



Product Disclosure Statement

RELI Capital Mortgage Fund

ARSN 091 849 482

Important Information

This Product Disclosure Statement (**PDS**) is dated the 1 July 2024 and is current as at this date.

This PDS is prepared and issued by RELI Capital Limited ACN 005 443 292, Australian Financial Services Licence No. 219612 and Australian Credit Licence No. 219612 (**RELI Capital**). RELI Capital is the Responsible Entity and will manage the RELI Capital Mortgage Fund ARSN 091 849 482 (**the Fund**).

This PDS is designed to inform investors generally about the Fund, how it operates and how to invest in the Fund.

This PDS document should be read together with our Target Market Determination (**TMD**) which is available on our website, the attached Offer to Invest and the Certificate of Investment which will be issued to each investor on the placing of an investment in a Mortgage Loan. This PDS, the Offer to Invest and the Certificate of Investment together form the complete PDS.

Investors should keep a copy of this PDS and any information that updates this PDS (such as a Supplementary Product Disclosure Statement) for future reference. A paper or electronic copy of this PDS is available from us free of charge or can be downloaded from RELI Capital's website at www.relicapital.com.au.

RELI Capital does not guarantee the success of the Fund, capital repayment of the investors' investment sum or interest payments by the borrower. Past performance of the Fund is not evidence of future performance.

This PDS contains financial information and certain predictive statements that are speculative in nature. As such, RELI Capital cannot assure that any future looking statements, estimates or projections will be attained.

There are external and unknown risks associated with investing in the Fund. Please see Section 22 for further information. Before deciding whether to invest in the Fund, please read this section carefully and consider these factors in light of your personal circumstances.

RELI Capital does not provide taxation and/or financial advice in relation to the investment. Before making a decision to invest in the Fund, investors will need to consider with or without assistance of independent taxation and financial advice the taxation consequences of this investment and whether this investment is appropriate in light of their particular needs, objectives and financial circumstances.

1) About the Fund – Investment Overview

The Fund provides for investments in loans secured over legal interests in land; both freehold and leasehold, that is, mortgage investments.

A person investing in the Fund indirectly invests in a first mortgage loan that has been approved by RELI Capital.

The loan is made to a particular borrower and is secured by a first mortgage registered against a specific property. There may be a number of different investors in each loan.

This is generally known as a contributory mortgage scheme.

Each loan is separate from any other loan and are known as sub-schemes (**Mortgage Loans**).

Reference to the Fund means the total number of Mortgage Loans offered and managed by RELI Capital.

An investor's interest in the Fund is limited to the investor's investment in a particular Mortgage Loan or Mortgage Loans in which their investment is made.

An investor is paid a pre-determined interest rate (either fixed or variable) on their investment. The interest rate payable to each investor in the Fund is at the absolute discretion of RELI Capital.

RELI Capital may in addition manage direct mortgages on behalf of wholesale investors (subject to limited conditions and specific authorisation of investors) as a separate portfolio of investments as part of the Fund.

2) About RELI Capital

RELI Capital is not a Bank.

RELI Capital is an unlisted public company holding a financial services licence under the Corporations Act.

RELI Capital itself does not fund loans but acts as the responsible entity and custodian (**trustee**) of the Fund managing the funds on behalf of investors.

The Responsible Managers and senior management have extensive experience in mortgage lending supported by two independent directors.

3) Banking Institution

RELI Capital's main banker is the Bendigo Bank although from time to time RELI Capital may place deposits with other Banks. Any institution with which RELI Capital places funds must be an APRA Approved Deposit Taking Institution (**ADI**), generally a Bank.

4) Objective of the Fund

The objective is to provide regular monthly interest income with capital stability offered by a first mortgage security held over a specific property.

5) Diversity of Investment

Investors are able to obtain a spread of investments by investing in a number of individual loans to different borrowers secured against a variety of properties.

6) Authorised Investments

The only investments approved by RELI Capital are in:

- mortgages of freehold and leasehold land in any State or Territory of Australia; or
- deposits with an approved ADI – generally Banks.

7) Australian Securities and Investment ("ASIC") Benchmarks

RELI Capital's regulatory authority, ASIC, has developed a number of benchmarks for unlisted mortgage schemes designed to help retail investors understand the risks, assess the rewards being offered, and decide whether the investments are suitable for them.

RELI Capital is obliged to address the benchmarks in its disclosure documents on an "if not, why not" basis. The table below sets out generally the benchmarks and how they are addressed.

