian Land is due to coincide with settlement of Custodian Land's purchase contract with the Seller.

The Development Concept

The Concept Plan set out on page 15 of this SPDS illustrates the proposed development concept.

It is proposed that the Property be developed into 57 residential allotments, supporting roads and other services over a single stage.

The allotments proposed to be developed range from 255m² to 630 m² with an average land area of approximately 339m². The Property Development involves the development of the Property as residential allotments for on-sale as sites for residential housing.

A development approval for the proposed development was granted by the Moreton Bay Regional Council on 23 December 2016.

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

Indicative Property Development Timing

Based on the likely time frames for 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 April 2018.

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

Settlement of Property	September 2017
Subdivision Works	October 2017 – March 2018
Registration of Allotments	April 2018
Settlement of Allotment Sales	April 2018 – March 2019

* Dates indicative only and subject to change.

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

Property Development Finance

The Trust will contribute the capital raised by the issue of Oakland Pocket Units (less the amounts retained from the subscription price to pay management fees to the Responsible Entity and to be applied progressively to make the interim distributions) to the Property Development by taking up unsecured notes to be issued by Oakland Pocket SPV.

The Oakland Pocket SPV will apply the funds received from the Trust to refunding to Custodian Land the deposits paid to the Seller of the Property, the costs associated with payment of stamp duty on the purchase contract, the costs associated with carrying out due diligence, the costs associated with obtaining the engineering plan approvals 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 \$2.6m in third party equity will need to be contributed together with approximately \$4.50m of debt finance to complete the Property Development.

As at the date of this SPDS, the Oakland Pocket 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 Oakland Pocket SPV considers that debt finance can be obtained to fund the development costs to an amount equal to 65% of the total budgeted development costs.

The expression of interest is subject to a number of terms and conditions. Whilst the Oakland Pocket 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 OAKLAND POCKET SPV

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

Specifically, the Oakland Pocket SPV will require funds of at least \$2.7m to fund the purchase price to be paid for the Property from the Seller in or about September 2017.

The Oakland Pocket SPV intends to raise a minimum of \$2.6m in third party equity, inclusive of the capital intended to be contributed by the Trust, through the issue of further unsecured notes which may 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 Oakland Pocket 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 \$2.6m in third party equity to fund payment of the purchase price for the Property.

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

SUBSCRIPTION AGREEMENT

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

The subscription agreement sets out the terms on which the Trust subscribes for and is issued the unsecured 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 unsecured notes, the Trust's step in rights, undertakings by the Oakland Pocket SPV to the Trust, representations and warranties by the Oakland Pocket SPV and the terms of the unsecured notes (including the interest entitlements attached to the unsecured notes, the waterfall of payments relating to distribution of Property Development proceeds and other rights attaching to the unsecured notes.

Key conditions precedent required before the Trust will subscribe for the unsecured notes issued by Oakland Pocket 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 Oakland Pocket SPV in favour of the Trust which ranks behind the secured senior lender providing the construction debt facility for the Property Development;
- receipt of an expression of interest from a secured funder to provide property finance and a construction debt facility outlining the terms and basis on which development finance may be provided to the Property Development on terms satisfactory to 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 Oakland Pocket SPV default under the subscription agreement (or the management agreement with Custodian Land) and not remedy the default, the Trust may exercise step in rights.

The Oakland Pocket 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 unsecured 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 Oakland Pocket SPV other than in relation to raising the third party equity that ranks equally or take priority to the unsecured notes to dividends and/or on winding up; or
- amend the management agreement with Custodian Land in a manner which materially impacts the Trust.

Under the subscription agreement, the application by the Oakland Pocket SPV of surplus cashflow of the Oakland Pocket 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 Oakland Pocket SPV; then

fourthly, to pay any fees to Custodian Land for services provided to the Oakland Pocket SPV in accordance with the terms of the management agreement; then

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

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

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

finally, balance of Property Development profits to the Oakland Pocket SPV.



ABOUT THE UNSECURED NOTES ISSUED BY OAKLAND POCKET SPV

The unsecured notes are to be issued on the following basis:

Issue Price	\$1.00 per unsecured note.
Type of notes	The notes are unsecured and issued by Oakland Pocket SPV.
Interest Payable	An interest payment of 16.5% per annum is payable on the notes held by the Trust.
Distributions by the Trust	The Responsible Entity intends to make interim distributions in June 2017 and June 2018 with the final distribution once the notes are redeemed by Oakland Pocket SPV.
Voting Rights	There will be no entitlement to receive notice of, to attend or to vote at, any general meetings of the Oakland Pocket SPV or to vote on any written resolution of members of the Oakland Pocket SPV.
Property Development Cashflow Waterfall	Repayment of the notes are subject to the Property Development cashflow waterfall set out on page 9 of this SPDS.
Redemption Date	Each unsecured note issued to the Trust is redeemable on the date which is 24 months after the issue of the notes or earlier at the election of the Oakland Pocket 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 Oakland Pocket SPV to agree to extend the redemption date by up to 12 months.
Redemption Price	\$1.00 per unsecured note.