Benchmark	Statement	Explanation
<p>Benchmark 1: Liquidity</p> <p>For a pooled mortgage scheme, the responsible entity has cash flow estimates for the scheme that:</p> <ul style="list-style-type: none"> a) demonstrate the scheme's capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; b) are updated at least every three months and reflect any material changes; and c) are approved by the directors of the responsible entity at least every three months. 	<p>This benchmark is met.</p>	<p>As RELI Capital is a contributory mortgage scheme not a pooled scheme this benchmark does not apply, but nevertheless RELI Capital does comply with this requirement as part of its financial management practice.</p>
<p>Benchmark 2: Scheme Borrowing</p> <p>The responsible entity does not have current borrowings and does not intend to borrow on behalf of the scheme.</p>	<p>This benchmark is met.</p>	<p>RELI Capital has no external borrowings.</p>
<p>Benchmark 3: Loan Portfolio and Diversification</p> <p>For a pooled mortgage scheme:</p> <ul style="list-style-type: none"> a) the scheme holds a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region; b) the scheme has no single asset in the scheme portfolio that exceeds 5% of the total scheme assets; c) the scheme has no single borrower who exceeds 5% of the scheme assets; and d) all loans made by the scheme are secured by first mortgages over real property (including registered leasehold title). 	<p>This benchmark is met.</p>	<p>As RELI Capital is a contributory mortgage scheme not a pooled scheme this benchmark does not apply.</p>
<p>Benchmark 4: Related Party Transactions</p> <p>The responsible entity does not lend to related parties of the responsible entity or to the scheme's investment manager.</p>	<p>This benchmark is met.</p>	<p>RELI Capital as a general policy does not lend or invest scheme funds with related parties. Accordingly, this benchmark does not apply to RELI Capital. If this policy was to change, RELI Capital would address this benchmark and satisfy the requirement by specific disclosure to the investors in the particular Mortgage Loan.</p>
<p>Benchmark 5: Valuation Policy</p> <p>In relation to valuations for the scheme's mortgage assets and their security property, the board of the responsible entity requires:</p> <ul style="list-style-type: none"> a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located; 	<p>This benchmark is met.</p>	<p>RELI Capital's policy requires valuations to be no more than 3 months old at the date of the initial loan advance and must be updated every 42 months.</p> <p>RELI Capital undertakes regular reviews of existing valuations to</p>

<ul style="list-style-type: none"> b) a valuer to be independent; c) procedures to be followed for dealing with any conflict of interest; d) the rotation and diversity of valuers; e) in relation to security property for a loan, an independent valuation to be obtained: <ul style="list-style-type: none"> i. before the issue of a loan and on renewal: <ul style="list-style-type: none"> a) for development property, on both an 'as is' and 'as if complete' basis; and b) for all other property, on an 'as is' basis; and ii. within two months after the directors form a view that there is a likelihood that a decrease in the value of security property may have caused a material breach of a loan covenant. 		<p>determine whether there is a likelihood that there is a decrease in the value of the property which might necessitate an updated valuation.</p> <p>RELI Capital may in some circumstances accept a current Municipal Capital Improved Value for a security property provided the loan to value ratio does not exceed 50%. Save for this qualification, the benchmark is met.</p> <p>Further details of RELI Capital's valuation policy are set out in RELI Capital's Compliance Plan.</p>
<p>Benchmark 6: Lending Principles - Loan-To-Valuation Ratios</p> <p>If the scheme directly holds mortgage assets:</p> <ul style="list-style-type: none"> a) where the loan relates to property development - funds are provided to the borrower in stages based on independent evidence of the progress of the development; b) where the loan relates to property development - the scheme does not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and c) in all other cases - the scheme does not lend more than 80% on the basis of the latest market valuation of property over which security is provided. 	<p>This benchmark is met.</p>	<p>RELI Capital does hold mortgage assets.</p> <p>RELI Capital's general policy is not to advance beyond 66.66% of the 'as is' value of the secured property on all properties.</p> <p>This is lower than the ASIC benchmarks.</p>
<p>Benchmark 7: Distribution Practices</p> <p>The responsible entity will not pay current distributions from scheme borrowings.</p>	<p>This benchmark is met.</p>	<p>As per Benchmark 2 RELI Capital has no external borrowings, and will not pay current distributions from scheme borrowings.</p>
<p>Benchmark 8: Withdrawal Arrangements</p> <p>Liquid Schemes</p> <p>For liquid schemes:</p> <ul style="list-style-type: none"> a) the maximum period allowed for in the constitution for the payment of withdrawal requests is 90 days or less; b) the responsible entity will pay withdrawal requests within the period allowed for in the constitution; and c) the responsible entity only permits members to withdraw at any time on request if at least 80% (by value) of the scheme property is: <ul style="list-style-type: none"> i. money in an account or on deposit with a 	<p>Not applicable</p>	<p>RELI Capital investments are for a fixed term and accordingly RELI Capital is not a liquid scheme.</p>

<p>ii. bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or assets that the responsible entity can reasonably expect to realise for market value within 10 business days.</p>		
<p>Non-Liquid Schemes</p> <p>For non-liquid schemes, the responsible entity intends to make withdrawal offers to investors at least quarterly.</p>	<p>Not applicable</p>	<p>RELI Capital have disclosed that investors have no ability to withdraw from the scheme until their investment term has expired – see section 14.</p>

8) Returns to Investors

The interest rate payable to investors may be fixed or variable.

In the case of a variable rate, RELI Capital may increase or decrease the rate of interest on giving notice to investors.

Interest rates may be varied at the absolute discretion of RELI Capital and are not tied to any particular formula or index. If interest rates are varied, they are usually adjusted at a particular interest date.

The interest rate offered for investments will vary from time to time due to changes in market interest rates, general economic conditions and specific market demand.

The actual rate of interest payable is set out in the Certificate of Investment issued to each investor once the funds are allocated to a particular Mortgage Loan. Investors in a particular Mortgage Loan may have different interest rates as determined by RELI Capital in its absolute discretion.

The interest rate payable under the Fund is only paid whilst it is in a Mortgage Loan. When investor funds are first received and until they are placed in a Mortgage Loan, or alternatively when it is repaid by the borrowers and awaiting reinvestment, interest is paid at the “at call” rate on RELI Capital’s bank account usually monthly. The bank account might be an at call deposit facility, term deposit and/or cash management account.

RELI Capital may charge a management fee on these funds pending investment which shall not exceed 1.5%.

Once the funds are placed in a Mortgage Loan, as the loan is a loan to a particular borrower secured against a particular property provided the borrower meets their obligations under the loan, the interest will be paid at the designated rate set out in the investor’s Certificate of Investment or as varied.

If the borrower defaults in paying their interest, interest may not be paid on the due date and RELI Capital would take action to recover the unpaid interest payments. Pending recovery there may be a delay in payment of interest.

If RELI Capital were unable to recover all overdue interest payments in full, interest would not be paid at the designated rate and the recovered interest would be apportioned between the investors in the Mortgage Loan pro-rata to their investment sum in the Mortgage Loan.

Generally in the event of default, RELI Capital have a right to charge interest at a default rate which, if recovered, would be apportioned between RELI Capital and the investors as determined by RELI Capital in its absolute discretion taking into account the delay, time, effort, resources, funding etc. made available by RELI Capital in pursuing the default.

9) Income Volatility

The nature of the investment provides for a pre-determined rate of interest, however, income volatility may be expected due to changes in market interest rates and the borrower not paying interest when due.

10) Monthly Payment of Interest

Interest is calculated on the daily balances invested up to the end of each month, and is usually paid monthly in arrears by electronic transfer direct to an investor’s nominated bank account on or before the

3rd business day of the following month (for other interest payment options, refer to section 17 “Accumulation and Reinvestment of Interest”).

11) How to Invest

Investing in the Fund is only available via the Offer to Invest attached to this PDS.

The minimum investment sum is \$10,000.00.

The completed Offer to Invest together with the payment method (EFT or cheque) for the amount of the investment should be returned by post, email (info@relicapital.com.au) or delivered to RELI Capital’s office.

Due to external regulatory requirements RELI Capital like other financial institutions are obligated to undertake identification checks to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* details of which are set out in the Offer to Invest.

12) Certificate of Investment

RELI Capital will forward a Certificate of Investment to each investor after placement of the investment sum(s) in a Mortgage Loan(s) providing specific information about a particular mortgage investment(s) in which the investor’s funds are invested.

The Certificate of Investment confirms:

1. the investment sum invested;
2. the interest rate payable to the investor and the dates of payment;
3. the investment commencement date, the investment term, and the investment maturity date;
4. the loan sum advanced or to be advanced, the borrower details, the loan purpose, and the exit strategy;
5. the secured property details and the valuation information;
6. the loan to valuation ratio; and
7. the insurance particulars for the secured property (if applicable).

Investors may request a copy of RELI Capital’s valuation report.