FORECAST APPLICATION, SOURCES, INCOME AND DISTRIBUTION STATEMENT

The forecast application, sources, income and distribution statement assumes that capital of \$1.5m is raised by the issue of Oakland Pocket 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 2017, 30 June 2018 and 30 June 2019:

	Jun-17	Jun-18	Mar-19	Total
Income/Capital				
Unsecured Notes	\$1,500,000.00			
Fixed Return - 16.5% pa	\$82,047.95	\$247,500.00	\$185,794.52	
Sub-total	\$ 1,582,047.95	\$247,500.00	185,794.52	
Distributions and Expenses				
Asset Identification & Negotiation Fee - 4%	\$60,000.00			\$60,000.00
Management Fee of units on issue - 1%	\$5,000.00	\$15,000.00	\$11,250.00	\$31,250.00
Annual Fund Expenses - \$30,000 pa	\$10,000.00	\$30,000.00	\$22,500.00	\$62,500.00
Sub-total	\$75,000.00	\$45,000.00	\$33,750.00	\$153,750.00
Funds Available	\$1,507,047.95	\$1,707,433.56	\$1,798,728.08	
Unitholder Distributions	* \$2,114.38	* \$60,750.00	\$1,798,728.08	\$1,861,592.47
Per Unit Distribution	* \$0.001	* \$0.04	\$1.20	\$1.24

* These interim distributions will be funded by the Trust retaining an amount from the subscription price for the unsecured notes. Whilst the Trust will be entitled to the full 16.5% 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 interim distributions for the financial years FY17 and FY18. The final distributions for the financial year FY19 will be totally dependent on the Oakland Pocket SPV complying in full and on time with its obligations under the terms of the unsecured notes.

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.

SPECIFIC RISKS

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 29 November 2016.

An investment in the offer of Oakland Pocket Units also involves specific risks relating to the Property Development to be carried out by the Oakland Pocket 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 will be engaged by the Oakland Pocket SPV to advise in relation to the planning for the Property Development. A development approval for the proposed development was granted by the Moreton Bay Regional Council on 23 December 2016.
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 Oakland Pocket SPV to advise in relation to the planning for the Property Development. A development approval for the proposed development was granted by the Moreton Bay Regional Council on 23 December 2016.
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.
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.	<ul style="list-style-type: none"> A sales and marketing strategy has been developed by the Oakland Pocket 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 construction with allotments to be pre-sold subject to titles being created.
Construction Costs Risk Budgeted construction 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"> Professional engineering consultants have provided the Oakland Pocket SPV with 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 Oakland Pocket 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"> Professional engineering consultants have provided the Oakland Pocket SPV with an opinion on costs for the Property Development. It is anticipated that the Oakland Pocket 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.
Construction Delay Risk If construction 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 Oakland Pocket 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.
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 Oakland Pocket SPV has not yet secured debt funding for the Property Development.	<ul style="list-style-type: none"> A condition precedent to the Trust subscribing for the unsecured notes issued by Oakland Pocket SPV are 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 subscribing for the unsecured notes to be issued by Oakland Pocket SPV are that the Responsible Entity be satisfied with the basis 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 Oakland Pocket SPV and the manager.	<ul style="list-style-type: none"> • The principals of Custodian Land are experienced in managing the delivery of developments such as the Property Development and operating the Oakland Pocket 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 subscription agreement and the Oakland Pocket SPV does not remedy that default then 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 both the Unitholders and the independent compliance committee 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 Oakland Pocket SPV is intended to have recourse to the contractors bank guarantees to use towards rectification costs should the contractor not meet its obligations.
Documentation Risk The interlocking arrangements involved in the Property Development and arrangements between the Trust and the Oakland Pocket 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 Oakland Pocket Units.	<ul style="list-style-type: none"> • The Responsible Entity has engaged professional advisers including in the fields of law to assist in interpreting the agreements.

TOWN PLANNING ASSESSMENT

Professional town planning consultants will be engaged by the Oakland Pocket SPV as the consulting town planners for the Property Development.

The directors of the Responsible Entity note:

- a development approval for the proposed development was granted by the Moreton Bay Regional Council on 23 December 2016;
- the directors consider the proposed development of the Property is consistent with the town planning scheme and is appropriate particularly given that development approval has been granted by the relevant local authority; and
- that based on the statutory time frames for engineering design and approval that the physical execution of the development works can be approved and ready for commencement shortly after settlement of the purchase of the Property.

ENGINEERING ASSESSMENT

Professional engineering consultants have been engaged by the Oakland Pocket 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.

Based on the contractual arrangements for the purchase of the Property the Vendor of the Property has a contractual obligation to provide all necessary services to a location in close proximity to the boundary of the Property before the date for settlement of the purchase of the Property.

RELATED PARTY ARRANGEMENTS

Custodian Land and the Oakland Pocket 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 Oakland Pocket 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 Oakland Pocket 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 both the Unitholders and the independent compliance committee informed of the actions being taken.

The Responsible Entity has not sought member approval to transact with the Oakland Pocket 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. Oakland Pocket Syndicate Limited ACN 616 908 920; and
- b. Custodian Land Syndicate Limited ACN 127 663 414.