13) 14 Day Cooling Off Period

Investors have a 14 day cooling off period to withdraw from the particular Mortgage Loan effective from the date of the Certificate of Investment.

Investors do not become legally bound to that Mortgage Loan until the expiration of the 14 day cooling off period. Investors may at any time up until the expiration of the fourteen day cooling off period give notice that they do not wish to proceed with the particular Mortgage Loan. In that instance the funds will as soon as reasonably possible be placed back in the interest bearing bank account pending placement into an alternative Mortgage Loan pursuant to the authority to invest as set out in the Offer to Invest.

14) Term of Investment

The term of investment in the Fund is as set out in the Certificate of Investment and/or the Offer to Invest, and generally coincides with the term of the Mortgage Loan or the agreed investment term, whichever is the later.

RELI Capital is not a Bank and does not offer “at call” facilities.

A RELI Capital investment is a fixed term investment.

To appropriately manage its business RELI Capital relies on having its investors’ funds for the investment term as authorised to meet commitments it makes to borrowers and to satisfy varying maturity dates for other investors. Accordingly, whilst Mortgage Loans might be repaid from time to time during the term of the investment because borrowers’ loans have become due or RELI Capital have required early repayment, RELI Capital still rely upon the investors’ commitment to invest for the fixed term to enable it to appropriately manage the Fund’s portfolio of loans.

Unless otherwise advised by the investor, RELI Capital is able to treat investors’ authority to invest as set out in the Offer to Invest as a continuing one.

The investors’ authority to invest will continue to have full force and effect at the expiration of the term of the investment or upon part or full repayment of a Mortgage Loan during the term of the investment.

On expiration of the investment term or the loan term, the redemption of the investors’ investment

may be delayed until the borrower repays the loan, refinances the loan or sells the secured property. Interest is charged to the time of repayment of the loan.

If at the expiration of the investment term the particular Mortgage Loan is in default, there may be a delay in redeeming the investment whilst RELI Capital takes action to recover the outstanding principal, interest and costs. The length of the delay will depend on the then current real estate market conditions and general economic conditions which will determine how and when the secured property can be realised.

15) Rollovers

On maturity of a Mortgage Loan or the expiration of the term of investment, investors may have the opportunity to either redeem the investment or to continue the investment under renewal terms.

If a particular Mortgage Loan matures or any part or the whole of the principal sum is repaid, RELI Capital may elect to re-invest the investors' funds in alternative Mortgage Loans in accordance with the investors' general authority to invest for the fixed investment term set out in the Offer to Invest.

Investors do not have a right to withdraw their funds from the Fund until the expiration of the investment term. Investors will be provided with a new Certificate of Investment detailing the new investment.

The 14 day cooling off period applies to that new Mortgage Loan but only so far as electing to remain as an investor in that loan and does not entitle investors to withdraw from the Fund until the expiration of their investment term as set out in the Offer to Invest.

In the event of a borrower wishing to continue with a loan beyond the maturity date, subject to RELI Capital carrying out its investigation as to valuation (where necessary) and loan renewal, investors are deemed to have authorised the continuing investment unless they nominate they do not wish their investment to extend beyond the current investment term. Investors will be provided with a new Certificate of Investment detailing the new term of the investment, interest rate to be paid and any other relevant changes to the investment and will have the benefit of the 14 day cooling off period.

16) Withdrawal from the Fund

There is generally no right of early withdrawal prior to maturity of the investors' investment term or the particular Mortgage Loan, whichever is the later.

Should investors wish to withdraw their investment early they can submit a written request to RELI Capital. Subject to the terms of the Constitution consideration will be given to that request but approval will be at the absolute discretion of RELI Capital.

17) Accumulation and Reinvestment of Interest

Investors may elect to accumulate and reinvest the interest earned by ticking the appropriate investment option box in the Offer to Invest.

Pending reinvestment in an approved Mortgage Loan, the cumulative investment will be held in the RELI Capital "at call" interest bearing bank account.

RELI Capital will account to the investors for all interest earned on that cumulative investment at monthly intervals at the then current "at call" interest bearing bank account rate payable to RELI Capital by its principal Bank.

When the cumulative investment accrues to the minimum \$1,000.00 investment sum and subject to the availability of a suitable investment, it may be invested in a Mortgage Loan and a new Certificate of Investment will be issued.

Investors may cancel the cumulative investment authority on giving 14 days' notice to RELI Capital and RELI Capital will pay to the investors within 14 days of the expiration of the notice the amount of the cumulative investment.

18) Additional Investments

Investors may elect to make additional investments by completing Sections 1 and 6 in the Offer to Invest. In doing so there will be no need to complete the entire Offer to Invest when making additional investments unless investor details have changed. A Certificate of Investment will be issued for the additional investment.

19) RELI Capital's Place in the Lending Market

RELI Capital is a non-bank lender lending to borrowers who either might not qualify for loans from major banking sources or who may prefer finance with non-banks for various reasons, namely:

- their employment status or business type; often they are self-employed, small-to-medium businesses or property developers;
- the nature of the security property; it may not be income generating or it may involve some form of business related activity;
- they require funds within a specific timeframe that banks are unable to meet;
- they require flexible loan terms and features that banks are unwilling to provide;
- their inability to demonstrate serviceability and/or repay the loan in accordance with rigid traditional banking credit requirements;
- they want to deal directly with experienced credit decision makers rather than the rigmarole associated with banks and other institutional lenders;
- they may own substantial property assets and may have approached loan portfolio limits with a bank.

RELI Capital specifically address these issues in a number of ways for example, lending at lower loan to value ratios, requiring capitalised prepaid interest for the term of the loan, and investigating the borrower's exit strategy to repay the loan i.e. by way of refinance or sale of the secured property.

20) Loan Application and Assessment

Each application by a borrower for a loan is made in an appropriate form providing full details as required by RELI Capital.

RELI Capital has a policy of outsourcing most of its loan applications through independent third party mortgage brokers engaged by the borrowers.

This has the benefit of avoiding any conflicts of interest in acting for both the lender and borrower and enables RELI Capital to act diligently in pursuing defaulting borrowers without any compromise of the investors' interest.

The documentation of loan and loan approvals generally involves borrowers' and guarantors' acknowledgements and execution of security documents including, but not limited to, a loan agreement, a mortgage, statutory declarations, and General Security Charge (if applicable) as well as a requirement for independent certified legal advice. In all cases a registered first mortgage is obtained (save for direct mortgage investments).

RELI Capital carries out its own enquiries by way of investigation of the loan applicant and the secured property which, where relevant and necessary, may include:

- Credit checks of the borrowers, and guarantors;
- Google searches;
- ASIC searches;
- Bankruptcy searches;
- Property title, rate & planning searches;
- Inspection of the secured property;
- Adequate insurance cover for the secured property as recommended by the valuer.

To establish the borrower's creditworthiness RELI Capital may require among other things:

- details of personal assets and liabilities;
- details of income and expenses;
- cash flow projections;
- copies of recent tax returns, financial statements, business activity statements, rental statements, pay slips, loan statements, ATO portals and/or lease agreements;
- details of the intended use of the loan advance;
- accountants letter;
- evidence of the borrowers capacity to service the loan, which may involve pre-payment of interest

However, as RELI Capital is a security based lender, the value of the secured property as determined by an independent valuation, is one of the most critical loan assessment criterion.

Each loan is assessed in accordance with RELI Capital's lending policy, valuation policy and its acceptable loan to valuation ratio.

The loan will only proceed to settlement if all of RELI Capital's requirements are met to enable it to obtain appropriate registration of the mortgage in accordance with its lending criteria.

21) Property and Mortgage Insurance

In view of the relatively low loan to valuation ratios, borrowers are not required to take out mortgage insurance.

Borrowers are, however, required to provide confirmation of property insurance cover to the valuer's recommended minimum value for all improvements on the secured property and maintain those insurances. RELI Capital requires confirmation that the property insurances are maintained throughout the loan term.

22) Risks of Investment

There is a risk that a particular borrower in a Mortgage Loan may default in payment of interest and/or the repayment of the principal when it is due for repayment.

In taking action to recover interest and/or principal, RELI Capital may only have recourse to the particular secured property which is the subject of the Mortgage Loan and monies payable on other Mortgage Loans are not available to be applied against the defaulting loan. To that extent there is a risk that investors may lose some or all of their investment.

Certain factors such as climate, commodity prices, industry specific conditions, availability of credit, real estate market conditions, general economic conditions, changes to government policy, exchange rates, interest rates, legislative changes, documentation risk and other market factors can affect the capacity of the borrower to pay and RELI Capital to effectively realise the value of the underlying security in the event of a forced sale in a timely manner. These factors are generally beyond the control of RELI Capital.

Notwithstanding the RELI Capital valuation policy, there is a risk that the valuer may not value the secured property accurately or properly.