Fees and costs update

The table below replaces the table in clause 5.2 of the PDS.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Trust		
Establishment fee: The fee to open your investment.	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Exit fee: The fee to close your investment.	Nil	Not applicable
Management costs: The fees and costs for managing your investment		
Management Fee	1.1% p.a. of the total funds invested in the Trust	Monthly in arrears out of the Trust assets
Asset identification, capital raising and structuring fee	4.4% of the capital raised by the issue of the Oakland Pocket Units	Upon the issue of Units in the Trust out of the Trust assets attributable to the relevant Class
Administrative fees and costs	Anticipated to be approximately \$33,000 p.a.	To be paid as and when incurred out of the Trust assets
Service fees		
Switching fee: The fee for changing investment options	Nil	Not applicable

Additional explanation of fees and costs

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

Asset identification, capital raising and structuring Fee

- The Responsible Entity is entitled to be paid the Asset identification and negotiation Fee out of the assets when it issues the Oakland Pocket Units.
- The Asset identification and negotiation Fee is 4.4% of the value or amount of capital raised by the issue of the Oakland Pocket Units.
- The Asset identification and negotiation Fee is due and payable on the date of the issue of the Oakland Pocket Units from the assets of the Trust attributable to the Oakland Pocket Units.

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 7.7%. Indirect costs are deducted from the assets of the Trust.

Example of annual fees and costs for the Trust

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	1.1% p.a.	And , for every \$50,000 you have in the Trust you will be charged \$555 each year.
PLUS Indirect Costs	6.6% p.a.	For every \$50,000 you put in, you will be charged \$3,300.
EQUALS cost of the Trust		<p>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:</p> <p>\$3,850*</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate</p>

Benchmark Disclosure Update

Section 3 of the PDS sets out the Responsible Entity's response to ASIC's Regulatory Guide 45 Mortgage schemes: improving disclosure for retail investors – Benchmark Disclosure.

Below is an update to Disclosure Principle 7

BENCHMARK / DISCLOSURE PRINCIPLE	BENCHMARK MET? (YES / NO)	EXPLANATION
7 Distribution practices	No	<p>The Trust will pay interim distributions for June 2017 and June 2018 from subscription money retained and not advanced to Oakland Pocket SPV. These interim distributions are not funded from operations of the Trust.</p> <p>The Responsible Entity does not, and its related parties, associates, officers and employees do not guarantee investors will receive any, or a particular rate of, return on their investment.</p> <p>Distributions other than the interim distributions nominated above and the return of capital is depended on the successful completion of the Property Development with sufficient funds to redeem all the unsecured notes.</p>

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, Unitholder 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 unsecured notes, the Trust will qualify as a 'flow through' trust for taxation purposes.

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

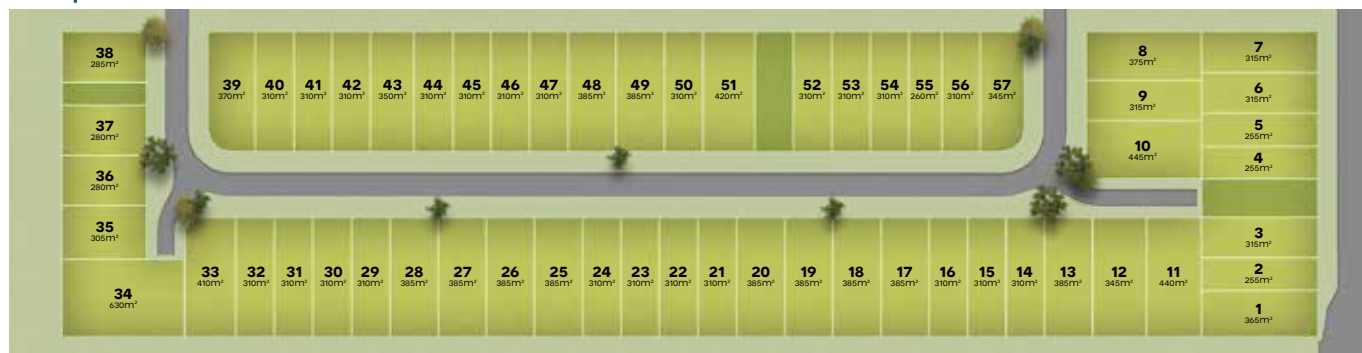
Under the terms of the Constitution of the Trust, the Responsible Entity must distribute the 'distributable income' of the Trust to Unitholders each year. Accordingly where the Trust has recognised income in excess of expenses for a year Unitholders should have an entitlement to their respective share 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 unitholders behalf in respect of 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	161-165 Graham Road, Morayfield Queensland 4506
	The Directors based on their experience in the property development business assess the Property – with the current development approval to be worth approximately \$2.7 million (exclusive of GST).

Application Form

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

CFMG Land and Opportunity Fund ARSN 602 610 006 – Oakland Pocket 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: A\$1.00 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 – Oakland Pocket 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 – Oakland Pocket Units
Bank: ANZ
BSB: 012-003
Account No: 836993743

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:

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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