That risk would normally only become evident if the borrower defaulted and the secured property could not be sold for a price sufficient to repay all principal, interest and costs of default.

To mitigate this risk RELI Capital requires its panel valuers to:

1. provide confirmation of membership with the Australian Property Institute (**API**);
2. be independent of RELI Capital, the vendor and the borrower;
3. confirm they have adequate professional indemnity insurance cover;
4. declare they have no conflicts of interest; and
5. value secured properties in accordance with API guidelines.

In view of RELI Capital's maximum 66.66% loan to valuation ratio policy there is also generally a considerable margin for error.

23) Minimisation of Risk and Investor Protection

RELI Capital adopts management policies, procedures and strategies which are designed to minimise risk of loss of capital or interest to investors. These may include:-

1. loan investigation and appraisal of borrower applications;
2. mortgage security based investments advanced against specific properties;
3. independent valuation inquiries;
4. prudent loan to valuation ratios – maximum 66.66%;
5. property insurance protection over buildings and improvements of the secured property;
6. fidelity and professional indemnity insurance;
7. a registered constitution protecting investors' rights;
8. compliance monitoring in accordance with the registered compliance plan and in particular a risk management system;
9. independent (bi-annual) financial and (annual) compliance audits;
10. hands on daily management by responsible managers and experienced staff utilising the latest computer technology;
11. experienced legal service providers;
12. investigating borrower exit strategies;
13. pre-payment of interest.

24) Defaults Policy

If borrowers default in paying their principal and/or interest on the due dates, RELI Capital has stringent default management procedures in place to have the default rectified and/or take action to call up the mortgage and if necessary to sell the secured property to mitigate the risk of investors suffering a loss of principal and/or interest. Pending recovery action, investors are not able to redeem their principal investment and interest will not normally be paid on their investment.

RELI Capital's policy is that where a material default occurs such that the investors' capital may be at risk, as part of its ongoing disclosure RELI Capital will inform investors of the default and what steps are being taken to rectify the default and/or recover the investors' investment.

In accordance with industry standards, RELI Capital's policy is that where there is a default and action is taken to recover monies the proceeds of sale of the secured property, after selling costs and statutory charges, are distributed in the following order of priority:

1. Borrower default fees and all management costs and fees due to RELI Capital, its solicitors, service providers and other related parties;
2. Reimbursement of expenses and payments made by RELI Capital and its related parties;
3. Principal recovered paid to investors;
4. Interest at the rate as determined by RELI Capital in its absolute discretion (not necessarily the rate set out in the investor's Certificate of Investment as varied from time to time) paid to investors;
5. The default interest of interest recovered (if any) apportioned between RELI Capital and investors as determined by RELI Capital in its absolute discretion taking into account the delay, time, effort, resources and funding etc. made available by RELI Capital in pursuing the default on behalf of investors.

At no time are investor funds placed in defaulting loans and unless special covenants or agreements exist investors are treated equally in terms of paying out defaulting loans.

25) Investors' Rights

Together with the Corporations Act, other relevant legislation and the general law, the Constitution governs the duties and obligations of RELI Capital and the rights of the investors.

The main provisions of the Constitution are referred to in this PDS. Additional information is contained in the Constitution and the Compliance Plan.

A copy of the Constitution and the Compliance Plan is available on request.

26) Regular Reporting and Disclosure

As a disclosing entity RELI Capital is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office or from RELI Capital.

Investors are entitled to obtain a copy of the following documents:

1. The annual financial report most recently lodged with ASIC by the Fund;
2. Any half-year financial report lodged with ASIC by the Fund after the lodgement of that financial report;

3. Any continuous disclosure notices given by the Fund after the lodgement of that annual report.

A copy of these documents will be made available free of charge.

The Offer to Invest provides that investors do not receive these documents unless they specifically request a copy.

An election to receive the report is provided for in the Offer to Invest.

RELI Capital will in addition by mail or via a nominated email address:-

- a. confirm the investment and any transactions on the investment;
- b. provide a monthly statement of the interest paid on all Mortgage Loan investments and a monthly statement of the interest paid on investment funds held in the RELI Capital "at call" interest bearing bank account;
- c. provide an annual statement at the end of the financial year confirming the annual interest received to assist the investor with their tax return and the previous year's Indirect Cost Ratio (see section 35.2);
- d. update investors on the status of the disclosure, benchmark disclosure and other ongoing disclosure;
- e. advise investors of any material change to the Fund's performance against the disclosure benchmarks and the disclosure principal information;
- f. any other key information about the Fund.

27) Auditors

The financial auditor is Burke Bond Partners of 147 Salmon Street, Hastings VIC 3915. The compliance auditor is Ashfords Audit & Assurance Pty Ltd of Level 3, 148 Logis Boulevard, Dandenong South VIC 3175.

28) Notification of Use of Product Disclosure Statement to ASIC

The PDS is not required to be lodged with ASIC, however RELI Capital have notified ASIC that the PDS is in use.

29) Complaints Procedure

If you are happy or unhappy, please tell us – we will always respond to you as soon as possible.

Complaints should be directed to the Managing Director at RELI Capital's office as set out at the foot of this PDS document.

RELI Capital's Complaints Policy is available on request and is also available on our website: relicapital.com.au.

RELI Capital is a member of the Australian Financial Complaints Authority (AFCA) an independent body established to hear unresolved complaints.

AFCA can be contacted on:

Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne Victoria 3001
Website: www.afca.org.au

30) Labour Standards - Environmental, Social and Ethical Considerations

In assessing loan applications by prospective borrowers RELI Capital does not generally take account of labour standards or environmental, social or ethical considerations.

RELI Capital has no pre-determined view about what it regards to be an appropriate standard and how those considerations should be taken into account save that they are relevant to the extent that they financially affect the quality of the underlying secured property and the saleability of that property in the event of default e.g. a contaminated site.

Each loan application is considered on a case-by-case basis.

31) Privacy Policy

The information provided by investors in the Offer to Invest is retained by RELI Capital for the setting up and ongoing maintenance of the investment. RELI Capital has a privacy policy which sets out what type of information can be collected and used and disclosure of that person's information. A copy of RELI Capital's Privacy Statement is available on request and is also available on our website.

32) Anti-Money Laundering and Counter Terrorism Financing Legislation

As a result of the above legislation which came into effect on 12 December 2007 RELI Capital is obliged to collect certain identification information

and report certain transactions to AUSTRAC, the Government body set up to administer the legislation. Full details of the requirements are available from RELI Capital if required.

33) Director's Consent

The directors of RELI Capital are Justin Anthony Caporale, Trevor John Rickard, David Laurence Caporale and Geoffrey Desmond Dean.

The issue of this disclosure document has been approved by the directors whose names appear above.

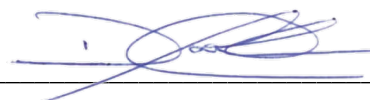
34) Fees and Other Costs

Despite no fees being charged to you the investor, RELI Capital is obliged to disclose its fees in the attached format overleaf.

Signed



Justin Anthony Caporale
Chief Lending Officer



David Laurence Caporale
Chief Investment Officer

RELI Capital Mortgage Fund

Generic Form Product Disclosure Statement 1 July 2024

RELI Capital Ltd
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35) FEES AND OTHER COSTS

The tables, example and warning set out below are mandatory prescribed templates provided by the Corporations Act which RELI Capital is obliged to include in the PDS.

They are intended to show the fees and costs that may be deducted from your money, from the investment or from the Fund assets as a whole.

As all costs, expenses and fees in the Fund are generally paid by the borrower, to that extent they may not be directly relevant to your investment.

CONSUMER ADVISORY WARNING

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** MoneySmart website (moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How And When Paid
Ongoing Annual Fees and Costs		
Management Fees and Costs The fees and costs for managing your investment.	2.01% (Indirect Costs)	Management fees and costs are paid by the borrower – see Additional Explanation of Fees and Costs overleaf.
Performance Fees Amounts deducted from your investment in relation to the performance of the product.	Nil	Not Applicable
Transaction Costs The costs associated by the Fund when buying or selling assets.	Nil	Not Applicable
Member Activity Related Fees and Costs (Fees for Services or When Your Money Moves In Or Out Of The Fund)		
Establishment Fee The fee to open your investment.	Nil	Not Applicable
Contribution Fee The fee on each amount contributed to your investment.	Nil	Not Applicable
Buy-Sell Spread An amount deducted from your investment representing costs incurred in transactions by the Fund.	Nil	Not Applicable
Withdrawal Fee The fee on each amount you take out of your investment.	Nil	Not Applicable
Exit Fee The fee to close your investment.	Nil	Not Applicable
Switching Fee The fee for changing investment options.	Nil	Not Applicable

Example of Annual Fees and Costs for Managed Investment Products

This table gives an example of how the fees and costs for this product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

See overleaf for Additional Explanation of Fees and Costs.

Example – First Mortgage Investment		Balance Of \$50,000 With a Contribution Of \$5,000 During Year
Contribution Fees	Nil	For every \$50,000 you put in, you will be charged \$0.00
Plus Management fees and costs. (represented by the Indirect Cost Ratio)	2.01% (Paid by the Borrower)	And for every \$50,000 you have in the Fund the borrower will be charged \$1,005.00 each year
Plus Performance fees	Nil	And , you will be charged \$0.00 in performance fees each year
Plus Transaction costs	Nil	And , you will be charged \$0.00 in transaction costs
Equals Cost of the First Mortgage Investment		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged no fees but the borrower will pay a margin of between: \$1,005.00 and \$1,105.50

35) ADDITIONAL EXPLANATION OF FEES AND COSTS

35.1) Management Costs

There are no upfront, entry, ongoing or exit fees payable by investors.

All management and administrative fees of the Fund are paid by the borrower by way of fees and/or a margin payable over and above the interest rate paid to the investor. None of the management fees are payable by you the investor.

The size of the interest rate margin will vary depending on factors such as the nature of the secured property, the type of loan, the monitoring required to oversee the loan, and the loan to value ratio. RELI Capital may pay trailing commissions, procurement fees and referral fees to third parties and service providers. There are no additional fees, costs, expenses, charges payable by you the investor for the Fund's administration and/or investment costs.

On no account shall any of these fees be deducted from your investment capital and are paid directly by the borrower out of the loan advance and/or out of the interest margin payable to RELI Capital. You will be paid without deduction the interest rate set out in your Certificate of Investment provided the borrower is not in default under the loan.

35.2) Indirect Costs Ratio (ICR)

The ICR is the ratio of the Fund's management costs that are not deducted directly from investor funds to the Fund's total average net assets. In effect the Fund's management costs are the difference between the interest paid by borrowers and the interest paid to investors.

The anticipated ICR for the year commencing the 1 July 2024 based on the management costs and the Fund's total assets as at the 30 June 2024 is **2.01%**.

The ICR is subject to change from time to time and investors will be notified annually in writing of the new anticipated ICR at the beginning of each financial year (see section 26). It will also be published on RELI Capital's website in the Fund Profile. Any changes to the ICR are not materially adverse to your investment.

35.3) Borrower Default Fees

In the event of a borrower defaulting in payment of principal and/or interest or any other obligations under the loan, RELI Capital, its related parties and/or service providers may charge the borrower default management fees, default discharge fees, legal fees and disbursements and all internal administrative and management fees ("**the Default Fees**") consequent upon the default to cover the expenses and

administrative costs of enforcement and if required realisation of the secured property. The Default Fees will be retained by RELI Capital, its related parties and/or its service providers and will be a first charge on any monies recovered by RELI Capital from the borrower in exercising its rights under the mortgage.

35.4) Borrower's Funds

Specific risk management requirements imposed on borrowers pursuant to the terms of the mortgage may give rise to timing differences in payment of monies due by borrowers and disbursement of interest to investors. In accordance with their Certificate of Investment, funds are held by RELI Capital in interest bearing accounts or permitted investments pending payment to investors or return to borrowers. The interest earned on these funds is an entitlement of RELI Capital and RELI Capital are not obliged to account to the investors or the borrowers for any interest earned on those funds.

35.5) Authorised Representatives and Referral Parties

Payments may be made to authorised representatives and other referring parties by way of referral fees representing up to 1% of the loan amount and trail commissions of up to 2% p.a. These fees are payable by RELI Capital out of its management fees and/or the loan advance and are not deducted from your investment capital or interest payable to you.

35.6) Service Providers

RELI Capital engages service providers such as valuers, auditors, quantity surveyors, related party and independent lawyers, financial service and custodial managers who are paid monies on arms-length reasonable terms pursuant to outsourcing agreements with RELI Capital.

RELI Capital and/or its service providers may charge fees to the borrower for the establishment of the loan, documentation fees, legal fees, inspection fees, default rates of interest, discharge fees, extension fees, facility holding fees, consent fees, disbursements for valuations and consultant's reports, administration costs, and management fees payable as a margin over and above the interest rate payable to investors. These fees are payable by the borrower and again, on no account are any of these fees payable out of your investment capital.

The Responsible Managers and Managing Directors are shareholders of the related party outsourced financial services and custodial manager, JDC Services Pty Ltd, which is paid certain fees set out in the preceding paragraph pursuant to a financial management agreement.